

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held on Thursday, 12 November 2009 at 2.00 pm
at Headquarters, Shrewsbury**

Present

Members

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

Officers

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

1 Apologies for Absence

Apologies for absence had been received from Councillor Roy Picken, whose wife, Councillor Pauline Picken JP, had recently died. Pauline had, herself, been involved with the Fire Authority in its early days. A letter of condolence had been sent to Roy on behalf of the Fire Authority and the thoughts of Members were with him.

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 23 September 2009.

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

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 23 September 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.

4a Order of the Agenda

The Chair advised that it was his intention to vary the order of the agenda, so that item 6, 'Capital Update on Activity and Finance', was considered next. This was because the report impacted upon decisions to be made at items 5 to 5f on the agenda.

For ease of reference the original agenda numbering has been retained in these minutes.

6 Capital Update on Activity and Finance

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

The Programme Manager brought Members' attention to the Appendix to the report and, in particular, to the Document Management and Retained Duty Service Availability System schemes. As these products might be offered as part of the Airwave Refresh, progress on both had halted. A report would be brought to the December meeting of the full Fire Authority on the Airwave Refresh.

Although a scoping project on the Fire Kit Replacement scheme would be completed during the financial year, there would be no spend on the scheme during 2009/10. Members were, therefore, asked to consider whether the scheme should slip into the 2010/11 capital programme or be added to the 2010/11 scheme, in which case the total of £500k would be considered as a new scheme, not as a commitment. This would cause variations in the figures provided in the reports, which followed, but would not have any significant impact on the bottom line. The Committee did not make a decision at this point but considered the matter later at item 5a.

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

5 2010/11 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 Authority in December.

The Chair advised that the decision on the recommendations in this report would be deferred until the Committee had considered and made decisions upon reports 5a to 5f.

The Treasurer brought Members' attention to section 6 of the report, which provided information on 'middle-of-the-road' funding assumptions. These showed that a surplus in 2010/11 would move to breaking even in 2011/12 and then to a deficit in following years. Members agreed that, although the assumptions could not be accurate, they did provide a useful, five-year trend.

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.

The Principal Accountant brought Members' attention to the table on page 2 of the report, which showed the latest changes made to the 2009/10 budget and anticipated changes for future years. The Treasurer pointed out that the figures in this table would be affected by the Committee's decision relating to the 2009/10 Fire Kit Replacement scheme.

Members then had a detailed discussion about that scheme and the advantages of creating a new scheme for 2010/11, totalling £500k. The Firebuy solution, which would tie the Fire Authority into 15-year contract for personal protective equipment, was also discussed. The Chief Fire Officer advised that there were alternative ways of delivering such a scheme, which would ensure maximum protection for firefighters, whilst also offering better value for money.

The Committee agreed that a capital scheme of £500k for fire kit replacement should be created for 2010/11, which would be considered as a new scheme, not as a commitment.

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

Resolved that the Committee recommend that the contents of this report be included in the Fire Authority's future budget plans, subject to the figures being amended to take into account the creation of a new fire kit replacement scheme for 2010/11, totaling £500k

5b Pay and Prices Assumptions

This report set out the possible provision to be made for pay and price inflation in 2010/11 and later years.

In response to a question from Councillor Hartin as to whether an assumption of 2.5% for inflation was too high the Treasurer advised that this was the figure proposed for the next five years. It was potentially too high for the first couple of years and too low for the last couple of years. The Fire Authority might well, therefore, need to refine the assumption year on year. The Chief Fire Officer added that this was a prudent approach into the long term.

It was proposed by Councillor West, seconded by Councillor Dr Winchester and

Resolved that the Committee recommend that the Fire Authority base its future budget plans at present on an across-the-board inflation assumption of 2.5 % per year for each of the next five years, and include a provision for the potential increase in National Insurance rates from April 2011

5c Service Development Proposals

This report presented desirable service developments for 2010/11.

Referring to the Appendix to the report, the Treasurer advised that the grant funding for items 2 and 5, totalling £17k, would not now be available. If Members decided that they wished to continue with these service development proposals, an additional sum of £17k would need to be found each year. The Chief Fire Officer provided further information regarding the two proposals and advised that officers would attempt to find the cost from existing budgets. Members agreed that the two proposals should be retained, because of the clear benefits they provided.

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

Resolved that the Committee recommend that the Fire Authority include £454,000 for planning developments in the 2010/11 budget, and continue with the £200,000 forecast per year for later years

5d Efficiencies 2010/11 and Forward Budgets

This report looked at progress in identifying efficiencies for the period 2010/11 to 2014/15.

The Treasurer pointed out that on page 2, section 4 v of the report 'retained' should read 'retirement'. He advised that for 2010/11 he had taken a cautious approach to ill-health retirement costs but, if the approach were too cautious, the money saved would go into reserves.

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

Resolved that the Committee recommend to the Fire Authority that it include £427,000 for planning the 2010/11 budget, and that it continue with a forecast £150,000 per year for later years

5e Capital Programme 2010/11 to 2014/15

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 project appraisals and a review of financing possibilities.

The Treasurer advised that the decision made at item 5a, relating to the fire kit replacement scheme, would impact upon the figures in this report, which would be amended accordingly before submission to the Fire Authority for approval.

A discussion took place about the Shrewsbury Building Programme and the Chief Fire Officer and Programme Manager provided an update on progress.

The Chair thought that it would be useful for officers to bring a full report on the Programme to the next meeting of the Committee (January 2010). The Programme Manager agreed to include the background to the programme for the benefit of Members, who had joined the Fire Authority recently.

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

Resolved that the Committee propose to the 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

5f Provisions, Reserves and Funds

This report set out the issues, which the Fire Authority would need to consider as part of its annual review of provisions, reserves and funds.

The Treasurer advised that the main point of the report was to reiterate the policy set out at the top of page 2. It was not an easy balance but officers had gone through all of the provisions and reserves to justify them. The largest, for the retained pension issue, was a one-off and was a legitimate reserve.

The Treasurer raised his concern about the grant figures, given at the top of page 5, and, in particular, the £691k for 2010/11, which, in light of the current economic climate, the Government might withdraw.

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

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

- a) Confirm the existing policy and continue the Equipment Replacement Provision;
- b) Review the level of the General Reserve as the current budget position becomes clearer;
- c) Re-price the General, Earmarked Capital, and Pension Liabilities and Other Staff Issues Reserves; and
- d) Confirm the other earmarked reserves at their current levels

5 2010/11 and Later Years Revenue and Capital Budgets

Having considered in detail reports 5a to 5f, Members then returned to the recommendations contained in report 5.

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

Resolved that the Committee approve the revised figures as a basis for budget consideration by the Fire Authority on 16 December 2009, subject to the figures being amended to take into account the creation of a new fire kit replacement scheme for 2010/11, totaling £500k

7 Financial Performance to September 2009

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

The Principal Account brought Members' attention to the Revenue Budget table at the top of page 2, which highlighted further variances, identified since the last Fire Authority meeting.

A discussion took place about vacancy management and whether the target savings could be achieved, particularly in Service Delivery. The Principal Accountant advised that further savings had been identified, which would be reported to the next meeting of the Committee, and she felt that the total target savings of £150k would be found.

The Committee noted that the Fire Authority had complied with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code for Capital Finance in all areas during 2008/09 and the same was so to date for 2009/10.

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

Resolved that the Committee recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve £106,000 virements to the revenue budget, where requested;
- c) Note the position on the capital programme;
- d) Approve the latest position for prudential indicators for 2009/10;
- e) Note the performance against prudential indicators for 2008/09;
- f) Note performance in Treasury Management to date in 2009/10; and
- g) Note the information provided on balance sheet items.

Before the meeting closed the Vice-Chair, Councillor West, thanked the Principal Accountant and Treasurer for their clear and informative reporting, which facilitated the decision-making process. The rest of the Committee added their thanks.

The meeting closed at 3.05 pm.

Chair.....

Date.....