



# Minutes

## Finance & Resources Committee

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Date: 27 September 2013

Time: 10.30 am

Venue: Fire and Rescue Service Headquarters, Birkenshaw

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Present: Councillor B Smith (in the Chair), P Caffrey, J Cummins, R Grahame, P Harrand, A Hussain, G Thornton, C Townsley, A Wainwright (as substitute for Councillor J Dodds) and G Wilkinson

In Attendance: N/A

Apologies: Councillor J Dodds

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### 12 Minutes of the last meeting

#### RESOLVED

That the Minutes of the Committee at a meeting held on 12 July 2013 be signed by the Chair as a correct record.

### 13 Urgent Item

None.

### 14 Admission of the public

#### RESOLVED

That the public and press be excluded from the meeting during consideration of the item of business specified below as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public and press were present during this item, there would be disclosure to them of exempt information of the descriptions specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER	Description of exempt information by reference to the paragraph number in Schedule 12A of the Local Government Act 1972.
E10	Insurance – Terrorism Cover	20	Paragraph 3 – financial or business affairs

## 15 Declarations of interest

There were no disclosures of disclosable pecuniary interest made in any matter under discussion at the meeting.

## 16 Quarterly Financial Review

The Chief Finance Officer submitted a report which presented an overview of financial performance of the Authority for the second quarter of the current financial year. The report provided information on revenue and capital expenditure, treasury management and debtors and creditors.

Members were advised that there was a predicted underspend in the revenue budget of £1.9m, based on the following adjustments and variances;

- underspend of £1.457m on wholetime firefighters budget resulting from pension account adjustments, additional leavers (12 posts above retirement profile) and reduced overtime payments
- support staff underspend of £355k due to vacancies and an increased number of firefighters leaving the service than had previously been forecast
- forecast increase in capital financing charges (£150k) reflecting fall in interest rates and extended use of short term variable rate loans

Consequent also upon a revenue budget revision which had been made to cover the cost of recent pay awards (£523k), the forecast revenue balance as at 31 March 2014 was reported to be £13.3m. Members were advised that this could not be used directly to fund savings and use of the balances would be addressed at the February budget meeting of the Full Authority.

It was reported that there had been further slippage into the current year's capital plan since the last meeting and total slippage from 2012 – 13 was announced as £16.354m. The Chief Finance Officer advised that it was likely that significant progress would be made in the current year on the progression of schemes commenced in the last financial year which related, in the main, to Integrated Risk Management Plan site purchase and new builds.

Detail of capital schemes approved by Management Board in the current year (to a maximum value of £100,000) was included as an annex to the report now submitted.

Members received a report on Treasury Management activity which set out the borrowing activity and debt management arrangements. It was reported that, since the publication of the report, an additional £1m of long-term borrowing had been repaid.

With regard to the position relating to debtors and creditors it was reported that £35,906 was at recovery stage and that 99.53% of invoices had been paid by the Authority within 30 days compared with a target of 100%.

## **RESOLVED**

- a) That the report be noted;
- b) That the revised revenue budget be approved; and
- c) That the revised capital plan be approved.

## **17 Consultation – Local Government Finance Settlement 2014 / 15 and 2015 / 16**

Consideration was given to a report of the Chief Finance Officer which advised of the issue of a consultation on the Local Government Finance Settlement 2014 /15 and 2015 / 16.

Members were advised that, following publication previously of draft figures for the 2014 / 15 Local Government Finance Settlement, the Treasury had announced a further 1% reduction in local government spending. The consultation document illustrated the impact of the change and proposed an increase in the amount of grant held back to fund safety net payments.

In terms of the impact on the Fire Authority it was reported that there would be a 1.9% percentage loss in revenue support grant (£0.5m) which brought, in addition to previously announced reductions, the total loss of grant in the year to £3.98m (7%).

For 2015 / 16 further reductions in public expenditure of £11.5bn had been announced which equated to an average 7.5% loss of grant for the Fire Service taking into account the establishment of a £30m fund to encourage Fire and Rescue Authorities to make further efficiencies. It was anticipated that this Authority would lose a further £4.2m in 2015 / 16 (or 8%) which was in line with the adjusted medium term financial plan. Members were advised that the Authority would be required to find savings (over and above non-recruitment) of £2.0m in 2014 / 15 and £4.4m in 2015 / 16.

Detail of this Authority's proposed response to the consultation was set out in the report now submitted and Members were advised of an additional question that had been introduced since the original publication of the consultation which related to the allocation of the Council Tax freeze grant – this Authority had not taken advantage of the grant and therefore had no comment to make.

## **RESOLVED**

- a) That the report and potential impact of the Local Government Finance Settlement 2014 – 15 and 2015 – 16 on the West Yorkshire Fire and Rescue Authority be noted; and
- b) That the proposed consultation responses be approved.

## **18 Consultation – Use of Capital Receipts**

The Chief Finance Officer submitted a report which advised of the receipt of a Government consultation document on the use of capital receipts from the sale of assets to invest in reforming services.

The consultation document proposed that capital receipts could be used for one-off revenue purposes (subject to a number of controls) to stimulate organisation change with a view to encouraging good asset management planning and to give flexibility for the cost of reforming, integrating or restructuring services.

Members were advised that it was unlikely that this proposal would offer much benefit to this Authority which already had the Integrated Risk Management Plan (IRMP) as an incentive to release capital assets both to fund its own proposals and to repay existing debt. Responses to the consultation reflected this approach.

## **RESOLVED**

- a) That the report and potential impact of the Government proposals on the use of capital receipts on the West Yorkshire Fire and Rescue Authority be noted; and
- b) That the proposed consultation response be approved.

## **19 Review of Standing Conferences**

Consideration was given to a report of the Director of Corporate Services which sought approval of a standing list of Conferences for Member attendance.

The list was presented to Members as part of a 3-year review cycle and costs of attendance at the conferences since the last review had been met from within existing budgetary provision and would continue similarly.

## **RESOLVED**

- a) That the standing list of conferences be approved as follows;
  - LGA Fire Conference
  - LGA Annual Conference
- b) That Groups be invited to nominate a Member to attend the 2014 conferences on a 1:1:1 basis as follows;
  - LGA Fire Conference – Cardiff, 11 – 12 March 2014
  - LGA Annual Conference – Dorset, 8 – 10 July 2014
- c) That relevant allowances be payable to attending Members as appropriate; and
- d) That the standing list of conferences at a) above be reviewed in September 2016.

## **20 Leadership Academy – Member attendance**

Members considered a report of the Director of Corporate Services which sought approval for attendance by Members at the Leadership Academy in Winter 2013 / 14.

It was reported that a number of Members had attended the Academy in recent years and had found the course content to be most useful. Approved attendance would be on the understanding that all three 2-day modules would be completed.

A pilot "Fire-specific" Leadership Academy had been organised by the Local Government Association (LGA) in early September and this had been attended by the Authority's Vice chair, Councillor Judith Hughes. The feedback after the event was very positive with the recommendation that future Fire-specific Academies should be the focus of this Authority's attention if they were put on a permanent footing by the LGA. Members were advised that an Action Learning Day was to be arranged in January 2014 by the LGA to examine the outcomes of the Fire-specific event to which Councillor Hughes would be invited to attend and contribute.

The cost of the Leadership Academy remained at £1,000 for the first place booked and £1,250 thereafter. These, together with any additional travel and subsistence costs for attending Members would be met from within existing budgetary provision.

## **RESOLVED**

- a) That approval be given to the attendance of Members at the Leadership Academy on the basis on one Member from each political group;
- b) That approval be given and relevant expenses paid for Councillor Hughes to attend the LGA Action Learning Day related to her attendance at the Fire-specific Leadership Academy; and
- c) That the approval at a) above be transferred, where convenient and possible, to attendance at a Fire Leadership Academy should these be introduced following a post-trial Local Government Association internal review into their future.

## **21 Insurance – Terrorism Cover**

(The item was considered as exempt information under Schedule 12A (3) of the Local Government Act 1972 – Information relating to financial or business affairs)

In response to a request from Members following the insurance renewal process in March 2013, the Chief Finance Officer submitted a report which advised of the extent and adequacy of the Terrorism cover provided by the Authority's current insurers, Zurich Municipal.

## **RESOLVED**

That the adequacy of the terrorism cover included within the Authority's liability insurance policy be confirmed.

Chair