

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



MID AND WEST WALES FIRE AND RESCUE AUTHORITY

**CYFARFOD O'R PWYLLGOR ADNODDAU
MEETING OF THE RESOURCES COMMITTEE**

DYDD LLUN, 31 MAWRTH 2008

MONDAY, 31 MARCH 2008

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

11.00am – 12.40

PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN: J J J Davies

AELODAU/MEMBERS: Cyng/Cllrs: J Allen-Mirehouse,
J D A Thompson, T Theophilus,
G Seabourne, C Waller,
Mrs C Philpott, Mrs T Devichand

YMDDIHEURIADAU/APOLOGIES: Cyng/Cllrs: Mrs J Dudley, T E Evans,
C Morgan

YN BRESENNOL /IN ATTENDANCE: D Mackay, R Smith, A Howells,
E Aitken, P Bailey

1 DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared

2 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE MEETINGS HELD ON 14 JANUARY 2008

The minutes of the meeting held on 14 January 2008 were received and confirmed as a true record.

3 TO RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2007/08

Revenue Monitoring Report for the period 1st April to 29th February 2008

The Director of Finance presented the report which compared the estimated revenue net expenditure for the year ended 31 March 2008 against the 2007/2008 Working Budget. The estimated net expenditure had been calculated by adding the actual figure shown in the financial records plus known commitments at 29 February 2008 to the forecasted expenditure for the remainder of the year.

On this basis, a current under spend of £338k (0.8% of the net budget) was anticipated at the end the financial year but the situation could change because:

- i) There was still a small back log of commitments that had not yet appeared on the ledger.
- ii) Claims for attendance by Retained staff, for overtime and expenses could vary from the anticipated levels.
- iii) Income and expenditure during March could vary from the estimated commitments.

There remained uncertainty over the final effect of the new financing arrangements of the Fire Fighter Pension on the accounts and on the increases in employer contributions due to Retained Duty staff joining the Fire Fighter Pension scheme.

The under spend currently predicted would provide a buffer against these costs and against any above inflation energy costs, any balance at year end would be taken to a reserve.

In response to a query from Members in respect of the overspend within the Transport Department, it was reported that this was in part due to the current high levels of sickness within that department necessitating the remaining staff to undertake over time work, and in part due to the unavoidable on site incident maintenance of vehicles by the Service mechanics.

Reference was made to the detailed efficiencies exercises which were in the process of being carried out by Members and Officers with the remit of

examining the potential for efficiencies within the base budget. It was noted that all the workstreams would be completed by the new budget round.

Capital monitoring report for the period 1st April to 29 February 2008

The Capital Monitoring Report summarised the expenditure on capital projects to date against the Approved Capital Programme. It was noted that the Ammanford Project had received a £50,000 grant from Community Safety and that work on Llandrindod Wells Fire Station had slipped since the last report.

Prudential Indicators

The Director of Finance reported that Capital financing was within the limits set by the Prudential Indicators

RESOLUTION

It was RESOLVED that the Budget Monitoring Report be received and noted

4 TO CONSIDER CORRESPONDENCE WITH THE MINISTER REGARDING THE BUDGET

Members were aware that there had been ongoing correspondence between the Chair of the Authority and the Minister for Social Justice and Local Government regarding the budget settlement, particularly in respect of the Pensions issue. The latest letter from the Chair and the response from the Minister was received and the content noted

RESOLUTION

It was RESOLVED that the letters be received and noted

5 TO RECEIVE A REPORT ON RETAINED FIREFIGHTERS AND THE PART TIME WORKERS (PREVENTION OF LESS FAVOURABLE TREATMENT) REGULATIONS 2000 – EMPLOYMENT TRIBUNAL

Members were aware that the House of Lords had passed this case back to the originating Employment Tribunal, the purpose of which was to establish if Retained Duty System personnel had been in the past treated less favourably than their whole time counterparts in relation to their pensions rights, and also in relation to certain other issues.

The Tribunal found that the Claimants were engaged in broadly similar work to their named comparators and although the potential costs were impossible to quantify at the present time, they were likely to be £ millions. Attached for Members' attention was a letter to the Minister, highlighting these issues.

The Authority had agreed to share the costs of the litigation and the share of the costs to date had been £14,555.

RESOLUTION

It was RESOLVED that the letter be endorsed and the potential costs noted

6 TO RECEIVE A REPORT FROM THE EFFICIENCY GROUP MEMBERS

Councillor Cheryl Philpott provided Members with a detailed overview of the work of the Supplies and Services Efficiencies groups to date. Councillor Philpott had attended the first meeting of the Supplies and Services Group during which a line by line forensic exercise had been carried out with certain issues highlighted for further investigation. She expressed concern that although these exercises had been set up at the specific request of Members, they had not been well attended and asked that Members make every effort to engage in these valuable meetings.

Area Manager Phil Bailey provided a detailed report on the People Resources Group where the topics discussed included the RRP, the staff training programme, the catering function and the use of agency staff.

It was noted that there were likely to be two more meetings of the Supplies and Services Group, with the Premises and Utilities Group meeting after the conclusion of today's Resources Committee. The Transport and the Capital and Treasury Management groups would be meeting in the near future.

The Clerk reported that although much of the Information Technology head sat within the remit of the Supplies and Services Group, it would be logical for this work to be carried out by the task and finish group set up by Performance Review and Audit Committee whose next topic area covered this head. Such an approach would avoid duplication of effort by both members and officers. The Chief Fire Officer informed Members that a report on the findings of the Groups would be presented to the July meeting of the Resources Committee.

RESOLUTION

It was RESOLVED that

- i) The progress made with the Efficiencies Groups be noted***
- ii) The terms of reference of the task and finish group set up by Performance Review and Audit Committee to scrutinise Information and Communications Technology be extended to incorporate the work of the relative efficiency group.***
- iii) Consideration be given to sharing, on a reciprocal basis, the final findings of the Efficiencies Groups with the other Welsh Fire Authorities***

7 TO RECEIVE A REPORT ON THE PROCUREMENT FUNCTION AND THE DEVELOPMENT OF THE AUTHORITY'S 'CONTRACT STANDING ORDERS'

The Director of Finance presented a report which outlined the development in the Procurement function over the last 2 years and laid out the strategic intentions for the foreseeable future.

As there was a need for the Authority's Procurement Strategy to sit within the recently developed Draft Welsh Fire Service Procurement Strategy (currently out for consultation), there had been a delay in finalising revised 'Contract Standing Orders' for the Authority, which was part of that work. The existing tender limits which sit within the Authority's 'Contract Standing Orders' had been found to be extremely restrictive in practical terms and were now out of line with current thinking. Pending the revision of these Orders, Members were asked to approve the increases to tendering limits as outlined within the report.

The Report also clarified the guidance in relation to use of contract 'Frameworks', and Members were asked to approve that part of the 'Contract Standing Orders' pending further review.

RESOLUTION

It was RESOLVED

- 1) That the intentions in relation to the Procurement function be endorsed*
- 2) That Members recommend to the full Fire Authority the approval of the increases to tendering limits as outlined within the report.*
- 3) That Members recommend to the full Fire Authority the adoption of the wording in relation to use of contract 'Frameworks' within its 'Contract Standing Orders' until a full review was undertaken.*

8 TO RECEIVE A REPORT ON THE LGA ANNUAL FIRE CONFERENCE

Councillor John Thompson presented a report which summarised his recent attendance at the LGA Annual Fire Conference which had been held in Coventry on 11-12th March 2008.

Councillor Thompson commended the Conference as being particularly relevant to the Authority and had found it useful to be able to meet and discuss pertinent issues with Members and Officers from other Fire Authority's. He believed that something had been lost by severing all links with the English Fire and Rescue Authorities and had welcomed the opportunity to meet with them.

RESOLUTION

It was RESOLVED that

The report be received and noted

9 TO RECEIVE A REPORT ON THE 2008/09 INSURANCE RENEWAL REPORT

The Authority had recently completed a Combined Insurance Policy renewal exercise using the OJEU tendering process, the results of which were detailed in a report for Members' attention.

Following the tendering exercise the Authority had managed to secure an extremely significant reduction in overall premium cost for its combined Insurance policies which had been secured for five years under a long term agreement. This had provided the Authority with a budgetary efficiency saving of over £1.3 million over the term of the agreement.

Members congratulated the Officers who had been involved in the negotiations with the Insurers and in their commitment to reducing the Authority's risk exposure which had been recognised by the Insurance market.

RESOLUTION

It was RESOLVED that the report be received and approved.