



NOT PROTECTIVELY MARKED

# Quarterly Financial Review

## Finance & Resources Committee

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Date: 27 September 2013

Agenda Item:

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Submitted By: CHIEF FINANCE OFFICER

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**Purpose** 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.

**Summary** The purpose of this report is to present an overview of the financial performance of the Authority of the second 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.

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Local Government (Access to information) Act 1972

Exemption Category: Nil

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Background papers open to inspection: None

Annexes:

# 1 BACKGROUND

The purpose of this report is to present an overview of the financial performance of the Authority of the second quarter of the current financial year. The report is normally split into four sections dealing with revenue expenditure, capital expenditure, treasury management, and debtors and creditors, however, for the duration of the scheme a separate section will be included which will monitor progress on the Joint Control Project.

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 the Management Board and at 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. This is very early in the financial year and forecasts are based on 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. In the second three months there have been allocations from contingencies to cover the cost of pay awards for firefighters and support staff.

**Pay awards +£523,000**

Pay awards of 1% have been agreed for support staff with effect from 1 April 2013 and firefighters with effect from 1 July 2013; the cost of these has been allocated from the contingency for pay and prices.

### **3. EXPENDITURE MONITORING**

Based on current levels of expenditure and forecast leavers, we are currently predicting an under spending of £1.9m for the current financial year an increase of £1m over the previous forecast. A significant part of this increase, £0.375m, relates to an adjustment to the 2012/2013 statement of accounts as explained below. A summary of the variances is shown in the table below.

Overall, it was anticipated that the Authority would underspend its budget in the current financial year, principally as a result of the dispensation on precept allowed in the Local Government Finance Settlement. The Authority was able to increase its precept by £4.99 at band d, generating additional precept in of £2.9m per annum. The main aim of this being to address some of the longer term financial problems identified in the medium term financial plan. Despite this increase and the current years underspending, the Authority will still have to identify additional savings of over £10.0m by 2018 and consequently continues to look for further efficiencies.

|                           | <b>FORECAST</b> | <b>APPROVED BUDGET</b> | <b>VARIANCE</b> |
|---------------------------|-----------------|------------------------|-----------------|
|                           | <b>£000</b>     | <b>£000</b>            | <b>£000</b>     |
| Whole-time firefighters   | £54,099         | £55,556                | -£1.457m        |
| Support staff             | £7,498          | £7,853                 | -£0.355m        |
| Capital financing charges | £6,973          | £6,823                 | +£0.150m        |

### **3.1 Whole-time Firefighters -£1.457m**

This under spending can be broken down into three areas:

#### **Additional Pension Costs, Norman v Cheshire**

As a result of the legal challenge against Cheshire FRA over the definition of pensionable pay, each fire authority will be required to review their treatment of allowances and pay backdated pension contributions. The impact on this Authority is calculated to be £0.375m, which was included within the 2013/2014 approved budget.

However, as part of the Audit of the 2012/2013 accounts, it was agreed that the correct treatment would be to make a provision in the 2012/2013 accounts to cover this cost and this has now been done. The overall impact of this change in accounting treatment will have no effect on the Authority's general balances as it will reduce balances brought forward by £0.375m and increase the under spending in the current year by the same amount.

#### **Additional Leavers**

As explained in the previous report, the number of firefighters leaving the brigade is greater than the number forecast when the budget was prepared. At the beginning of the year there were already 11 additional leavers which equates to £0.4m, and since then there have been a further 29 retirements of which 2 were ill health and 2 transfers out of the brigade. This level of retirement exceeds the retirement profile by 12 posts.

#### **Overtime**

An amount of £0.9m was included in the budget to cover the cost of overtime which includes the cost of detached duties and the cost of staffing the resilience pumps. In the first 6 months only £0.26m has been committed which means we are forecasting a significant under spending.

### **3.2 Support staff -£355k**

As explained in the previous report, there are currently a number of vacancies in the support staff establishment and there have been additional leavers in the last 3 months.

### 3.3 Capital Financing Charges +£150k

As part of the revenue budget process, the budget for capital financing charges was reduced by £385k to reflect the fall in interest rates and the extended use of short term variable rate loans. The current projection is for an overspending of £150k, although this may change as the capital expenditure profile changes during the course of the financial year.

## 4. IMPACT ON REVENUE BALANCES

As explained above, the balance brought forward has reduced by £0.375m to £10.46m.

| Description                   | General Reserve |
|-------------------------------|-----------------|
| Balance at 1 April 2013       | + £10.46m       |
| Planned increase              | + £ 0.94m       |
| Impact of forecast            | + £ 1.90m       |
| Forecast balance at 31/3/2014 | +£13.30m        |

The strategy for the use of balances forms part of the annual budget and medium term financial plan. A further report on this agenda, dealing with the consultation paper on the 2014/2015 and 2015/2016 settlement identifies a significant increase in the budget gap. These balances will be available to assist the Authority in managing this gap.

**2013/2014 REVENUE EXPENDITURE MONITORING**  
**SEPTEMBER 2013**

| <b>EXPENDITURE</b>         | <b>PAYMENTS<br/>TO DATE</b> | <b>EXPEND<br/>FORECAST</b> | <b>APPROVED<br/>BUDGET</b> | <b>VIREMENT</b> | <b>REVISED<br/>BUDGET</b> | <b>FORECAST<br/>VARIANCE</b> |
|----------------------------|-----------------------------|----------------------------|----------------------------|-----------------|---------------------------|------------------------------|
|                            | £000                        | £000                       | £000                       |                 | £000                      | £000                         |
| Wholtime firefighters      | £21,621                     | £54,099                    | £55,142                    | £414            | £55,556                   | -£1,457                      |
| Retained firefighters      | £722                        | £2,130                     | £2,328                     | £17             | £2,345                    | -£215                        |
| Firefighters pensions      | £49                         | £1,970                     | £1,970                     |                 | £1,970                    | £0                           |
| Brigade control            | £712                        | £1,795                     | £1,839                     | £14             | £1,853                    | -£58                         |
| Support staff              | £2,857                      | £7,498                     | £7,775                     | £78             | £7,853                    | -£355                        |
| Other employee expenses    | £178                        | £710                       | £710                       |                 | £710                      | £0                           |
| Premises expenses          | £1,525                      | £3,066                     | £3,034                     |                 | £3,034                    | £32                          |
| Transport costs            | £870                        | £2,293                     | £2,293                     |                 | £2,293                    | £0                           |
| Supplies and services      | £1,649                      | £5,009                     | £5,009                     |                 | £5,009                    | £0                           |
| Insurance                  |                             | £960                       | £960                       |                 | £960                      | £0                           |
| Lead authority charges     |                             | £288                       | £288                       |                 | £288                      | £0                           |
| Capital financing charges  |                             | £6,973                     | £6,823                     |                 | £6,823                    | £150                         |
| Provision for pay & prices |                             | £702                       | £1,225                     | -£523           | £702                      | £0                           |
| <b>Total Expenditure</b>   |                             | <b>£87,493</b>             | <b>£89,396</b>             | <b>£0</b>       | <b>£89,396</b>            | <b>-£1,903</b>               |
| <b>Grants</b>              | £1,457                      | £1,481                     | £1,481                     |                 | £1,481                    | £0                           |
| <b>Other Income</b>        | £700                        | £1,196                     | £1,196                     |                 | £1,196                    | £0                           |
| <b>Total Income</b>        |                             | <b>£2,677</b>              | <b>£2,677</b>              | <b>£0</b>       | <b>£2,677</b>             | <b>£0</b>                    |
| <b>Net expenditure</b>     |                             | <b>£84,816</b>             | <b>£86,719</b>             | <b>£0</b>       | <b>£86,719</b>            | <b>-£1,903</b>               |

## **SECTION 2 CAPITAL EXPENDITURE MONITORING**

### **1. INTRODUCTION**

At its meeting on 21 February 2013, the Authority approved a five year capital programme of £45.4m which included schemes to the value of £13.709m for the current financial year.

### **2. 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. This is particularly relevant in the current position where the Authority is planning the construction of 8 new fire stations. In total, schemes totalling £2.65m, which were not completed in 2012/2013, have been added to the 2013/2014 capital plan, increasing it to £16.354m

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.

### **3. CAPITAL PAYMENTS 2013/2014**

The actual capital payments to date total £2.788m, most of which is on schemes which commenced in the previous financial year. However, the Authority has now purchased the sites for two of the new build fire stations at Rastrick and Batley and is close to finalising the purchase of two further sites. It is likely that we will see significant progress on these schemes by the end of the current financial year. Details of expenditure on individual schemes are included in Appendix 2.

### **4. 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 in the current year are attached in Appendix 1.

## **SECTION 3 TREASURY MANAGEMENT**

### **1. INTRODUCTION**

At its meeting on 21 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. This report provides details of the treasury management activity during the first five months of the year.

### **2. OVERALL ECONOMIC POSITION**

#### **Outlook for the economy and interest rates**

The Bank of England's Monetary Policy Committee has continued to maintain base rate at 0.5% and also to use quantitative easing to try and stimulate the economy into growth. The central bank rate is unlikely to move significantly in the near future although market rates such as LIBOR are increasing, albeit very slowly.

### **2.2 BORROWING**

The Authority has not taken on any new long term borrowing in the current financial year and has where necessary taken advantage of the low rates offered through short term variable rate loans. The Authority has no temporary borrowing outstanding at 15 August 2013 and the average balance for the first five and a half months was £0.6m. As mentioned in the previous report I have taken advantage of the positive cash flow provided by the revenue balances and pension grant to repay some long term borrowing. During the last 2 months £2m has been repaid. Further debt will be repaid as the maturity dates provide and whilst investment rates remain so low.

Following the receipt of the pension grant the Authority is unlikely to require any new borrowing during the next quarter of the financial year.

#### **LOBO (Lender Option Borrower Option)**

In May 2006 the Authority took a LOBO (lender option borrower option) loan of £2.0m for a fixed period of 60 years at a rate of 3.58% fixed for the first 5 years of the loan. After this period the lender can review the interest rate at 5 yearly intervals and the Authority has the option to either repay the loan or accept the new rate. At the first interest rate review in May 2011 the lender did increase the rate; the next interest rate review will be in 2016. The tables below provide an analysis of the long term borrowing of the Authority. It can be seen that the only transaction has been the repayment of principal.

**(a) Long-Term Borrowing as at 13 August 2013**

| <b>Lender</b>      | <b>£000s</b>  |
|--------------------|---------------|
| PWLB               | 50,737        |
| Dexia Credit Local | 2,000         |
| <b>Total</b>       | <b>52,737</b> |

**(b) Movement in Long-Term Borrowing**

| <b>Long-Term Borrowing</b>          | <b>Date</b>  | <b>£000s</b>  |
|-------------------------------------|--------------|---------------|
| <b>Opening Balance 1 April 2013</b> |              | <b>54,816</b> |
| Repayment of EIP principal          | April – June | -2079         |
| <b>Balance as at 15 August 2013</b> |              | <b>52,737</b> |

## 2.3 INVESTMENTS

The table below shows the investments outstanding at 15 August 2013. The Authority has significant funds invested with DMO, the Government's deposit facility. Whilst returns are poor, the facility is free of risk and the Authority is able to specify maturity dates to coincide with those on which large payments such as salaries are due. One of the investments (£3,355k) represents the balance of grant received towards the joint control centre scheme. The deposit and money market accounts offer security and liquidity in a difficult market. Ratings of potential counterparties continue to be downgraded or placed on 'negative watch' – an indication that the next movement is likely to be downwards. The deposits in the money market funds form part of overall funds of £6.5 billion for Aviva, £5.5 billion for Goldman Sachs and £12.8 billion for Ignis that invest mainly in AA and AAA rated financial institutions and companies. All three companies have stressed that their current policy is to maximise income whilst protecting principal and liquidity.

### 1) Investments as at 15 August 2013

| Counterparty                  | Interest Rate | Maturity Date     | Amount £000s |
|-------------------------------|---------------|-------------------|--------------|
| DMO                           | 0.25%         | 20/08/2013        | 3,355        |
| DMO                           | 0.25%         | 30/08/2013        | 3,000        |
| DMO                           | 0.25%         | 09/09/2013        | 2,800        |
| Nationwide Building Society   | 0.38%         | 16/09/2013        | 2,700        |
| DMO                           | 0.25%         | 23/09/2013        | 1,000        |
| DMO                           | 0.25%         | 01/10/2013        | 4,000        |
| DMO                           | 0.25%         | 29/10/2013        | 1,000        |
| Bank of Scotland              | 0.40%         | Deposit a/c       | 2,609        |
| Aviva Sterling Liquidity Fund | 0.37%         | Money Market Fund | 1,079        |
| Goldman Sachs Liquidity Fund  | 0.36%         | Money Market Fund | 1,002        |
| Ignis Sterling Liquidity Fund | 0.38%         | Money Market Fund | 2,970        |

## 2.4 Counterparty Monitoring

All investments during the year have been with counterparties approved as part of the Investment Strategy 2013-14 agreed by the Full Authority at the budget meeting in February 2013. Officers will continue to closely monitor the global economic situation to ensure that any exposure to risk is minimised. The counterparty list will be reviewed as part of the 6 monthly treasury management review which will be presented to the next meeting of this committee.

## **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 2013/2014 is 100%. In period 5 of the current financial year 99.53% of invoices were paid within 30 days bringing the aggregate to 98.73%.

### **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 31 August 2013 is £55,213 this can be profiled as follows:

|                        |          |
|------------------------|----------|
| Less than 60 days -    | £ 19,307 |
| Greater than 60 days - | £ 35,906 |

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 £35,906 of debt which is at the recovery stage.

## APPENDIX 1

| Management Board approvals |  |                 |                   |
|----------------------------|--|-----------------|-------------------|
| Date                       | Description                                      | Capital<br>Plan | Approved<br>Spend |
| Apr-13                     | Silent witness cameras FDS cars                  | £20,000         | £20,000           |
|                            | Silent witness cameras prime meovers             | £100,000        | £70,000           |
|                            | Replacement intrinsically safe radios            | £45,000         | £45,000           |
|                            | Water rescue equipment                           | £15,000         | £15,000           |
|                            | Line rescue equipment                            | £15,000         | £15,000           |
|                            | Wire cutters                                     | £12,000         | £12,000           |
|                            | Thermal image cameras                            | £25,000         | £25,000           |
|                            | Lay flat hose                                    | £12,000         | £12,000           |
|                            | <b>Information Technology</b>                    |                 |                   |
|                            | Server replacement                               | £110,000        | £90,000           |
|                            | IT hardware                                      | £90,000         | £90,000           |
|                            | Server room equipment                            | £185,000        | £86,000           |
|                            | Software licenses                                | £230,000        | £100,000          |
| Jun-13                     | <b>Property</b>                                  |                 |                   |
|                            | FSHQ training centre                             |                 | £20,000           |
|                            | Illingworth, odsal, Wetherby energy improvements |                 | £40,000           |
|                            | Slaithwaite refurbishment                        |                 | £100,000          |
|                            | Huddersfield refurbishment                       |                 | £30,000           |
|                            | Keighley internal refurbishment                  |                 | £50,000           |
|                            | Cleckheaton showers and washing facilities       |                 | £50,000           |
|                            | Wetherby heating                                 |                 | £20,000           |
|                            | Odsal refurbishment heating                      |                 | £100,000          |
|                            | Fire alarm upgrades                              |                 | £50,000           |
|                            | Vehicle pits                                     |                 | £30,000           |
|                            | Health and safety                                |                 | £40,000           |
|                            | Diesal tank replacement                          |                 | £10,000           |
|                            | Electrical heating                               |                 | £50,000           |
|                            | Lighting and power surge                         |                 | £30,000           |
|                            | Asbestos removal                                 |                 | £30,000           |
|                            | Roof replacement                                 |                 | £50,000           |
|                            | DDA access                                       |                 | £10,000           |
|                            | Internal fabric refurbishment                    |                 | £50,000           |
|                            | Appliance bay doors                              |                 | £10,000           |
|                            | Tarmac   |                 | £30,000           |
|                            | External fabric repairs                          |                 | £30,000           |
|                            | Kitchen refurbishment                            |                 | £10,000           |
|                            | Access control                                   |                 | £50,000           |
|                            |  | £890,000        |                   |

| <b>CAPITAL BUDGET MONITORING 2013/14</b> |                                     |                               |   |                                |                                |
|--|-------------------------------------|-------------------------------|---|--------------------------------|--------------------------------|
| <b>SUMMARY</b>                           |                                     |                               |   |                                |                                |
| <b>Directorate</b>                       | <b>Current Financial Year</b>       |                               |   |                                |                                |
|  | <b>2013/14<br/>Capital<br/>Plan</b> | <b>Virement/<br/>Slippage</b> | <b>2013/14<br/>Revised Capital<br/>Plan</b> | <b>Expenditure<br/>2013/14</b> | <b>Balance<br/>Uncommitted</b> |
| Property services                        | £1,690,000                          | £111,000                      | £1,801,000                                  | £104,764                       | £1,696,236                     |
| IRMP                                     | £6,105,800                          | £2,350,200                    | £8,456,000                                  | £630,743                       | £7,825,257                     |
| Information technology                   | £1,226,000                          | £129,100                      | £1,355,100                                  | £255,452                       | £1,099,648                     |
| HR                                       | £60,000                             | £0                            | £60,000                                     | £0                             | £60,000                        |
| Transport                                | £2,185,000                          | £0                            | £2,185,000                                  | £988,280                       | £1,196,720                     |
| Operations                               | £1,083,000                          | £754,600                      | £1,837,600                                  | £808,884                       | £1,028,716                     |
|  | <b>£12,349,800</b>                  | <b>£3,344,900</b>             | <b>£15,694,700</b>                          | <b>£2,788,123</b>              | <b>£12,906,577</b>             |

| PROPERTY  |                        |               |                      |                |                   |
|---|------------------------|---------------|----------------------|----------------|-------------------|
| Details of Scheme   | Current Financial Year |               |                      |                |                   |
|   | Capital Plan           | Slippage      | Revised Capital Plan | EXPT           | Uncommitted       |
| <b>Supplies and Transport</b>   |                        |               |                      |                |                   |
| Refurbishment of building following fire damage   | £800,000               |               | £800,000             | £0             | £800,000          |
| <b>Training Centre</b>  |                        |               |                      |                |                   |
| FSHQ Training Centre - Upgrade audio and visual systems in lecture theatre & Conference Room              | £20,000                |               | £20,000              | £0             | £20,000           |
| <b>Oakroyd Hall</b>   |                        |               |                      |                |                   |
| <b>General Specific Refurbishments</b>  |                        |               |                      |                |                   |
| Fire Stations (inc Illingworth, Odsal & Wetherby) Environmental and Energy Efficiency improvements        | £40,000                |               | £40,000              | £0             | £40,000           |
| Slaithwaite Fire Station Refurbishment  | £100,000               | £3,500        | £103,500             | £0             | £103,500          |
| Huddersfield Fire Station Boiler replacement and solar panel domestic hot water system                    | £30,000                |               | £30,000              | £0             | £30,000           |
| Keighley Fire Station internal accommodation refurbishment (inc washing & training facilities)            | £50,000                |               | £50,000              | £0             | £50,000           |
| Cleckheaton Fire Station refurbishment of male washing facilities   | £50,000                |               | £50,000              | £0             | £50,000           |
| Wetherby Fire Station upgrade and refurbishment of heating system   | £20,000                |               | £20,000              | £325           | £19,675           |
| Odsal Fire Station upgrade and refurbishment of central heating and solar panel domestic hot water system | £100,000               |               | £100,000             | £0             | £100,000          |
| <b>General Strategic Refurbishments</b>   |                        |               |                      |                |                   |
| Upgrading of fire alarm systems   | £50,000                |               | £50,000              | £0             | £50,000           |
| Replacement of old diesel tanks and interceptors  | £30,000                |               | £30,000              | £0             | £30,000           |
| Refurbishment of vehicle pits   | £10,000                |               | £10,000              | £0             | £10,000           |
| Health and Safety improvements  | £40,000                |               | £40,000              | £0             | £40,000           |
| Electrical and heating refurbishment works  | £50,000                |               | £50,000              | £1,749         | £48,251           |
| Training tower upgrades including lightening and power surge protection systems                           | £30,000                |               | £30,000              | £13,850        | £16,150           |
| Asbestos management and removal   | £30,000                |               | £30,000              | £560           | £29,440           |
| Roof replacement and upgrades including thermal insulation  | £50,000                |               | £50,000              | £0             | £50,000           |
| DDA access  | £10,000                |               | £10,000              | £0             | £10,000           |
| Internal fabric refurbishments to meet reorganisation requirements  | £50,000                |               | £50,000              | £4,950         | £45,050           |
| Upgrade appliance bay doors   | £10,000                |               | £10,000              | £0             | £10,000           |
| External fabric refurbishment   | £30,000                |               | £30,000              | £0             | £30,000           |
| Replacement and upgrading tarmac and surfaces to drill grounds  | £30,000                |               | £30,000              | £0             | £30,000           |
| Fire station kitchen installations  | £10,000                |               | £10,000              | £3,011         | £6,989            |
| Access control and security improvements  | £50,000                |               | £50,000              | £0             | £50,000           |
| <b>TOTAL CAPITAL PLAN 2013/14</b>   | <b>£1,690,000</b>      | <b>£3,500</b> | <b>£1,693,500</b>    | <b>£24,445</b> | <b>£1,669,055</b> |

|  |                   |                 |                   |                 |                   |
|--|-------------------|-----------------|-------------------|-----------------|-------------------|
| TOTAL CAPITAL PLAN 2013/14   | £1,690,000        | £3,500          | £1,693,500        | £24,445         | £1,669,055        |
| Oakroyd Hall Major refurbishment   |                   | £1,800          | £1,800            | £300            | £1,500            |
| Phased programme of washing & welfare refurbishments - Odsal & Cleckheaton |                   | £2,300          | £2,300            | £1,500          | £800              |
| DDA access improvements (lift retention)                                   |                   | £3,700          | £3,700            | £0              | £3,700            |
| Asbestos removal and major environmental improvements                      |                   | £3,700          | £3,700            | £0              | £3,700            |
| Replacement of roof to old gym building                                    |                   | £59,100         | £59,100           | £53,539         | £5,561            |
| Health & Safety improvements   |                   | £16,900         | £16,900           | £12,873         | £4,027            |
| Electrical, heating and other services equipment replacement               |                   | £4,100          | £4,100            | £2,669          | £1,431            |
| Asbestos management & removal  |                   | £1,500          | £1,500            | £0              | £1,500            |
| DDA access improvements  |                   | £6,900          | £6,900            | £4,800          | £2,100            |
| Access control & security improvements                                     |                   | £7,500          | £7,500            | £4,637          | £2,863            |
|  |                   |                 |                   |                 |                   |
| TOTAL SLIPPAGE   |                   | £107,500        | £107,500          | £80,319         | £27,181           |
|  |                   |                 |                   |                 |                   |
| <b>TOTAL CAPITAL INCLUDING SLIPPED SCHEMES</b>                             | <b>£1,690,000</b> | <b>£111,000</b> | <b>£1,801,000</b> | <b>£104,764</b> | <b>£1,696,236</b> |

| CAPITAL BUDGET MONITORING 2013/14 |                        |                   |                              |            |                     |
|-----------------------------------|------------------------|-------------------|------------------------------|------------|---------------------|
| HUMAN RESOURCES                   |                        |                   |                              |            |                     |
| Details of Scheme                 | Current Financial Year |                   |                              |            |                     |
|                                   | 2013/14 Capital Plan   | Virement/Slippage | 2013/14 Revised Capital Plan | TOTAL EXPT | Balance Uncommitted |
| HR training records               | £60,000                |                   | £60,000                      | £0         | £60,000             |
| <b>TOTAL CAPITAL PLAN 2013/14</b> | <b>£60,000</b>         | <b>£0</b>         | <b>£60,000</b>               | <b>£0</b>  | <b>£60,000</b>      |

| CAPITAL BUDGET MONITORING 2013/14 |                        |                   |                              |                 |                   |
|-----------------------------------|------------------------|-------------------|------------------------------|-----------------|-------------------|
| IRMP                              |                        |                   |                              |                 |                   |
| Details of Scheme                 | Current Financial Year |                   |                              |                 |                   |
|                                   | 2013/14 Capital Plan   | Virement/Slippage | 2013/14 Revised Capital Plan | TOTAL EXPT      | Budget Remaining  |
| <b>IRMP</b>                       |                        |                   |                              |                 |                   |
| South Kirkby                      | £1,647,000             | £200,000          | £1,847,000                   | £0              | £1,847,000        |
| Rastrick                          | £1,580,800             | £500,000          | £2,080,800                   | £414,670        | £1,666,130        |
| Menston                           | £575,000               |                   | £575,000                     | £0              | £575,000          |
| Killingbeck                       | £957,500               | £340,000          | £1,297,500                   | £0              | £1,297,500        |
| Batley Carr                       | £985,500               | £625,000          | £1,610,500                   | £38,909         | £1,571,591        |
| ShIPLEY / Idle                    | £0                     |                   |                              |                 |                   |
| Wakefield / Ossett                | £0                     |                   |                              |                 |                   |
| Moortown / Cookridge              | £0                     |                   |                              |                 |                   |
| Fairweather Green                 |                        |                   |                              |                 |                   |
| Rothwell                          | £360,000               | £517,000          | £877,000                     | £0              | £877,000          |
| Hunslet                           |                        |                   |                              |                 |                   |
| Castleford Refurbishment          |                        | £18,200           | £18,200                      | £2,111          | £16,089           |
| Pontefract Firestation New Build  |                        | £50,000           | £50,000                      | £24,699         | £25,301           |
| Normanton Fire Station New Build  |                        | £100,000          | £100,000                     | £3,982          | £96,018           |
| Huddersfield CARP                 |                        |                   | £0                           | £136,003        | -£136,003         |
| Castleford close call             |                        |                   | £0                           | £10,369         | -£10,369          |
|                                   |                        |                   |                              |                 |                   |
| <b>TOTAL CAPITAL PLAN 2013/14</b> | <b>£6,105,800</b>      | <b>£2,350,200</b> | <b>£8,456,000</b>            | <b>£630,743</b> | <b>£7,825,257</b> |

**CAPITAL BUDGET MONITORING 2013/14**

**CORPORATE RESOURCES**

**IT**

| Details of Scheme                      | Current Financial Year |                   |                              |                 |                     |
|--|------------------------|-------------------|------------------------------|-----------------|---------------------|
|  | 2013/14 Capital Plan   | Virement/Slippage | 2013/14 Revised Capital Plan | TOTAL EXPT      | Balance Uncommitted |
| Computer Hardware                      | £90,000                | £3,000            | £93,000                      | £17,997         | £75,003             |
| Software Licences                      | £230,000               | £23,500           | £253,500                     | £179,213        | £74,287             |
| Servers and Storage                    | £110,000               |                   | £110,000                     | £0              | £110,000            |
| Server room equipment                  | £185,000               |                   | £185,000                     | £35,318         | £149,682            |
| MDT replacement                        | £611,000               |                   | £611,000                     | £0              | £611,000            |
| <b>TOTAL CAPITAL PLAN 2013/14</b>      | <b>£1,226,000</b>      | <b>£26,500</b>    | <b>£1,252,500</b>            | <b>£84,955</b>  | <b>£1,019,972</b>   |
| Human resources data base upgrade      |                        | £4,000            | £4,000                       | £4,364          | £-364               |
| Networking hardware                    |                        | £10,800           | £10,800                      | £10,766         | £35                 |
| Mobile computing                       |                        | £7,800            | £7,800                       | £7,794          | £6                  |
| Secure Internet - PSN                  |                        | £80,000           | £80,000                      |                 | £80,000             |
|  | £0                     | £102,600          | £102,600                     | £170,497        | £79,677             |
| <b>TOTAL CAPITAL INCLUDING SLIPPED</b> | <b>£1,226,000</b>      | <b>£129,100</b>   | <b>£1,355,100</b>            | <b>£255,452</b> | <b>£1,099,648</b>   |

**CAPITAL BUDGET MONITORING 2013/14**

**CORPORATE RESOURCES**

**TRANSPORT**

| Details of Scheme                 | Current Financial Year |                   |                              |                 |                     |
|-----------------------------------|------------------------|-------------------|------------------------------|-----------------|---------------------|
|                                   | 2013/14 Capital Plan   | Virement/Slippage | 2013/14 Revised Capital Plan | TOTAL EXPT      | Balance Uncommitted |
| Vehicle replacement               | £1,215,000             |                   | £1,215,000                   | £922,120        | £292,880            |
| CARP                              | £680,000               |                   | £680,000                     | £0              | £680,000            |
| Young Firefighter                 | £55,000                |                   | £55,000                      | £15,646         | £39,354             |
| POD refurbishments                | £45,000                |                   | £45,000                      | £0              | £45,000             |
| Traffic Light Management          | £20,000                |                   | £20,000                      | £0              | £20,000             |
| Ladders                           | £60,000                |                   | £60,000                      | £50,513         | £9,487              |
| Silent Witness                    | £110,000               |                   | £110,000                     | £0              | £110,000            |
| <b>TOTAL CAPITAL PLAN 2013/14</b> | <b>£2,185,000</b>      | <b>£0</b>         | <b>£2,185,000</b>            | <b>£988,280</b> | <b>£1,196,720</b>   |

**CAPITAL BUDGET MONITORING 2013/14**

| Details of Scheme                              | Current Financial Year |                 |                      |                 |                   |
|--|------------------------|-----------------|----------------------|-----------------|-------------------|
|  | 2013/14                | Virement/       | 2013/14              | TOTAL           | Balance           |
|  | Capital Plan           | Slippage        | Revised Capital Plan | EXPT            | Uncommitted       |
| Lay Flat Hose                                  | £12,000                |                 | £12,000              | £0              | £12,000           |
| Line Rescue Equipment                          | £15,000                |                 | £15,000              | £8,042          | £6,958            |
| Stabfast                                       | £22,000                |                 | £22,000              | £0              | £22,000           |
| Thermal Image Cameras                          | £25,000                |                 | £25,000              | £8,480          | £16,520           |
| Water Rescue Equipment                         | £15,000                |                 | £15,000              | £7,407          | £7,593            |
| BA Wire Cutters                                | £12,000                |                 | £12,000              | £6,300          | £5,700            |
| Cold Cut Cobra                                 | £60,000                |                 | £60,000              | £0              | £60,000           |
| Intrinsic Radios                               | £45,000                |                 | £45,000              | £28,046         | £16,954           |
| Premises Risk Database                         | £12,000                |                 | £12,000              | £0              | £12,000           |
| Hydrants                                       | £450,000               |                 | £450,000             | £84,037         | £365,963          |
| New Control Project (Premises costs)           | £0                     | £558,300        | £558,300             | £549,367        | £8,933            |
| New Control Project West Yorks                 | £0                     |                 | £0                   | £8,328          | -£8,328           |
| New Control Project Contingency                | £415,000               |                 | £415,000             | £660            | £414,340          |
| Equipment replacement                          |                        |                 |                      |                 |                   |
| Home Fire Safety Checks                        | £700,000               | £0              | £700,000             | £171,034        | £528,966          |
| <b>TOTAL CAPITAL PLAN 2013/14</b>              | <b>£1,083,000</b>      | <b>£558,300</b> | <b>£1,641,300</b>    | <b>£700,666</b> | <b>£940,634</b>   |
| Command Units ICT Provision and Upgrade        | £0                     | £76,300         | £76,300              | £5,000          | £71,300           |
| BA Equipment                                   | £0                     | £120,000        | £120,000             | £103,218        | £16,782           |
| <b>TOTAL SLIPPAGE</b>                          | <b>£0</b>              | <b>£196,300</b> | <b>£196,300</b>      | <b>£108,218</b> | <b>£88,082</b>    |
| <b>TOTAL CAPITAL INCLUDING SLIPPED SCHEMES</b> | <b>£1,083,000</b>      | <b>£754,600</b> | <b>£1,837,600</b>    | <b>£808,884</b> | <b>£1,028,716</b> |



NOT PROTECTIVELY MARKED

# Consultation on the Local Government Finance Settlement 2014/2015 and 2015/16

## Finance & Resources Committee

Date: 27 September 2013

Agenda Item:

6

Submitted By: CHIEF FINANCE OFFICER

|                        |  |
|------------------------|--|
| <b>Purpose</b>         | Consultation on the Local Government Finance Settlement 2014/2015 and 2015/2016  |
| <b>Recommendations</b> | That the Committee note the response and the potential impact on the WYFRA.  |
| <b>Summary</b>         | <p>In July 2013 the Government issued two consultation papers relating to Local Government Finance:</p> <ul style="list-style-type: none"><li>• Local Government Finance Settlement 2014-15 and 2015-16</li><li>• Proposals for the use of capital receipts from asset sales to invest in reforming services.</li></ul> <p>This report concentrates on Local Government Finance Settlement and explains the proposals included within the consultation paper, a draft response to the consultation and the potential impact on the medium term financial plan. A further report on this agenda looks at the proposals for the use of capital receipts.</p> |

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Local Government (Access to information) Act 1972

Exemption Category: Nil

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Background papers open to inspection: None

Annexes: None

## **1 Background**

- 1.1 As part of the Local Government finance settlement 2013/2014 the government provided draft figures for the 2014/2015 financial year. Following the publication, the Chancellor of the Exchequer announced in his 2013 budget that there would be a further reduction of 1% in the local government spending control total.
- 1.2 The consultation paper provides an illustration of the impact of this change and proposes an increase in the amount of grant that will be held back to fund safety net payments. The final section of the paper looks at 2015-2016 control total for revenue support grant and the methodology the government intends to use to allocate the grant.
- 1.3 The paper includes 6 consultation questions and requires a response by 2 October 2013.

## **2 Effects of the 2013 budget announcement**

- 2.1 In order to understand the basis of the reduction in grant it is important that Members understand the way that government funding is constructed as this has a direct impact on the percentage grant cut.
- 2.2 Government funding is now made up of two elements; the first being Localised share of business rates and the second, Revenue support grant. In the case of this Authority, this split approximately 40% - 60%

### **Localised share of business rates (Baseline Funding)**

- 2.3 This is further split, with approximately 60% coming through the central allocation and the rest coming direct from the 5 districts. Whilst the amount coming from central government is fixed, the balance from the districts can vary dependent upon economic activity in the area and its impact on the amount of business rates collected. Because of this the government established a 'safety net' which is top sliced from revenue support grant to protect any local authorities that suffer a significant reduction in business rate income.
- 2.4 As part of the introduction of the scheme for localising business rates, the government agreed to fix, in real terms, the local share of business rates until 2020 and consequently will not reduce this as part of the 2013 settlement.

### **Revenue Support Grant**

- 2.5 This makes up the balance of the central government grant and is the amount that was previously allocated using the fire formula.

### **Cuts in 2014/2015**

- 2.6 The report indicates that there will be an additional cut in overall departmental expenditure of 1% in 2014/2015 which includes both the 'baseline funding' and the revenue support grant (as explained in 2.3 – 2.5). The Government will increase baseline funding in line with inflation to honour the commitment set out in 2.4. This means that in order to achieve the overall cut of 1%, the revenue support grant will have to be cut by 1.75% with additional cut of 0.3% to fund the increase in the safety net. The total impact of this change is to reduce local government expenditure by a further £218.864m in 2014/2015 which translates to a further cut of £4.074m in fire funding.

## Impact on West Yorkshire FRA

- 2.7 The first part of the table below shows the additional grant loss in 2014/2015 and the second part the revised total grant loss for the year. The exemplification for West Yorkshire shows that the percentage loss in revenue support grant will be 1.9% to deliver an overall cut of 1.0%.

| <b>Additional Grant Loss</b> | 2014/2015     | 2014/2015     | Change        | Percentage    |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | Original      | Consultation  |               |               |
|                              | Settlement    | Paper         | £m            | %             |
|                              | £m            | £m            |               |               |
| Baseline funding             | 22.272        | 22.313        | 0.041         | 0.18%         |
| Revenue support grant        | 28.439        | 27.898        | -0.541        | -1.90%        |
| <b>Total</b>                 | <b>50.711</b> | <b>50.211</b> | <b>-0.500</b> | <b>-1.00%</b> |
|                              |               |               |               |               |
| <b>Total Grant Loss</b>      | 2013/2014     | 2014/2015     | Change        | Percentage    |
|                              | Settlement    | Revised       |               |               |
|                              |               | Settlement    | £m            | %             |
|                              | £m            | £m            |               |               |
| Baseline funding             | 21.712        | 22.313        | 0.601         | 2.77%         |
| Revenue support grant        | 32.481        | 27.898        | -4.583        | -14.11%       |
| <b>Total</b>                 | <b>54.193</b> | <b>50.211</b> | <b>-3.982</b> | <b>-7.00%</b> |

The table shows that this change will result in the loss of a further £0.5m grant in 2014/2015 bringing the total loss of grant in the year to £3.98m (7.0%).

## 3 The 2015-2016 Local Government finance settlement

- 3.1 The Chancellor also announced, in his 2013 budget speech, the need for a further reduction in public expenditure of £11.5bn to reduce the public deficit. Overall, this will translate into a reduction of 10% in Local Government funding in 2014-15, although part of this reduction will be set aside to fund a package of service transformation measures. These include provision for further council tax freeze grant in 2014-2015 and 2015-2016, a £30m revenue fund and £45m capital fund for fire to fund transformational change (details of how these funds will be allocated are not yet available).
- 3.2 Once again, with the element of business rates being frozen, the whole of the cut will come from revenue support grant resulting in an average cut of 24.2%. However, not all elements within the Settlement Funding Assessment will be reduced at the same rate.
- 3.3 In Fire there will be an overall cash cut in grant of 8.4% which equates to a real cut of 10%. However, the establishment of the £30m fund to encourage greater efficiencies reduces the average cut to 7.5%. Clearly the actual cut for each Authority will depend upon how successful they are in the bidding process.
- 3.4 The exemplifications show that this Authority will lose a further £4.2m grant in 2015/2016 which equates to a real cut of 8.0% as shown in the table below

| <b>Total Grant Loss</b> | 2014/2015     | 2015/2016     | Change        | Percentage    |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | Revised       | Draft         |               | Change        |
|                         | Settlement    | Settlement    |               |               |
|                         | £m            | £m            | £m            | %             |
| Baseline funding        | 22.313        | 22.940        | 0.627         | 2.81%         |
| Revenue support grant   | 27.898        | 23.089        | -4.809        | -17.24%       |
| <b>Total</b>            | <b>50.211</b> | <b>46.029</b> | <b>-4.182</b> | <b>-8.00%</b> |

## 4 Impact on the medium term financial plan

- 4.1 The figures quoted within the government's consultation paper are pretty much in line with the adjusted medium term financial plan following the Budget Statement 2013. If the figures are confirmed in the settlement, the Authority will still be required to find additional savings over and above non recruitment of £2.0m in 2014/2015 and £4.4m in 2015/2016.

## 5 Consultation questions

### 1 Do you agree with the Government's proposal on how to implement the 1% reduction to the Local Government Expenditure Limit?

This does appear to deliver a fair distribution of grant loss across all fire and rescue authorities albeit the metropolitan fire authorities do lose a marginally greater percentage of grant (9.003% as compared with 8.862%)

The Authority therefore supports this method.

### 2 Do you agree with the proposal for reducing the funding available for capitalisation for 2014-15 by £50m and using the revenue to reduce the amount required to be held back from Revenue Support Grant to fund the safety net?

There is unlikely to be any situation where a fire authority would rely on the safety net or be able to rely on the revised capitalisation directions. This Authority would therefore suggest that the proposed £1m sat aside from fire and rescue authorities be added back in to the quantum.

### 3 Do you agree with the way the Government proposes to hold back the funding that is necessary for New Homes Bonus and safety net support, and to return any surplus to authorities?

No comment - this has no impact on FRAs.

### 4 Do you agree with the proposed methodology for calculating control totals for each of the elements within the Settlement Funding Assessment?

Agree

### 5 Do you agree with the proposed methodology for transferring in 2013-214 Council Tax Freeze consultation?

This is the method that is proposed to transfer the full cash benefit of the 2013-14 council tax freeze grant forward into 2014-2015. As this Authority did not freeze its council tax it is not entitled to this grant and therefore will not comment.

### 6 Do you agree with the proposed methodology for adjusting the 2015-16 settlement to take account of the loss of tax revenue due to the Exchequer from local authorities who are too small to participate in the Carbon Reduction Commitment Energy Efficiency Scheme?

No comment.



NOT PROTECTIVELY MARKED

# Consultation on the Use of Capital Receipts

## Finance & Resources Committee

Date: 27 September 2013

Agenda Item:

7

Submitted By: CHIEF FINANCE OFFICER

|                        |   |
|------------------------|---|
| <b>Purpose</b>         | Consultation on the Use of Capital Receipts from the sale of assets to invest in reforming services.  |
| <b>Recommendations</b> | That the Committee note the response and the potential impact on the WYFRA.   |
| <b>Summary</b>         | <p>In July 2013 the Government issued two consultation papers relating to Local Government Finance:</p> <ul style="list-style-type: none"><li>• Local Government Finance Settlement 2014-15 and 2015-16</li><li>• Proposals for the use of capital receipts from asset sales to invest in reforming services.</li></ul> <p>This report concentrates on the proposals for the use of capital receipts and explains the proposals included within the consultation paper, a draft response to the consultation and the potential impact on the medium term financial plan.</p> <p>A further report on this agenda looks at the proposals for the Local Government Finance Settlement 2013/2014 and 2014/2015.</p> |

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Local Government (Access to information) Act 1972

Exemption Category: Nil

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Background papers open to inspection: None

Annexes: None

## **1 Background**

- 1.1 In the spending review document published by government in June of this year the government suggested it would introduce ways of using asset sales to support investments in transforming local services.
- 1.2 The Government are now consulting on the proposal to use capital receipts from the sale of assets for one off revenue purposes to stimulate organisational change with two main aims:-
- Encourage good asset management planning and incentivise the appropriate sale of local authority assets
  - To enable additional resources, from local authority asset sales, to give flexibility for the one off cost of reforming, integrating or restructuring services.

## **2 Information**

- 2.1 The current capital finance system limits the use of capital receipts to either fund new capital expenditure or repay existing debt and does not allow them to be used to fund revenue expenditure. The reason for these limitations is that it is not sustainable to use one off capital receipts to fund recurrent revenue expenditure.
- 2.2 The aim of the proposal is to encourage restructuring and remodelling of service provision where there is a strong investment case to do so and where the authority in question would otherwise not have access to the funds to do so.
- 2.3 As you would expect there will be a number of controls introduced to control the system; the main ones being a national limit on the amount of capital receipts that can be used and the need to obtain government approval to use the receipts.
- 2.4 In addition the paper makes it clear that the scheme would only apply to new capital receipts and not existing receipts and should not result in new or increased borrowing.

The rest of the paper then sets out proposals for a bidding process and details of how the process will be implemented and the timetable for implementation.

## **3 Potential impact on West Yorkshire Fire and Rescue Authority**

- 3.1 The proposal appears to be aimed at local authorities that currently hold a large stock of capital assets with little or no debt, limited interest in investment in new capital assets.
- 3.2 It is highly unlikely that this proposal will offer much benefit to this Authority, This is because the Authority already has an incentive to release its capital assets firstly to fund the IRMP proposals and secondly to repay existing debt. Therefore any use of capital receipts for revenue purposes would automatically increase the Authority's need to borrow. In addition the Authority has increased its revenue balances over the last few years to be used for this purpose. It is therefore highly unlikely that any bid from this Authority would be successful.

However the Authority would get more benefit from using capital receipts to reduce borrowing and using revenue balances to invest to generate revenue savings.

## 4 Consultation questions

- 1 ***Do you consider that the proposal to allow some flexibility for the use of capital receipts from the new asset sales will provide you with a useful additional flexibility for one off revenue costs associated with restructuring and reforming local service to deliver longer term savings?***

This Authority can see little scope for the use of capital receipts to fund revenue expenditure. This is because the Authority has an extensive capital investment plan which is designed to deliver long term revenue savings and any capital receipts will be used to reduce borrowing costs.

- 2 ***To evidence base the response to question one, we would welcome your initial ideas for change that you consider would benefit from the flexible use of capital receipts.***
- 3 ***Do you agree that these criteria should be used, or would you suggest alternative or additional measurements to decide a bid based approach***
- 4 ***Do you agree that a direction letter mechanism would be the best method of delivering the aims of the policy proposal?***
- 5 ***Is the proposed timetable realistic to allow for the practical implementation of the flexible use of capital receipts?***
- 6 ***If you felt the timetable was not realistic, what changes would you make to the proposed implementation of the policy to allow for the practical delivery of the flexible use of capital receipts?***





# Review of standing conferences

## Finance & Resources Committee

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Date: 27 September 2013

Agenda Item:

8

Submitted By: Director of Corporate Resources

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- Purpose** To invite Members to consider the standing approved list of Conferences and nominate representatives as appropriate for Conferences in 2013 / 14.
- Recommendations**
- (i) That consideration be given to the approved standing list of Conferences;
  - (ii) That consideration be given to the attendance of Members at
    - a) LGA Fire Conference to be held in Cardiff on 11 – 12 March 2014
    - b) LGA Annual Conference to be held in Dorset on 8 – 10 July 2014
  - (iii) That relevant allowances be payable to attending Members as appropriate
  - (iv) That the standing list of conferences as agreed at (i) be reviewed in September 2016.
- Summary** To consider the approved standing list of Conferences (as detailed at paragraph 2.1) and Member attendance in 2013 / 14.

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: None

## **1 Introduction**

1.1 It was resolved at the 1 October 2010 meeting of the Finance and Resources Committee that a standing list of approved Conferences be created, to be reviewed on a three-yearly basis and, for which, approval was given to the attendance of Members on the basis of one Member from each political group.

1.2 The standing list of approved Conferences comprised of the following;

LGA Fire Conference

LGA Annual Conference

CFOA Fire Conference \*

\*the last CFO Fire Conference was scheduled in 2011 and subsequently postponed. No further conferences have been arranged since that time.

## **2 Information**

2.1 The Local Government Association (LGA) has advised that arrangements are in hand for the following conferences in 2014;

- |                         |                    |         |
|-------------------------|--------------------|---------|
| • LGA Fire Conference   | 11 – 12 March 2014 | Cardiff |
| • LGA Annual Conference | 8 – 10 July 2014   | Dorset  |

2.2 Attendance at Conferences has been approved in the past in accordance with the previously agreed formula (one Member from each Group).

2.3 An indication of the conference and accommodation fees (2013 figures) is as follows

LGA Fire Conference - £360 per delegate (exclusive of VAT), accommodation £126 pppn

LGA Annual Conference - £495 per delegate (exclusive of VAT), accommodation £97pppn

## **3 Financial Implications**

3.1 The costs of the Conferences, including travel and subsistence, will be met from within existing revenue budget provision.

## **4 Equality and Diversity Implications**

4.1 There are no direct equality and diversity implications.

## **5 Health and Safety Implications**

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

## **6 Service Plan Links**

6.1 This report relates to the following Service Plan priority

“Provide effective and ethical governance and achieve value for money in managing resources”.

## **7 Conclusions**

7.1 That Members consider attendance at the LGA Conferences in 2014 and agree a revision of the standing list (LGA Fire and Annual Conferences only) for review in 2016.



NOT PROTECTIVELY MARKED

# Leadership Academy - Member attendance

## Finance & Resources Committee

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Date: 27 September 2013

Agenda Item:

9

Submitted By: Director of Corporate Resources

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|                        |  |
|------------------------|--|
| <b>Purpose</b>         | To consider Member attendance at the Local Government Association (LGA) Leadership Academy.  |
| <b>Recommendations</b> | <p>(i) That consideration be given to the attendance of a Member at the Leadership Academy in Winter 2013 /14 on the basis of one Member from each political group; and</p> <p>(ii) That, should approval be given at (i) above, this approval be transferred where possible to attendance at a Fire Leadership Academy should these be introduced following a post-trial LGA internal review into their future.</p> |
| <b>Summary</b>         | 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.  |

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Leadership Academy – background and programme dates

## **1 Introduction**

- 1.1 Information has been received from the Local Government Association (LGA) with regard to a further series of 6-day Leadership Academy programmes to be held at the Warwick Conference Centre, Coventry.
- 1.2 Details of the programme dates are attached at Annex A.

## **2 Information**

- 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, Councillors Thornton and Dodds. Approval for attendance has previously been granted on the basis of one Member from each political group providing they have not participated in a similar Academy programme.
- 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 recently refreshed course modules are as follows;
- Module one - leading through relationships
  - Module two - leading innovation and change
  - Module three - leading communities and place
- 2.4 Members are expected to attend both days of each module with a high level of participation and discussion.

## **3 Fire Leadership Academy**

- 3.1 Feedback from those Members who have attended the more generic Leadership Academy in recent years (and latterly from Councillors Thornton and Dodds) has been very positive. It is not, however, Fire Service specific.
- 3.2 The Chair of the LGA Fire Services Management Committee announced a new Fire Leadership Academy at the LGA Fire Conference in March 2013. This was held on a free of charge / trial basis in early September with a maximum of 15 attendees.
- 3.3 The Fire Authority's Constitution allows for the Chair to attend minor conferences without the explicit approval of committee. Due to the timing of the announcement of this Academy and the limited number of available places, it was agreed with the Chair that a place be reserved and that the Vice chair be this Authority's representative. Councillor Hughes attended on 11 – 12 September 2013.
- 3.4 Councillor Hughes is of the opinion that, should the LGA continue to promote the Fire specific Leadership Academy, then this should be the focus of this Authority's attention rather than the more generic issues covered in the standard Academy programmes. Not only does it offer the opportunity to network and share ideas with elected Members from other Fire and Rescue Authorities, but it provides focus on national fire policy and included a useful element on Members' duty in law.
- 3.5 Officers are in communication with the LGA regarding feedback from the pilot Fire Academy and are in a position to act swiftly should the decision be taken by the LGA to continue with them on a more permanent / rolling programme basis.

## **4 Financial Implications**

- 4.1 The cost of the [generic] Academy (residential course) remains at £1,000 for the first place booked and £1,250 thereafter. The fee covers accommodation, meals, refreshments, materials 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 budgetary provision.
- 4.2 Given the uncertainty of the future of the Fire Leadership Academy, it is useful to note that the cancellation policy for the Academy allows for a nil charge if a place is cancelled and notice given four weeks prior to the commencement of the first module of any programme.

## **5 Equality and Diversity Implications**

- 5.1 There are no Equality and Diversity implications arising from this report.

## **6 Health and Safety Implications**

- 6.1 None arising from this report.

## **7 Service Plan Links**

- 7.1 Attendance on relevant development programmes will assist the Authority in providing effective and ethical governance.

## **8 Recommendation**

- 8.1 It is recommended that consideration be given to the attendance of Member(s) at the (generic) Leadership Academy pending the outcome of the LGA internal review into the future of the recently-trialled Fire Leadership Academy.



## Leadership Academy 2013-2014 Main Programmes

The Leadership Academy has an enviable reputation in local government for enabling local leaders to improve their leadership capabilities. However for 2013 onwards the Academy has been **completely revised and updated** – producing a high quality, cutting edge programme re-shaped to aid leaders in a particularly challenging context

Over 2000 elected members of all political persuasions, from almost every council in the country have graduated from the main Leadership Academy programme since it was launched 13 years ago. The programme is now recognized by ILM (Institute of Leadership & Management), the UK's leading awarding body for leadership and management, and Leadership Academy graduates will now receive an accredited ILM certificate. The Leadership Academy is a leadership development programme for leading councillors based on three two-day residential modules over a three-month period

**Module 1** focuses on **leading through relationships**. This module explores how councillors can develop, maintain and use relationships (both internal and external) to provide effective leadership at the political, organisational and wider community levels.

**Module 2** looks at **leading innovation and change**. This module will develop councillors' ability to lead and manage complex change to improve effectiveness and efficiency and to achieve better outcomes for the community

**Module 3** explores **leading communities and place**. The focus is on helping councillors to communicate with and provide leadership to their communities and within partnerships to achieve growth and prosperity.

**Fees:** The cost of the first place book for each authority is now just £1,000, and the cost for each subsequent place will be £1,250. The fee covers accommodation, meals, refreshments, material and tuition for the three residential modules

### Dates and Venue

#### Midweek Programme 138: Warwick Conference Centre, Coventry

Tuesday, 8<sup>th</sup> October – Wednesday, 9<sup>th</sup> October 2013

Tuesday, 5<sup>th</sup> November – Wednesday, 6<sup>th</sup> November 2013

Tuesday, 3<sup>rd</sup> December – Wednesday, 4<sup>th</sup> December 2013

#### Weekend Programme 140: Warwick Conference Centre, Coventry

Saturday, 9<sup>th</sup> November – Sunday, 10<sup>th</sup> November 2013

Saturday, 7<sup>th</sup> December – Sunday, 8<sup>th</sup> December 2013

Saturday, 11<sup>th</sup> January – Sunday, 12<sup>th</sup> January 2014

#### Weekend Programme 141: Warwick Conference Centre, Coventry

Saturday, 14<sup>th</sup> December – Sunday, 15<sup>th</sup> December 2013

Saturday, 18<sup>th</sup> January – Sunday, 19<sup>th</sup> January 2014

Saturday, 22<sup>nd</sup> February – Sunday, 23<sup>rd</sup> February 2014

#### Weekend Programme 143: Warwick Conference Centre, Coventry

Saturday, 18<sup>th</sup> January – Sunday, 19<sup>th</sup> January 2014

Saturday, 15<sup>th</sup> February – Sunday, 16<sup>th</sup> February 2014

Saturday, 15<sup>th</sup> March – Sunday, 16<sup>th</sup> March 2014