

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held on Friday, 22 January 2010, at 2.00 pm
at Headquarters, Shrewsbury**

Present

Members

Councillors Mrs Barrow, Hartin, Minnery (Chair), Roberts (Vice-Chair) and West

Officers

Chief Fire Officer, Corporate Services Manager, Head of Performance and Risk, Head of Resources, Principal Accountant, Programme Manager and Treasurer

1 Apologies for Absence

Apologies for absence had been received from Councillors Picken and Dr Winchester.

2 Declarations of Interest

The Chair reminded Members that they should declare any personal and/or prejudicial interests at this point and that they should leave the meeting room before any item, in which they have a prejudicial interest, was discussed.

There were no declarations of interest.

3 Minutes

Members received the minutes of the Strategy and Resources Committee meeting, held on 12 November 2009.

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

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 12 November 2009, be agreed and signed by the Chair as a correct record

4 Public Questions

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

5 Financial Performance to November 2009

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

It was noted that, in the table on page 6 of the report, the following line 'Contribution to *Unearmarked* Capital Reserve (120)' should have read: 'Contribution to *Earmarked* Capital Reserve (120)'.

The Principal Accountant brought Members' attention to the table on page 2 of her report, pointing out that a complete review of the Retained Duty Service was to be conducted during 2010/11. Referring then to the equipment required for the temporary workshops, she advised that it would be possible for this to be transferred and used in the refurbished workshops.

Following a question from Councillor Hartin about Vulnerable Persons Advocates a discussion took place about the capacity of the Retained Duty Service to undertake prevention work. Members recognised that it was necessary to keep a balance between efficient working and ensuring that vulnerable people were not missed. They also agreed that partnership working was an important contributor to identifying vulnerable people.

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

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

- 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;
- d) Approve the capital scheme for workshops equipment;
- e) Approve the creation of a Revenue Reserve for the Headquarters Project;
- f) Note performance against prudential indicators;
- g) Note performance in Treasury Management to date in 2009/10;
- h) Note the information provided on balance sheet items; and
- i) Approve the write off of a problematic debt owed to the Fire Authority

6 Budget Consultation Exercise 2010: Presentation and Key Findings

The Chief Fire Officer gave a summary of the presentation, which he had given to members of the public during the budget consultation exercise. Within his presentation he incorporated the views and opinions of members of the public and business community, who had recently participated in that exercise. A copy of his presentation slides is attached to the signed minutes.

The Chair thanked the Chief Fire Officer for an excellent presentation.

Resolved that the Committee note the presentation and report

7 Capital Programmes 2010/11 to 2014/15 and Prudential Guidelines

This report presented the capital programmes for 2010/11 to 2014/15, for consideration by the Committee in the context of Prudential Guidelines.

Members noted that certain information in the Appendix to the report was incorrect, namely the reference to fire kit replacement. An amended Appendix was, therefore, tabled, a copy of which is attached to the signed minutes.

The Principal Accountant advised that the report demonstrated that the Fire Authority's plans were affordable, sustainable and prudent. Furthermore, its Investment Strategy was in line with the Authority's priorities of security and liquidity.

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

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

- a) Consider the 2010/11 onward programmes, as set out in the Appendix to the report, as part of its final precept deliberations;
- b) Approve the Prudential Indicators and the Treasury Strategy for 2010/11; and
- c) Approve the Minimum Revenue Provision 2010/11.

Councillor Hartin left the meeting at this point (2.35 pm).

8 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 Treasurer advised that Members should have this report in mind when approving the final budget package. He then brought their attention to the issue of retained firefighter pension costs (at page 3 of the report). Officers had recently undertaken an analysis of all retained firefighters, who had worked for the Service between 2001 and 2006 and who had opted to participate in the pension scheme in 2006. This exercise had shown that, if they were all to opt to buy into the scheme for the years they had earned, the cost to the Fire Authority would be £400k, as opposed to the £355k, which had been placed in the Pensions Reserve.

Councillor Hartin returned to the meeting at this point (2.45 pm).

Highlighting the letter of 9 December 2009 from the Department for Communities and Local Government (at Appendix B to his report), the Treasurer warned Members of the risk of capping.

Appendix C1 to his report showed that, if set at 3.9%, this Fire Authority's percentage increase in Band D Council Tax would be one of the highest, with only one higher at 4%. Furthermore, its proposed net budget increase of 4.3% would be the highest of all. This, therefore, placed the Authority at a greater risk of capping than other Fire Authorities.

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

Resolved that the Committee recommend to the Fire Authority:

- a) The reserves and provisions, as set out in the Appendix to the report;
- b) The Treasurer's assurances covering the robustness of the 2010/11 budget and adequacy of the reserves and provisions; and
- c) That it note the material uncertainties from 2011/12 onwards

9 Revisions to the Budget and Final Budget Plan

This report developed a final revenue budget package for consideration by the Fire Authority, taking into account latest information.

The Treasurer again referred to the December letter from the Department for Communities and Local Government, which stated that the Government expected Band D Council Tax increases to drop from an average of 3% to 2.1%. By not contributing anything to reserve the Fire Authority could further reduce the increase proposed. This would, however, have the effect of doubling the deficit for future years, shown in the table at section 6 of his report.

It was noted that by reducing the proposed Band D Council Tax increase from 3.9% to 2.9% the Authority would lose £130k. Monitoring of the current year's budget showed, however, that there was likely to be an underspend of £100k, which meant that this amount in the base budget was not required.

Members agreed that a 3.9% increase, when discussed three years before, had been realistic, but this was no longer the case. The financial climate had changed dramatically since then and there were now far greater pressures on local government to reduce its spending. All were concerned about the danger of being capped and the damage, which this would do to the Fire Authority. The Committee, therefore, felt that a 2.9% increase should be recommended to the Authority.

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

Resolved that the Committee recommend to the Fire Authority a revenue budget of £21,367,000 for 2010/11, which together with a transfer to reserves gives a budget requirement of £21,606,000

10 Capital Update on Activity and Finance

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

Referring to the overspend shown on the Appliance Replacement Scheme, the Programme Manager advised that officers intended to carry out further profiling work on this Scheme to ascertain the accuracy of this figure.

Resolved that the Committee note the progress so far on current schemes

11 New Dimension Asset Transfer

Although the agenda for the meeting had stated that this item would be a verbal report of the Chief Fire Officer, he had subsequently produced a written report, which had previously been circulated to Members. The report summarised the Authority's current position over the transfer of New Dimension Assets from the Department for Communities and Local Government to local Fire and Rescue Services, including assets to this Authority.

It was noted that the following legal comment had been provided by the Fire Authority's Solicitor, which, she had advised, should be taken into consideration by Members, when making their decision on this issue:

'Local and national legal opinion is that the contract places a number of risks on Fire and Rescue Authorities. With the information given by the Department of Communities and Local Government there may be a risk to Authorities, who sign up to the current contract.'

The Chief Fire Officer reported that the issue had been discussed that morning at a meeting of the Fire Lawyers' Network. Although funding was not guaranteed, the consensus was that the benefits outweighed the risks. Fire Authorities would, therefore, sign up to the Transfer Agreement, although many intended to delay doing so until March. Under the circumstances he suggested that recommendation b) in his report be amended to read:

'To send the letter at Appendix 3 to the report and await the response from the Department for Communities and Local Government, before taking any further steps'.

A decision could then be made at the next meeting of the Committee on 4 March, by which time it was possible that the Department would have sent a response. Members agreed that this was the best way forward.

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

Resolved that the Committee agree, under the authority delegated to it, that the Fire Authority send the letter, attached at Appendix 3 to the report, and await the response, before taking any further steps

12 Brigade Managers' Employment Panel

At its meeting on 23 November 2009 the Brigade Managers' Employment Panel (the Panel) had considered the January 2009 pay award for Brigade Managers. They had agreed that there was a possible disparity between the pay of Shropshire and Wrekin Brigade Managers and that of Managers in other Brigades but they did not have sufficient detail to make an informed decision on the matter. They had, therefore, recommended that the Strategy and Resources Committee look at whether resources could be identified to fund research into that possible disparity. The Committee was now asked to consider and decide upon this recommendation.

The Chair, as a member of the Panel, gave the background to the situation and emphasised the need finally to resolve the matter. It was recognised that, in the current financial situation, any large increases in pay could not be justified but Members agreed that it was necessary for additional research to be carried out to enable the Panel to establish a baseline.

After some discussion regarding consultancy Members agreed in principle that an amount of money should be earmarked for this research and the Treasurer was asked to bring some costings for such work to the next meeting of the Committee.

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

Resolved that the Committee agree in principle that funding be found for a consultant to carry out research into the possible disparity in Brigade Managers' pay

13 Carbon Reduction Strategy

This report set out the actions, which Shropshire Fire and Rescue Service was taking to monitor and reduce energy usage and carbon emissions.

Resolved that the Committee note the actions being taken to monitor and reduce energy usage and carbon emissions

13a Shrewsbury Headquarters Programme Overview

In accordance with a request from the Chair at the last meeting of the Committee, the Head of Performance and Risk, Head of Resources and Programme Manager gave a presentation on the Headquarters refurbishment programme. A copy of the presentation slides is attached to the signed minutes.

The Chair thanked officers for a comprehensive and informative presentation.

Resolved that the presentation be noted

14 Corporate Risk Management Summary

This was the latest of the regular Risk Summary Reports to the Strategy and Resources Committee. As previously, these reports were 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 in September 2009.

Resolved that the Committee note the contents of the report

15 Local Government Act 1972

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

Resolved that, under the Local Government Act 1972, the public be excluded 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 12A to the Act, by virtue of paragraphs 3 and 4

16 Corporate Risk Management Summary – Exempt Information

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

Resolved that the Committee note the contents of the report

The meeting closed at 4.05 pm.

Chair.....

Date.....