

WYFRA	FINANCE AND RESOURCES COMMITTEE	16 SEPTEMBER 2011	ITEM NO
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REPORT OF: THE DIRECTOR OF CORPORATE RESOURCES

PURPOSE OF REPORT: TO NOTE THE FUTURE DEVELOPMENT PLANS FOR LOCAL GOVERNMENT YORKSHIRE AND HUMBER

RECOMMENDATIONS: THAT THE REPORT BE NOTED

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT DETAILS

EXEMPTION CATEGORY: None

CONTACT OFFICER: NICOLA HOUSEMAN
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BACKGROUND PAPERS:

SUMMARY

Information has been received from the Local Government Yorkshire and Humber relating to the future development of the organisation which would be significantly smaller and more cost effective.

1. INFORMATION

- 1.1 Information has been received from the Local Government Yorkshire and Humber (LGYH) which advised of the organisation's plans for its future development, reflecting the decision taken by its constituent members in 2010, that it should continue its enabling role in the region.

2. BACKGROUND

- 2.1 The LGYH Business Plan for 2011 -12 and Core Principles, agreed by its Members, sets out the proposed changes. Those which will impact directly on this Authority are as follows;

2.2 Governance

- Abolition of the LGYH Executive (and so reduction of 6 meetings per year)
- Renaming of LGYH Full membership to LGYH Council (5 meetings per year including AGM)
- Appointment of vice chair for each sub-region
- Revised constitution and membership of LGYH Employers' committee
- Establishment of new Yorkshire and Humber Member Improvement Board (constitution and governance arrangements to be agreed)

2.3 Budget

- 40% reduction in subscription fees (over previous 2-year period)
- Office and staff downsizing – core staff complement reducing from 53 FTE (April 2010) to 12 FTE by April 2012 (current establishment of 23 FTE)

- 2.4 Other changes are to be made in respect of Assets and Liabilities, Constitutional changes and Legal and Organisation Status.

- 2.5 Copies of the LGYH Core Principles, Business Plan 2011 – 12 and Constitution are available from Committee Services on request.

3. EQUALITY AND DIVERSITY IMPLICATIONS

- 3.1 There are no Equality and Diversity implications in this report.

4. FINANCIAL IMPLICATIONS

- 4.1 Subscriptions have been reduced over the course of a 2-year period by 40% from £2,896 to £1,737.60 - the full impact of which saves this Authority £1,000 per annum and will be delivered in the current 2011 – 12 financial year.

5. HEALTH AND SAFETY IMPLICATIONS

- 5.1 None arising from this report.

WYFRA	FINANCE AND RESOURCES COMMITTEE	17 SEPTEMBER 2011	ITEM NO
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REPORT OF: CHIEF FINANCE OFFICER

PURPOSE OF REPORT: TO PRESENT A QUARTERLY OVERVIEW OF THE FINANCIAL POSITION OF THE AUTHORITY.

RECOMMENDATIONS:

- (A) THAT MEMBERS NOTE THE CONTENT OF THE REPORT
- (B) APPROVE THE REVISED REVENUE BUDGET
- (C) APPROVE THE REVISED CAPITAL PLAN

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT DETAILS

EXEMPTION CATEGORY: NONE

ACCESS CONTACT OFFICER: G. MAREN
CHIEF FINANCE OFFICER
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BACKGROUND PAPERS OPEN TO INSPECTION:

SUMMARY

The purpose of this report is to present an overview of the financial performance of the authority of the first quarter of the current financial year. The report is split into four sections dealing with revenue expenditure, capital expenditure, treasury management and debtors and creditors.

1. **BACKGROUND**

The purpose of this report is to present an overview of the financial performance of the authority of the first quarter of the current financial year. The report is split into four sections dealing with revenue expenditure, capital expenditure, treasury management and debtors and creditors.

In addition to the quarterly report to the Finance and Resources Committee reports on revenue and capital expenditure are also prepared for management board, senior managers and cost centre managers to enable them to manage their individual budgets.

SECTION 1 REVENUE EXPENDITURE MONITORING

1. INTRODUCTION

Expenditure is monitored throughout the year against the approved revenue budget with reports being considered by each meeting of the Management Board and each meeting of the Finance and Resources Committee. The purpose of the report is to monitor progress against the approved revenue budget; provide an early forecast outturn for the financial year; provide an explanation of any major variations, and to show the impact of any variations on the revenue balances of the Authority.

This is the second report of the financial year and is based on expenditure for the first five months of the year. Clearly this is still early in the financial year and forecasts are based on current expenditure and previous year's expenditure patterns; as the year progresses changes to the forecast will emerge.

2. REVENUE BUDGET REVISION

When the revenue budget is approved an amount is included in contingencies for future pay and price increases. During the course of the financial year the budget is revised to take account of allocations from this fund.

Business rates

There has been an increase in the rates bill as a result of increases and new properties of £115k which has been allocated from contingencies.

Firelink Costs

When the government agreed to fund the cost of firelink it offset the cost of the current system, the cost in the current year is £21k

Virement

There has also been a virement of £26,000 from the training budget to the staffing budget to fund a post within the training centre.

3. EXPENDITURE MONITORING

Members will be aware that this year represents the first year of the spending review with the Authority suffering a significant loss in revenue support grant and is anticipating further significant reductions in the next three years. The main strategy for delivering the required savings is the control of salaries expenditure through non recruitment and the control of overtime which is reflected in the early expenditure forecast.

Overall there is a projected under spending of £0.882m in the current year with the major variations shown in the table below followed by an explanation of the variations. This is an increase of £0.5m from the previous quarter with the major change relating to the cost of capital financing an explanation of this is provided below and is explained in more detail in the Treasury management Section of the report

	FORECAST	APPROVED BUDGET	VARIANCE
	£000	£000	£000
Wholetime firefighters	£58,791	£59,000	-£209
Retained firefighters	£2,009	£2,059	-£ 50
Brigade control	£2,029	£2,238	-£209
Support staff	£9,769	£9,866	-£124
Supplies and services	£4,041	£3,841	+£200
Capital financing charges	£6,516	£7,053	-£537

3.2 Wholetime Firefighters -£209,000

Following an overspending on overtime in the early part of 2010/2011 a more rigorous management of overtime control was introduced, resulting in the projected under spending in the current financial year. However, it must be noted that increased activity as a result of grass fires or flooding would have a significant impact on overtime expenditure.

3.3 Retained Firefighters -£50,000

A saving of £0.3m was taken from the retained firefighter budget in 2011/2012 based on previous years' activity levels. In the early part of this year increased activity due to grass fires resulted in higher than normal expenditure causing the forecast over spending. However the expenditure profile over the last quarter has returned to that of previous years and now indicates a small underspending.

3.4 Brigade control -£209,000

This is the impact of 3 members of staff leaving and not being replaced as a result of the recruitment freeze and one member taking partial retirement. In addition, the stringent control of overtime has resulted in a reduction in overtime payments. The full year savings from the leavers will be built into the medium term financial plan.

3.5 Support staff -£124,000

The impact of the recruitment freeze means that any staff turnover will result in an under spending on salaries expenditure. As with control staffing the external recruitment freeze means that the full year effect of this saving can be factored into the medium term financial plan as a long term saving.

3.6 Supplies and services +£200,000

The projected overspending relates to uninsured claims from former employees suffering from asbestosis; these costs include legal fees and compensation. Whilst there is no provision in the approved budget, provision is included within the minimum revenue balances.

3.7 Capital Financing Charges -£537,000

At the time the revenue budget was prepared in January 2011 it was anticipated that interest rates would start to increase in the second half of the current financial year. In order to avoid the impact of these increases it was considered prudent for the Authority should lock in some of its short term variable rate borrowing into long term fixed rate loans at rates of 5.5%. The early changes in the global economy and the rate of growth of the national economy indicate that the current low interest rates will be held until early 2013 and consequently we have not taken any new long term fixed rate borrowing.

4. IMPACT ON REVENUE BALANCES

Description	General Reserve
Balance at 1 April 2010	£8.300 m
Approved use of balances	-£0.840 m
Impact of forecast	£0.882m
Forecast balance at 31/3/2011	£8.342m

5. IMPACT ON THE MEDIUM TERM FINANCIAL FORECAST

As previously reported the Authority will have to make cuts of around £14m over the next three years based on the anticipated level of grant reductions including savings of £3.1m in 2012/2013. Non recruitment will deliver around £2.0m of the required savings leaving a balance of £1.1m still to be identified. As explained in the paragraph 3 the under spending on salaries will deliver long term savings in the medium term financial plan of around £.03m per year

This is not the case with the savings on capital financing charges whilst the Authority can take advantage of the under spending in the current year it be necessary to convert this borrowing to long term fixed rate loans in the future. The cost of this additional interest has been incorporated within the medium term financial plan.

2011/2012 REVENUE EXPENDITURE MONITORING
SEPTEMBER 2011

EXPENDITURE	PAYMENTS	EXPEND	APPROVED	VIREMENT	REVISED	FORECAST
	TO DATE	FORECAST	BUDGET		BUDGET	VARIANCE
	£000	£000	£000		£000	£000
Wholtime firefighters	£24,421	£58,791	£59,000		£59,000	-£209
Retained firefighters	£715	£2,009	£2,059		£2,059	-£50
Firefighters pensions		£1,356	£1,356		£1,356	£0
Brigade control	£904	£2,029	£2,238		£2,238	-£209
Support staff	£4,218	£9,768	£9,866	£26	£9,892	-£124
Other employee expenses	£151	£932	£1,021	-£26	£995	-£63
Premises expenses	£1,467	£2,985	£2,842	£116	£2,958	£27
Transport costs	£753	£2,429	£2,415		£2,415	£14
Supplies and services	£1,511	£4,041	£3,841	£21	£3,862	£179
Insurance	£810	£810	£810		£810	£0
Lead authority charges		£288	£288		£288	£0
Capital financing charges		£6,516	£7,053		£7,053	-£537
Provision for pay & prices		£382	£382	-£137	£245	£137
Total Expenditure		£92,336	£93,171	£0	£93,171	-£835
Training income	£20	£50	£141		£141	-£91
Fire Safety Income	£12	£67	£79		£79	-£12
Grants	£7	£1,716	£1,653		£1,653	£63
Other Income	£591	£1,597	£1,510		£1,510	£87
Total Income		£3,430	£3,383	£0	£3,383	£47
Net expenditure		£88,906	£89,788	£0	£89,788	-£882

SECTION 2 CAPITAL EXPENDITURE MONITORING

INTRODUCTION

At its meeting on 18 February 2011, the Authority approved a three year capital programme of £32.9m which included schemes to the value of £9.66m for the current financial year.

1 SCHEMES SLIPPED BETWEEN FINANCIAL YEARS AND CAPITAL VIREMENT

The nature of major capital schemes means that expenditure often straddles a number of financial years, particularly the case in major building schemes and the development of major information systems. As part of the expenditure monitoring process, schemes totalling £2.78m, which were not completed in 2010/2011, have been added to the 2011/2012 capital plan increasing it to £12.394m.

It is anticipated that as the year progresses a number of schemes programmed for the current year will slip into 2012/2013 and it is anticipated that final capital expenditure will be in the region of £10m.

As part of the revision of the plan, all the schemes relating to the Integrated Risk Management Plan have been set up under a separate cost centre. This is because service delivery is directly linked to the delivery of the capital plan and the management of the schemes has been transferred to the IRMP department within the operations directorate.

At the Authority AGM in 2010 the Management Board was given delegated power to approve individual virement between capital schemes of up to £100,000. Details of any approvals will be reported to committee throughout the year as part of this report.

2 CAPITAL PAYMENTS 2011/2012

The actual capital payments to date total £2.21m of which over £0.5m is on schemes which commenced in the previous financial year. Details of expenditure on individual schemes are included in Appendix 2.

5 APPROVALS UNDER FINANCIAL PROCEDURE 3.11

Under financial procedures 3.11 the Management Board can approve expenditure on schemes in the approved capital plan up to an amount of £100,000. This approval is subject to approvals being reported to the Finance and Resources Committee. Details of schemes approved by the Management Board are attached in Appendix 1.

SECTION 3 TREASURY MANAGEMENT

TREASURY MANAGEMENT

At its meeting on 18 February the Authority approved a treasury management strategy as part of the overall Revenue Budget and Capital Planning process. This strategy sets out how the Authority will deal with its cash flows arising from the capital investment plan and revenue budget. The strategy sets out both the Borrowing Strategy and Investment Strategy that the Authority will follow for the period. At subsequent meetings there will be a comparison of activity against the treasury management strategy, including a detailed half yearly report. Because of the proximity to the start of the financial year this report just provides details of the treasury management activity during the first three months of the year.

3.1 OVERALL ECONOMIC POSITION

Outlook for the economy and interest rates

The strength of the UK economy's initial recovery from recession surprised analysts and policymakers alike, however the economic position in the United States culminating in the downgrading of the US economy has again raised fears that economies may be slipping back into recession. However despite this inflation has remained stubbornly high, although, the current factors boosting inflation are considered temporary by members of the Bank of England's Monetary Policy Committee (MPC) and not representative of the underlying demand and supply situation. The outlook for interest rates is based on the expectation that potential supply comfortably exceeds demand, and that the MPC will look to maintain the current level of accommodative monetary policy to support demand in the face of considerable headwinds.

Kirklees Council provide treasury management services to the Authority. Their advisor forecasts Base Rate remaining at 0.5% for some time. Longer term interest rates are likely to rise slowly as the economic situation improves but the rate of increase will be tempered by the Government's austerity measures and the safe haven status of UK government debt.

3.2 BORROWING AND INVESTMENT

The Authority has not taken on any new long term borrowing in the current financial year and has again taken advantage of the low rates offered through short term and temporary borrowing.

In order to fund the capital expenditure in the previous financial year the Authority took Public Works Loans Board variable rate borrowing of £10m currently at rates of 0.75%.

In terms of overall cash flow the Authority received a Grant of £20m in July as part of the funding arrangements for firefighters pensions and it is anticipated the estimated balance at 31 August will be in the region of £12m. The majority of this money currently invested in the Government Debt Management Organisation at 0.25%. This in effect means that the Authority has borrowed money from Government at 0.75% and is lending them similar amounts at 0.25%. We will therefore reduce the amount of investments to repay the PWLB loans on their anniversary. The first loan of £3.0m was repaid on 1 September 2011.

The Authority will need to retain investments of around £2.0m to fund any variances from the normal day to day cash flow such as unusual creditor payments such as capital.

If the Authority needs to replace any of the repaid loans, this will be done using short term variable rate loans. All these transactions fall within the approved treasury management strategy that was approved by the Authority in February 2011. The six monthly review of the treasury management strategy will be presented to the next meeting of this committee.

Details of loans outstanding and investments at 31 August 2011 are provided in the tables below and graphs showing performance against the treasury management performance indicators are attached in appendix 4

New Borrowing

There has been no new long term borrowing in the first three months of the financial year leaving a balance of long term debt outstanding at £54.008m at 31 August 2011. The Authority had the following temporary loans outstanding at 30 August 2011.

Temporary Borrowing

Counterparty	Interest Rate	Maturity Date	Amount £000s
City of Edinburgh	0.9%	01 Sept 2011	2,500

3.3 INVESTMENTS

The final part of this section of the report deals with the Authority's investment strategy. In general the Authority will only invest funds for the following reasons:-

1. to facilitate day to day cash flow variations
2. to temporarily invest funds which have been borrowed from capital purposes in advance of interest rate increases
3. to invest internal funds (e.g. revenue balances) when it is deemed more prudent to do so rather than using them to reduce borrowing.

However, in the current economic climate, the Authority is limiting investment and using internal balances to reduce borrowing wherever possible.

Investments as at 31 August 2011

Counterparty	Interest Rate	Maturity Date	Amount £000s
Bank of Scotland	0.75%		1,389
Government DMO	0.25%	Various	11,100
Aviva Sterling Liquidity Fund	0.54%		88
Birmingham city council	0.3%	12 September 2011	1,500

The Bank of Scotland account is held primarily for liquidity purposes – the account offers instant access and is useful for the withdrawal of funds when the Authority is unable to find monies to borrow on a particular day, but also offers a good level of security. The Authority's deposit in the money market fund forms part of a £7 billion fund that invests mainly in AA and AAA rated financial institutions and companies. Aviva have stressed that their current policy is to maximise income whilst protecting principal and liquidity.

SECTION 4 DEBTORS AND CREDITORS

The final section of the report deals with the payment of creditors and collection of income from debtors.

1. Payment of Invoices

The prompt payment of invoices is set down in Best Value legislation and as such the Authority is measured on the payment of invoices by a performance indicator. The Authority is required to pay all undisputed invoices within 30 days of receipt, if not suppliers are within their rights to charge the Authority interest on outstanding bills.

The target for the prompt payment of invoices set by central government for 2011/12 is 100%. In the five three months 98.82% of invoices have been paid within 30days.

2. Outstanding Debt

The Authority receives income for services provided, these include special services, training courses, fire safety certificates, licences for telecom masts on premises. In most cases because of the type of service provided it is not possible to raise a charge in advance of the service and as a consequence debtor accounts are raised.

The level of outstanding debt owed to the Authority to the 20 August 2011 is £84,209 this can be profiled as follows:

Less than 60 days - £ 58,947

Greater than 60 days - £ 25,262

The procedure for issuing accounts and debt collection is provided by Kirklees Council under a Service Level Agreement. A summary of the procedure for collecting outstanding debt is detailed below:

21 days first reminder letter

28 days second reminder letter

35 days instigation of debt recovery system

As detailed above, there is currently £25,262 of debt which is at the recovery stage.

Management Board Approvals under financial procedures 3.11

	ESTIMATED COST

CAPITAL BUDGET MONITORING 2011/12					
SUMMARY					
Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	Expenditure 2011/12	Balance Uncommitted
Property services	£1,030,000	£1,041,000	£2,071,000	£460,710	£1,610,290
IRMP	£5,640,000	£540,000	£6,180,000	£1,052,408	£5,127,592
Information technology	£708,000	£34,500	£742,500	£188,360	£554,140
Transport	£690,000	£50,000	£740,000	£46,810	£693,190
Operations	£1,348,400	£130,400	£1,478,800	£243,844	£1,234,956
Human resources	£0	£23,000	£23,000	£21,702	£1,298
Fire Safety & Community Relations	£900,000	£95,400	£995,400	£201,278	£794,122
	£10,316,400	£1,914,300	£12,230,700	£2,215,113	£10,015,587

CAPITAL BUDGET MONITORING 2011/12					
CORPORATE RESOURCES					
PROPERTY					
Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
Oakroyd Hall Major refurbishment	£50,000		£50,000	£132	£49,868
Training Centre					
Training Centre and main block - external refurbishment	£300,000		£300,000		£300,000
Training Centre, MPTC Refurbishment & Emergency power back up provision	£40,000		£40,000		£40,000
Fire Stations					
Emergency electrical back up power supply systems	£90,000		£90,000		£90,000
Illingworth Environmental improvement & DDA	£50,000		£50,000		£50,000
Phased programme of washing & welfare refurbishments - Odsal & Cleckheaton	£40,000		£40,000		£40,000
Upgrading of defective heating systems - Moortown, FWG, Bingley & Odsal	£65,000		£65,000		£65,000
Washing, welfare and training facility alterations - Keigley	£30,000		£30,000		£30,000
Idle, Moortown & Rawdon - Internal fabric refurbishment	£50,000		£50,000		£50,000
Replacement of tarmac & surfaces	£30,000		£30,000		£30,000
Health & Safety Improvements	£40,000		£40,000		£40,000
Improvements to electrical, heating, legionella prevention, appliance bay battery chargers	£35,000		£35,000		£35,000
Training facility & training tower refurbishments	£20,000		£20,000		£20,000
Asbestos Management & removal	£40,000		£40,000		£40,000
DDA access improvements	£10,000		£10,000		£10,000
Diesel tank replacement	£10,000		£10,000		£10,000
Appliance Bay Door upgrades	£10,000		£10,000		£10,000
External fabric refurbishments	£30,000		£30,000		£30,000
Kitchen refurbishments	£10,000		£10,000		£10,000
Fire prevention measures to meet RRO Legislation including kitchen upgrades	£20,000		£20,000		£20,000
Security System Installations	£60,000		£60,000		£60,000
TOTAL CAPITAL PLAN 2011/12	£1,030,000	£0	£1,030,000	£132	£1,029,868
Safety Central Bramley		£12,000	£12,000	£3,570	£8,430
FSHQ Whitehall Road Access		£44,000	£44,000	£3,728	£40,272
Oakroyd Hall FSHQ major refurbishment and alterations including conference room, access routes & services.		£4,000	£4,000	£1,693	£2,308
Installation of external passenger lift system to the accommodation block		£32,000	£32,000	£32,000	£0
Phased external fabric and environmental efficiency improvements including double glazed window replacements, insulated external cladding and re-roofing works to the Training Centre FSHQ. Initial phase to include Classroom 4, Canteen and Bar areas.		£3,000	£3,000	£3,000	£0
Featherstone Fire Station, Extension, upgrading of office, meeting & welfare facilities & building refurbishment		£6,000	£6,000	£926	£5,075
Diesel tank replacement		£9,000	£9,000		£9,000
Kitchen refurbishments		£1,000	£1,000	£937	£63
Upgrade of corporate signage		£24,000	£24,000	£2,060	£21,940
Breathing Apparatus building extension for kit storage, change & shower facilities		£65,000	£65,000	£1,286	£63,714
Reception replacement		£3,000	£3,000		£3,000
Strategic Corporate development		£15,000	£15,000		£15,000
Environmental and Energy Efficiency Improvements		£36,000	£36,000	£18,577	£17,423
Strategic Major Refurb Rothwell & Brighouse Fire Stations		£30,000	£30,000	£800	£29,200
Phased programme Ablution Refurb inc FWG		£8,000	£8,000	£744	£7,256
Phased programme general refurbishment Huddersfield Fire Station		£5,000	£5,000	£3,600	£1,400
Phased programme general refurbishment Halifax Fire Station		£4,000	£4,000	£1,470	£2,530
Replacement of central heating, distribution, plant and control systems inc Morley and FWG		£73,000	£73,000	£65,515	£7,485
Roof replacement including thermal insulation upgrades Osset		£4,000	£4,000	£4,000	£0
Replacement of tarmac and surfaces to drill grounds road ways and pathways inc Odsal		£31,000	£31,000	£25,295	£5,705
General Upgrade Health and Safety		£9,000	£9,000	£9,000	£0
General Upgrade electrical, heating and other services		£12,000	£12,000	£12,000	£0
Refurbishments of training facility and training tower.		£6,000	£6,000	£3,286	£2,714
Refurbishment of fire station kitchen installations		£15,000	£15,000		£15,000
Rolling Programme of Fire prevention measures to meet regulatory reform order legislation		£4,000	£4,000	£3,171	£829
Security Fencing Improvements various locations		£13,000	£13,000	£1,619	£11,381
Access control and security at all locations including PAC based card access system and CCTV		£57,000	£57,000	£38,853	£18,147
Electricity Major Back up		£150,000	£150,000	£40,465	£109,535
Biomass Boiler Training Centre		£25,000	£25,000	£25,000	£0
Hunslet Refurbishment		£326,000	£326,000	£151,624	£174,376
Bolts on training towers (line rescue anchor points)		£15,000	£15,000	£6,359	£8,641
TOTAL SLIPPAGE		£1,041,000	£1,041,000	£460,578	£580,422
TOTAL CAPITAL INCLUDING SLIPPED SCHEMES	£1,030,000	£1,041,000	£2,071,000	£460,710	£1,610,290

CAPITAL BUDGET MONITORING 2011/12

IRMP

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Budget Remaining
Pontefract Firestation New Build	£1,800,000	£540,000	£2,340,000	£677,022	£1,662,978
Normanton Fire Station New Build	£2,200,000	-£10,000	£2,190,000	£236,762	£1,953,238
Normanton Accommodation 33 The Grove	£200,000		£200,000	£29,150	£170,850
Normanton Accommodation 20 The Grove / flats	£0	£10,000	£10,000	£8,237	£1,763
FRU Moortown	£50,000		£50,000	£0	£50,000
Castleford Fire Station Renovation	£35,000		£35,000	£2,659	£32,341
Castleford Fire Station DC(CC) Accommodation	£350,000		£350,000	£5,979	£344,021
Bradford CARP	£500,000	-£80,000	£420,000	£90,000	£330,000
Land Purchase future years imp	£500,000		£500,000	£0	£500,000
Huddersfield CARP	£0	£80,000	£80,000	£0	£80,000
Rothwell Fire Station DC(CC) Accommodation	£0		£0	£520	-£520
Rothwell Fire Station Renovation	£5,000		£5,000	£2,079	£2,921
TOTAL CAPITAL PLAN 2011/12	£5,640,000	£540,000	£6,180,000	£1,052,408	£5,127,592

CAPITAL BUDGET MONITORING 2011/12

CORPORATE RESOURCES

IT

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
Replacement PC Equipment	£80,000		£80,000	£14,439	£65,561
Replacement Printers	£3,000		£3,000	£0	£3,000
Purchase and Installation of Software Licences	£250,000	4500	£254,500	£158,976	£95,524
Wireless Computer Equipment	£40,000		£40,000	£0	£40,000
Replacement File Servers	£80,000		£80,000	£449	£79,551
Networking Hardware	£40,000	5000	£45,000	£5,088	£39,912
Business Continuity Hardware for IT System	£40,000		£40,000	£4,714	£35,286
Continual Development of the Premises Risk Database	£10,000		£10,000	£0	£10,000
Mobile Computing / Home Working	£35,000	25000	£60,000	£4,694	£55,306
CFS Laptops	£50,000		£50,000	£0	£50,000
Installation of Secure Internet Link	£80,000		£80,000	£0	£80,000
Web Development Programme	£0	£122,400	£122,400	£12,288	£110,113
TOTAL CAPITAL PLAN 2011/12	£708,000	£34,500	£742,500	£188,360	£554,140

TRANSPORT

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
Vehicle Replacements	£630,000	£41,000	£671,000	£40,045	£630,955
IRMP Related Vehicle Replacement	£0		£0	£0	£0
Ladder Replacements	£10,000	£9,000	£19,000	£3,468	£15,532
POD Refurbishments	£30,000		£30,000	£0	£30,000
Traffic Management System	£20,000		£20,000	£3,297	£16,703
Young Firefighters Vehicle	£0	£2,437	£2,437	£0	£2,437
TOTAL CAPITAL PLAN 2011/12	£690,000	£50,000	£740,000	£46,810	£693,190

CAPITAL BUDGET MONITORING 2011/12

OPERATIONS

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
FiRe Control project	£26,800		£26,800	£0	£26,800
Air Inflation Hose System	£38,000		£38,000	£0	£38,000
Thermal Imaging Cameras	£60,000		£60,000	£0	£60,000
Lay Flat Hose	£30,000		£30,000	£0	£30,000
Line Rescue Equipment	£15,000		£15,000	£1,902	£13,098
Ultra Light Portable Bulbs	£12,000		£12,000	£0	£12,000
Water Rescue Equipment	£35,000		£35,000	£0	£35,000
CAFS Equipment	£30,000		£30,000	£0	£30,000
Command Unit ICT Provision	£83,600		£83,600	£0	£83,600
Operational PPE	£400,000		£400,000	£765	£399,235
Hydrants	£450,000		£450,000	£170,738	£279,262
Small Command Support Vehicle	£120,000		£120,000	£0	£120,000
Secretariat, Exercise and Website Development for WYLRF	£18,000		£18,000	£0	£18,000
Flood Response Equipment (DEFRA Grant)	£30,000		£30,000	£0	£30,000
Technical Rescue Vehicle	£0	£17,800	£17,800	£6,963	£10,837
Flood Response	£0	£30,000	£30,000	£34,327	£-4,327
Adapt Demountable Units IRMP	£0	£14,200	£14,200	£11,970	£2,230
Command Units ICT Provision and Upgrade	£0	£50,400	£50,400		£50,400
Rescue Pumps Equipment	£0	£18,000	£18,000	£17,180	£821
TOTAL SLIPPAGE	£1,348,400	£130,400	£1,478,800	£243,844	£1,234,956

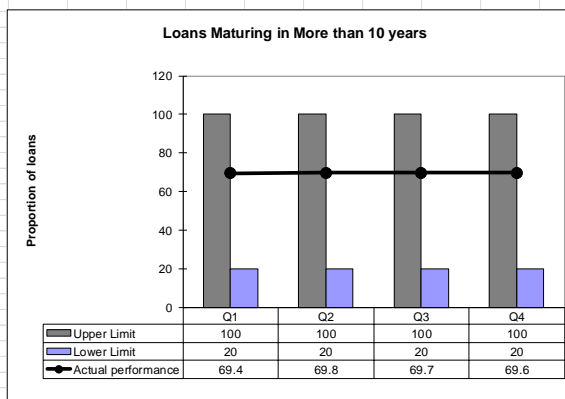
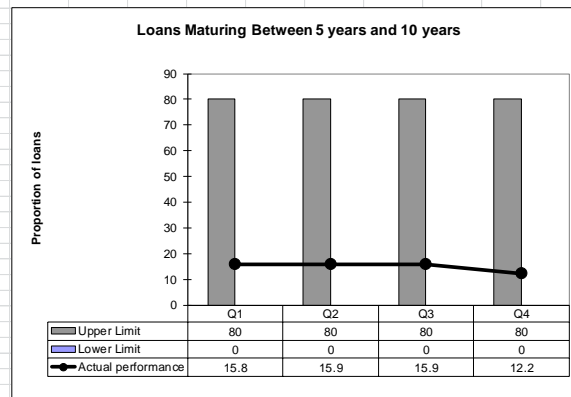
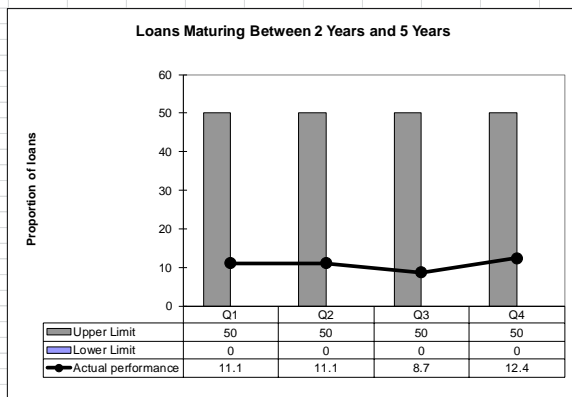
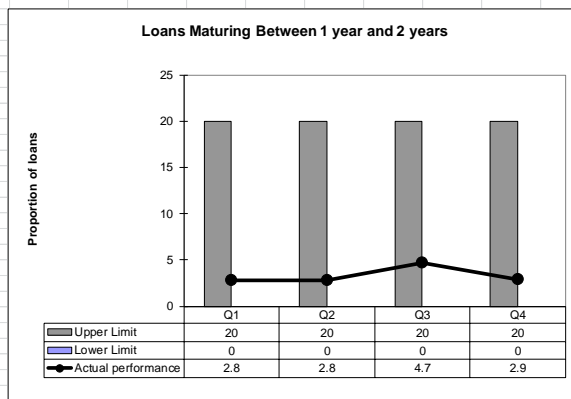
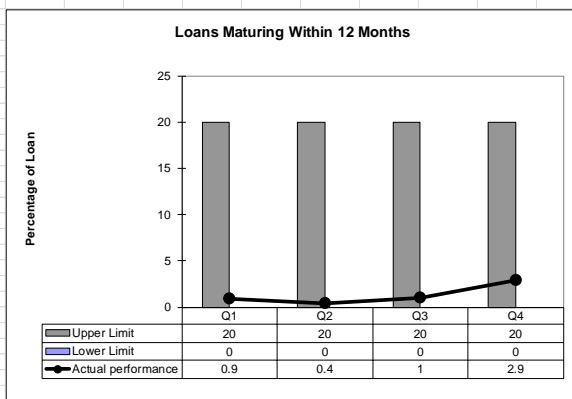
FIRE SAFETY

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
Home Fire Safety Checks	£900,000	£0	£900,000	£201,278	£698,722
Young Firefighter	£0	£30,000	£30,000	£0	£30,000
Fire Investigation Technology	£0	£13,000	£13,000	£0	£13,000
Fire Investigation Database	£0	£10,000	£10,000	£0	£10,000
Audit data recording equipment	£0	£17,100	£17,100	£0	£17,100
CFS equipment and fleet replacement	£0	£25,300	£25,300	£0	£25,300
TOTAL CAPITAL INCLUDING SLIPPED SCHEMES	£900,000	£95,400	£995,400	£201,278	£794,122

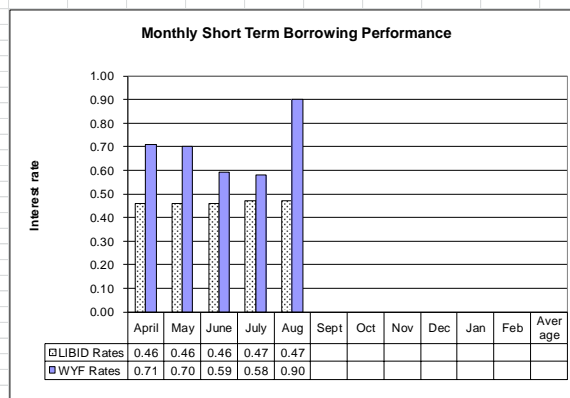
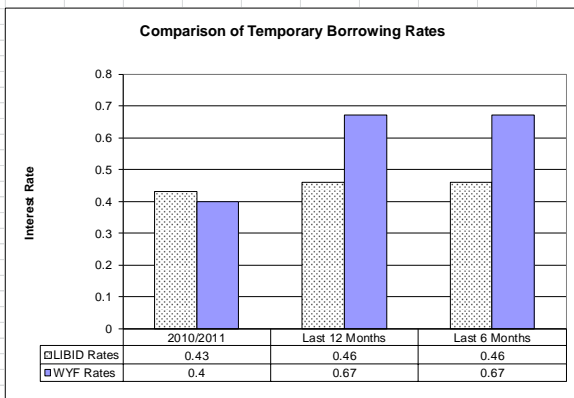
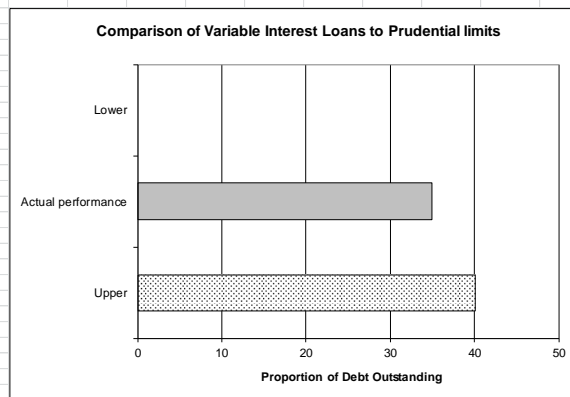
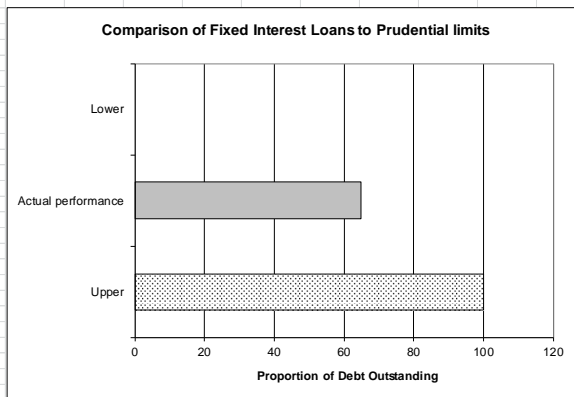
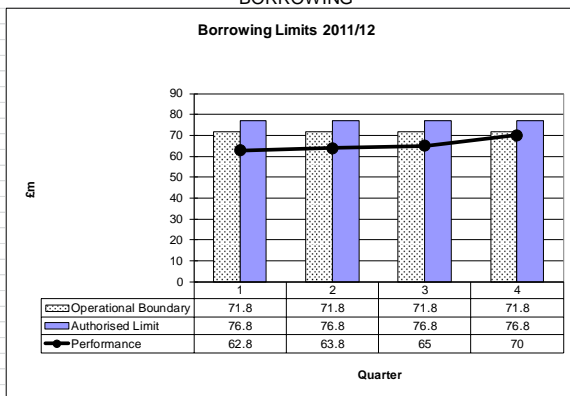
HUMAN RESOURCES

Details of Scheme	Original Capital Plan	Virement/Slippage	Revised Capital Plan	TOTAL EXPT	Balance Uncommitted
Smart Board	£0	£23,000	£23,000	£21,702	£1,298
TOTAL CAPITAL INCLUDING SLIPPED SCHEMES	£0	£23,000	£23,000	£21,702	£1,298

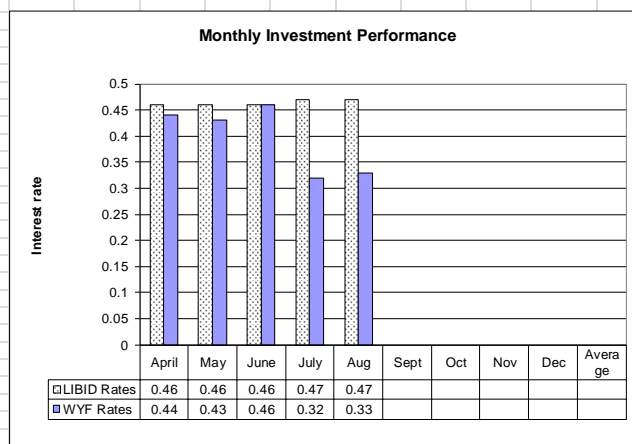
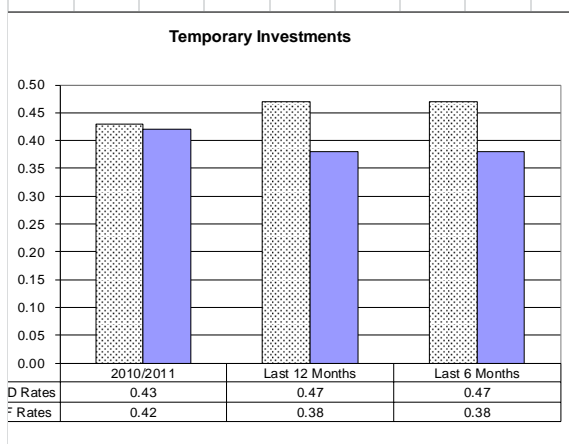
TREASURY MANAGEMENT PERFORMANCE INDICATORS
LOAN MATURITY



TREASURY MANAGEMENT PERFORMANCE INDICATORS
BORROWING



TREASURY MANAGEMENT PERFORMANCE INDICATORS
INVESTMENTS



WYFRA	FINANCE AND RESOURCES COMMITTEE	16 SEPTEMBER 2011	ITEM NO
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REPORT OF: THE DIRECTOR OF CORPORATE RESOURCES

PURPOSE OF REPORT: TO CONSIDER MEMBER ATTENDANCE AT THE LEADERSHIP ACADEMY

RECOMMENDATIONS: THAT CONSIDERATION BE GIVEN TO THE ATTENDANCE OF A MEMBER AT THE LEADERSHIP ACADEMY IN THE AUTUMN / WINTER 2011

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT DETAILS

EXEMPTION CATEGORY: None

CONTACT OFFICER: NICOLA HOUSEMAN
01274 655740

BACKGROUND PAPERS:

SUMMARY

As part of the Authority's Member development programme, invitations from appropriate courses are accepted with a view to giving Members the opportunity to participate in focused learning and networking experiences.

1. INFORMATION

- 1.1 Information has been received from the Local Government Group with regard to a 6 – day Leadership Academy to be held at the Warwick Conference Centre, Coventry.
- 1.2 There are 5 programmes scheduled between October 2011 and February 2012

2. BACKGROUND

- 2.1 The Academy, whilst not specifically targeted at Fire Authority Members, has been found to be very useful by Authority members who have attended in the past – most recently, Councillor Pryke in November / December 2010.
- 2.2 The Leadership Academy is now recognized by the Institute of Leadership and Management (ILM) and graduates will receive an accredited certificate. It will be held over six days during the course of a 3-month period.
- 2.3 The Module course details are as follows;
 - Module one - personal leadership skills
 - Module two - political leadership – theoretical and practical aspects of strategic leadership
 - Module three - community leadership and cohesion
- 2.4 Members are expected to attend both days of each module with a high level of participation and discussion.

3. EQUALITY AND DIVERSITY IMPLICATIONS

- 3.1 There are no Equality and Diversity implications in this report.

4. FINANCIAL IMPLICATIONS

- 4.1 The cost of the Academy (residential course) is £1,000 for the first place booked and £1,250 thereafter. The fee covers accommodation, meals, refreshments, material and tuition for the duration of the 6-day course. Any additional travel and subsistence costs for the attending member(s) would be met from within existing revenue budget provision

5. HEALTH AND SAFETY IMPLICATIONS

- 5.1 None arising from this report.

6. RECOMMENDATION

- 6.1 It is recommended that consideration be given to the attendance of Members at the Leadership Academy (on the basis that they have not previously participated in a similar Academy programme).

WYFRA	FINANCE AND RESOURCES COMMITTEE	16 SEPTEMBER 2011	ITEM No
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REPORT OF: Director of Human Resources

PURPOSE OF REPORT: To request approval of the consultation response to the proposed amendments to the Fire Fighters Pension Schemes

RECOMMENDATION: That Members approve the proposed response and give particular consideration to the issue of abatement as detailed at paragraph 2.9

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT DETAILS

EXEMPTION CATEGORY: None

ACCESS CONTACT OFFICER: Martyn Redfearn, Director of Human Resources
Hilary Brown, Senior Human Resources
Manager

BACKGROUND PAPERS OPEN TO INSPECTION:

Amendments to the Firefighters' Pensions Scheme 1992 and the new Firefighters' pension Scheme 2006

SUMMARY

This report sets out the proposed amendments to the Firefighters Pension schemes and the Authority's responses to those proposals. These proposals from Communities and Local Government (CLG) are directly related to both the Firefighters Pension Scheme and the New Firefighters Pension Scheme. They seek to address the suggested options from Fire Authority representatives on these schemes but also address the potential inequalities contained within these schemes.

1 BACKGROUND

- 1.1 Communities and Local Government issued a consultation on amendments to both pension schemes applicable to operational firefighters in August 2011. The consultation runs for 12 weeks with a return date of 26 October 2011.
- 1.2 The vast majority of operational staff are members of either the Firefighters' Pension Scheme (1992) (FPS) or the New Firefighters' Pensions Scheme (2006) NFPS). The main group of operational staff who are in neither scheme are Retained Duty System staff who did not take up the option to join the NFPS when it was created.
- 1.3 The consultation does not deal with the recommendations contained within the Hutton report, it focuses on tidying up the current two schemes, deals with some proposals suggested by fire authorities and removes a clause which potentially discriminates on the grounds of age.

2 INFORMATION

- 2.1 The consultation seeks to make the following changes to the relevant pensions scheme: -
 - Remove Rule A14
 - Change indexation from Retail Price Index (RPI) to Consumer Price Index (CPI)
 - Remove the limit on commutations at the discretion of the authority
 - Tighten the definition of pensionable pay
 - Removal of a potential age discrimination regarding payments of contributions
 - Amend the power to review decision on medical appeals
 - Redirect non-medical appeals to the Pensions Ombudsman
 - Widen pension abatement
 - Tidy up the schemes in terms of tax legislation
 - Deal with other technical amendments
- 2.2 Removal of Rule A14.

Purpose	Rule A14 permits a fire authority to compulsory retire a firefighter who is at least 50 years old and can reckon at least 25 years pensionable service on the grounds of efficiency.
Reason for change	Government policy is to prevent age discrimination and it is phasing out a compulsory retirement age.

WYFRA response	<p>A number of police authorities have used the equivalent rule within their pension scheme without challenge. With the current financial crisis it would be wrong to remove take this option away from fire authorities, unless there is proof that the use of this would be discriminatory.</p> <p>The savings shown, £50,000 per person, are irrelevant as the minimum qualifications for pension remain the same. In cases where redundancy is being considered it is good practice to offer a voluntary severance before a compulsory stage.</p>
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2.3 Change indexation from RPI to CPI for FPS rule B5B and B5C

Purpose	To enable changes to make the up-rating of additional pension benefit in accordance with the <i>Pensions (Increase) Act 1971</i> .
Reason for change	The Emergency Budget on 22 June 2010 announced the intention to switch the basis of up-rating public service pensions from the Retail Price Index to the Consumer Price Index.
WYFRA response	This is change is due to a change in government policy and therefore this authority makes no comment on this matter.

2.4 Remove the limit on commutations at the discretion of the authority with additional costs falling on the authority, FPS rule B7

Purpose	To provide fire and rescue authorities with a discretion to uplift the commutation (exchanging part of your pension in order to increase the lump sum) limit to one quarter of their pension for a Firefighters' Pension Scheme member eligible for retirement.
Reason for change	The Metropolitan Fire Authorities asked for this change. Currently the FPS commutation for staff with less than 30 years pensionable service is limited to 2.25 pensionable pay. This discourages staff from taking early retirement.
WYFRA response	The authority supports the proposal to provide authorities with flexibility to uplift the commutation. However, any additional costs falling on authorities should be net of future savings accruing to the scheme as a result of the reduction in ongoing pensions.

2.5 Tighten the definition of pensionable pay FPS rule G1

Purpose	To ensure consistency in approach to, and proportionate arrangements for, the definition of pensionable pay for "final salary" arrangements in the fire service schemes, in particular in relation to how allowances and emoluments are dealt with.
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Reason for change	<p>Following a survey it became clear to CLG that different authorities were applying the rules differently causing, in some cases, a significant additional liability on the pension fund. e.g. temporary promotion payments made pensionable</p> <p>Part of the proposal is to make the payment given to staff who work the 'Flexible Duty System', our middle managers, non-pensionable.</p>
WYFRA response	The proposals appear to deal with temporary allowances in a fair way and should limit future liabilities. However, the authority believes that the Flexible Duty Allowance is part of basic pay and should remain part of pensionable pay.

2.6 Removal of a potential age discrimination regarding payments of contributions FPS rule G3A

Purpose	To ensure that members who joined the Firefighters' Pension Scheme before the age of 20 do not suffer any potential indirect discrimination as a result of being unable to retire under the terms of the scheme once they have accrued full pension entitlement.
Reason for change	Members of the Firefighters' Pension Scheme have alleged age discrimination as those members who joined before age 20 must pay pension contributions for over 30 years before having the option to retire aged 50. They are required to pay employee contributions without accruing any further pension entitlement and do not have any option to retire.
WYFRA response	This proposal removes the potential for an age discrimination case and therefore is supported.

2.7 Amend the power to review decision on medical appeals FPS rule H1A

Purpose	To improve the efficiency of the medical appeals process by providing Independent Qualified Medical Practitioners and Boards of Medical Referees with the power to review previous decisions where further medical evidence is presented.
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Reason for change	Under the existing arrangements of Part H (Determination of questions and appeals), if an Independent Qualified Medical Practitioner has provided an authority with an opinion in an ill-health case, they are unable to review that case should further medical evidence be identified. Where the member wishes to appeal the original decision, the full process of determination must be undertaken again, with a second, impartial Independent Qualified Medical Practitioner. Similarly, there is no mechanism for a Board of Medical Referees to reconsider its opinion in light of new medical evidence.
WYFRA response	The streamlining of the process will reduce costs to the authority and is fully supported.

2.8 Redirect non-medical appeals to the Pensions Ombudsman

Purpose	To ensure that the appeal for a non-medical award claim, or payment, is undertaken through the appropriate mechanism.
Reason for change	If an authority does not admit a person's claim to an award or payment in respect of an award, rule H3 of the Firefighters' Pension Scheme currently provides for appeal to the Crown Court. Schemes are now required, under pensions legislation, to have internal dispute resolution arrangements in place and a subsequent process for appeal to the Pensions Ombudsman.
WYFRA response	The streamlining of the process would reduce costs to the authority so is fully supported.

2.9 Widen pension abatement, FPS rule K4

Purpose	The purpose of a pension is to provide a member with regular income during retirement. Abatement is the process of reducing or stopping a member's pension if a member retires and then returns to work in the public sector.
Reason for change	CLG wish to ensure that abatement is applied to any firefighter who returns to employment whatever role they apply for,
WYFRA response	The widening of abatement goes directly against the proposals put forward in the Hutton report. The Hutton report specifically recommends that pensioners be allowed back into the workforce where appropriate.

2.10 Pensions tax

Purpose	The Finance Act 2004 included tax simplification measures which defined the different forms of pension payments and how they should be treated for tax purposes. For example, taxation of pensions, lump sums and dependents' pensions.
Reason for change	Bring both pension schemes in line with the latest tax laws.
WYFRA response	This authority makes no comment.

2.11 Other amendments

Purpose	To amend the existing Order to ensure they reflect the changes made as a result of this Order and that any statutory references mirror the current legislation.
Reason for change	The Firefighters' Pension Scheme rules were last updated in February 2008, since which time there have been a number of regulatory changes which have not been reflected in the terminology used by the Scheme. These amendments aim to ensure that all statutory references reflect the existing legislation, and that any changes made by this Order are shown consistently throughout the scheme Order.
WYFRA response	This authority agrees with the changes.

3 FINANCIAL IMPLICATIONS

- 3.1 This is currently a consultation paper and therefore there are currently no financial implications.

4 EQUALITY & DIVERSITY IMPLICATIONS

- 4.1 The continued use of rule A14 (2.2) would need to be objectively justified, proportionate and reasonable otherwise it could expose WYFRS to possible legal action on the grounds of unfair dismissal and age discrimination.

5 HEALTH & SAFETY IMPLICATIONS

- 5.1 There are no direct health and safety implications from this report.

6 CONCLUSIONS

- 6.1 The above responses, detailed in paragraphs 2.2 to 2.11, meet the needs of the Authority whilst safe guarding individuals pension rights.

WYFRA	FINANCE AND RESOURCES COMMITTEE	12 SEPTEMBER 2011	ITEM No
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REPORT OF: Chief Fire Officer and Chief Executive

PURPOSE OF REPORT: To seek approval for representatives of West Yorkshire Fire and Rescue Service (WYFRS) to attend the 2011 Remembrance Day Ceremony in Ypres, (Belgium)

RECOMMENDATION: That Members approve the attendance of a representatives of West Yorkshire Fire and Rescue Service (WYFRS) to attend the 2011 Remembrance Day Ceremony in Ypres, (Belgium)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT DETAILS

Exemption Category None

BACKGROUND PAPERS OPEN TO INSPECTION:

None

SUMMARY

An invitation has been received for representatives of WYFRS to attend the remembrance ceremonies in Ypres, Belgium in November 2011. There is a cost associated with sending representatives from WYFRS.

1. BACKGROUND

- 1.1. WYFRS send representatives every other year to Ypres for the Remembrance Day ceremonies to commemorate the sacrifices made during the Great War.
- 1.2. British Fire & Rescue Services have participated in the day for the past 25 years and 2011 marks the 94th anniversary of the First World War.
- 1.3. The ceremonies of remembrance at the Menin Gate have been taking place every evening at 8.00pm since the memorial to the fallen was built in 1927. This simple tribute of sounding the Last Post is carried out by the buglers of the Last Post Association which has strong links with the FRS.
- 1.4. On November 11th each year (which is a public holiday in Belgium) there are special ceremonies to commemorate the sacrifices made for freedom by British and Commonwealth Forces. At 11.00am the Poppy Parade is held which is similar to the Armistice Services held in towns & cities at home. At 4.00pm in the afternoon a concert of commemoration is held in St. Martins Cathedral and at 8.00pm the last post is sounded under the Menin Gate.

2. INFORMATION

- 2.1. The WYFRS Military Band will be playing at this year's ceremony.
- 2.2. It has been proposed that the Chair of the Authority, Cllr David Ridgway, WM Dave Prescott and CM Alan Shaw represent WYFRS.
- 2.3. WM Prescott and CM Shaw will form part of the colour party.
- 2.4. It is proposed that the representatives of WYFRS will travel by lease car and ferry.
- 2.5. The representatives will spend two nights' accommodation in the same hotel as the band members.
- 2.6. The Military Band is self-funding for this event.

3 FINANCIAL IMPLICATIONS

- 3.1. The estimated cost of the visit including all travel expenses accommodation and subsistence for the chair and the colour party is £2,000 which will be met from within the existing revenue budget provision. The Authority is not required to contribute to the cost of the band as this is self-funding.

4 EQUALITY & DIVERSITY IMPLICATIONS

4.1. There are no Equality & Diversity issues arising from this report.

5 HEALTH & SAFETY IMPLICATIONS

5.1. There are no Health & Safety issues arising from this report.

6. RECOMMENDATIONS

6.1 That Authority Members approve funding for delegates from WYFRS to attend this year's Remembrance Day Ceremonies in Ypres.