

**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**

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

**DYDD LLUN, 9 IONAWR 2012**

**MONDAY, 9 JANUARY 2012**

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

**11.00 – 11.40**

**73% PRESENOLDEB/ATTENDANCE**

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRMAN:	A Woolcock
IS-GADEIRYDD/VICE CHAIRMAN:	N Holley
AELODAU/MEMBERS:	Cyng/Cllrs: JJJ Davies, D Thomas, G Ratcliffe, S Lloyd-Janes, R Llewellyn, G Thomas, M Pepper, T E Evans, D Davies
YMDDIHEURIADAU/APOLOGIES:	Cyng/Cllrs: J Newbury, J Dinham, T Tudor
YN BRESENNOL /IN ATTENDANCE:	R Smith, P Bates, E Aitken, D Daycock, C Davies, S Flather, J Maunder

## **1 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors J Newbury, J Dinham and T Tudor

## **2 DECLARATION BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS**

All Members present declared that they had a personal interest in any business relating to, or affecting their own Constituent Authority.

## **3 CHAIR'S ANNOUNCEMENT'S/PERSONAL MATTERS**

There were no Chair's announcements

## **4 TO CONFIRM AS A CORRECT RECORD THE MINUTES OF THE RESOURCES COMMITTEE HELD ON 14<sup>th</sup> NOVEMBER 2011**

The minutes of the meeting held on 14<sup>th</sup> November 2011 were received and confirmed as a true record of the proceedings.

## **5 TO RECEIVE THE MONITORING REPORT FOR THE FINANCIAL YEAR 2011/12**

The Director of Resources presented the Monitoring Report for the Financial Year which showed the estimated revenue and capital net expenditure for the year ended 31<sup>st</sup> March 2012 and compared the estimated positions with the 2011/12 working budget. The estimated net expenditure had been calculated by adding the actual figure shown in the financial records plus known commitments at 30<sup>th</sup> November 2011 to the forecasted expenditure for the remainder of the year.

A current under spend of £342k (1.5% of the profiled budget) was estimated at 30<sup>th</sup> November 2011 with an under spend of £539k (1.23% of the working budget) being estimated at 31<sup>st</sup> March 2012.

The following main reasons for the variances were reported:

- The under spends on operational employees (full time, retained and other costs) were due to savings as a result of the Service Review accruing more quickly than budgeted for
- Forecast income was higher than budgeted because the secondment agreements for two members of staff had been extended and grants not budgeted for had been received.
- The over spend on Transport was due to overtime payments (£24K) and repairs to vehicles being higher than anticipated.
- The over spend on supplies and services was made up of small over spends spread over a number of headings.
- It was noted that all expenditure in relation to the Henley's incident had been excluded from the budget monitoring report but as it was probable that additional funding would not now be received so the likely end of year projected under spend will reduce to £360k. In response to a query the Chief

Fire Officer confirmed that there had been no expectation that additional funding would be received for the Henley's incident and that expenditure would be accommodated within the budget line as were all incidents which were attended by the Service.

Consideration was given to the expenditure on capital projects to 30<sup>th</sup> November 2011 against the approved capital programme from which it was noted that the new facility at Llandrindod Wells continued to progress well.

The report also showed that capital financing was within the limits set by the Prudential Indicators.

## **RESOLUTION**

*It was RESOLVED that*

*The report be noted*

### **6 TO RECEIVE THE MINIMUM REVENUE PROVISION POLICY STATEMENT FOR THE FINANCIAL YEAR 2012/13**

The Director of Resources reported that the Authority was required to set aside funds from revenue each year to meet future liabilities to repay the principle element of loans and finance leases. The amount set aside was called the Minimum Revenue Provision (MRP) and by Regulation, a policy on the method of calculation had to be approved by the Authority prior to the start of the year that the method would be applied to.

The report presented to Members laid out a recommended calculation method and showed the estimated charge to revenue if this method was adopted. The method recommended was the same as used in 2011/12 and followed the guidance issued by the Chartered Institute of Public Finance and Accountancy. It was noted that MRP was a cash backed charge against revenue and therefore, had a direct impact on the contributions required from the Constituent Authorities.

## **RESOLUTION**

*It was RESOLVED:*

*To recommend to the Fire Authority on 6<sup>th</sup> February that the following Minimum Revenue Provision calculation methods be adopted for the year 2012/13:*

- 1) That the "Regulatory Method" be adopted for expenditure incurred before or on 31<sup>st</sup> March 2009.*
- 2) That the "Asset Life Method with Equal Instalments" be adopted for expenditure on or after 1<sup>st</sup> April 2009. With the Minimum Revenue Provision first being charged in the year after the asset comes in to use when funded by loan, or in the same year as the first lease rental payment if funded by finance lease.*

## **7 TO RECEIVE THE TREASURERS REPORT ON THE PRUDENTIAL CODE AND PRUDENTIAL INDICATORS FOR THE FINANCIAL YEAR 2012/13**

The Director of Resources reported that when considering the capital programme, the Authority was required to test that:

- the capital plans were affordable
- that all external borrowing and other long term liabilities were within prudent and sustainable levels
- that treasury management decisions were taken in accordance with good practice.

This was achieved by the calculation and approval of a suite of Prudential Indicators, some of which showed the financial impact of capital expenditure decisions, whilst others provided constraints on treasury management decisions. The report presenting the 2012/13 Prudential Indicators was considered by Members and agreed for approval.

### **RESOLUTION**

***It was RESOLVED:***

***To recommend to the Fire Authority on 6<sup>th</sup> February that:***

- 1) The 2012/13 Prudential Indicators be approved.***
- 2) 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, whilst keeping within the overall limits.***

## **8 TO RECEIVE THE JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE DIRECTOR OF RESOURCES ON THE BUDGET REQUIREMENT FOR THE FINANCIAL YEAR 2012/13**

The Director of Resources reported that the financial implications for the budget requirement for the financial year 2012/13 had been laid out in detail within the original report which had been presented to and agreed by the Fire Authority on the 5<sup>th</sup> December 2011.

The Final Revenue Support Grant Settlement had been announced on the 7<sup>th</sup> December 2011 and it was noted that the average change from the 2011/12 final Settlement on a like for like basis for the Constituent Authorities had increased slightly since the Provisional Settlement. The impact of this on the Fire Authority's proposed budget was an additional £21,000. As agreed by the Fire Authority on 5<sup>th</sup> December 2011, this potential increase had been indicated to the Constituent Authorities and had been included in the budget proposals within the report. It was noted that no responses had been received from the Constituent Authorities apart from an acknowledgement of receipt of the letter but that any comments had been requested to be received by 27<sup>th</sup> January 2012.

It was the intention that the additional £21, 000 would be utilised for Mechanical and Electrical work to undertake an assessment of the heating systems as part of the sustainability agenda. This had now been included as part of the Efficiencies table (Appendix C) and subsequently in the build up of the budget at Appendix A. It was noted that the proposed Capital Programme (Appendix B) and the proposed Vehicle Replacement Programme (Appendix D) had remained unchanged from that reported to the December Fire Authority meeting.

It was further reported that the proposal for reducing the Constituent Authorities' contributions by £1 million for 2011/12 and replacing it with an additional funding of £1 million from Reserves on a 'one off' basis remained the same.

Members commended Officers on their excellent work in producing the budget requirement for the financial year 2012/13.

## **RESOLUTION**

***It was RESOLVED:***

***To recommend to the Fire Authority on 6<sup>th</sup> February:***

- 1) That for 2012/13, the net budget at £43,470,259 (-0.18% like for like, -0.5% cash reduction) be approved as shown as Appendix A***
- 2) That the budget of £43,470,259 for 2012/13 be part funded by £380k from reserves***
- 3) That the Constituent Authorities be requested for the balance of £43,090,259 as their contribution for the 2012/13 year.(0.05% like for like change, -0.27% cash reduction 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 approve the vehicle replacement programme attached at Appendix D.***
- 6) Whilst it had been assumed that the majority of vehicles would be leased in the budget build up, it was recommended that the Director of Resources be authorised to decide on the appropriate method of financing of vehicles (be it leasing or otherwise) at the time of procurement.***
- 7) That for 2011/12, Members approve a reduction in the Constituent Authorities' contributions of £1 million on the figures notified to them as part of the original budget process for 2011/12. ( ie £43,207,259 less £1 million, new contribution level £42,207,259).to be reduced pro rata on the same population figures as the original 2011/12 contributions. This would be replaced by an additional £1 million funding of the 11/12 budget from Reserves as a 'one off' arrangement.***

## **9 TO RECEIVE THE DETAILED REVENUE BUDGET FOR 2012/13**

The Director of Resources reported that at the Fire Authority meeting held on 5<sup>th</sup> December 2011, the revenue budget for 2012/13, subject to any changes required on announcement of the final settlement figures from the Welsh Government, had been agreed and consideration had been given to the break down of that budget.

The detailed budgets for 2011/12 and 2010/11, along with the actuals for 2010/11 were shown for comparison purposes and it was noted that the 2010/11 actuals included non recurring revenue grants of approximately £1 million which had not been budgeted for.

Upon receiving approval, the detailed revenue budget would form the basis for budget monitoring throughout the year.

### **RESOLUTION**

***It was RESOLVED:***

***That the detailed revenue budget be approved for recommendation to the full Fire Authority on 6<sup>th</sup> February 2012***

## **10 TO RECEIVE THE TREASURY MANAGEMENT POLICY AND STRATEGY 2012/13**

The Director of Resources presented the proposed policy and strategy which would underpin the treasury management activities undertaken by Mid and West Wales Fire and Rescue Authority in 2012/13.

It was reported that the policy and strategy, which was subject to approval by the Authority each year, remained unchanged from the 2011/12 policy and strategy. Members noted that the Treasury Management Practices only had to be approved if they had been changed from those already approved and it was reported that there had been no changes.

### **RESOLUTION**

***It was RESOLVED:***

***That the Treasury Management Policy and Strategy for 2012/13 be approved for recommendation to the full Fire Authority on 6<sup>th</sup> February 2012***