

**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 RESOURCES COMMITTEE AT ITS NEXT MEETING ON 11TH JANUARY
2010**

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

DYDD LLUN, 30 TACHWEDD 2009

MONDAY, 30 NOVEMBER 2009

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

13.30 – 14.45

87% PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN:	G Thomas
IS-GADEIRYDD/VICE CHAIRMAN:	A Woolcock
AELODAU/MEMBERS:	Cyng/Cllrs: D Davies, JJJ Davies, J Dinham, J Dudley, T E Evans, WEA Jones, S Lloyd-Janes, J Newbury, D Thomas, F Torrens, M Williams
YMDDIHEURIADAU/APOLOGIES:	Cyng/Cllrs: E Kirchner
YN BRESENNOL /IN ATTENDANCE:	A Howells, E Aitken, R Smith, P Coleman, B Bassett, S Flather, Cllr P James, Cllr C Philpott

1 DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared.

2 CHAIR'S ANNOUNCEMENTS/PERSONAL MATTERS

None were declared.

3 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 16th NOVEMBER 2009

The minutes of the meeting held on 16th November 2009 were received and confirmed as a true record.

4 TO RECEIVE THE JOINT REPORT OF THE CHIEF FIRE OFFICER AND DIRECTOR OF RESOURCES ON THE BUDGET REQUIREMENT FOR 2010/11

Members were reminded that the Special meeting of the Resources Committee had been convened at Members' request to allow for further discussions within their own Local Authorities. The Chief Fire Officer conveyed his apologies for his absence at the original meeting, which was due to a pre arranged commitment.

The Chief Fire Officer introduced the report by highlighting that a significant part of his role as Principal Advisor to the Fire Authority required him to establish the Budget Requirement for 2010/2011 in conjunction with the Treasurer. This involved taking into account both internal and external pressures, and the service to be provided to citizens. It was stressed that, although not a requirement, consideration had been given to the current economic climate and the Local Government Finance Settlement. Regular meetings had been held with the six Unitary Authority Treasurers and the Chief Executive Officer of the Welsh Local Government Association (WLGA). In addition, the direction stipulated by Members of the Fire Authority, together with necessary efficiency savings specified within the Beecham Report (Review of Local Service Delivery – 2006) had been considered to allow for all circumstances to be accounted for.

It was emphasised that the budget figure recommended for approval had been derived as a result of a careful process and both the Chief Fire Officer and the Treasurer to the Fire Authority were satisfied that the proposed budget figure was both fair and equitable.

The Chief Fire Officer reiterated his responsibility as Principal Fire Authority Advisor with regard to the budget recommendation in order to provide professional advice surrounding Fire and Rescue Service Delivery. Reference was made to the Constitution whereby Members were reminded that it was the responsibility of the Resources Committee to make recommendation to the Fire Authority for approval of the budget, and as such they are accountable as Authority Members for any decisions made.

The Chief Fire Officer concluded that his professional advice was for Members to

approve the proposed budget requirement for 2010/11; a figure which was realistic and reasonable, and within the average of the Welsh Settlement for Local Authorities.

The Director of Resources endorsed the Chief Fire Officer's comments and informed Members that the Service would not have recommend a budget that was unreasonable or did not incorporate essential service delivery requirements. It was noted that all indications from Central and Local Government was that the Public Sector would be faced with significant reductions in financial resources over the medium term. It was emphasised that the proposed budget did not incorporate a surplus to address requirements for future years; furthermore it had not increased its base budget commitments. It was emphasised that any budget reductions agreed within the 2010/11 budget would not be included in next year's base budget, and also further efficiencies would then have to be made.

It was reported that there were a number of pressures in addition to those contained within the report that had been excluded because of the financial restrictions currently facing Local Government. The proposed net budget of +1.73% was within the Welsh Average settlement and was considered to be a modest increase. It was proposed that the 2010/11 budget would be part funded by £580k from reserves and as such the Constituent Authorities would be requested for the balance of £43,818,689 as their contribution for the 2010/11 year (increase of 1.99% of their revenue account).

Reference was made to the employers' contribution to the Local Government Pension Fund whereby the Director of Resources had that morning been made aware that the contribution for 2011/12 would require an increase of 3% which would be an additional significant pressure on the Authority.

The Director of Resources reiterated that the content of the proposed budget had been thoroughly scrutinised in an attempt to minimise every area in order to reach an acceptable and reasonable figure for Members to consider.

Members were informed that the 2010/11 projections outlined in Appendix A had been validated for a further two years and were subject to change. Members were informed that the Authority continued to strive to make substantial real cash efficiencies from a combination of operational and corporate initiatives. In order to achieve necessary potential efficiency savings, the Authority had created an internal Efficiency Unit to drive forward efficiency projects to deliver cost savings and service improvements over the medium term.

Councillor J Dudley reported that during her six year Fire Authority Membership she fully realised the pressures facing the Authority and commended Officers and fellow Members for investigating every possible avenue in order to achieve efficiencies. Reference was made to the correspondence received from the WLGA and signed by Council Leaders who had advised Fire Authority members to seek a reduction in the Authority's budget for 2010/11. Councillor Dudley reminded Committee that Fire Authority Members had been appointed to agree the Authority's budget and as such Committee Members would be held responsible and accountable for the budget, not each County Council. Furthermore, Councillor Dudley indicated that Fire Authority Members were capable of making decisions relating Fire Authority matters and

professional advice could be sought from the Chief Fire Officer and the Treasurer when required.

Following a question from Councillor Dudley, the Director of Resources confirmed that the budget had accounted for a 0.5% increase in pay awards; however should this figure be revised upwards, funding would need to be sought from the reserves if current circumstances remained unchanged. It was highlighted that the Authority intended to utilise any underspend within the current financial year to support next year's budget, although it could be used earlier if necessary.

Reference was made to the potential costs in terms of backdated contributions / pension payments the Authority could be expected to cover. Members were informed that it was impossible to determine the take up rate; however it could potentially amount to millions. The Chair emphasised that the Authority would need to avoid a situation of requesting supplementary financial assistance from Constituent Authorities, who would be obliged to provide the required funding, acquired via increased council tax rates.

Councillor TE Evans stated that the budget request put forth for consideration was proportionate and reasonable to meet the needs of the Fire Authority. A discussion ensued on the correspondence received from the six Constituent Authority Leaders whereby Councillor TE Evans stated that he was confident that the levy increase for 2010/11 was modest. It was highlighted that whereas Councils were looking to build up their reserves to deal with far more stringent times ahead, the Fire Authority had not requested additional reserves. Reference was made to the concerns expressed by Council Leaders that the significant funding provided to the Fire Authority was not always used in accordance with the principles of economy and efficiency which the paying bodies were pursuing. Some Members therefore felt that the correspondence was slightly demeaning in respect of the Council Leaders not having any confidence in Members or Fire Service Officers.

Councillor A Woolcock noted that it was difficult to balance Constituent Authority priorities against Fire Authority pressures. He reported that the average Welsh settlement was 2.1%; this equated to an average of 1.67% for the six constituent Local Authorities. Councillor Woolcock highlighted the severe financial constraints within Local Authorities and indicated that he could not approve an increase in the Fire Authority budget which was at a level higher than that set for services within his constituent authority as this would be adding to the pressures and burdens already facing Neath and Port Talbot Council. Councillor A Woolcock indicated that a Fire Authority budget increase of 1.55% would be acceptable, generating a saving on the proposed budget of £188k.

Councillor M Williams made reference to the correspondence received from Council Leaders and expressed the view that Fire Authority Members had the capability of conducting business in a professional and competent manner. Committee were reminded that the settlement for Powys County Council equated to only 1%, which was less than half of the Welsh average. A 1.99% increase in the Authority's budget proposal was therefore deemed to be unacceptable. Councillor F Torrens endorsed Councillor Williams' comments and stressed that Powys would have to recommend a

figure that was affordable, given the low revenue settlements provided to Powys Council over the last two years.

Councillor S Lloyd-Janes requested clarification on the Continual Professional Payment (CPD) outlined in Appendix A of the report. The Chief Fire Officer explained that these payments were a legal requirement following National negotiations. Members were further informed of the difficulty in estimating the budget requirement for CPD payments as it was impossible to estimate how many applications would be successful. It was noted that should all candidates be successful there would be an estimated £100k - £150k shortfall in this budget head.

The Chief Fire Officer reminded Members that employee salaries equated to 80% of the budget. Reference was made to the 2009/10 pay award whereby members were informed that the LGA had initially indicated a 0% increase, which was revised upwards to 1.25% at a late stage. Members acknowledged that had the Authority not budgeted for potential costs within the budget construction process then this would have had a detrimental affect on the budget. Members were informed that the 0.5% pay award increase estimated for 2010/11 was in line with other Constituent Authorities as indicated at the last meeting of the Constituent Authorities' Directors of Finance.

Councillor J Newbury expressed the view that, whilst understanding the cohesive budget requirement put forth for consideration, there was also a need to respond to the severe financial pressures facing each Constituent Authority.

Councillor G Thomas made reference to the Operational Assurance Report delivered by the Peer Assessment Team under the auspices of the Welsh Assembly Government's WPI process. The report concluded that capacity issues would need to be addressed to deliver critical training for operational staff. She stressed that providing adequate training for frontline staff was of paramount importance to the Fire Service.

Following a question from Councillor J Dudley the Chief Fire Officer confirmed that failing to provide adequate training to operational staff could leave the Service vulnerable and at high risk.

A discussion ensued on flooding whereby Members acknowledged that there was a moral obligation placed on the Fire Service to undertake flood rescues, which was a non statutory duty, and therefore a realistic budget would need to be approved to enable the Authority to deliver the services expected by the public. A number of pertinent questions were raised and Members concluded that, whilst recognizing the resource implications on the budget, the flood rescue service should continue to be provided to the public.

The Chief Fire Officer highlighted that a key recommendation emanating from the Pitt Review following the 2007 floods was that the Government should put in place a fully funded national capability for flood rescue, with Fire and Rescue Authorities playing a lead role, underpinned by a statutory duty where necessary. Members noted that although processes were underway, the statutory duty had yet to be established.

The Clerk made reference to the Bellwin Scheme whereby the Welsh Assembly Government could be prepared to make emergency financial assistance available to local authorities. Members were informed that the scheme could be activated as a result of local authorities incurring expenditure on, or in connection with, the taking of immediate action to safeguard life or property, or to prevent suffering or severe inconvenience, in their area or among its inhabitants.

Councillor WEA Jones indicated that in view of the importance of the frontline service provided by the Fire and Rescue Service he supported the budget requirement for 2010/11.

Committee were informed that following the recommendations from both the Treasurer and Chief Fire Officer on the requirements of the Fire Authority, and its associated cost implications, should Members resolve to reduce the budget then Committee would be required to determine which areas of service delivery they would decide to cut.

RESOLUTION

Upon being put to vote it was RESOLVED that:

With 9 votes to 4

The Resources Committee makes the following recommendations to the Fire and Rescue Authority for approval:

- 1) That for 2010/11, the net budget requirement at £44,398,689 (+1.73%) be approved (Appendix A)***
- 2) That the budget of £44,398,689 for 2010/11 be part funded by £580k from reserves***
- 3) That the Constituent Authorities be requested for the balance of £43,818,689 as their contribution for the 2010/11 year.(Increase of 1.99% on their revenue account)***
- 4) That the Capital Programme attached at Appendix B be approved, leading to the capital financing charges shown as additional in Appendix A.***
- 5) That members re-affirm the vehicle replacement programme attached at Appendix D, leading to the additional leasing charges in Appendix A.***
- 6) Whilst it has been assumed that the majority of vehicles will be leased in the budget build up, it is recommended that the Director of Resources is authorised to decide on the appropriate method of financing of vehicles (be it leasing or otherwise) at the time of procurement.***

