

AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN CYMRU



MID AND WEST WALES FIRE AND RESCUE AUTHORITY

COFNODION CYFARFOD CYFFREDINOL ARBENNIG YR AWDURDOD

Ystafell Caer,
Pencadlys Y Gwasanaeth Tân Ac Achub, Caerfyddin

Dydd Mercher 5 Mehefin 2019

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE FIRE AUTHORITY

The Caer Suite,
Fire and Rescue Service Headquarters, Carmarthen

Wednesday 5 June 2019

**10.30 – Adjourned at 10:32
Reconvened 10:40 – 11:32**

80% PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIR: J Curtice

IS-GADEIRYDD/DEPUTY CHAIR: E Williams

AELODAU/MEMBERS: Cyng/Cllrs: C Anderson, G Breeze, A Brinn, K Broom, M Charles, K Curry, L Frayling, T Hennegan, S Joseph, R Lewis, A Llewelyn, R Rees-Evans, P Smith, D Thomas, E G Thomas, L Thomas, G Walker, A Woolcock

YMDDIHEURIADAU/APOLOGIES: Cyng/Cllrs: M Crowley, R Evans, S Freeguard, C Mills, T Van-Rees

N BRESENNOL /IN ATTENDANCE: D Daycock (Clerk/Monitoring Officer), R Hemingway (Section 151 Officer Representative), C Davies (Chief Fire Officer), R Thomas (Deputy Chief Fire Officer), K Jones (Assistant Chief Officer), I Cray (Assistant Chief Fire Officer), S Jenkins (Area Manager), M Harries (Area Manager), P Greenslade (Area Manager), C Jackson (Head of CCBD), S Mansbridge (Head of Finance)

ADJOURNMENT

It was moved and seconded that the business on the agenda should stand adjourned until the Special Meetings of the Performance, Audit and Scrutiny Committee and Resource Management Committee be concluded.

RESOLUTION

It was RESOLVED that the business on the agenda stand adjourned until the Special Meetings of the Performance, Audit and Scrutiny Committee and Resource Management Committee be concluded.

RECONVENED MEETING

The Extraordinary General Meeting of the Fire Authority reconvened in the Caer Suite, Service Headquarters, at 10:40a.m.

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M Crowley, R Evans, S Freeguard, C Mills and T Van-Rees.

2 DECLARATION BY MEMBERS OF ANY PERSONAL INTERESTS

All Members present declared a personal interest in any matters relating to, or likely to affect their own Constituent Authority.

All Members present declared a personal interest in relation to the Unaudited Statement of Accounts 2018/19 set out at Agenda Item 4.

3 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS

There were none.

4 TO RECEIVE AND NOTE A REPORT ON THE UNAUDITED STATEMENT OF ACCOUNTS 2018/19

The Section 151 Officer's Representative presented a report including at Appendix 1, the draft Statement of Accounts 2018/19 (Appendix 1 had been made available to Members electronically) , and explained to members that the Statement was for information only, and was subject to external audit. The audited accounts would then be presented to the Performance Audit and Scrutiny Committee on the 29th July 2-19 for final approval.

Members were assured that the unaudited Statement of Accounts 2018/19 had been certified by the Section 151 Officer as providing a true and fair view of the financial position of the Authority as at 31st March 2019.

The substantial change to the timescales for the publication of accounts was highlighted to Members, which required that the publication of unaudited Statement of Accounts be brought forward to 31 May annually and the audited Statement of Accounts to 31 July annually. Accordingly, in the light of the above changes, the Section 151 Officer's Representative

commended the Head of Finance and the Finance Team who he felt had worked diligently on the preparation of the financial statements to meet the new statutory deadlines.

The Section 151 Officer's Representative drew attention to the salient points contained within the unaudited Statement of Accounts which followed the CIPFA code of practice and which formed the basis of best practice in accordance with the relevant legislation. Attention was drawn in particular to the outturn position for the financial year ended 2019, and it was reported that the net revenue expenditure for the year was £45,757m, against a budget which totalled £46.8m. It was further explained to Members that during the year a sum of £729k was appropriated to Earmarked Reserves, which had resulted in a surplus of £173k being transferred to the General Fund Balance. The Authority had also made use of £3.1m in revenue grant funding. A breakdown of the £2.384m Capital expenditure, against a budget of £7.832m, was provided to Members and it was explained that the under expenditure could, in the main be attributable to slippages in projects which had been reported to Members throughout the year. Members' attention was also drawn to capital borrowing and it was reported that the principal sum outstanding as at 31 March 2019 was £17.059m.

Reference was made to the impact of the current economic climate on the finances of the Authority, whereby it was noted that the most significant factors affecting the Authority were the continuing pressure on public sector budgets and ongoing uncertainty over the impact of the UK's withdrawal from the European Union (Brexit).

The Section 151 Officer's Representative highlighted notes of specific interest within the unaudited Statement of Accounts, including a breakdown of useable reserves (Note 9), a breakdown of debtors (Note 15), senior officer remuneration and exit packages (Note 23), related party transactions (Note 26) and contingent liabilities (Note 32). Members considered the report and the representations made.

RESOLUTION

It was RESOLVED that the unaudited Statement of Accounts 2018/19 be noted.

5 TO RECEIVE AND APPROVE THE ANNUAL GOVERNANCE STATEMENT 2018/19

The Clerk/Monitoring Officer presented a report including the Annual Governance Statement (AGS) 2018/19 to Members and explained that it had been prepared in accordance with regulation 5 (2) of the Accounts and Audit (Wales) Regulation 2014. The Regulation requires the Authority to undertake a review of the effectiveness of the system of internal control annually and to include a statement on internal control, prepared in accordance with proper practices, within the Statement of Accounts.

Consideration was given to the Annual Governance Statement set out at Appendix 1 of the report, which detailed the key elements of the Authority's Governance Framework, in line with the seven fundamental principles of Corporate Governance set out within the CIPFA / SOLACE Governance framework. Members' attention was drawn to a number of areas of practice which enhanced the Authority's scrutiny and governance arrangements and assurance was provided that arrangements were in place to ensure continuous improvement of the Authority's systems. The Clerk/Monitoring Officer recommended that the Annual Governance Statement be approved for signature by the Chair of the Authority and the Chief Fire Officer, leading to its inclusion in the Statement of Accounts.

RESOLUTION

It was RESOLVED that the Annual Governance Statement be approved for signature by the Chair of the Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.

6 TO RECEIVE AND APPROVE A REPORT ON THE EMPLOYERS' PENSION CONTRIBUTION INCREASE 2019/20 SHORTFALL

The Section 151 Officer's Representative presented a report to Members which summarised the current position regarding the Firefighter Pension Schemes employer's contribution increase implications for 2019/20 and the estimated shortfall in funding from Welsh Government.

Members were reminded that the Authority had previously approved a total of up to £250k to be funded from Reserves in order to meet the shortfall in funding provided by Welsh Government in respect of the Firefighter Pension Schemes employer's contribution increase. It was explained that the figure had been agreed based upon the information available at that time which stipulated an average 9.6% increase across the 4 schemes. However, receipt of the new employers' pension contribution rates for 2019/20 had identified a higher contribution increase than what had been forecast by the Welsh Government and this had subsequently resulted in a larger estimated shortfall of £306k compared with the original estimate. The Section 151 Officer's Representative emphasised that the updated estimate was based on actual staff numbers.

Given that the latest calculation exceeded the £250k threshold previously agreed by Fire Authority, Members were requested to approve an increase to the funding from Reserves for the revised Firefighter employers' contribution increase to circa £306k for 2019/20.

Cllr A Woolcock raised concerns regarding subsequent years funding of any pension shortfall. The Section 151 Officer's Representative confirmed that the grant funding received by Welsh Government was in respect of 2019/20 only, and that future budget pressures would be considered as part of the Westminster Comprehensive Spending Review. It was further clarified that some other Authorities had also received a similarly higher employers' pension contribution increase.

The Chief Fire Officer and Chair assured Members that discussions in respect of pension shortfall pressures were ongoing with the Welsh Government Minister, who in turn would be seeking additional funding from the Treasury. Furthermore, the Assistant Chief Officer reported to Members that the Scheme Advisory Board for Wales was in consultation with the Government Actuary Department to relay the view that future pension shortfalls would need to be funded in its entirety by Government. In response to these comments, Cllr A Woolcock suggested that the Authority await the outcomes of the ongoing discussions prior to making any representations to the WLGA regarding the matter. These sentiments were supported by Cllr A Llewelyn who also noted his concerns that no figures had been provided by the Government during the budget setting period. These views were noted.

Following a query from Cllr K Broom, the Chief Fire Officer and Assistant Chief Officer confirmed that no further funding would be received from Government in order to meet the pension shortfall for 2019/20. Cllr K Broom commented that the pension pressures for future years posed a substantial risk to the Authority and other unfunded schemes.

Cllr D Thomas enquired as to the consequences of the Authority not funding the pension shortfall. The Section 151 Officer's Representative duly explained that the pension pressure was a result of

the employer and employee contribution levels not being sufficient to meet the annual outflow in terms of pension costs. It was emphasised that the Authority was required to have a balanced budget and accordingly, should Members not approve the additional funding from Reserves, then the Authority would have to identify cuts elsewhere within the budget to meet the pension pressure.

Cllr G Walker declared an interest as he was in receipt of a Firefighters' pension. At the advice of the Clerk/Monitoring Officer, Cllr G Walker departed the meeting at this point.

RESOLUTION

It was RESOLVED that

- i. the contents of the report be noted and;***
- ii. an increase to the funding from Reserves for the revised Firefighter employer's contributions increase from £250k to circa £306k for the 2019/20 financial year be approved.***

7 TO RECEIVE AND APPROVE THE MEMBER DEVELOPMENT STRATEGY 2019-2024 AND TRAINING PROGRAMME 2019/20

The Clerk / Monitoring Officer introduced a report on the Member Development Strategy 2019-24 and accompanying Training Programme for 2019/20. Members were informed that the Strategy and Programme had been developed by the Democratic Services Forum in line with the Authority's commitment to creating an environment of learning and development in order to equip Members with the necessary skills to achieve the highest standards of professionalism and performance in carrying out their duties on the Fire Authority.

The Clerk / Monitoring Officer provided Members with an overview of the Member Development Strategy 2019-24 outlined in Appendix 1 of the report which provided a synopsis of the Authority's coherent approach to Member Development in terms of inter alia, role descriptions, a competency framework and Individual Development Reviews. Consideration was also given to the supporting Training Programme for the 2019/20 municipal year as set out at Appendix 2 of the report which provided an array of bespoke development opportunities for Fire Authority Members. The Clerk / Monitoring officer indicated that members were welcome to put forward any suggestions for additional training that they might wish to undergo.

RESOLUTION

It was RESOLVED that the Member Development Strategy 2019-2024 and Training and Development Programme 2019/20 be approved.

8 EXCLUSION OF THE PRESS AND PUBLIC

RESOLUTION

It was RESOLVED that pursuant to section 100A (4) of the Local Government Act 1972, that the press and public be excluded from the meeting for the reason, that if they were present, it is likely that there would be disclosure to them of exempt information within the description of Schedule 12A to the Local Government Act 1972, namely:

Paragraph 12: Information relating to a particular individual;

Paragraph 14: information relating to the financial or business affairs of any particular person (including the Authority holding that information).

AND

That it was in the Public Interest to do so.

9 TO RECEIVE AND APPROVE A REPORT ON THE LOCAL PENSION BOARD – EXTENSION OF APPOINTMENT OF INDEPENDENT CHAIR

The Director of Resources presented a report which sought Members' approval to extend the appointment of the current chair of the Local Pension Board to 31 July 2020. Councillor A Llewelyn raised the issue of succession planning, and accordingly an overview of the recruitment process for appointing a successor from July 2020 was duly provided to Members by the Assistant Chief Officer.

RESOLUTION

It was RESOLVED that the current Independent Chair of the Local Pension Board's appointment be extended to 31 July 2020.

10 Any other items of business that by reason of special circumstance, the Chair decides should be considered as a matter of urgency, pursuant to Section 100B(4)(b) of the Local Government Act 1972.

There were no items of urgent business.

The meeting ended at 11:32