



Minutes

Finance & Resources Committee

Date: 29 November 2013

Time: 10.30 am

Venue: Fire and Rescue Service Headquarters, Birkenshaw

Present: Councillor A Hussain (in the Chair), P Caffrey, J Dodds, R Grahame, P Harrand (for agenda item nos.5 – E9 inclusive, Min nos.26 - 30 refer), M Shaw (for agenda item nos.5 – E9 inclusive, Min nos. 26 - 30 refer), M Khan (as substitute for Councillor B Smith and for agenda item nos.5 – E9 inclusive, Min nos. 26 - 30 refer), G Thornton and G Wilkinson

In Attendance: N/A

Apologies: Councillors J Cummins, B Smith and C Townsley

22 Minutes of the last meeting

RESOLVED

That the Minutes of the Committee at a meeting held on 27 September 2013 be signed by the Chair as a correct record.

23 Urgent Item

None.

24 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 description 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.
E9	Breathing Apparatus Training Facilities	30	Paragraph 3 – Financial and business affairs

25 Declarations of interest

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

26 Treasury Management Policy - mid-year review

Consideration was given to a report of the Chief Finance Officer in accordance with CIPFA Code of Practice, Government guidance and the Authority's investment strategy which detailed the mid-year review of treasury management activity of the Authority.

Members were advised that as a consequence of the current banking crisis, the Authority's priority had been the security of its investments. Reference was made to the arrangements with the Authority's bankers, the Co-operative, which had announced their intention to withdraw from major corporate banking including local authorities. This Authority's contract had a further 4 years to run. Contingency arrangements had been put in place in readiness for any possible failure of the Co-operative bank and it was likely that action would be taken in the next two years to go to tender for replacement banking arrangements.

The previously approved investment strategy had removed the ability of the Authority to invest directly in foreign banks. Notification had been received of an extremely preferential interest rate on offer for instant access deposit accounts by Handelsbanken. The bank had high credit ratings compared to most other banks and approval was now sought to include Handelsbanken in the Authority's counterparty list.

There had been some slippage in the capital programme due to delays with land purchases associated with the Integrated Risk Management Plan progress and Members were advised that it was likely that no additional borrowing would be required in the current financial year.

It was further reported that the Authority had operated at all times within its approved strategy and, with the exception of the addition of Handelsbanken to the counterparty list, no further changes were proposed to the Authority's Treasury Management Strategy for the remainder of the current financial year.

RESOLVED

- a) That the report and latest Treasury Management indicators be noted; and

- b) That a recommendation be made to the 20 December 2013 meeting of the Full Authority that the investment strategy for 2013 / 14 be amended, adding Handelsbanken to the counterparty list, subject to existing rating criteria and limits.

27 Quarterly Financial Review

The Chief Finance Officer submitted a report which presented a quarterly overview of the financial position of the Authority for the third quarter of the 2013 / 14 financial year.

The overall forecast was for a £2.25m underspend on the revenue budget due to the following variations;

- Wholetime firefighter salary savings (-£1.69m) – due, in the main, to accounting adjustments relating to pension costs (previously reported), a greater number of leavers from the service than had been forecast and reductions in overtime expenditure. The current industrial action had also had an impact on this particular cost centre.
- Support staff (-£311k) – unfilled vacancies and additional leavers had impacted on the budget which had seen an increase in forecast expenditure due partly to overtime payments during periods of industrial action and new appointments.
- Supplies and services (-£209k) – reduction in expenditure on both operational and training equipment

It was reported that year-end balances were anticipated to be in the region of £13.65m.

Members sought advice on any savings associated with the transfer to the new Control Centre and were also updated with regard to the issues related to the new SAP system for the payment of invoices. There had been some difficulties with the service which had resulted in a large number of invoices remaining unpaid during November. It was anticipated that this would be back on target by early December 2013.

RESOLVED

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

28 Industrial Action Contingency Plans

The Deputy Chief Fire Officer and Director of Strategic Development submitted a report which updated Members on the contingency planning arrangements implemented in response to the current Fire Brigades Union (FBU) national dispute with Government over pensions.

Members were advised both of the impact of the industrial action on the following areas and of the associated contingency plans that had been put in place;

- Operational planning – including command arrangements, mobilising, call handling, resources and communications
- Community Safety and Engagement – these had suffered minimal effect to date and remained on track to meet the year-end target

It was reported that the FBU had balloted its members about an escalation of the dispute and industrial action short of strike in addition to the discontinuous strike action that had been taking place. The results of which were expected to be announced shortly after 4 December 2013.

The contingency plans had relied heavily on the deployment of Community Response Operatives (47 plus 15 drivers) – the vast majority of whom had been available to work for each strike period.

Total costs to date associated with the strike were being collated. However, the action taken on the 3 strike days between 25 September and 4 November equated to £233,600 (including CRO recruitment / training costs, overtime payments, equipment, media-related expenditure and relevant salary deductions). Members were advised that this level of additional spending remained manageable and could be sustained for some time. In response to a Member's question, it was further reported that the cost of the strike to the Authority was approximately £20,000 per hour.

RESOLVED

- a) That the contingency arrangements and financial implications of the national dispute be noted;
- b) That the potential implications of Industrial Action Short of Strike be noted;
- c) That a letter be sent to community partnership groups and District Councils as appropriate to raise awareness of the fire safety risk associated with the dumping of rubbish and related issues; and
- d) That a letter be sent Brandon Lewis MP, Fire Minister, outlining Members' increasing concerns at the rising costs to the Fire Authority of the national dispute.

29 Environmental Working Group Activity

Consideration was given to a report of the Director of Corporate Resources which presented an update on the activities of the Environmental Working Group and of progress with the various initiatives that had previously been introduced, including the following;

- Monitoring of energy and water consumption
- Recycling
- Transport (reduction of emissions)
- Lighting and refurbishment green initiatives

RESOLVED

That the report be noted.

30 Breathing Apparatus Training Facilities

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

Members considered a report of the Director of Service Support which recommended an upgrade to the Multi-purpose Training Centre (MPTC) to improve the provision of risk-based Breathing Apparatus training facilities.

It was reported that the scheme had been re-assessed and reduced in scale to reflect both training requirements and monies set aside in the capital plan. A tender exercise had been carried out to appoint consultants for the project with details in the report now submitted.

RESOLVED

- a) That approval be given to the investment of the sum quoted in the report on refurbishment of the Multi-purpose Training Centre; and
- b) That Rex Proctor and Partners be appointed as design and construction consultants for the scheme as detailed at paragraph 2.4 of the report now submitted.

Chair