

AWDURDOD TÂN CANOLBARTH A GORLLEWIN CYMRU



MID AND WEST WALES FIRE AUTHORITY

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

DYDD LLUN, 15 TACHWEDD 2004

MONDAY, 15 NOVEMBER 2004

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

PRESENOLDEB/ATTENDANCE

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN: T E Evans

IS-GADEIRYDD/VICE CHAIRMAN: J J J Davies

AELODAU/MEMBERS: Cyng/Cllrs: J Allen-Mirehouse,
C Morgan, D C Prothero,
G Seabourne, Mrs P Spender,
D G Sullivan, T Theophilus,
J D A Thompson

YMDDIHEURIADAU/APOLOGIES: Cyng/Cllrs: Mrs T Devichand,
D Price

YN BRESENNOL /IN ATTENDANCE: Cyng/Cllrs: B J Hall

1 DECLARATION BY MEMBERS OF ANY PERSONAL INTEREST

None were declared

2 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE RESOURCES COMMITTEE HELD ON 26 JULY 2004

The Minutes of the meeting held on 26th July 2004 were received and confirmed as a true record.

3 TO RECEIVE THE JOINT REPORT OF THE TREASURER AND CHIEF FIRE OFFICER ON THE BUDGET REQUIREMENT FOR THE FINANCIAL YEAR 2005/06

Members were informed that this was the first year for the Authority to combine the Budget Requirement exercise, and ultimately the budget setting, with the Business Planning Cycle and the Integrated Risk Management Planning consultation and implementation process.

The main factors and driving forces which influenced the Budget Requirement were:

- ◆ The final settlement of the long-running pay negotiations/dispute with the payment of back-dated arrears of pay combined with the new pay award for 2004/2005 payable from 1 July 2004.
- ◆ The need to deliver the “Modernisation Agenda” for the Fire & Rescue Service which underpins the affordability of the pay settlements.
- ◆ The objective of dovetailing the Budget Requirement with the Business Planning cycle and the IRMP consultation and the final determination.
- ◆ The need to produce a service capable of responding to change whilst continuing to evolve and ensuring its ability to respond effectively and efficiently to emergency situations and at the same time being affordable and value for money to the council tax payers of Mid & West Wales.

The principal financial implications which affected the Budget Requirement for 2005/2006 were detailed for Members’ attention:

- ◆ The validation for a full year of the 4.2% pay award from July 2004 to all fire fighters, whole time, retained and control room staff.
- ◆ The re-evaluation of the base pay of all non-uniformed staff to cater for the shortfall in the provision for 2004/2005 settlement amounting to 0.25%.
- ◆ The provision for the payment of contractual annual increments where appropriate.
- ◆ The continuation of the Vehicle Replacement Programme albeit at a reduced level from that originally envisaged as a result of the re-phasing of the ten

year Replacement Programme.

- ◆ The following Inflation assumptions for 2005/2006:

Uniformed Staff pay	3.5% from July 2005
Other Staff pay	2.95% from April 2005
All other costs	3% annual increase

- ◆ Other Increases/decreases.

Non-recurring IPDS recruitment costs in 2004/05 (a reduction of £10,000)	
Audit pay verification fee –non-recurring (a reduction of £19,000)	
Insurances – extra cost as a result of market testing following the termination of the long-term agreement (an increase of £70,000)	
OS map licences – as reported separately (an increase of £55,000)	
Net savings to be achieved through IRMP 2 after re-investment in preventative enhancement (a decrease of £300,000)	
Capital financing/Prudential borrowing re-examination of incremental borrowing and interest rates (a decrease of £27,000)	

Members were pleased to note that the latest indications from the Welsh Assembly Government were that they did not require the Transitional Costs Grant received in 2004/2005 to be repaid, although formal confirmation of this was still awaited. This represented a potential 0.5% benefit to the Authority's budget.

The Financial Services Manager made reference to previous budget reports where it had been emphasised that cost pressures were expected to arise as the service moved the emphasis from response to prevention. Significant costs would arise as a result of enhancing levels of activity in prevention work through more pro-active programmes such as Home Safety Audits as well as other community based initiatives and projects to raise awareness of fire risk and effective fire prevention measures.

As the Welsh Assembly Government had not, in its recently announced budget plans, made any provision for additional financing of prevention initiatives then the additional costs could only be met through the modernisation programme, through the examination of existing spending patterns and service delivery methods and their comparison with alternative delivery options as outlined in the IRMP. The expectation was therefore that the development and expansion of preventative work would be funded through efficiency savings made elsewhere and Members stressed the importance of delivering the recommendations as set out within the IRMP in order to do this.

Members were aware that preliminary consultations had already taken place with the Directors of Finance of the constituent Unitary Authorities where a full exchange of information had taken place on the Budget proposals and indicative requirements to 2007/2008. It was noted that arrangements were in hand to hold a further meeting in December.

Following this Committee's deliberations and determinations further consultation will take place in line with the requirements of the Combination Scheme Order prior to 31 December 2004 on the finally determined budget requirement.

RESOLUTION

It was RESOLVED that

l) The budget requirement for the Financial Year 2005/2006 be approved as a basis for consultation with the constituent Unitary Authorities.

li) A short briefing paper be prepared for Members setting out the details of the budget requirement

4 TO RECEIVE THE TREASURER'S BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2004/05

i) Revenue Monitoring Report for the period 1st April to 30th September 2004

The Financial Services Manager reported that the total expenditure to date included actual expenditure recorded on the financial ledger and known commitments to 30th September. The report showed an underspend (surplus) for the period of £547k, with the forecast expenditure for the year remaining within the overall budget.

It was noted that the major causes of the current surplus were underspends on the uniformed pay budgets and the continued delay in expenditure on Central Training. The underspends on pay were not extrapolated directly to the end of the year because of the effect of vacancies being filled in the second half of the year and the uncertainty in predicting retained activity for the remainder of the year. The Central Training budget was expected to be completely spent by the end of the year with the appointment of IPDS officers and the purchase of IT equipment for the implementation of IPDS.

ii) Capital Monitoring report for the period 1st April to 30th September 2004

Expenditure to date and projected expenditure for the year on capital projects was reported against the Approved Capital Programme. Expenditure on the new headquarters building was not expected to be up to target within 2004/05 but expenditure on Equality and Diversity and other projects were being accelerated in order to accommodate the slippage of the headquarters scheme into 2005/06.

RESOLUTION

It was RESOLVED that

The Treasurer's Budget Monitoring report and Capital Monitoring report for the period 1st April to 30th September be received and approved.

5 TO RECEIVE A REPORT ON THE RELOCATION OF FIRE CONTROL FROM LIME GROVE AVENUE TO THE NEW COMMUNICATIONS CENTRE AT POLICE HEADQUARTERS, CARMARTHEN

Correspondence had recently been received from the Welsh Assembly Government which suggested that it was maintaining its policy position to retain three fire control rooms within Wales for the foreseeable future.

Given that WAG had previously identified the proposal of the Mid & West Wales Fire & Rescue Service to relocate its control facility as being a good example of inter-service collaboration, it was appropriate that consideration be given to the management and resource implications of executing such a move.

Members recalled that at the meeting of the Resources Committee held on 26th April 2004 approval to expenditure in the region of £45,000 specifically to support additional electrical and mechanical installation works at the facility in order to prepare for future use by the Service had been approved. The original proposal had suggested that the date of relocation would be sometime around 2006/2007 and it was envisaged then that the process would have included many related changes including the provision of a new mobilising system, the introduction of the Firelink radio system, as well as the development of new working practices and procedures. However, various operational factors have now suggested that it would be preferable to complete a location move sooner, addressing the major systems and procedural elements during subsequent years and thereby simplifying the overall relocation process.

Consideration was therefore given to the inescapable technology costs which would be encountered in undertaking a control room move sooner than was originally planned and probably by mid 2005.

Members were aware that there were various communications and information technology systems that were inherent to the efficient operation of the control room and as many of these systems were installed or upgraded following the second phase of the earlier control room project in 1998, they were now approaching the end of their intended life. It was previously thought that the move to the new control centre, sometime after 2006, would be the most appropriate time to address these replacement requirements. This, due to the additional options for sharing new technology that would be available then and also the local delivery of the Firelink radio solution was expected to take place at about the same time. The following costs were identified to upgrade/transfer the existing systems to the joint service centre at Llangunnor or alternatively the cost of sharing systems to be provided there by others.

- Mobilising System - Both the hardware and software elements of the existing Fortek supplied Fires III system could be readily maintained for the next few years. However some minor software and hardware upgrades were outstanding and have been purposefully delayed because of various fire control unknowns both local and national. Estimated cost of upgrade/transfer £18k.
- Radio System – The latest information suggested that Wales would now be

the last region to receive the Firelink radio solution and it would not be until the end of 2007, or even later if the FireControl project ultimately determined the rollout programme. Consequently, the existing two-channel FM radio system, including the associated control room elements, would have to be retained for some years to come, irrespective of any control room move. Estimated cost of transfer £12k

- IPC Telephone/Radio Call Concentrator - Whilst it was an option to remove this system from Lime Grove Avenue and reinstall it at Llangunnor, this was undesirable because of the longer-term support uncertainties and also the constraints associated with the large physical size of the equipment. A preferable alternative would be to share use of new Dyfed Powys Police/All Wales Ambulance Trust equipment. Estimated cost of sharing £9k.
- Administrative Telephone System - Control room staff have direct access to the Service wide administrative telephone network and it was desirable to retain such access. Estimate cost of upgrade/transfer £5k.
- Control Room Furniture - A move to a new control room would enable the introduction of contemporary Operator consoles that reflected latest control room designs. Estimated cost of replacement £16k.

It was noted that whilst each of the components referred to were fundamental to our control room operations, there were a small number of others, which were relatively minor in nature and their relocation would not generate any undue additional financial demand. It was identified that there would be few if any abortive costs in addition to those that would have inevitably been incurred when moving around 2006/2007 if the move were to take place during 2005. Furthermore, the total one off technology costs of completing a relocation would be in the region of £60k and much of this expenditure, system upgrades etc, would inevitably be incurred should the Control remain at the Lime Grove Avenue site.

RESOLUTION

It was RESOLVED that

the further expenditure identified be approved, on the proviso that ongoing negotiations with the Police Authority resulted in agreement with overall rental and building charges that were commensurate with earlier estimates and delivered value for money.

6 TO CONSIDER A REPORT ON THE PROCUREMENT OF ORDNANCE SURVEY DIGITAL MAPPING

Members were aware that digital map data had been used by the Service since the creation of the Authority in 1996.

More recently, electronic maps had been made available in more than forty frontline vehicles, following the introduction of a mobile data system in 2002. In

this application electronic maps were used to help operational crews locate water hydrants and high-risk facilities such as chemical stores in addition to being a general map/gazetteer. As such electronic maps were now an important element of day to day frontline operations, especially when crews operated outside of their normal station ground.

Since 1996 the digital map data had been supplied 'free of charge' under the terms of a Service Level Agreement (SLA) between Ordnance Survey and Local Authorities. The fire service in Wales was still considered to be a local (unitary) authority function and therefore access to the data was incorporated within the terms of the agreement between Ordnance Survey and the six constituent authority's.

However in recent years mapping data costs had increased and it was realised that the cost for some authorities for these products would reach the level required for them to undergo an open procurement through the EU procurement process which resulted in draft contracts being agreed this year with the Ordnance Survey. Under the terms of the new Mapping Services Agreement it had been decided that the Fire Service should pay directly for any digital mapping data they used.

The first indications of the likely costs of mapping data to the Authority were in the region of £161,000 being based on geographic area, but following representation this was reduced to £55,000 per annum. Although this was a significant decrease on the initial figure, it was still a large amount and because of the lack of early consultation was one for which no specific provision had been made.

It was proposed to address this requirement by viring finances from less pressing operational requirements in readiness for when the new Mapping Services Agreement would take effect on January 1st 2005. In subsequent years proper provision would be made for this requirement through the regular budget planning process.

RESOLUTION

It was RESOLVED that

i) the Resources Committee acknowledge the dependence upon digital mapping data in support of delivering frontline services.

ii) the Authority commit to the new four year Mapping Services Agreement developed on behalf of all Local Authorities by the Local Government Information House.

iii) provision be made for the direct purchase of such data at a cost of £55k, on a date to be determined later in the current financial year.

7 TO CONSIDER A REPORT ON THE VEHICLE REPLACEMENT PROGRAMME

Consideration was given to a report on a revised ten year replacement programme which reflected both decisions made to date to defer vehicles included within the current programme and the potential to extend the life expectancy of all vehicles in the Authority's fleet, given the much improved standard of vehicles.

It was noted that the total value of vehicles deferred amounted to approximately £1.19 million, expressed at today's prices. However, the value of these vehicles as expressed within the Authority's approved 10 year programme, based upon November 2001 values, was somewhat lower at £980,000. Removal of the vehicles enabled expenditure on vehicle leasing charges to be reduced by the required budget reduction of £75K.

Members noted that the programme and current price value for the vehicles being deferred in the current financial year amounted to £683K and £788K respectively. This would contain expenditure on vehicle replacements within the reduced budget allocation agreed by the Authority.

The replacement of a significant number of vehicles had been deferred over the current and last financial years and a number had also been deferred from earlier years, including water bowsers and emergency tenders. These were deferred due to a combination of increased vehicle costs and ongoing review of the operational rationale upon which the requirement for specialist vehicles was based. These reviews would be completed to enable vehicles to be ordered early in the 2005/06 financial year, in accordance with a revised replacement programme which would be produced for Members' consideration by the end of 2004.

The current value of vehicles in the Programme for 2005/06 amounted to £2.075 million, which at current prices would equate to a cost of approximately £2.4 million. It was anticipated that the value of vehicles purchased next year would be significantly lower than this, in the event that the Authority endorsed the reduction of £50K contained in the draft IRMP for 2005/06 for vehicle purchase. This would result in a reduced capital value within the programme of some £500K, requiring further deferrals within the current programme.

The report clearly demonstrated that significant numbers of vehicles had been deferred in recent years, making it imperative to now produce a revised and updated programme for Members' consideration, in order to avoid making ad-hoc decisions based upon financial considerations alone, rather than a risk assessment based upon operational requirements flowing from the Authority's IRMP processes.

Members were asked to endorse the life expectancy principles as tabled which would inform the vehicle replacements required in each financial year. The revised 10 year programme that could thus be produced would identify vehicles

scheduled for replacement in each financial year which would allow the Authority to see clearly any implications for the programme when making resource allocation decisions.

RESOLUTION

It was RESOLVED

That the proposed life expectancy for the Authority's vehicle fleet, as considered by Members and the resultant revised ten year vehicle replacement programme be approved, subject to any further adjustments required once final decisions on the Authority's IRMP had been taken.

8 TO RECEIVE A REPORT ON THE CONSULTATION PAPER ON LGA MEMBER ARRANGEMENTS FOR ADDRESSING FIRE SERVICE ISSUES

Consideration was given to the LGA Fire Service Consultation Paper on Member Arrangements which, as Members were aware, since the 1 August new arrangements had been introduced by the LGA to improve the way in which the Association dealt with all policy matters. A new system of Boards had been introduced to replace the 19 executives to take matters forward. Fire now fell within the remit of the Safer Communities Board and examination of the present member arrangements for addressing specific fire service issues within the LGA and comments on the proposals had been invited by the 19 November 2004. The following points were considered as the basis of the response to the paper:

“The Authority welcomes the Consultation Paper and the opportunity to comment on the new arrangements. It would wish to broadly give its support to the recommendations noted under point 19 of the consultation paper and would wish to make the following points in addition:

- This Authority would very much wish to ensure the continued existence of the Fire Forum which has proved to be a particularly effective body in the past by bringing all Fire Authorities together to discuss matters of common interest and to identify issues that need to be developed and carried forward within the Fire and Rescue Service. It should continue to meet at least on a quarterly basis with consideration given to meeting on a six weekly basis given the work to be undertaken within the service in progressing the modernisation agenda.
- In view of the fact that the Forum has proved to be an effective and enthusiastic body it is also important that the Fire Forum retains its name as a distinct body as it is a structure with which Fire Authorities can clearly identify and provides an element of continuity within the new Member arrangements at the LGA.
- Whilst the Consultation Papers clearly sets out the linkages between each of

the different bodies the LGA might wish to consider the possibility of enhancing the Fire Modernisation Task Group which could potentially bridge the work of the Fire Forum and the Safer Communities Board. Such a group would maintain a sense of ownership within the Fire Forum of the fire agenda whilst also enabling the Safer Communities Board to take the agenda forward within the context of the multi-stranded policy issues. An enhanced all party Fire Modernisation Task Group would also ensure that the right issues were being taken forward by the Safer Communities Board. Such a group would also provide Member continuity in Fire and Rescue Service expertise and could provide a source of support to the Safer Communities Board in meeting, for example, with Government Ministers when appropriate. “

RESOLUTION

It was RESOLVED that

The Authority supports the recommendations noted under point 19 of the Consultation Paper and responds accordingly taking in to account the comments noted above.

9 TO RECEIVE ITEMS OF CORRESPONDENCE

Members were aware that further to the ‘cancellation’ of two meetings between the Fire Authority and Assembly Members as part of the Integrated Risk Management Planning consultation process, a letter had been sent to the First Minister, Rt Hon Rhodri Morgan AM, requesting a meeting to clarify policy ambiguities and to explore any strategic considerations that should be taken into account by the Fire Authority. Consideration was given to the response which had been received from the First Minister.

RESOLUTION

It was RESOLVED that

The response be noted and referred to the Members Integrated Risk Management Working Group.