

# **WEST YORKSHIRE FIRE AND RESCUE AUTHORITY**

## **MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 25 JANUARY 2013 AT FIRE SERVICE HEADQUARTERS, BIRKENSHAW**

Present: Councillor B Smith (in the Chair), C Burke, J Dodds, R Grahame, P Harrand, L Holmes, A Hussain, B Selby, A Taylor and G Thornton

Apologies : Councillor P Wardhaugh

### **28 MINUTES OF THE LAST MEETING**

#### **RESOLVED**

That the Minutes of the Committee at a meeting held on 30 November 2012 be signed by the Chair as a correct record.

### **29 URGENT ITEM – Overseas Visits by Officers**

The Chair advised that he had agreed to the inclusion of an urgent item (Overseas Visits by Officers) which would be considered at agenda item 8 (Min no. 35 refers).

[The item had been considered urgent as the invitation from Systel, suppliers of the new Fire Control system had not been received prior to the despatch of committee papers and an early decision was required].

### **30 EXCLUSION OF THE PUBLIC – SECTION 100a, LOCAL GOVERNMENT ACT 1972**

There were no items which required the exclusion of the public and press.

### **31 DISCLOSURES OF INTEREST**

All Members present requested dispensations in relation to the DPI register (Land interests) which was granted by the Monitoring Officer on the grounds now specified (Section 33 (2), (b), (c) and (e)) in respect of discussions on the Authority's budget and related precept issues.

No further disclosures of disclosable pecuniary interest were made.

### **32 QUARTERLY FINANCIAL REVIEW**

The Chief Finance Officer submitted a report which presented the latest financial

forecast based on expenditure and income in the first 9 months of the financial year.

The report projected an underspend in the revenue budget for the current year of £1.66m due to the following main factors;

- Reduction in wholetime firefighter strength (12 leavers in addition to those forecast in retirement profile)
- Lower than budgeted retained firefighter activity
- Higher support staff costs due to one-off voluntary severance payments – once fully implemented the fundamental review would deliver ongoing savings of £1.8m in 2013 / 14 and £2.5m in 2014 / 15.
- Increased underspend in capital financing charges as a result of reduced need for borrowing

It was reported that the Authority's balances would exceed £10m for the first time (11% of net revenue budget). However, Members were advised that these were still low when compared with other Fire Authorities whose balances were, on average, equal to 15.2% of their budget.

In spite of this, and in addition to the savings from the service restructure and continued non-recruitment of firefighters, the Authority would have to find additional savings of between £7m and £10m over the next 5 years as a result of changes to central government funding. It was explained that the balances would assist the Authority to manage its future budgetary reductions.

The 2012 / 13 capital plan had been revisited and had been reduced to £12.318m through the removal of a number of projects from the current year and the inclusion of a number of schemes not completed in 2011 / 12.

Treasury Management was the subject of a separate detailed report on the agenda (Min no. 34 refers) but Members were advised of the detail of the debt outstanding and investments at 31 December 2012 as part of the budget process.

Spending and receipt of grant monies for the joint Control Project with South Yorkshire Fire and Rescue Authority was detailed in the report now submitted. It was reported that approved payments for the scheme totalled £4.011m (of which payments to date of £173,590 had been made). The additional expenditure above the grant allocations of £3.6m would be shared equally between the two Authorities in accordance with the terms of the joint agreement. West Yorkshire Fire and Rescue Authority's share would be met from within the approved scheme included in the 2012 / 13 capital plan.

Members were further advised of the level of outstanding debtors (£142,774) and the Authority's performance in respect of prompt payment of invoices (97.47%).

Members discussed the level of reserves and uncertainties relating to capital financing charges and receipts.

## **RESOLVED**

- (i) That the report be noted;
- (ii) That the revised revenue budget be approved; and
- (iii) That the revised capital plan be approved.

### **33 BUDGET 2012 / 2013**

The Chief Finance Officer submitted a report to present a draft capital investment plan, a draft revenue budget and medium-term financial plan for five years to 2017 / 18.

The report set out the following:-

- A revised five-year capital programme (ca. £45m) to align with implementation of the Integrated Risk Management planning
- A service standstill budget (£90.519m)
- A five-year medium term financial plan (in line with the capital and Integrated Risk Management Plan (IRMP) implementation)

It was reported that, since the publication of the report, there had been a small increase in the level of available balances from the reported £7.3m to £7.5m.

Members briefly discussed the effect of localisation of council tax benefit together with the various grant mechanisms and changes to government's Council Tax capping proposals.

The Chief Finance Officer provided a detailed explanation of the report which included an indication from the Chief Executive that, following a two-year precept freeze, he would be asking the Authority to support the maximum precept increase allowed under the limitation of council tax regulations. The Chief Finance Officer further explained that he and the Chief Executive would provide the political groups with briefings including the implications of different precept strategies.

## **RESOLVED**

That the report be noted as the basis for the political groups to consider their budget proposals.

### **34 TREASURY MANAGEMENT STRATEGY 2013 / 14**

The Chief Finance Officer submitted a report which provided detail of the proposed draft Treasury Management strategy for 2013 / 14 including the proposal to continue with the cautious approach to borrowing and the continued use of balances

Members sought further information on the proposed repayment of loans versus the borrowing strategy and specifically as it related to possible loan arrangements to District Councils and other local authorities.

## **RESOLVED**

That the Full Authority be recommended to approve the Treasury Management strategy for 2013 / 14 including;

- a) The investment strategy outlined in section 2.3 and Appendix A of the report
- b) The borrowing strategy outlined in section 2.4
- c) The policy for provision of repayment of debt outlined in Appendix C; and
- d) The treasury management indicators in Appendix D.

## **35 OVERSEAS VISITS BY OFFICERS**

The Director of Strategic Development submitted a report which sought Member approval for a maximum of four officer visits to the France-based suppliers of the new Fire Control system (Systel) in La Rochelle.

Detail of the financial implications was included in the report and Members were advised that the associated costs could be met from within the existing revenue budget.

## **RESOLVED**

That approval to be given to a maximum of four officer visits to La Rochelle, France with a view to identifying the required development of the command and control system as detailed in the report now submitted.

Chair