

**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, 14 GORFFENAF 2008

MONDAY, 14 JULY 2008

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

11.00am – 12.50

PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN: J J J Davies

AELODAU/MEMBERS: Cyng/Cllrs: T Devichand, D Fellows,
T E Evans, G Seabourne, J Dinham,
F Torrens, J Newbury, G Thomas,
M Williams, R Smith, D Thomas

YMDDIHEURIADAU/APOLOGIES: Cyng/Cllrs: C Morgan, Mrs J Dudley,
D Davies

YN BRESENNOL /IN ATTENDANCE: R Smith, E Aitken, P Bailey, S Flather,
J Maunder, W Edwards, P Bates

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 31ST MARCH AND 11TH JUNE 2008

The minutes of the meetings held on 31st March and 11th June 2008 were received and confirmed as a true record.

3 TO RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2008

Revenue Monitoring Report for the period 1st April 2007 to 31st March 2008

The Treasurer indicated that the report compared the actual revenue net expenditure for the year ended 31 March 2008 against the 2007/2008 Working Budget. The actual net expenditure for the year was £956k below budget (2.3% of net budget). The main reasons why spending was below budget was that income from revenue grants was higher than expected and during the year there were a number of support staff vacancies.

Net expenditure on operational costs was £773k below budget (2.3% of net operational budget). Revenue grants and income received in respect of the co-responder scheme were scored as income where as the related costs were charged to their relevant headings. Both grant and co-responder activities were higher than anticipated resulting in apparent over spends in the expenditure headings, and greater income than expected. Much of the employee expenditure for the grant and co responder schemes were budgeted for, whereas grant income, if it was uncertain when the budgets were prepared, were not budgeted for. The successful grant bids against anticipated expenditure had resulted in spending below budget.

The spending below budget on leasing was a result of purchasing some capital assets instead of leasing them, also some assets in the lease budget were not supplied before the year end. The decisions to purchase instead of leasing were, in accordance with the Prudential Indicators, made on the grounds that leasing arrangements that were available were uneconomic. In budgetary terms, the purchase decision had resulted in an under spend on the leasing budget, offset by an over spend in the capital financing budget and an increase in spend in the capital programme

The under spend on non operational costs of £187k was as a result of delays in filling support staff vacancies offset by increased pension costs.

The approved budget included a transfer of £1,378k from earmarked reserves to revenue, the savings on the budget having been utilised by reducing this transfer to £422k, leaving a balance in earmarked reserves of £3,516k.

The Treasurer provided Members with a line by line explanation of the revenue budget, which was particularly helpful to new Members. Councillor Newbury suggested that the report be presented in a more detailed form in order to provide Members with a greater understanding.

Capital monitoring report for the period 1st April 2007 to 31st March 2008

It was noted that expenditure was higher than originally budgeted due to increases in grants received for building work and computer equipment and because of the decision to purchase rather than lease some vehicles and equipment.

Prudential Indicators

The Treasurer 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 RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2008/2009

The Treasurer presented the report which showed the estimated revenue and capital net expenditure for the year ended 31 March 2009 and compared those estimated positions with the 2008/2009 Working Budget. The estimated net expenditure had been calculated by adding the actual figure shown in the financial records plus known commitments at 31st May 2008 to the forecasted expenditure for the remainder of the year.

Revenue monitoring report for the period 1st April to 31 May 2008

The report compared the estimated revenue net expenditure for the two months ended 31 May 2008 against the profiled working budget for the same period. On this basis, a current under spend of £32k (less than 0.1% of the profiled budget) was estimated at 31 May 2008. This variance was insignificant and resulted in a forecast of a nil variance at the year end. As the year progressed a clearer and more accurate forecast of the year end position could be calculated.

Capital monitoring report for the period 1st April to 31 May 2008

The report summarised the expenditure on capital projects to date against the Approved Capital Programme.

Prudential Indicators

It was noted that Capital financing was within the limits set by the Prudential

Indicators

RESOLUTION

It was RESOLVED that the report be received and noted

5 TO RECEIVE TRAINING ON THE MINIMUM REVENUE PROVISION (MRP)

Members were provided with a training session by Finance Manager, Steven Flather, on the Minimum Revenue Provision (MRP). It was noted that the majority of Members would have previously received this training within their own Authorities but that in the light of recent changes to the Regulations, further training was appropriate, on what was a very technical issue, before Members consider and approve an annual statement on making a Minimum Revenue Provision. The Finance Manager was thanked for updating members on the requirements of the new regulations .

6 TO RECEIVE AND APPROVE FOR RECOMMENDATION TO THE FIRE AUTHORITY THE MINIMUM REVENUE PROVISION STATEMENT (MRP) FOR THE FINANCIAL YEARS ENDED 31ST MARCH 2008 – 31ST MARCH 2009

The Treasurer reported that under the new Regulations each year the Authority was required to approve an annual statement of their policy on making a Minimum Revenue Provision (MRP). The MRP set aside funds to make future loan repayments and was calculated using one of, or a combination of, four given options. The statement normally was approved before the start of the financial year it applied to, but under transitional arrangements the statements for 2007/08 and 2008/09 were to be approved as soon as practicably possible during 2008/09.

Members considered that they would wish for further training on the Prudential Code and other related matters in order for them to make a more informed decision. They were aware, however, that one of the forthcoming efficiency groups would cover Capital and Treasury Management, and this work was left to that group.

RESOLUTION

It was RESOLVED that

Members approve for recommendation to the Fire Authority the use of option 1, the Regulatory Method for the calculation of all the Minimum Revenue Provision (MRP) in the financial years 2007/08 and 2008/09. The use of this option would result in an MRP charge of £351k for 2007/08 and an estimated MRP charge of £375k in 2008/09. This was in accordance with the approved Prudential Indicators and was included in the current revenue budget.

7 TO RECEIVE A REPORT ON THE EFFICIENCIES REPORTING TO WAG

Each year the Fire and Rescue Service (FRS) was expected to submit to the Welsh Assembly Government (WAG) a return showing that the efficiencies achieved or expected to be achieved (either cash or non cash), in each year to 2010, totalled 1% of the budget. These were presented to Members before the returns were completed and submitted to WAG in September.

RESOLUTION

It was RESOLVED

That the efficiencies report be approved as a basis for submission to WAG

8 TO RECEIVE A REPORT ON MAKING THE CONNECTIONS – IMPROVEMENT FUND BIDS

It was reported that a further round of the bid process for the Making the Connections Improvement Fund grant had recently been announced by the Assembly. Three schemes had been submitted by the Authority as expressions of interest. These had to be with the Assembly by 20th June. The schemes submitted (in priority order) were:-

- 1) Collaborative FRS Procurement support
- 2) Joint Emergency Services Centre and Magistrates Court Facility at Llandrindod Wells
- 3) Collaborative Project Management

It was noted that the maximum grant in relation to these schemes was 70% and the residual sums were within budgets. The Authority was not limited to a specific number of bids and from discussions each of the above schemes was eligible for support.

Councillor Torrens queried whether the schemes had been through a cost cutting exercise and the Treasurer confirmed that efficiency savings were being looked into as part of the process.

RESOLUTION

It was RESOLVED that

The submission of the schemes be noted

9 TO RECEIVE A VERBAL UPDATE ON THE EFFICIENCY EXERCISES

Members were aware that the Resources Committee had been tasked with looking at Efficiencies within departmental budgets with a final report to be presented to the September meeting of the Resources Committee. Six groups had been created which included People Resources, Premises, Supplies and Services, ICT, Transport and Capital / Treasury. The groups would scrutinise

individual budgets line by line and it was noted that a number had already had their first meeting.

Deputy Chief Fire Officer Phil Bailey gave an overview of the first meeting of the People Resources Group with Wyn Edwards providing detail of the findings of the Supplies and Services Group.

The Chief Fire Officer commended Members for their involvement and commitment in undertaking this work and confirmed that all Members findings and comments would be taken on board. The Treasurer confirmed that a Special Meeting of the Resources Committee had been arranged for 29th September when the findings would be discussed.

Councillor T E Evans expressed his thanks to Officers for their hard work in carrying out the Efficiencies Exercises.

RESOLUTION

It was RESOLVED that the report be received and noted

TO RECEIVE A REPORT ON THE ATTENDANCE OF CLLR JJJ DAVIES AT THE CIPFA CONFERENCE 2008

The report from Councillor J J J Davies on his attendance at the CIPFA Conference on 17 – 19 June was received and noted.