

**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, 18 EBRILL 2005**

**MONDAY, 18 APRIL 2005**

***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 S Allen-Mirehouse,  
Mrs T Devichand, D Price,  
T Theophilus, D G Sullivan, C Morgan,  
G Phillips, Mrs P Spender,  
G Seabourne, J D A Thompson

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

YN BRESENNOL /IN ATTENDANCE: 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 MEETING HELD ON 17<sup>th</sup> JANUARY 2005**

The minutes of the meeting held on 17<sup>th</sup> January 2005 were received and confirmed as a true record

**3 TO RECEIVE THE TREASURER'S BUDGET MONITORING REPORT: FINANCIAL YEAR 2004/05**

**Revenue Monitoring Report for the period 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2005**

The Treasurer reported that the Revenue Monitoring Report for the period 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2005 showed the expected out turn for 2004/05, based on expenditure and income recorded to 31<sup>st</sup> March 2005. On the Employees expenditure, Committee noted an underspend on retained costs which was due to reduced activity level during that period. A small overspend on Transport was due to anticipated savings which did not materialise. The underspend in the pensions would be credited to next year's Pensions Provision fund and had occurred due to a number of anticipated retirements not taking place last year. The final Revenue out turn figures would be presented to the July meeting of the Resources Committee.

**Capital Monitoring Report for the period 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2005**

The Treasurer reported that the provisional expenditure incurred to 31<sup>st</sup> March 2005 on capital projects had been reported against the Approved Capital Programme.

Expenditure on the new Headquarters building up to 31<sup>st</sup> March 2005 was £389k of the £750k programmed. New capital borrowing in 2004/05 had been restricted to £1.1m to mitigate the effect of the additional borrowing which would become necessary in 2005/06 to finance the balance of the project at the approved increased contract value. A revised 2005/06 to 2007/08 Capital Programme and Prudential Indicator forecast would be presented for approval at the July meeting of the Resources Committee.

It was reported that the remainder of the 2004/05 capital expenditure on minor works, equipment and vehicles had been financed, after applying in-year capital receipts and planned contributions, from available Revenue resources.

**RESOLUTION**

***It was RESOLVED that***

***The Budget Monitoring Report be received and noted***

#### **4 TO RECEIVE A REPORT ON THE NATIONAL FRAMEWORK FOR THE FIRE AND RESCUE SERVICE IN WALES**

Members were aware that the National Assembly for Wales had approved the National Framework for the Fire and Rescue Service on the 16<sup>th</sup> March. A copy of the debate had been forwarded to Members along with an electronic copy of the framework. It was noted that the published version would be circulated as soon as it became available.

Further to correspondence received from the Minister following the approval of the National Framework and the Chair's subsequent response, it was intended to consider the content of the Framework and the direction it signalled for the future of the Fire and Rescue Service in Wales. The Chief Fire Officer indicated the concerns of the three Welsh Fire Authorities that the two advisory Committees which had been proposed under the Framework, the Fire Safety Committee and the Fire & Rescue Service Strategic Advisory Committee, did not have representatives from all three Fire Authorities. A proposal had been made to the Minister that a third Committee, the Fire Authority Liaison Committee, could be formed with a membership to include the three Chief Fire Officers and Chairs. Members wished to ensure that the policies agreed and set by the Authority, and in particular the Integrated Risk Management Plan, remained consistent with the direction set out in the Framework.

Members were aware that the Minister had previously given an undertaking to meet with Members of the Authority, but, unfortunately, due to diary commitments would now be unable to do so. A letter from Mrs Hart was circulated in the meeting from which it was noted that she was prepared to meet with a small delegation from the Authority or was prepared alternatively to arrange a meeting with her senior official. A draft response from the Chairman was considered, requesting that a meeting be arranged prior to the Authority's discussions on the implementation of this year's IRMP on 16<sup>th</sup> May in order that Members could receive clarity on the position of the Welsh Assembly in relation to policies contained within the Plan. It was agreed that the original delegation of Members who attended the last meeting at the Assembly be reconvened to meet with Mrs Hart, namely the Chairman, Vice-Chairman, Councillors T E Evans, R James and appropriate Officers.

#### **RESOLUTION**

*It was RESOLVED that*

- i) The draft letter to the Minister be approved*
- ii) Arrangements be made for a delegation of Members to meet with the Minister before 16<sup>th</sup> May 2005.*

#### **5 TO CONSIDER A REPORT ON INSURANCE RENEWAL**

Members were aware that the Service's insurance portfolio was subject to a brokerage arrangement with Marsh UK, acting on the Fire and Rescue

Authority's behalf. The three year agreements that had been in place with insurers for the property, combined liability and motor fleet policies were due to expire and consequently, Marsh had undertaken a tendering exercise for the next financial year, a process which had been completed in time for contracts to be awarded in readiness for 1<sup>st</sup> April 2005, thereby meeting the Authority's legal obligations.

In preparing for the tendering exercise, officers had produced a comprehensive risk management portfolio, setting out the Service's claims experience and approach to risk management across all areas of operations. It was reported that entering the competitive market, outside the terms of the previous three-year agreement, would introduce a considerable uncertainty as to future premium levels, and the Authority had therefore agreed to adopt a prudent approach when setting its revenue budget for the 2005-06 financial year. In assessing market conditions at the time of issuing tender documents, the Authority's brokers were aware of trends for Welsh Authority clients where premia were increasing by between 5% and 10%. The position for emergency services across the UK was in some cases even worse and, if such increases were applied to this Authority's policies, this would result in significant additional expenditure.

Underpinning the potential for premium increases was the significant increase in salary costs following the final phase of the 2003 firefighters' pay agreement, which impacted directly on the cost exposure from compensation claims from employees, claims which in themselves had seen increases in the wider economy of some 15% per annum in recent years. Committee recalled that these factors did in fact result in a 15% premium increase in 2004-05 and since then, significant work had been undertaken by officers, in particular the Service's Health and Safety Advisor, to enhance all aspects of risk management, especially the accident reporting and investigative procedures. These improvements had been included within the portfolios provided for insurers during the tendering exercise, and this, coupled with a most effective competition that Marsh had succeeded in generating within the insurance sector, had resulted in an extremely favourable package of insurance being negotiated. Committee were pleased to note that the total premia payable for 2005-06 represented a reduction over the last financial year of 12%, and this had been attributed by the Authority's Brokers to the *"way in which Mid and West Wales Fire successfully differentiates itself by its good track record and "hands on" approach to risk management"*.

The Authority's brokers had secured a very favourable outcome in addition to "ground up" cover for both Employers and Public Liability policies. This ensured that the Authority was not required to provide an insurance contingency for any successful compensation claims pursued by either employees or the public, and provided a significant degree of financial security.

Members expressed their appreciation to the work of Marsh UK, acting as the Authority's Brokers, the Service's Health and Safety Advisor, Mr Mydrian Harries and the Director of Service Support, whose combined efforts had ensured that the total insurance costs remained lower than the combined levels payable by the predecessor authorities.

## RESOLUTION

*It was RESOLVED that*

- i) The insurance terms be approved*
- ii) The contract with Marsh UK, acting as the Authority's brokers, be continued in 2005/06 at the agreed fee level.*

### 6 TO RECEIVE A REPORT ON THE REVIEW OF COUNCILLOR'S ALLOWANCES REGULATIONS

A consultation document had been received from the Welsh Assembly Government in relation to a review of Councillors' Allowances whilst also considering the possibility of consolidation of the existing Regulations.

The Clerk reported that the main issues for consultation which would affect Fire & Rescue Authorities were:

**Wales Independent Remuneration Panel** – This was a temporary body dealing only with Councillors' pensions. The Minister had proposed to establish a panel on a permanent basis to make recommendations annually to county and county boroughs on allowances and pensions, and to propose indices for the uprating of such allowances.

The Clerk reported that this proposal in relation to allowances did not directly affect Fire & Rescue Authorities as the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004 provided that allowances would be adjusted annually from 1<sup>st</sup> April 2006 based on the average of all (if any) annual adjustments made by the Constituent Authorities in that year. There was no apparent reason however why the proposed panel could not make recommendations on fire authority allowances as not only would it be administratively convenient, it would mirror the arrangements in the constituent authorities.

The Panel had also reported on the eligibility of Councillor's allowances becoming pensionable. However it had not been proposed that fire authority allowances would be pensionable. During consideration of the initial consultation on Fire Authority Allowances in 2004, the Authority was of the view that such allowances should be pensionable. It seemed inconsistent that Fire Authority Allowances were still excluded from the proposals.

**Suspended Councillors** – The Minister proposed to follow the provisions currently operable in England whereby local authorities stipulated that basic allowances and special responsibility allowances were not payable to a Councillor whose membership was suspended. Such provision was already provided for in Fire & Rescue Authorities' Scheme for Payment of Members Allowances by virtue of the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004.

**Members of more than one Authority** – It was proposed that those county councillors who also served on National Park Authorities, Police or Fire

Authorities should not be able to receive more than one Special Responsibility Allowance. Committee recalled that the Minister, prior to the enactment of the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004 expressed "...concern at the public perception of the dual receipt of Special Responsibility Allowances and whether the allowances system should not encourage the sharing out of what are increasingly significant responsibilities". However following representations the provision in the draft regulations which barred a Fire and Rescue Authority chair or vice chair who was also an executive or board member of their constituent authority from receiving a special responsibility allowance from a Fire Authority was not included in the final Regulations. The Minister did indicate however that she might need to look at the position again. The Clerk advised that enactment of such a proposal would limit representation and not recognise the significant contribution and commitment of both the Chair and Vice Chair at a time of unprecedented change, It was noted that the level of allowances for the Chair and Vice Chair were established on the basis of the additional time demands of such post holders compared with other members and such demands would not vary whether such appointees were executive / board members or not.

**Independent Members of Standards Committees** – Local Authorities in England were able to pay a co-optees allowance to members who were not councillors, such as Chairs of Standards Committees. The Minister had invited views on the proposal to introduce a similar arrangement in Wales, and whether such should apply to Fire Authorities. The position in Welsh county and county borough authorities regarding payment varied considerably, with authorities seeking uniformity through the introduction of Regulations to regularise the position. Such Regulations should also apply to Fire Authorities, who had the same recruitment problems for independent members although the level of commitment that was required was not as great.

## **RESOLUTION**

*It was RESOLVED that*

*The commentary be approved as a response to the Consultation Paper*

### **7 TO RECEIVE A REPORT ON FUNDING FOR FIREBRAKE WALES**

Members were aware that Atal Tân/Firebrake was a charitable fire safety trust working in partnership with the Welsh Assembly Government and the three Welsh Fire and Rescue Authorities. Its key objectives were to reduce the number of deaths and injuries through fire related incidents in Wales by public education, promotional activity and research. Atal Tân/Firebrake had also assumed responsibility for the organisation of the biennial Walesfire conference. The Chief Executive of the organisation, Mr Antony Feasey, had attended a meeting of the Authority in May 2004 and made a comprehensive presentation on the work of the Trust.

The Authority in conjunction with the two other Fire and Rescue Authorities and

the Welsh Assembly Government had supported the Trust since its inception both financially and with the provision of Trustees, currently the Chair of the Authority and the Chief Fire Officer. Initial costs to fund the Trust were shared between the Welsh Assembly Government and the three Fire and Rescue Authorities in Wales. The Assembly had provided £100k of the initial total cost estimate with the remainder being shared between the three fire and rescue authorities for a three year period commencing in 2002. That three year period had now come to an end and the Authority had been asked to consider renewing the commitment to Atal Tân/Fire Brake for a further period of three years.

In order to assist the Authority in its deliberations, an independent review of the work undertaken by Atal Tân/Firebrake had been undertaken in 2004. The review had revisited the initial feasibility study and interviewed a number of key players operating within the community fire safety field. In general, the report concluded that the Trust had made a very positive contribution and highlighted areas for further development. Positive achievements included the implementation of successful and cost-effective awareness raising campaigns and raising the profile of community fire safety. Further work now needed to be undertaken in areas such as research.

## **RESOLUTION**

***It was RESOLVED that***

***The Authority continue to support Atal Tân/Firebrake with the provision of Trustees and a financial contribution of £35k for a further three years.***

## **8 TO RECEIVE AN UPDATE ON THE CONTROL CENTRE**

At the Fire Authority meeting on 20<sup>th</sup> September 2004, Members had been presented with an update report regarding the proposed site sharing arrangement with Dyfed Powys Police.

As part of the discussion, consideration had been given to a recently received letter from the Assembly that detailed their broadly supportive position on the proposed move although at that time the devolution of policy responsibility for the fire services in Wales to the Welsh Assembly Government had not been completed. Members were advised that in addition to the initial project commitment of £45,000, approved by the Resources Committee at their April 2004 meeting, a further investment would eventually be required in order to ensure that the internal configuration of the new building met all operational requirements.

Following the September meeting where the Authority had re-affirmed its previous policy decision to relocate the Control Room, officers from the Service, including Control Room representatives, had worked closely with design consultants, civil contractors and Dyfed Powys Police in order to develop an acceptable layout for the fire service specific areas within the new building. A preferred layout that was expected to fully meet the operational needs had been identified by an Officers' Working Group following an evaluation of various

design and financial options. A further capital investment of some £140,000 would now be required in order to undertake the building works required to meet the Service's operational specifications. These comprised the following main components:

- Electrical Infrastructure
- Data cabling
- Internal partitioning
- Modification to Air Conditioning and mechanical Installations

In addition to the above, minor modifications would be required to the location and configuration of some facilities, including a small kitchen, interview and training areas. Detailed discussions on these remaining matters were almost complete, and it was anticipated that all costs would be contained within the investment limit of £140,000.

As the new communications centre building was still under warranty, the Fire Authority was itself inhibited from arranging the works or nominating a civil contractor of its choice following a competitive tendering exercise. Instead, Dyfed Powys Police, as owners of the building, would themselves arrange for the works to be undertaken on the Authority's behalf and by the original builders. The cost analysis, however, would be professionally scrutinised by an external third party assessor to ensure that the additional costs represented value for money for the Fire and Rescue Authority.

During a recent meeting with the Finance Director of Dyfed Powys Police, a tentative agreement had been reached whereby the capital cost associated with the building works would be met in full by the Police Authority and absorbed within the rental/lease charges they would be levying upon the Fire and Rescue Service for use of the facility. It was anticipated that the additional costs would be offset by adopting a similar approach to recovering capital costs met by the Fire and Rescue Authority, on behalf of the Police, at the Crymych joint facility. The process of concluding these leases was ongoing and the Authority were being supported in this regard by legal consultants in Pembrokeshire County Council. At this stage, the Service's planning assumptions provided for an anticipated relocation date of late August or early September this year.

Since the Authority's latest decision to proceed with the joint venture, the transfer of fire service responsibilities to Cardiff had now taken place and the Welsh Assembly Government continued to support the principle of co-operation between the emergency services. The Authority's proposed relocation of the Control Room to the new Police Joint Communications Centre was referred to in the final National Framework for the Fire and Rescue Service in Wales as a positive example in this regard. Committee were reminded that a letter received from the Social Justice and Regeneration Department in August 2004 stated that the location of its control room was a matter for the Fire and Rescue Authority to determine. However, the National Framework stated:

*"...Fire and Rescue Authorities should seek to agree with the Assembly*

*Government the arrangements for managing and maintaining the control room in its area and comply with national protocols on staff roles and training and back-up and resilience requirements”*

Whilst the Authority had long since made its policy decision to relocate the control room to the Joint site at Llangunnor, a proposal endorsed within the National Framework as evidence of inter-service co-operation, Committee considered it prudent to seek written confirmation that the Assembly remained supportive of the proposal, prior to formally signing the lease agreement.

## **RESOLUTION**

*It was RESOLVED that*

- 1. The report be received and that Committee endorse the final commitment of approximately £140,000 to complete the internal configuration of the Service’s Control Room within the Dyfed Powys Police Joint Communications Centre at Carmarthen;***
- 2. If possible, the costs be offset against the account due from the Police Authority for the capital expenditure incurred by the Fire and Rescue Authority on its behalf in relation to the joint scheme at Crymych, with repayment spread over an appropriate duration of the respective lease agreements, with the detailed terms being agreed by the Chief Fire Officer and Treasurer;***
- 3. A letter be sent to the Minister for Social Justice and Regeneration at the Welsh Assembly Government seeking confirmation that the Authority’s intentions to relocate its control room remained consistent with the Assembly’s policy stance, and in particular the recently approved National Framework.***