

**AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN
CYMRU**



MID AND WEST WALES FIRE AND RESCUE AUTHORITY

**NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE
RESOURCE MANAGEMENT COMMITTEE AT ITS NEXT MEETING**

**CYFARFOD O'R PWYLLGOR RHEOLI ADNODDAU
MEETING OF THE RESOURCE MANAGEMENT COMMITTEE**

DYDD LLUN, 20 IONAWR 2014

MONDAY, 20 JANUARY 2014

**PENCADLYS Y GWASANAETH TÂN AC ACHUB
HEOL LLWYN PISGWYDD, CAERFYRDDIN
FIRE AND RESCUE SERVICE HEADQUARTERS,
LIME GROVE AVENUE, CARMARTHEN**

11.00 – 13:05

73%PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRPERSON: W Evans
**IS-GADEIRYDD/ DEPUTY
CHAIRPERSON:** Apologies received by J Curtice

AELODAU/MEMBERS: Cyng/Cllrs: D Cole, L Frayling, C Higgins,
R Lewis, R Llewellyn, S Paddison, K
Pearson, R Rees-Evans, G Thomas, E
Williams

YMDDIHEURIADAU/APOLOGIES: J Curtice, A Lewis, C Lloyd

YN BRESENNOL /IN ATTENDANCE: E Aitken, D Daycock,
C Davies, D Masson, C Jackson, K Jones

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillors J Curtice, A Lewis and C Lloyd

2 DECLARATION BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS

All Members present declared that they had a personal interest in any business relating to, or affecting their own Constituent Authority.

All Members present declared a personal interest in item 10 of the agenda relating to the detailed revenue budget 2014/2015.

3 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS

The Chair informed the Committee that Cllr Clive Lloyd recently had a heart operation and Members wished to extend their good wishes and speedy recovery.

The Chair reminded Members that an updated agenda item 5 – Disposal of the former fire station on Tremont, Llandrindod Wells had been posted to Members which replaced the original version.

4 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE RESOURCE MANAGEMENT COMMITTEE HELD ON 25 NOVEMBER 2013

The minutes of the meeting held on 25 November 2013 were received and confirmed as a true record of the proceedings.

Matters Arising from the meeting held on 25 November 2013

The Director of Resources informed Members that the constituent authorities had not yet submitted comments regarding the budget, however they have up until the Fire Authority meeting on the 10th February 2014.

A Member queried if Officers had visited the Chief Executive and Treasurer of each Constituent Authority to discuss the budget. The Director of Resources stated that Officers had not visited Authorities however, some authorities have requested a meeting with the Chief Fire Officer. A Member raised concern that the meetings took place each year and queried why this had not occurred. The Director of Resources informed Members that such meetings had not taken place automatically. After discussion, Members agreed to make further enquiries regarding this matter with their respective Chief Executive.

5 TO RECEIVE A REPORT ON THE DISPOSAL OF THE FORMER FIRE STATION ON TREMONT ROAD, LLANDRINDOD WELLS

The Director of Resources introduced to Members the report on the disposal of the former fire station at Llandrindod Wells, which stated that the property was surplus to the property stock due to the recently completed combined services development at Parc Noyadd Park. A sale price of £145K had been proposed by agents.

A Powys Member stated that she was pleased that a sale would take place.

RESOLUTION

It was RESOLVED that permission be granted to dispose of the facility in line with the proposed sale price.

6 TO RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2013/14

The Director of Resources introduced the Budget Monitoring report, which showed the estimated revenue and capital net expenditure for the year ending 31 March 2014. Compared with the estimated positions with the 2013/2014 working budget.

The Director of Resources stated that the estimated net expenditure was calculated by adding the figures in the financial records plus known commitments at 30th November 2013 to the forecasted expenditure for the remainder of the year. The report also showed that the capital financing was within the limits set by the Prudential Indicators.

The Director of Resources informed Members that the report was similar to previous reports. However, particular attention was drawn to the revenue budget monitoring set out in Appendix 1 of the report, whereby Committee were informed that there was a current under spend of £334K which represented 1.3% of the profiled budget estimated at 30 November 2013, which is lower than stated in the previous report. The Director of Resources highlighted that the previous estimated expenditure for the year when compared to the budget report showed a forecast underspend of £652K, whereby the current forecast underspend of £483K (1.10% of the approved budget) would be estimated at 31st March 2014.

The Director of Resources explained that the under spend could, in the main, be attributed to, vacancies within the whole-time staff and Administrative and Technical Services staff budget heads, recruitment costs and recruitment courses. Furthermore, Members were informed, there had been an overspend in the on-call staff budget heads due to recruitment and training, and an overspend of £120K within the Transport function due to vehicle maintenance costs, however, Members were reminded that £100K had been added to next year's budget. The overspend within the insurance sector had been anticipated, and to cover the overspend reserves had been set aside. Additionally, £1million of reserves had been set aside in order to consider and carry out an exercise on self-insurance and members were informed therefore that this would not appear as an overspend next year.

The Director of Resources informed members Appendix 2 showed that after netting off income the net remaining estimated balance of £1,725,474 was covered by grant approvals from Welsh Government. Members' attention was drawn to Appendix 3 – the Capital Monitoring Report 2013/14 which summarises the expenditure on capital projects to 31 March 2014.

The Director of Resources highlighted that the station upgrades were on target. The resources set aside for workshops were originally intended for Carmarthen however, it was identified that the Earlswood complex required work which was of a higher priority. The cost of work at Carmarthen Fire Station and workshops had been underestimated and it was likely that either the scale of the schemes would need amending or further resources be found

The Director of Resources provided Members with an update on the new HR/Payroll system stating that there had been a couple of months delay within phase 1 which was meant to be in place in July, however, the costs remain on target.

A Member queried the insurance costs of £230k+ as an on-going cost, the Director of Resources informed Members that the insurance costs would not be included in the base budget but would be extracted from reserves if necessary. However, it is hoped that the amount of overspend would be reduced by self-insuring.

A Member queried which part of the budget would be covered by the self-insurance. The Director of Risk informed members that an exercise was undertaken last year at the end of the three year agreement. It was then stated that Mid and West Wales Fire and Rescue Service had the best record in the blue light Services in the country in terms of road risk and monitoring of vehicle accidents. In light of the above the Services insurance broker agreed 17% - 20% increase in the premium. The Director of Risk informed the Committee that the Service had committed to a three year contract with the insurers from 2013. However, he stated that were threatening to increase the costs, and unfortunately the insurers are able to continue to raise the increase costs. In light of this the Director of Resources had been developing a self-insurance fund. A member enquired where the fund was shown. The Director of Resources stated that the fund was placed within the reserves.

RESOLUTION

It was RESOLVED that Members note the Budget Monitoring Report for the Financial Year 2013/14

6 TO RECEIVE THE TREASURY MANAGEMENT POLICY AND STRATEGY 2014/2015 AND TREASURY MANAGEMENT PRACTICES

The Director of Resources informed the Committee that each year, before the start of the financial year, the Fire and Rescue Authority was required to approve its Treasury Management Policy and Strategy for that year. The report presented to Members detailed the proposed policy and strategy. The Director of Resources stated that the Prudential Indicators that related to Treasury Management are as follows:

- (a) Adoption of the CIPFA Code of Practice for Treasury Management in the Public Services.
- (b) Upper limit for Fixed Rate Exposure
- (c) Upper Limit for Variable Rate Exposure
- (d) Limits on the Maturity Structure of Borrowing
- (e) Values of Total Principal Sums Invested for Periods Longer Than 364 Days

The Director of Resources reported that in terms of Prospects for interest rates the Bank of England, through the Monetary Policy Committee (MPC) review base rates each week with a view to keeping inflation as measured by the Consumer Price Index (CPI) within the Government target of 2%. The inflation rate showed to peak in June 2013. Furthermore, the Governor of the Bank of England had publicly announced that the base rate would not change until unemployment levels fall below 7%. The unemployment rate showed to peak in March 2013 gradually decreasing to November 2013. However, based on the unemployment rates, the expected base rates for 2014 are to remain at 0.50% through the year.

The Director of Resources informed the Committee that the Authority had access to loans with low interest rates to fund the capital programme, with the mid December certainty rates for loans of five years, fifteen years and twenty five years being 1.45%, 3.08% and 3.27% respectively. The Director of Resources stated that as investment rates were so low instead of investing the surplus money this had been used to fund the capital programme. However, continuous monitoring would be required in the case of any change.

The Director of Resources highlighted the Authority's policy would be to raise finance only from the following: -

- Public Works Loan Board (PWLB)
- Market Long-Term including European Investment Bank (EIB)
- Market Temporary
- Overdraft
- Internal Capital Receipts and Revenue Balances
- Leasing

The Director of Resources explained that the Authority would only invest in approved organisations which have high credit ratings.

RESOLUTION

It was **RESOLVED that** the Resource Management Committee recommend to the Fire and Rescue Authority the formal approval of the Treasury Management Policy and Strategy for 2014-15.

8 TO RECEIVE THE MINIMUM REVENUE PROVISION POLICY STATEMENT FOR THE FINANCIAL YEAR 2014/15

The Director of Resources explained to Members that the Authority was required to set aside funds from revenue each year to meet future liabilities to repay the principal element of loans and finance leases. The amount set aside is called the Minimum Revenue Provision (MRP) and by Regulation, Members were informed by the Director of Resources that a policy on the method of calculation had to be approved by the Authority prior to the start of the year that the method would be applied to. The Director of Resources reported that the recommended calculation method showed the estimated charge to revenue if this method is adopted and that the MRP was a cash backed charge against revenue and therefore, had a direct impact on the contributions required from the Constituent Authorities.

The Director of Resources informed Members that since March 2009 guidance states that the Asset Life method with equal instalments should be used as opposed to the Regulatory Method which was used prior to this time, where there was a minimum charge of 4% on the revenue account. This change could have a significant impact on the revenue budget. Members were informed that the guidance had been followed in the MRP calculations included in the approved revenue budget in December. Members are obliged to consider and approve the calculation method for recommendation to the Fire Authority meeting in February.

A Member enquired about the average life of vehicles within the Service, this was added to by another Member who asked about insurance and the impact this had on the age of vehicles due to some insurance companies preferring to insure younger vehicles. Furthermore, the Service was currently responsible for the maintenance of Service vehicles ideally extending the life of the vehicles. The Member queried further on how this would impact upon the self-insurance.

The Director of Risk clarified that the Service had a rolling programme regarding the purchase of vehicles between 12 and 17 years dependent upon the type of vehicle. The Director of Risk added that part of the current overspend within the Transport sector was due to maintenance on the older vehicles, he reported that the Service fleet was deemed to be too old to be cost effective and this was being addressed over the next 3 – 5 years.

A Member queried the impact of the average life of vehicles on the insurance position and the impact on maintenance on such vehicles. The Head of Finance clarified by informing Members that all operational appliances and operational vehicles are included within the figures, however, the vehicles acquired for Chief Fire Officers as part of the remuneration package was not included within the figures.

RESOLUTION

- 1) ***It was RESOLVED that the “Regulatory Method” is adopted for expenditure incurred before or on 31st March 2009.***
- 2) ***That the “Asset Life Method with Equal Instalments” is adopted for expenditure on or after 1st April 2009, with the Minimum Revenue Provision first being charged in the year after the asset comes in to use when funded by loan, or in the same year as the first lease rental payment if funded by finance lease.***

9 TO RECEIVE THE TREASURERS REPORT ON THE PRUDENTIAL CODE AND PRUDENTIAL INDICATORS FOR THE FINANCIAL YEAR 2014/15

The Director of Resources explained to Members that within the capital programme the Authority was required to test that:

- the capital plans are affordable;
- that all external borrowing and other long term liabilities are within prudent and sustainable levels; and
- that treasury management decisions are taken in accordance with good practice.

The above should be achieved by the calculation and approval of a suite of Prudential Indicators, some of which show the financial impact of capital expenditure decisions, while others provide constraints on treasury management decisions.

The Director of Resources informed Members that the prudential code was to allow the Fire Authority and County Councils to borrow up to the level that they could manage appropriately. Furthermore, the prudential indicators are intended to ensure that the capital programme is a prudent level of spend.

The Director of Resources informed Members that the objective of the Prudential Code is to provide a framework for local authority capital finance that would ensure local authorities 1) capital expenditure plans are affordable, 2) all external borrowing and other long term liabilities are within prudent and sustainable levels and 3) treasury management decisions are taken in accordance with professional good practice whilst taking decisions in relation to capital expenditure and treasury management the authority is accountable, by providing a clear and transparent framework.

The Director of Resources outlined the Prudential Indicators within the report, the first indicator showed the capital level from 2012/13 to 2016/17, which exhibits a picture of the capital that was proposed at that time. The second indicator demonstrates the percentage of the capital repayments as a proportion of the whole revenue budget. The Director of Resources stated that the Authority would potentially be committing to 25 years, therefore it is essential that Members understood what is being committed to.

The Director of Resources informed Members that the Authority had no difficulty meeting the net borrowing and the capital finance requirement in 2012/13, and that no difficulties were envisaged for the current or future years. In respect of the authorised limit for external debt this provides approval to Officers to borrow within the stated limits. The Authority was asked to note that the authorised limit determined for 2013/14 would be a statutory limit determined under section 3(1) of the Local Government Act 2003.

The Director of Resources explained the estimates of the incremental impact of capital investment decisions on revenue budget requirement to Members, which looks at the capital programme that had been approved by Members. The indicator (8) demonstrates the costs that could be saved by excluding those elements of the programme that had not been committed to as yet thus savings would be made.

One of the indicators is in relation to amounts invested for periods longer than 364 days, however the Director of Resources assured Members that there were no proposals for the Authority to invest sums for periods longer than 364 days.

The Clerk stated that some parts of the report were difficult to read due to the shading of some of the tables and requested that this be visibly improved by prior to the Fire Authority.

RESOLUTION

It was RESOLVED that the Resources Management Committee recommend to the Fire and Rescue Authority that:

- 1) That the 2014/15 Prudential Indicators be approved.***
- 2) That delegated authority is given to the Director of Resources to change the balance between borrowing and other long term liabilities within the Authorised Limit for external debt and within the Operational Boundary, while keeping within the overall limits.***

10 TO RECEIVE THE DETAILED REVENUE BUDGET FOR 2014/15

The Director of Resources informed Members that the Fire Authority at its meeting on 9th and 16th December 2013 agreed the revenue budget for 2014/15. Appendix 1 showed Members the breakdown of the revenue budget including the increases/decrease as Members requested.

A Member enquired about when the budget gets consulted upon. In response the Director of Resources informed Members that only the totals of the budget (-1.56%) went to each Constituent Authority in December and comments, if any should be returned by 10 February 2014.

RESOLUTION

It was RESOLVED that the detailed revenue budget is approved for recommendation to the full Fire Authority.

11 TO RECEIVE THE HEALTH AND WELLBEING PERFORMANCE MANAGEMENT UPDATE

The Corporate Head of People and Organisational Development introduced the quarterly report on health and wellbeing which centred upon sickness absence performance in line with the Welsh Government's aim of enabling people to be healthy citizens

The Corporate Head of People and Organisational Development highlighted that the Service's sickness absence statistics for the period 01 April 2013 – 31 December 2013 is 7.09 shifts lost with a projected overall for the year of 9.47 shifts lost with no significant change from the previous report.

The Corporate Head of People and Organisational Development stated actions, which were consistent with the terms and conditions had been undertaken in order to reduce the levels of sickness absence. The figures included staff who were absent for 20 days or more are automatically referred to the Services Occupational Health. Furthermore, the 7-day self-certification had been removed from certain members of staff. The Corporate Head of People and Organisational Development reported that there were a small number of ill-health retirements.

The Corporate Head of People and Organisational Development highlighted that the report contained details of sickness absence rates for On-Call employees across the Service, as previously this was requested by Members, as demonstrated within Appendices 12 - 16. The summary attached to the report provided Members with an indication of sickness absence rates across Commands. All On-Call employees are able to access the Health and Wellbeing arrangements and in general terms, sickness absence rates for On-Call employees are significantly lower than full time staff. The Corporate Head of People and Organisational Development reported that the Service had been successful in achieving the silver award within the Welsh Government's Corporate Health Standard, which recognises the Service's commitment to Health and Wellbeing in the workplace.

At the request of Members at the previous meeting Corporate Head of People and Organisational Development reported that Pontardawe had four employees who had incurred sickness absence in recent months. Of these absences, one was work related (muscular-skeletal) and remained on sick leave. The remainder had returned to work over the past 4-6 weeks and all were due to non-work related medical issues. Pembroke Dock had three long term sickness absences. Of these individuals, one had been on long term sick and was subsequently in the process of being medically retired. The other two had returned to work – one was an on-duty knee injury and the other was non-work related.

A Member referred to appendix 3 i.e. the level of staff changes and enquired if this had an impact on the graphs. Corporate Head of People and Organisational Development stated that this was probably due to having to supplement staff to cover absences, however, he would investigate further.

A Member queried at what point would a member of staff to be approached where the numbers of days absent were small but absences were frequent. In response the Corporate Head of People and Organisational Development informed Members that the Service had a comprehensive sickness policy which states, those Members of staff incurring 3 periods of uncertified sickness absence within the rolling 12 months would be referred. Corporate Head of Risk added that members of staff who may incur a sickness absence over 21 days could also be referred. The Corporate Head of People and Organisational Development agreed to e-mail the sickness policy to Members.

RESOLUTION

It was RESOLVED that the committee note the report on Health and Wellbeing.

12 TO RECEIVE THE HEALTH, SAFETY AND WELFARE PERFORMANCE REPORT UPDATE

The Director of Risk provided an overview to Members regarding the current health, safety and welfare performance within the Service. The report highlighted the key areas being addressed by the Service. The Director of Risk gave reference to section 6 outlining there had been a slight increase in injuries to on-call firefighters from 52 to 55 but no trends were identified. The graphs provided more detail around injuries and showed that the consistent type of injuries were from operational incidents both within the whole-time and on-call personnel, both of which were being monitored closely.

Reference was made to the on-duty injuries by cause and the graph which showed a high rate in both the slips, trips and falls and handling, lifting and carrying categories. The report provided Members with details on the five particular incidents that had been reported by members of the public. It was explained that the Service had reviewed the risk assessment for visitors on Service premises and these were found to be safe and suitable. The Director of Risk reported that the Service had experienced 8 separate attacks on firefighters this reporting period.

The Director of Risk stated that the corporate risk audits continued to take place throughout the Service. The audits were made unannounced and it was found that general housekeeping standards continued to be a recurring theme along with the breaking up of external surfaces. The Corporate Risk Department had extended invitations to the Health and Safety Union Representatives to join the audit team to share the findings.

The Director of Risk announced that a Corporate Health Assessment had been scheduled for the 30th and 31st January 2014 where interviews and visits across the Service would take place. Committee members would be provided with an update on the Assessment at the next meeting.

Members were informed that 14 injuries had been reported to the HSE under Reporting of Diseases and Dangerous Occurrences Regulations (RIDDOR). The Director of Risk was pleased to announce that there had been a 12% reduction against the same period last year of duty days lost due to on duty injuries.

Furthermore, due to a concerted road risk campaign there had been a reduction in reported vehicle accidents from 100 to 87 within the same reporting period.

RESOLUTION

It was RESOLVED that the committee note the report on the current Health, Safety and Welfare Performance management Report Update.

- 13 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.**

The Clerk announced that he had received a request from a Fire Authority Member to raise an issue under item 13 within the Resource Management Committee. The request had been e-mailed to the Clerk and to all Members of the Authority for information.

The Clerk read the e-mail out to the Committee. The matter had been discussed with the Chair and the Chair had declined to put this matter forward to the Committee, as it did not satisfy the criteria of being urgent as there was not a deadline on the 31st March 2014 as stated within the request. Furthermore, the request contained issues that relate to terms and conditions of Officers which could not be changed in isolation and that the matter be discussed at the Democratic Services Forum.

Another Member requested that as much information is prepared ready for the Democratic Services Forum in order for them to discuss matters fully informed.

The Chair of the Democratic Services Forum announced that she had difficulty in attending the scheduled date of the 3rd February 2014, the Clerk responded that another date would be rescheduled.

The Corporate Head of People and Organisational Development stated that he would present the Democratic Services Forum with the current situation on the Terms and Conditions entitlements of the various categories of staff which would be considered by Members of the Forum.

The Clerk reminded Members of the composition of the Democratic Services Forum and stated as it is not a Committee the Forum may invite ad-hoc Members to discuss pertinent issues.

The Clerk informed the Committee that the Democratic Service Forum agenda and supporting information would be published online to ensure openness and transparency.

The Director of Risk provided Committee Members highlights from the Commission on Public Service Governance and Delivery report by Sir Paul Williams published earlier that day, which may impact upon the Authority.

The meeting closed at 13:05.