

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
held at Headquarters, Shrewsbury,  
on Thursday, 22 January 2009 at 2.00 pm**

**Present**

Councillors Box, Eade (Chair), Hartin, Holyoak (Vice-Chair), Minnery and West

**1 Apologies for Absence**

Apologies for absence had been received from Councillor Picken.

**2 Declarations of Interest**

There were no declarations of interest.

**3 Minutes**

Members received the minutes of the Strategy and Resources Committee meeting, held on 13 November 2008.

Councillor Box commented that the second paragraph on page 3 of the minutes should include the word 'increases' so that it reads '... the Authority should not differentiate between firefighters and support staff in terms of pay *increases*'. The Management Support Officer undertook to rectify this before the minutes were signed by the Chair.

**Resolved** that the minutes of the Strategy and Resources Committee meeting, held on 13 November 2008, be agreed and signed by the Chair as a correct record, subject to the amendments detailed above.

**4 Public Questions**

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

The Committee agreed that the order of the agenda be varied, at this point, to allow agenda item 6 to be considered before agenda item 5.

**6 Capital Update on Activity and Finance**

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

The Chair referred to page 4 of the report and asked for clarification of the cost of hiring a consultant to progress the Telford Lecture Room scheme. The Head of Resources (HoR) explained that the cost is likely to be minor. Shropshire County Council used to provide this service at no cost but is unable to do so at the moment therefore an outside consultant will need to be used. Councillor Box asked the (HoR) to confirm that it was an architect that was required rather than a consultant. The HoR confirmed that this was correct.

The Chair then asked which budget the Road Traffic Collision Ford Ranger Equipment had been purchased from. The Principal Accountant explained that the Equipment Replacement Provision had been used to purchase this equipment.

**Resolved** that the Committee

- a) note the progress on Capital Schemes (attached in the appendix); and
- b) consider any virements or additional resources (detailed in Paper 5 – Financial Performance to November 2008) for recommendation to the Fire Authority in February 2009.

## **5 Financial Performance to November 2008**

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

The Principal Accountant referred to page 2 of the report and explained that £25,000 had since been identified and would be added to the Repairs and Maintenance figure therefore reducing the £30,000 required.

The Chair referred to the vacant posts detailed on page 2 of the report and asked if the intention was to fill these roles. The Principal Accountant explained that the Fire Crimes Officer role had been advertised and that the Outreach Officer post is being reviewed. Councillor Box asked if work had been undertaken with regard to employing a police officer into this role. The Deputy Chief Fire Officer (DCFO) explained that West Mercia Police had been approached with regard to seconding one of their officers into the role but this had not proved possible. Interviews are due to be carried out for a part time post, the applicants for which are all retired police officers.

The Chair asked if contributions to the Pensions Fund only had to be made in relation to ill-health retirements. The Principal Accountant explained that this was correct with payments being made into the Pensions Fund over a 3 year period to cover the commutations associated with ill-health retirements.

The Treasurer explained that £398,000 of contingencies have been set aside over the year. When setting the budget, the Treasurer anticipated that half of these contingencies would be available and therefore included a cautious estimate of £200,000. The Chair asked what the value of this was in relation to Council Tax. The Treasurer estimated that this could reduce Council Tax by 3%. Councillor Box pointed out that whilst this may be the case this would not be available every year.

**Resolved** that the Committee

- 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 virement and changes to the capital programme;
- e) note performance against prudential indicators; and
- f) note the information provided on balance sheet items.

## **7 Fire Authority Improvement Priorities 2009/10**

This report provided members with the opportunity to comment on the Draft 2009/10 Improvement Priorities.

Councillor Box asked how much further detail would be available by drilling down. The Programme Manager explained that the detail would be reported to the Audit and Performance Management Committee but no further detail would be included on the Corporate Plan. Further detail would however be included in Directorate Plans.

**Resolved** that the Committee

- a) note the contents of the report; and
- b) provide comments as appropriate.

## **8 Budget Strategy 2009/10 to 2012/13 Consultation Presentation and Feedback from Public Scrutiny Panels**

The Chief Fire Officer (CFO) gave a presentation on the Budget Strategy 2009/10 to 2012/13 Consultation which incorporated feedback on the budget strategy from the Fire Authority's Public Scrutiny Panels that had been collated by Opinion Research Services (ORS). The presentation slides were tabled to the meeting and a copy attached to the signed minutes.

A full report on the budget consultation feedback will be taken to the Fire Authority meeting in February 2009.

Councillor West commented that he had been at both consultation sessions and that they had both gone very well although with Ludlow being slightly more challenging than Shrewsbury.

**Resolved** that the Committee note the contents of the presentation.

## **9 Adequacy of Provisions and Reserves and Robustness of Budget**

This report:-

- i Undertook the full analysis of Reserves and Provisions as agreed by the Fire Authority in December 2008;
- ii Examined reserves to see if funds could be transferred to the capital reserve;
- iii Provided an assurance on the adequacy of reserves and provisions; and
- iv Gave an assurance on the robustness of the budget.

Councillor West felt that it would be prudent to maintain the extreme weather reserve as it may be needed in the future. The Chair suggested that £100,000 could be transferred out for use in other areas. The Treasurer felt that this could be a future option.

**Resolved** that the Committee recommend to the Fire Authority

- i the reserves and provisions as set out in the appendix;
- ii the Treasurer's assurances covering the robustness of the 2009/10 budget and adequacy of the reserves and provisions; and
- iii note the material uncertainties from 2011.12 onwards.

## **10 Shrewsbury Refurbishment**

This report updated the Strategy and Resources Committee on progress with proposals to refurbish the St Michael's Street site at Shrewsbury and sought guidance on the Committee's preferred option for further development.

A document containing costings for each of the options outlined in the report was tabled to the meeting and a copy is attached to the signed minutes. The HoR explained that option 1a which involved adding an extra floor to the existing fire station building was not a viable option due to the existing structure of the building and therefore costings had not been provided for it.

Councillor Box asked for clarification of how headquarters would fit into the extension proposed for Shrewsbury Fire Station in option 1b. He also asked what would not now go ahead at Telford Central. The HoR explained that it was proposed to build an extension of one-third to one-half of the size of the existing building. This would enable the fire station to be accommodated on the ground floor of the building with the headquarters function utilising the first and second floors of the building. The HoR stated that the space would be properly planned to ensure that people were not 'squeezed' into the building. With regard to Telford, the HoR confirmed that this work would be done from a separate budget and would look at providing training / meeting space as well as improving fire station accommodation.

The HoR explained that potentially there were efficiencies to be achieved by combining the Shrewsbury and Telford schemes e.g. through appointing a single contractor but the Telford Scheme does need to be considered on its own merits.

Councillor Box asked if work on proposals for Telford had been undertaken previously. The HoR confirmed that it had been considered as part of the Tweedale scheme but it was clear that the work does need to be considered separately rather than as an addition to another project.

Councillor Hartin commented that the figures appear similar for both option 1b combined with the Telford work and option 3 which involves relocating Headquarters to Telford. Councillor Hartin could see that option 3 provided possibilities but felt that there could be major issues with the relocation of headquarters staff and an increase in staff travel claims, therefore option 1b seems to be a more practical solution. Councillor Box agreed with this opinion for the reason that there as there was different work to be done at Telford with this option there may be more cost savings.

The Chair asked if the fact that Telford is predicted to be a major growth point for the West Midlands had been considered in these plans. The CFO confirmed that the potential increase in both housing and businesses had been addressed in last year's Integrated Risk Management Planning. The DCFO explained that development plans are continually monitored to ensure that response standards are maintained. The CFO further clarified that it is distance which has the major effect on responding.

Councillor Hartin proposed that option 1b be recommended to the Fire Authority as the preferred option together with approval for officers to prepare a full business case for works at Telford. This was seconded by Councillor Minnery.

**Resolved** that the Committee

- a) note the provisions of the report; and
- b) agree option 1b as the preferred option for further development and approve officers to prepare a full business case for works at Telford.

## **11 Capital Programmes 2009/10 to 2013/14 and Prudential Guidelines**

This report presented the capital programmes for 2009/10 to 2013/14, for consideration by the Committee in the context of Prudential Guidelines.

The Principal Accountant informed the meeting that the decision made at agenda item 10 with regard to the Shrewsbury Project had no effect on the Prudential Guidelines.

The Principal Accountant also informed the meeting that it was possible that, rather than borrowing money, internal funds may be used to finance capital projects.

**Resolved** that the Committee agree to forward the 2009/10 onward programmes, as set out in the appendix, for consideration by the Fire Authority as part of its final precept deliberations.

## **12 Revisions to the Budget and Final Budget Plan**

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

The Treasurer informed the Committee that the Collection Fund figure had changed to £63,000 from £50,000 which, if confirmed, means a further £13,000 will be added to the Capital Reserve if no other changes are made.

The Treasurer informed the Committee that the option chosen for the Shrewsbury project can be managed with £1.5 million of borrowing which means that this causes no variation to the budget proposed in the report.

The Treasurer also informed the meeting that the estimated £281,000 of surplus income over expenditure which was reported in December 2008 has reduced to £192,000, which will go into the Capital Reserve. There are also increases in the predicted deficits for 2010/11 to 2013/14. This issue was raised at the December 2008 Fire Authority meeting, where the consensus seemed to be that the Authority was equipped to cope with this.

The Chair asked if there was any leeway with regard to pay awards. The Treasurer explained that the provision for 2009/10 and 2010/11 was at the pessimistic level but the General Reserve had been reduced. After this an average of the optimistic and pessimistic scenarios had been used.

**Resolved** that the Committee agree to propose to the Fire Authority a revenue budget of £20,751,000 for 2009/10, which together with a net transfer to reserves gives a budget requirement of £20,832,000.

## **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 relates to that achieved since the last Annual Summary Report, received by the Fire Authority at its meeting in November 2008.

The Programme Manager informed the meeting that new Risk 74 concerning the economic uncertainties is currently being assessed and further details will be brought back to the Strategy and Resources Committee in due course.

Councillor Box asked if there were likely to any risks highlighted from the report into the Warwickshire fire. The CFO answered that it was very difficult to predict what would come out of this report but it is likely that some of the work undertaken in the IRMP will pre-empt some of the report recommendations.

**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 items 15 and 16 on the grounds that they 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 4.

#### **15 Corporate Risk Management Summary – Exempted Information**

The Committee had received an open session report, at Agenda Item 13, 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

**Resolved** that Members note the contents of this report, in conjunction with the Corporate Risk Management Summary report discussed in open session.

The meeting closed at 3.30 pm.

**Chair**.....

**Date**.....

# 5

Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
22 January 2009

## Financial Performance to November 2008

### Report of the Chief Fire Officer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202, or Joanne Coadey, Principal Accountant, on 01743 260215.

#### 1 Purpose of Report

This report provides information on the financial performance of the service to date, and seeks approval for action, where necessary.

#### 2 Recommendations

The Committee is asked to 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;
- d) Approve virement and changes to the capital programme;
- e) Note performance against prudential indicators; and
- f) Note the information provided on balance sheet items

#### 3 Background

This report continues the review of financial performance to date for 2008/09, and encompasses the monitoring of revenue budgets and capital schemes, the review of prudential indicators, and the monitoring of other balances held within the Authority's accounts.



## 4 Revenue Budget

Exceptional variances in the revenue budget to the end of November are detailed in the table below.

	<b>(Over) / Underspend £'000</b>
<b>Pensions</b> – there will be no ill health retirements occurring in this financial year, therefore lump sums for the 3 budgeted retirements will be saved.	100
<b>Service Delivery</b>	
<b>District</b>	
Projections of spend on <b>watches</b> have been updated, resulting in further savings	30
<b>Prevention</b>	
<b>Fire Crimes Officer/Outreach Officer</b> – savings have accrued due to posts being vacant	20
<b>Station Manager CFS</b> – this post is currently being covered by non uniform staff	30
<b>Resources</b>	
<b>Repairs and Maintenance</b> – this budget is now overspent with 5 months remaining. With further expenditure on portacabins and reactive maintenance, a total overspent of £30,000 is likely.	(30)
<b>Total</b>	<b>150</b>

It is proposed that variances will be transferred to individual contingencies. The current position on these contingencies is shown at appendix A.

### Vacancies Management

A total of £100,000 was taken out of the budget for 2008/09 and future years, which reflected the savings that could be made from vacant posts throughout the year. The table below shows how the total has been allocated to business areas, and confirms that the savings have been found in full. These savings do not form part of the variances above as the budget has already been reduced by the total amount.

	Identified to date £'000	Target savings £'000
Executive	4	4
Service Delivery	81	81
Strategy & Performance	5	5
Human Resources & Development	7	7
Resources	3	3
Total	100	100

## 5 Capital Programme

Appendix B to the report provides an overview of the capital schemes within the Brigade, and the expenditure on each scheme to the end of December. Progress on each of the schemes has been reported earlier on the agenda, and changes to the programme are formally requested below:

- **Telford Station Improvements** – proposed changes to the site have been taken into account within the St Michaels Street project, therefore it is recommended that this scheme is cancelled.

The scheme's value is £60,000, with full year debt charges of £5,000. If approved, the revenue consequences will be reflected in the revenue budget for the Shrewsbury Project.

- **Accommodation for Pumping Unit** – further costs are anticipated on this scheme. It is proposed that underspends from the scheme to build garaging facilities at Oswestry (£18k) are transferred to cover these costs.
- **RTC Equipment** – this equipment has been purchased from revenue reserves, therefore this scheme should be cancelled.

## 6 Reserves and Provisions

The balances held on reserves and provisions are shown below. Each balance has been reviewed as part of the budget setting process for 2009/10.

- **General Reserve (£988,000)**  
Represents financial risks that are faced by the Authority, based on a probability of occurrence. No demands have been identified to date, however the estimated costs associated with the Retained Firefighters Part Time Working Directive outcome are included within the reserve.

- **Efficiency Reserve (£109,000)**  
To be used on initiatives with a one off cost that will result in efficiencies. Cost of property advisor is currently committed from this reserve.
- **Retained Reserve (£99,000)**  
Investment in the retained reserve was slipped from 2007/08 into this year – this reserve will smooth out fluctuations in precept.  
  
A balance of £98,000 has been transferred to the revenue budget, to fund this year's growth in the retained duty system.
- **Pension Liabilities Reserve (£461,000)**  
This reserve provides for the possibility of exceptional numbers of retirements.
- **Equipment Replacement Provision (£92,000)**  
Operational equipment programmes are funded via this provision, with an annual contribution to replace expenditure – this should relieve pressure on the revenue budget
- **Extreme Weather Reserve (£295,000)**  
This reserve will cover excess levels of retained activity due to extreme weather.
- **Capital Reserve (£1,236,000)**  
This reserve allows for the funding of small capital schemes, avoiding long term borrowing. Payments from the reserve are replaced with annual contributions. Actual spending will be linked to the delivery of the capital programme. This reserve will be maximised through the transfer of underspends on the revenue budget during the year.  
  
A balance of £157,000 has been transferred to the revenue account in July – this is to fund one off growth items in the 2008/09 budget and should have remained in the General Fund at year end. In addition, a budgeted contribution of £231,000 has been made to the capital reserve.

The reserve currently contains £427,000 for funding capital schemes, and £809,000 which is earmarked for the St Michaels Street project.

## 7 Prudential Indicators

In line with the Chartered Institute for Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance, the Treasurer is required to establish procedures to monitor performance against all forward looking prudential indicators and, in particular, that net external borrowing does not (except in the short term) exceed the requirement to borrow for capital purposes.

The Fire Authority has established that it will receive quarterly monitoring reports during the year; the position to the end of December is shown below.

- **Authorised Limit for External Debt (£9,217,000)**

The Authorised Limit represents the amount required to fund the Authority's capital financing, plus a provision for temporary borrowing, should the receipt of revenue money be delayed, although this should happen very rarely.

The Limit currently stands at £5.681m, i.e. well within the indicator. No temporary borrowing has been necessary.

- **Operational Boundary for Borrowing (£6,356,000)**

The Boundary represents the capital investment entered into by the Authority, including any loans to be taken during the year. Unlike the Authorised Limit, this may be exceeded, although this would trigger an investigation.

At £5.810m, the Boundary is well within the set indicator; in October, the Fire Authority borrowed £200,000 towards its 2008/09 capital programme.

- **Capital Financing Requirement (£6,217,000)**

This is the amount required by the Authority to fund its capital investment, and the actual balance for the year will increase as funds are borrowed for the 2008/09 capital programme.

As the Authority still has a number of schemes to pay for within its capital programme, the Capital Financing Requirement, at £5.681m, is well within its indicator.

- **Net Borrowing**

Currently, investments of £6.3m exceed the Fire Authority's outstanding borrowing of £5.810m.

## **8 Balance Sheet Items**

### **Cash and Investments**

Cash flows into and out of the Authority's bank accounts are recorded by Finance officers, and are monitored by Finance, and by Treasury Services to assist the investments process.

Cash flow monitoring carried out in December projected a balance available for investment of £6.6m; the actual balance was £6.4m. Projections assumed a VAT receipt in December which will not be received until early 2009.

## Debtors

In terms of amounts owed to the Authority, a balance of just £12,000 remains outstanding. Of this total, £3,300 remains unpaid after 90 days; these accounts are problematic and have already been referred to Legal Services.

## 9 Legal Comment

There are no direct legal implications arising from this report.

## 10 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

## 11 Appendices

**Appendix A** Contingencies 2008/09

**Appendix B** Capital Programme 2008/09

## 12 Background Papers

There are no background papers associated with this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings	*	Retained	*
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*

**Contingencies 2008/09**

	Executive £	HR & Development £	Service Delivery £	Strategy & Performance £	Resources £	Total £
<b>CFA 16 July</b>						
Leasing	80,000					
Audit Fees	10,000					
E&D Assistant savings		5,000				
Special Projects (EMcK)		-15,000				
Control salary deficit			-20,000			
Retaining Fees			20,000			
Turnouts			30,000			
Additional Hours			30,000			
Community Fire Safety			-80,000			
Fire Investigation Equipment			-3,000			
Hospitality	-3,000					
<b>Policy Group 24 September</b>						
Management Support salaries	-6,000					
Projectors at retained stations				-7,000		
Phones at retained stations				-10,000		
GD Staff overspend					-3,000	
<b>S&amp;R 18 September</b>						
E&D Assistant savings		8,000				
RMB savings				10,000		
Projections on watches			95,000			
less half to go forward to 0910			-45,000			
Drills			30,000			
Turnouts			30,000			
Community Fire Safety			-60,000			
<b>Sub total</b>	<b>81,000</b>	<b>-2,000</b>	<b>27,000</b>	<b>-7,000</b>	<b>-3,000</b>	<b>96,000</b>
<b>Approved CFA 17 December</b>						
Leasing renegotiation fees	-12,000					
Overtime			35,000			
Public Holiday overtime			20,000			
Turnouts			30,000			
Additional Hours			30,000			
Drills			20,000			
National Insurance			17,000			
Retained Holiday Pay			20,000			
Contract Car charges					-8,000	
<b>Sub total</b>	<b>69,000</b>	<b>-2,000</b>	<b>199,000</b>	<b>-7,000</b>	<b>-11,000</b>	<b>248,000</b>
<b>To be reported to S&amp;R 22 January</b>						
Projections on watches			20,000			
Transferees			10,000			
Pension III Health contribution	100,000					
Fire Crimes Officer vacancy			10,000			
Station Manager CFS			30,000			
Prevention salaries bfwd			10,000			
Repairs and Maintenance costs					-30,000	
<b>Total</b>	<b>169,000</b>	<b>-2,000</b>	<b>279,000</b>	<b>-7,000</b>	<b>-41,000</b>	<b>398,000</b>

**Appendix B** to report on  
Financial Performance to November 2008  
Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
22 January 2009

Shropshire and Wrekin Fire Authority  
Capital Programme 2008/09

Schemes	Balance bfwd	Spend to 31/03/09	Balance	Total Budget 2008/09	Amended Total Budget	Spend to 31/03/09	Committed	Balance	Progress to date
	£	£	£	£	£	£	£	£	
<b><u>Schemes started 2007/08 and prior</u></b>									
<i>Land and Buildings</i>									
Accommodation for Pumping Unit	74,998	74,998	0					0	Budget now spent
Building Improvements	18,202	18,202	0					0	Budget now spent
Garaging Ford Ranger	20,000	2,171	17,829				17,829		No further spend against this scheme
Telford Station Improvements	60,000		60,000				60,000		
Lecture Room Improvements	40,000		40,000				40,000		
Fire Alarm Installations	30,000		30,000				30,000		Spend of around £4k likely on this scheme
Training Improvements	92,000	6,755	85,245				85,245		
Shrewsbury Improvements		3,241	-3,241					-3,241	Spend on Sbury - balance of budget moved to 'contingency'
<i>Vehicles and Equipment</i>									
E Technology	0	2,940	-2,940					-2,940	
Appliances	446,112	423,312	22,800					22,800	
RTC Equipment for Ranger	26,633		26,633					26,633	RTC Equipment likely to be purchased from Equipment Replacement Reserve - this scheme might be used for compressor - around 17k (5k running cost)
Digitisation of Files	1,000		1,000					1,000	
Boat	21,189	1,080	20,109					20,109	Purchase of trailer
Asset Tracking System	38,677	41,869	-3,192					-3,192	
Fireground Radios	19,452	18,909	543					543	
Management Information System	6,724		6,724					6,724	
<b><u>Schemes started 2008/09</u></b>									
<i>Land and Buildings</i>									
Building Improvements				65,000		65,000		0	Further spend on Craven Arms
Training Facilities				30,000				30,000	
<i>Vehicles and Equipment</i>									
Appliance Replacement				740,000		114,751		625,249	
Small Fires Unit				20,000				20,000	
RDS Availability System				25,000				25,000	
Temperature Monitoring System - Training				15,000		10,952		4,048	
*Unallocated borrowing approval				85,000				85,000	Balance of previously cancelled schemes, and £80k balance of small fires unit
<b>Total</b>	<b>894,987</b>	<b>593,477</b>	<b>301,510</b>	<b>980,000</b>	<b>0</b>	<b>190,703</b>	<b>0</b>	<b>789,297</b>	

784,180.00