

**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, 29 MEDI 2008

MONDAY, 29 SEPTEMBER 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, T E Evans,
G Seabourne, F Torrens, J Newbury,
G Thomas, R Smith, D Thomas,
D Davies

YMDDIHEURIADAU/APOLOGIES: Cyng/Cllrs: C Morgan, J Dudley,
J Dinham, M Williams,

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

1 DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared

2 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 14th JULY 2008

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

3 TO RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2008/09

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

The Director of Resources and Procurement presented the report which compared the estimated revenue net expenditure for the five months ended 31 August 2008 against the profiled working budget for the same period. The estimated net expenditure had been calculated by adding the actual figure shown in the financial records to the known commitments at 31 August 2008. On this basis, a current under spend of £95k (0.59% of the profiled budget) had been estimated at 31 August 2008.

When the estimated net expenditure was projected for the full year an estimated under spend of £406k (0.95% of the budget) was calculated. The main reasons for the variances were:

- a. The under spend on full time employees was due to vacant posts.
- b. The overspend on premises was due to increases in fuel costs and increases in NNDR charges. However, due to NNDR revaluations, refunds of £100k had been received, which had been recorded in the monitoring report as income but actually reduced the premises overspend.
- c. The expenditure on supplies and services included items funded by grant with the grant received being recorded as income. Only grants known when budgets were set were included in the budget, additional grants received during the year would result in income being greater than budget and as overspends in the relevant expenditure heads. To 31st August £210k had been received in grants in addition to those budgeted for. Of this figure £24k would be offset against 'employees – other costs' with the remaining balance against 'suppliers and services'.
- d. The income variance included £100k of NNDR refunds which would be set against the premises overspend and £210k grants which would be set against overspends in supplies and services and in other employee costs.

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

The report summarised the expenditure on capital projects to date against the Approved Capital Programme and showed the likely position at the year end.

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 REPORTS ON THE BUDGET EFFICIENCIES EXERCISE

Consideration was given to reports from each of the Efficiencies Groups:

People Resources:

The Deputy Chief Fire Officer reported that Councillors Philpott, Dudley and D Davies had undertaken the review of the People Resources efficiencies group and had made the following recommendations in regard to the catering department:

- *Spoilt Meal Allowance:*

Historically this was used to claim a meal which had been spoilt as a result of attending a shout during a meal. However due to the provision of microwaves and freezers, this was considered unnecessary and had a potential saving of £13,000. The proposal would be discussed further at the next FBU negotiating Committee.

- *Cooks Meal Allowance:*

With the implementation of the new wage structure for catering staff in 2006, it was proposed that the daily allowance for cooks meals cease from 1st December 2008 with a potential saving of £5000. It was noted that catering staff had already received notification of the stoppage of the allowance

- *Catering Facilities:*

Sites at Carmarthen and Morrison currently had two kitchens and consideration had been given to combining the facilities on each site with a potential savings of £26,000. It was stressed that no jobs would be lost through redundancy but rather through natural turnover.

Supplies and Services

Area Manager Wyn Edwards reported that Councillors Philpott and Evans had undertaken the review of the Supplies and Services efficiencies group and had identified the following efficiencies:

- *Telephony Charges:*

Savings of £30K had been identified by smart procurement through a local framework

- *Office Consumables:*

Savings of £20K identified in the procurement of office consumables by entering the Value Wales Framework

- *Severn Bridge Toll:*

The Severn Bridges Act exempts FRS vehicles from tolls when on Authority business.

It was noted that a number of areas required further work and the results would be reported in due course.

Premises and Utilities

Councillors Crowley, Morgan and Williams had undertaken the review of Premises and Utilities. Members were aware that there was significant external pressure on the Estates Department, particularly around increasing energy costs. However, it was considered that the following areas could be pursued to generate short-to-long term efficiency savings for the Service:

- Continued and extended use of framework agreements, often in collaboration with other organisations, to obtain best value generally through economies of scale
- Longer term savings linked to sustainability, particularly through better energy and waste management at our premises
- Regular review of current contractual arrangements to obtain best value for money. The most important relate to cleaning, waste and furniture
- Review of internal processes to improve current administrative arrangements and to enable more effective management of supplies through devolved budgetary arrangements
- Implement Asset Management Plan, including premises maintenance programme
- £64,000 saving identified in relation to non-domestic rates through a revaluation exercise.

Treasury Management

Councillors Devichand and Newbury took part in the Treasury Management Efficiencies Group and were given an informal presentation explaining the issues surrounding Treasury Management and the funding of capital generally, and more specifically for this Authority. This allowed members to view in context why things may be done differently to the Constituent Authorities.

The following areas emerged as areas to examine, including potential for cash and non cash efficiencies:

- Examine alternative investments within the existing bank contract
- Examine potential for improved financial advice from within the existing bank contract
- Tender the banking contract with a view to increasing the flexibility of investments.
- Examine the potential for on – line trading.
- Develop a cash flow plan for the year, with the aim of extending periods of investment
- Aim to invest surplus funds as long as possible within a year (ie short term) or if feasible beyond a year.
- If long term investment is feasible, examine the potential for appointing a fund manager
- Examine the potential and benefits of linking with a Constituent Authority to undertake any or all of the above, benefiting from economies of scale.
- Introduce performance indicators for both investments and borrowing interest rates.
- Contract with a Treasury Management service provider to notify officers of interest rate trends and changes
- Examine competitiveness and benefits of leasing.

ICT Efficiencies Group

The ICT Efficiencies Group was attended by Councillors Philpott and Holmes and was led by Nigel Williams ICT Manager who provided a presentation on areas of telephony, front line systems and other computer systems which were effectively scrutinised in turn.

There were many potential non cash efficiencies discussed in terms of methods of operating but the following areas were also examined in terms of cash efficiencies, potentially releasing £10,000's.

Ordnance Survey – concern was raised in relation to the cost of paying OS for maps that reflected the 6 constituent Local Authorities' geographic area. There may be duplication of payment in relation to Authorities paying OS as well as MWWFRS.

Leasing – the possibility of leasing computer equipment on a 3 year rolling basis was discussed as this would release resources in the short term and also keep equipment up to date.

Mobiles/phones/blackberry's – Members requested an investigation be undertaken into mobile/blackberry use. Consideration should be given to the use of other technology also, for example, 3G i-phones. The telephone contract was also due to be re- tendered and savings of £30,000 are estimated to emanate from this review.

Printing – discussion revolved around the progress in reviewing printing within the service. This was looked at within the Supplies & Services efficiency review but was delayed due to the link with ICT. This was to be finalized before the end of July.

e-accessibility – more needs to be done to reduce paper, including at Authority meetings. Also, consider paper free meetings, issuing papers via cd rom etc. Members to be surveyed on their preferences.

Fire Authority papers - Bilingual documents – consider reducing the amount of paper used when issuing Fire Authority Documents by asking Members if they wanted Welsh versions. This and the previous point were to be included on the agenda for the next Modernisation group meeting.

RESOLUTION

It was RESOLVED that

the reports be received and noted and Officers were commended on their valued work in providing this information for Members.

5 TO RECEIVE A REPORT ON THE BUDGET UPDATE 2009/10

The Director of Resources and Procurement presented Members with a report on the current view of the budget picture for 2009/10, taking into account both potential efficiencies and new budget pressures.

The percentage increase on the previous years budget would be 4.45% which included £420,000 in efficiency saving, equating to 1%

The Director of Resources and Procurement listed the additional financial pressures which amounted to £500,000 and indicated that these would be discussed in detail at the next Policy Board meeting.

Members were aware that the six Constituent Authorities were being kept fully informed of the Authority's position, and a meeting with the six Directors of Finance had been arranged for 23rd October 2008.

Members thanked Mrs Aitken for the presentation which afforded them a greater understanding of the problems facing the Authority.

RESOLUTION

It was RESOLVED that

The report be received and noted

6 TO RECEIVE A REPORT ON THE ASSET MANGEMENT PLAN

The Director of Resources and Procurement highlighted the purpose of an Asset Management Plan and its likely impact on the Service business planning process and objectives. It was noted that an Asset Plan was accepted as general good practice and would serve to assist the Authority in terms of seeking efficiencies.

RESOLUTION

It was RESOLVED that

The Authority proceed with the compilation of an Asset Management Plan

7 TO RECEIVE A REPORT ON THE FLEET MANAGEMENT GOOD PRACTICE EXCHANGE

Mr Peter Jones of KPMG attended the meeting to present a report from the Wales Audit Office on the Fleet Management Good Practice Exchange. It was noted that the report would form the basis of the Internal Transport Efficiency Group's Work which would be reported to Members towards the end of the financial year.

The report indicated that the Service's approach to fleet management was making good use of resources to support improvements in service delivery although there was scope for improvement in the way it managed the fleet management strategy.

A number of recommendations had been made which would be considered and adopted as appropriate.

RESOLUTION

It was RESOLVED

That the report be received and noted and the recommendations given due consideration as appropriate

8 TO RECEIVE A REPORT ON OVERNIGHT ACCOMODATION AND SUBSISTENCE RATES

The Director of Finance and Procurement reported that the overnight and subsistence rates payable to staff were last reviewed in May 2005, since that time the retail price index had shown an increase of 12.76%. Applying this

increase to the current rate would produce the following rates:

	Current Rate	Increased by 12.76%
Breakfast	£ 5.60	£ 6.31
Lunch	£ 7.73	£ 8.72
Tea	£ 3.04	£ 3.43
Evening meal within Authority area	£ 9.54	£ 10.76
Evening meal outside Authority area	£ 18.65	£ 21.03
Overnight – Provinces	£ 90.00	£101.48
Overnight - London	£125.00	£140.95

The need for this review had been highlighted by increasing difficulty in obtaining hotel accommodation within the current rates. The experience within the Finance Unit when booking hotels for staff was that the price of accommodation was very variable and was dependant on the availability of rooms. For example, if there was an event in the area when accommodation was required, rates increased dramatically.

Officers attending conferences and seminars for more than one day included overnight accommodation in the Conference hotel, and often needed an additional night's accommodation. On grounds of practicality and overall economy when considering transfer costs, it would be logical to book in for an extra night at the conference hotel.

The Clerk informed Committee that the Welsh Assembly Government had set up the Independent Remuneration Panel for Wales to determine future levels of allowances, travelling and subsistence rates for Members. Their report had just been published and provided the maximum rates or increases that could be applied by local authorities. The rates for Members of Fire and Rescue Authorities would be based on the average of that applied by its constituent authorities.

Whilst subsistence rates for Members and Officers within the Authority were currently at the same level, the increases proposed for Members by the Panel were at a lower level than that proposed in the report currently under consideration by Committee for officers. The Clerk highlighted the fact that the rate determined by the Panel for overnight allowances for Members was in fact lower than the level that currently prevailed. A report would be presented for consideration on Members' Allowances once the six constituent authorities had determined their allowances.

RESOLUTION

It was RESOLVED that

- the subsistence rates be increased generally in line with the retail price index as indicated in the above table.
- Officers should be required when ever possible to book accommodation through the Finance Unit and members of the Executive Board through the Chief Fire Officers Personal Assistant or Finance Unit. Where members of staff book their own accommodation reimbursement of costs, on submission of valid VAT receipts, would be limited to the lower of actual cost (including VAT) or the rates listed in the above table.
- Accommodation booked through the Finance Unit or the Chief Fire Officer's Personal Assistant and paid for directly by the Authority through the corporate purchasing card or credit card would not be subject to the stated rates. When making such bookings the Finance Unit would endeavour to use hotel chains such as Express by Holiday Inn or Premier Inn or a hotel of similar quality and where possible include breakfast. In these cases the full cost of bed and breakfast as negotiated by the Finance Unit would be paid direct. When negotiating prices the Finance Unit would be mindful of the rates and would try to contain costs within these figures (excluding VAT).
- Officers who were attending conferences and required accommodation at the conference hotel, including an extra night, would be entitled to use the conference hotel and bed and breakfast costs would be met in full. This accommodation should be booked through the Finance Unit.

9 TO RECEIVE A REPORT ON THE NEW TELEPHONE NUMBER FOR SERVICE HQ

It was noted that the Service would shortly introduce a new administrative telephone number for its Carmarthen HQ and which would utilise a low-rate tariff. This change was made possible following the introduction by the UK regulatory body of additional telephone number ranges specifically for public sector authorities.

The new telephone number for Service HQ was intended to improve the Service's relationship with the public and other partners by allaying some concerns that had previously been expressed regarding the cost of calls made to the existing number.

RESOLUTION

It was RESOLVED that the report be received and noted

10 TO RECEIVE A REPORT ON THE STATEMENT OF ACCOUNTS

The Director of Resources and Procurement reminded Members that the Authority had approved its Statement of Accounts on the 22nd September 2008, and that the accounts had at that time received an unqualified audit opinion. At that meeting the Director of Resources and Procurement had informed Members of a technical issue in relation to the ability or otherwise of the

Authority to hold reserves. The Director proceeded to give members an update on the latest position.

During the course of the past week extensive discussions had taken place culminating with a meeting with Mr Anthony Snow of the Wales Audit Office (WAO). The WAO had sought legal advice and had indicated that should the Authority proceed with the establishment of reserves within its accounts then such accounts would have to be qualified.

Mrs Aitken stated that the risks of both approaches regarding the establishment or otherwise of reserves would have to be weighed up very carefully. In response to a question as to the position in the other Fire and Rescue Authorities it was noted that South Wales Fire & Rescue Service had held reserves without any problem for the last eleven years whilst North Wales were in a slightly different position.

RESOLUTION

It was RESOLVED that

- ***The actions of the Director of Resources and Procurement in relation to the Statement of Accounts be endorsed***
- ***The Director of Resources and Procurement be given delegated powers to seek specialist advice as necessary***
- ***Members to be kept informed of the Authority's position***

11 DATE OF NEXT MEETING

Members were informed that the Chair of Resources, Councillor J J J Davies would be representing the Authority in Ypres on the scheduled date of the next Resources Committee meeting on the 10th November. Members after consideration suggested that the date could be changed to the 17th November. The Clerk stated that subject to there being no conflicting meetings this change could be accommodated and members would be notified in due course.

12 SUSTAINABILITY CHAMPION

At the last Fire Authority meeting it had been agreed to nominate a Member Sustainability Champion from the Resources Committee.

RESOLUTION

It was RESOLVED that Councillor John Newbury be nominated as Member Champion for Sustainability.