

**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, 15 IONAWR 2007

MONDAY, 15 JANUARY 2007

***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,
Mrs T Devichand, Mrs J Dudley,
C Morgan, G Phillips, D C Prothero
G Seabourne, Mrs M Smith,
Mrs P Spender, T Theophilus,
J D A Thompson, C Waller,

YN BRESENNOL /IN ATTENDANCE: Cyng/Cllr: 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 13 NOVEMBER 2006

The minutes of the meeting held on 13 November 2006 were received and confirmed as a true record.

3 TO RECEIVE THE TREASURER'S BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2006/07

Revenue Monitoring Report for the period 1st April to 30th November 2006

The Treasurer's budget monitoring report compared expenditure to date with the 2006/07 Approved Budget, profiled for 8 months. The expenditure to date included actual expenditure recorded on the financial ledger and known commitments.

On this basis, a current underspend of £376k (0.9% of budget) and excess pensions expenditure to date of £163k combined to give the net under spend of £213k shown by the report. The final deficit against budget on firefighters' pensions would be funded by a transfer from the Elective Pensioners Provision at the end of the year.

Capital Monitoring Report for the period 1st April to 30th November 2006

The report summarised the expenditure and financing of capital projects to date in comparison with the Approved Capital Programme.

Prudential Indicators

It was reported that Capital financing was within the limits set by the Prudential Indicators

RESOLUTION

It was RESOLVED that the report be received and noted

4 TO CONSIDER THE JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE TREASURER ON THE BUDGET FOR THE FINANCIAL YEAR 2007/2008

The Chief Fire Officer reported that the indicative net budget requirement for 2007/2008, as approved by the Fire and Rescue Authority on the 18th December 2006, had been notified to all constituent authorities as part of the consultation process. The report consolidated previous reports and formed the basis for the final budget setting process for 2007/08. Following the Prudential Code and best practice, the revenue and capital budgets for 2007/08 were considered together in the report.

The indicative net revenue budget requirement had been approved as £39,664,902, a reduction in cash terms of 5.3% over the current year. This figure took into account the new pension arrangements and takes a contribution from the Elective Pensioners Provision to compensate local authorities for the reduction in SSA associated with the Pensions changes. On a like for like basis, and after discussion with the constituent authority Treasurers, the budget increase had been reduced by the Fire Authority from an initial proposal of 4.2% to 3.5%. Detail on this reduction and the implications had been shown within the report.

The key issues in the budget setting were highlighted for Members attention and an area of particular concern was that of pensions. Members were aware that the mechanism for funding the Fire-fighters pension scheme was changing on 1st April 2007 meaning that the Fire and Rescue Authorities would no longer be responsible for funding the majority of the existing Fire-fighters pension costs. The exception to this would be the funding of ill health retirement costs through a percentage rate, to be determined periodically, which would continue to be budgeted for from the Authority's revenue account. This meant that in future the budget risks associated with the volatility of the pension provision would be transferred to Central Government.

The Authority would however have to make provision in the revenue account for an employer's contribution rate of 21.3% for those employees who were part of the pension scheme prior to April 2006 and 11 % for those who were part of the new pension scheme. The net adjustment for all pension costs within the budget requirement for 2007/08 was a reduction of approximately £2,308,000. Ideally this budget requirement reduction would be reflected precisely in the reduced SSA figure being applied by WAG to the constituent authorities for 2007/08.

It was noted, however, that Welsh Assembly Government (WAG) were applying not the Authority's budgeted figures but the Government Actuary Department figures in calculating this reduction in SSA. These figures were approximately £1.4 million higher in the first year. As a result of this the decision was taken by the Fire Authority to assist the constituent authorities on a one-off basis by making a contribution of nearly £1.4 million from the Elective Pensioners Provision. The Treasurer emphasised to Members that this contribution would not be available again in 2008/09 and therefore members should expect the budget increase in that year to be approximately 3.5% more than it would otherwise have been. The Treasurer confirmed that the Unitary Authorities and the WLGA were all fully aware of this situation and he considered it important that they continued to put pressure on WAG about their concerns.

RESOLUTION

It was RECOMMENDED TO THE FIRE AUTHORITY

- 1. that the budget requirement be part funded by a contribution of £1,377,533 from the Elective Pensioners Provision***

2. *that the net budget requirement (and net of the above contribution) at £39,664,902 (- 5.3%) for 2007/08 and the supporting more detailed revenue budget for 2007/08 be approved in line with the assumptions within this report.*
3. *that the Capital Programme be approved, leading to the capital financing charges shown as additional in Appendix A.*
4. *that members note the intention to continue to replace and upgrade vehicles in line with the programme agreed last year.*
5. *That whilst it had been assumed that vehicles would be leased in the budget build up, it was recommended that the Director of Finance and Procurement be authorised to decide on the appropriate method of financing at the time of procurement.*
6. *That should the level of savings identified from the on going service reviews be greater than assumed in the budget process, it be agreed that officers be authorised to utilise these on any budget heads that had been reduced during the budget discussions.*

5 TO CONSIDER A REPORT ON THE PRUDENTIAL CODE AND PRUDENTIAL INDICATORS FOR 2007/2008

The Treasurer presented a report on the Mid and West Wales Fire and Rescue Authority's prudential indicators for 2007/08, based on the 2007/08 proposed Capital Programme for approval.

RESOLUTION

It was RECOMMENDED TO THE AUTHORITY

1. *that the 2007/08 prudential indicators be approved.*
2. *that delegated authority be given to the Director of Finance and Procurement 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 A REPORT ON THE CO-RESPONDER SCHEME: CIRCULAR EMP/15/06

At the meeting of the Authority held on the 6th February 2006, Members had been notified that two Fire and Rescue Authorities were seeking to resolve the opposition of Co-Responder Schemes by the FBU through the High Court. The National Employers had encouraged all authorities to support the action and to commit to a cost sharing approach and Members had resolved that a proportion of the legal costs be met on a shared basis pro-rata to the number of uniformed

employees in post.

Although the High Court had found in favour of the FBU, the Authorities were subsequently given leave to appeal. As this continued to be a matter of national interest, the National Employers were encouraging all Authorities to continue to support this stage of the proceedings.

Members were aware that Co-responder schemes were only undertaken by firefighters in the Service who were prepared to do so.

RESOLUTION

It was RESOLVED

That the Authority continue to support the appeal

7 TO CONSIDER A REPORT ON THE LGA ANNUAL FIRE CONFERENCE

Consideration was given to details of the forthcoming LGA Annual Fire Conference. Committee were aware that following consideration of a report by Councillor C Morgan on his attendance at last year's conference it had been resolved to determine future attendance in light of the relevance of the agenda for Members within the context of devolution.

It was noted that the Conference agenda for this year had a number of sessions that would be of interest to the Fire and Rescue Service in Wales including current and future challenges, recruitment and retention to 2017 and the retained duty system.

Members also noted that whilst three Members were nominated to attend last year's conference, in the event only one was able to attend. They emphasised that once Members had made the commitment to attend a Conference, they should honour that commitment apart from reasons such as illness.

A meeting had been arranged between the Chief Fire Officer and the Group Leaders in order to determine future Member attendance at Conferences.

RESOLUTION

It was RESOLVED

That the Chair and two Members attend the LGA Annual Conference