

**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 29TH MARCH 2010**

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

DYDD LLUN, 11 IONAWR 2010

MONDAY, 11 JANUARY 2010

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

11.00 – 11.50

60% PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

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

1 CHAIR'S ANNOUNCEMENTS/PERSONAL MATTERS

The Chair reported that Councillor TE Evans had been awarded the MBE in the New Year's Honours List for services to local government in Ceredigion. Committee extended their congratulations to Councillor Evans on a thoroughly deserving award.

In response Councillor Evans thanked Members and Officers for their continued support during his Fire Authority membership.

2 DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared.

3 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE MEETINGS HELD ON 16TH NOVEMBER 2009 AND 30TH NOVEMBER 2009

The minutes of the meetings held on 16th November 2009 and 30th November 2009 were received and confirmed as a true record.

4 TO RECEIVE THE MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT FOR 2010/11

Each year the Authority was required to approve a policy outlining how the Minimum Revenue Provision (funds set aside to repay loans and other long term liabilities) was to be calculated in the next financial year.

The policy statement set out the proposed MRP calculations for 2010/11 for Members' approval. It was noted that the proposed calculations were based on the recommended options set out in regulations.

RESOLUTION

It was RESOLVED that

The 2010/11 Minimum Revenue Provision Policy Statement be approved for recommendation to the full Fire Authority.

5 TO RECEIVE THE TREASURER'S REPORT ON THE PRUDENTIAL CODE AND PRUDENTIAL INDICATORS FOR 2010/11

Consideration was given to the Mid and West Wales Fire and Rescue Authority's prudential indicators for 2010/11, based on the 2010/11 proposed Capital Programme, Vehicle Replacement Programme and Revenue Budget.

RESOLUTION

It was RESOLVED that

It be recommended to the Fire Authority :-

- 1. That the 2010/11 Prudential Indicators be approved**
- 2. That delegated authority be 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.**

6 TO RECEIVE THE TREASURY MANAGEMENT POLICY AND STRATEGY 2010/11 AND TREASURY MANAGEMENT PRACTICES

Consideration was given to a report outlining the proposed Policy which would underpin the treasury management activities undertaken by the Authority in 2010/11. The proposed Strategy and supporting Treasury Management Practices showing how the Policy would be adhered to was also attached for Members' consideration.

The Head of Finance reported that the strategy remained unchanged from the 2009/10 strategy; however the Treasury Management Practices had been amended to bring them into line with new CIPFA guidance. It was noted that these amendments would involve an increased level of reporting by Officers to the Resources Committee. This increase in reporting, and hence corporate governance, was in response to the difficulties experienced by some local authorities as a result of their treasury management activities. Members noted that the presentation of the Practices had shortened and simplified in order to make them more accessible.

Reference was made to the borrowing strategy whereby it was noted that the Authority would ensure affordability, prudence and sustainability when entering into credit arrangements to meet the its funding requirements.

RESOLUTION

It was RESOLVED that

It be recommended to the Fire Authority that :-

The formal approval of the Treasury Management Policy and Strategy for 2010-2011 and the approval of the Treasury Management Practices.

7 TO RECEIVE THE BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2009/2010

Revenue monitoring report for the period 1st April to 30 November 2009

The Head of Finance introduced a report which compared the estimated revenue net expenditure for the eight months ended 30th November 2009 against the profiled working budget for the same period. Members were informed that the estimated net expenditure had been calculated by adding the actual figure shown in the financial records to the known commitments at 30th November 2009. On this basis, a current under spend of £233k (approximately 1% of the profiled budget) was estimated at

30th November 2009.

It was reported that when the estimated net expenditure was projected for the full year an estimated under spend of £329k (0.75% of the budget) was calculated. Members noted that these figures were not significantly different to those reported as at the end of September 2009 (a predicted under spend of £315k, 0.72% of the budget). The Head of Finance reported that the main reasons for the variances were:

- a. The under spend on full time employees was due to pay increases being less than budgeted for.
- b. The under spend on Retained staff was due to less activity than budgeted for, however levels of activity had recently risen due to the inclement weather conditions and therefore may increase at the end of the financial year.
- c. The overspend on other employee costs was due to the use of agency staff to temporarily cover vacant posts. Members were asked to consider the overspend in employee costs in conjunction with the under spend on Admin and Technical services.
- d. The majority of the overspend on supplies and services was in respect of legal fees.
- e. The under spend on Admin and Technical Services was due to vacancies and funds the use of temporary agency staff.

Capital monitoring report for the period 1st April to 30 November 2009

Committee gave consideration to the capital monitoring report which summarised the expenditure on capital projects to date against the Approved Capital Programme.

Prudential Indicators

The Head of Finance confirmed that capital financing was within the limits set by the Prudential Indicators.

Councillor M Williams, on behalf of all Members, commended Officers for producing a clear and concise report.

RESOLUTION

It was RESOLVED that

The report be received.

8

TO RECEIVE A REPORT ON PROVISION OF LEGAL SERVICES

The Clerk reported that the provision of legal services to the Authority from 1996 to 2006 was via a service level agreement with one of the constituent authorities, augmented when necessary by specialist skills being bought in as required. Members were reminded that because of capacity issues in 2006 none of the constituent authorities were able to provide such a service, which resulted in a

tendering exercise and the appointment, for a four year period, of a commercial firm of solicitors to provide all the legal services required by the Authority. Members noted that the four year period would come to an end on the 31st May 2010.

It was reported that over the last 9 months work had been ongoing on a "Shared legal Services Project" in South West Wales comprising Carmarthenshire County Council, Ceredigion County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council, the City & County of Swansea and Bridgend County Borough Council. Following a query from Councillor M Williams, the Clerk reported that Powys County Council may be involved in another collaboration project due to its geographical area, however further information would be sought from the Head of Democratic Services within Powys County Council.

Members were informed that the project team were exploring opportunities for the establishment of a virtual network of lawyers based in the six authorities, which could provide legal services not only to the participating authorities but also other public bodies. It was noted that the Legal Services departments in the six authorities employed 80 qualified lawyers and some 200 staff, with significant experience across the many areas of law relating to local authorities.

Discussions had been ongoing with the Project Team, who intended having a business plan in place by the 31st March 2010, as to the provision of legal services to the Fire & Rescue Authority. The Clerk reported that if this were to come to fruition, one of the unitary authorities would provide this Authority with a single point of contact and that lead authority would then manage the work by allocating to the most appropriate team within the six authorities. Committee acknowledged that such an arrangement could provide the Authority with many advantages, including significant financial savings.

The Clerk reported that under normal circumstances the Authority would currently be out to tender for the provision of legal services, but given the possibilities outlined above it was recommended that as an interim measure, and pending further discussion with the Project Team, that a temporary extension of 6-12 months, on the same terms and conditions as the current service level agreement, be granted to the current service provider. Members acknowledged that this would prove beneficial in relation to employment law, with flexibility in terms of the allocation of other areas of work between the current service provider and the unitary authorities participating in the Shared Legal Service Project. It was noted that such allocation of work and timing thereof, pending a formal proposal by the Shared Legal Service Project Team, be determined by the Clerk / Chief Fire Officer.

Members requested that a further report be presented to Committee, as to the outcome of the ongoing dialogue with the Shared Services, as soon as practicable.

RESOLUTION

It was RESOLVED that

- 1. Committee note the ongoing dialogue with the six constituent authorities,***

who form the Shared Legal Service Project Team, and the possibility of participation in the project by this Authority.

- 2. Pending a satisfactory conclusion to ongoing discussions with the Project Team, that the Authority does not go out to tender for legal services from 1st June 2010.***
- 3. A temporary extension of 6-12 months be given to the existing service provider, on the same terms and conditions as the current service level agreement, particularly in relation to employment law, with flexibility in terms of the allocation of other areas of work between the current service provider and the unitary authorities participating in the Shared Legal Service Project.***
- 4. The allocation of such work and timing thereof, pending a formal proposal being made by the Shared Legal Service Project Team, be determined by the Clerk / Chief Fire Officer.***
- 5. A further report be presented to Committee as to the outcome of the ongoing dialogue with the Shared Legal Services Project Team***

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

Consideration was given to the report on the Budget Requirement for 2010/11, which had been approved by the Resources Committee at the last meeting. It was reported that the final Revenue Support Grant Settlement for 2010/11 had been received on the 8th December 2009 and was not substantially different to the Provisional Settlement. Members were informed that the budget recommendations would therefore remain unchanged, however the report had been included on the agenda in order that it could be recommended for approval by the Fire Authority at its meeting on 8th February 2010. It was noted that no comments had been received from the Constituent Authorities.

Attached for Members' information was a detailed letter of reply made to the WLGA's original correspondence dated 27th November 2009 which provided a comprehensive answer to the comments raised within the letter. Committee considered the correspondence and endorsed the content and tenor of the reply.

The Clerk reported that a letter had been received from Neath Port Talbot County Borough Council requesting that a protocol be established with a formal understanding of the role of both the Fire Authority and Local Authorities for future budget setting meetings. This approach would allow constituent authority treasurers to better understand the service and financial pressures facing the Fire Authority; the impact of the proposed solutions and any way in which collaboration could assist in jointly solving problems. Members were informed that a letter of reply would be sent confirming that arrangements would be put in place to develop a protocol that could be endorsed by all parties. Committee requested that a copy of the letter be forwarded to all Members.

RESOLUTION

It was RESOLVED that

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

- 1) That for 2009/10, the amount of the contribution to be paid by the Constituent Authorities be revised upwards by £4.57m following consultation, being the transferring of reserves back into the FRA accounts. This is a non cash requirement.*
- 2) That for 2010/11, the net budget requirement at £44,398,689 (+1.73%) be approved (Appendix A)*
- 3) That the budget of £44,398,689 for 2010/11 be part funded by £580k of the above reserves*
- 4) 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)*
- 5) That the Capital Programme attached at Appendix B be approved, leading to the capital financing charges shown as additional in Appendix A.*
- 6) That members re-affirm the vehicle replacement programme attached at Appendix D, leading to the additional leasing charges in Appendix A.*
- 7) 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.*

10 TO RECEIVE THE DETAILED REVENUE BUDGET FOR 2010/11

At the Fire Authority meeting of 14th December 2009, the revenue budget for 2010/11 had been agreed and Members received the breakdown of that budget.

RESOLUTION

It was RESOLVED that

The detailed revenue budget be approved for recommendation to the Fire Authority.

ANY OTHER BUSINESS

Reference was made to the tragic death of Gareth Rees, a retained firefighter based at Harlech fire station, North Wales Fire Service. Members were informed that firefighter Rees died suddenly on Tuesday, 5th January 2010 after falling in the snow whilst making his way home, having attended a drill night at the station earlier on in the evening. Members extended their condolences to Mr Rees' family and colleagues at this very sad time. The Chief Fire Officer confirmed that Mid and West Wales would be making formal representation at the funeral which was due to take place on Friday, 15th January 2010.