

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held in the Oak Room at Headquarters, Shrewsbury
on Thursday, 2 February 2017 at 2.00 pm**

Present

Members

Councillors Barrow, Carter, Hartin (Vice-Chair), Roberts (Chair), Turley and West

Officers

Rod Hammerton	Chief Fire Officer	CFO
Andy Johnson	Deputy Chief Fire Officer	DCFO
Louise McKenzie	Assistant Chief Fire Officer	ACFO
James Walton	Treasurer to Fire Authority	Treasurer
Joanne Coadey	Head of Finance	HoF
Andrew Kelcey	Head of Resources	HoR
Ged Edwards	Planning, Performance and Communications Manager	PPCM
Sally Edwards	Head of ICT	HoICT
Lynn Ince	Executive Support Officer	ESO

1 Apologies for Absence

Councillor Wynn.

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 10 November 2016, be agreed and signed by the Chair as a correct record

5 Financial Performance to December 2016

This report provided information on the financial performance of the Service, and sought approval for action, where necessary.

Members requested further information on the Contribution to National Operational Guidance referred to on page 2 of the report. The DCFO explained that every fire service makes this contribution to fund a central team who develop, co-ordinate and distribute operational procedures at a national level. This is the first full year of this initiative but it is anticipated that it will continue as ongoing good practice.

Following on from this, questions were asked about the Chief Fire Officers Association (CFOA) proposing a new Director and if fire authorities were expected to pay for this. The CFO explained that as part of the Fire Transformation and the move to the Home Office, CFOA is being modelled on the National Police Council where a single person serves a 3 year term, as Chair, for continuity. CFOA will pay for the first 2 years of the appointment in order to demonstrate its value to fire and rescue authorities. After the second year fire authorities will be asked to contribute. The funding for this is being drawn from CFOA's commercial activities rather than its subscriptions. The person appointed by CFOA will be employed by a fire service and will be seconded to London Fire Brigade on a commissioner grade.

In a response to a question regarding the underspends related to vacancies that were detailed on page 2 and 3 of the report, the ACFO explained that the Systems Administration Posts had been filled in July 2016 and that, following retirements, the Corporate Support Manager and Human Resources Manager posts had been amalgamated into a single post which Germaine Worker had been appointed to. With regard to the Procurements Officer post, the ACFO explained that access to specialist procurement skills were needed in house so a joint funding arrangement had been reached with Telford & Wrekin Council whereby a Procurement Officer works with the Service for 2.5 days each week.

It was noted from the report that the Fire Authority currently has investments with Telford & Wrekin Council and members queried why there was no investment with Shropshire Council. The Treasurer explained that this is because Shropshire Council do not accept investment funds.

Resolved that the Committee recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested; and
- c) Note performance against prudential indicators to date in 2016/17.

6 Revisions to the 2017/18 Revenue Budget

This report presented a final revenue budget package for 2017/18 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

The HoF presented this report and informed the Committee that the finance settlement was slightly better than had been anticipated and the proposed budget had been amended accordingly. In addition, since the report was distributed to Members, the surpluses on the Council Tax and Business Collection Funds at Shropshire Council had been confirmed as £190,000. The HoF advised that this paper and the revenue consequences set out in the exempt appendix to paper 7 would be brought together for consideration by the Fire Authority at its meeting on 22 February 2017.

Resolved that the Committee recommend that the Fire Authority agree a revenue budget, prior to the approval of the capital programme, of £20.704m for 2017/18.

7 Capital Programmes 2017/18 to 2021/22 and Prudential Guidelines

This report presented the capital programmes for 2017/18 to 2021/22, for consideration by the Committee in the context of Prudential Guidelines.

The HoF advised the Committee that recommendation a) relating to the 2017/18 onward capital programmes would need to be considered in closed session. The HoF also advised that borrowing will be required towards the end of period covered by the programmes for both the Telford Central Improvements and the regular capital programme. Borrowing will be undertaken with the Public Works Loan Board but it is predicted that interest rates will rise so any borrowing will need to be prudently timed.

Resolved that the Committee recommend that the Fire Authority

- a) The decision relating to the 2017/18 onward programmes was deferred until item 11 on the agenda, as these were set out in the Appendix to the report, which was an exempt paper;
- b) Approve the Prudential Indicators and the Treasury Strategy for 2017/18;
- c) Approve the Minimum Revenue Provision 2017/18; and
- d) Approve the Treasury Management Practices and Main Principles for 2017/18.

8 Adequacy of Reserves and Robustness of Budget

This report undertook a full analysis of reserves, provided an assurance on the adequacy of reserves, and gave an assurance on the robustness of the budget.

Referring to the appendix to the report, Members queried when the Service would be likely to deal with the reduction in reserves that can be seen in 2018/19 and 2019/20. The HoF explained that the reduction is related to the use of reserves for capital spend and Telford Central improvements, that is they are being used for the purpose that they were established for. The Authority's other reserves can still be justified and used to cover any eventualities.

Members asked if there was any anticipation of calling in investments for future use. The HoF explained that the Authority's investments are made up of reserves which could be used if the Authority is in deficit.

The CFO commented that the Fire Authority is in a good position with regard to its surpluses but this is actually an exceptional situation. It is more normal for authorities to have a balanced budget than balance its budget against borrowing. The Authority cannot continue to budget on its surplus and so, as it moves into the next decade will return to a more natural cycle of borrowing to fund capital programmes etc. .

Resolved that the Committee recommend to the Fire Authority

- i) The reserves, as set out in the appendix to the report; and
- ii) The Treasurer's assurances, covering the robustness of the 2017/18 budget and adequacy of its reserves.

9 Capital Update on Activity and Finance

This report provided an overview of all of the capital schemes within the Brigade and their current status.

The PPCM introduced this report and explained that it covered activity up to January 2017. The PPCM also referred to the Improvements at Wellington Scheme detailed on page 1 of the appendix and advised that officers suggest deleting this Scheme as the Biomass Project is no longer considered viable. If the Committee is in agreement with this suggestion, then a formal recommendation to this effect will be included in the next Capital Update on Activity and Finance report.

The HoR and the HoICT then provided the Committee with a further explanation of the Scheme details as set out in the report.

Members debated the cancellation of biomass project, with a particular focus on what should happen to the allocated balance of the Scheme. Several Members expressed a preference for this money to be put into a specific reserve to be used for renewable energy schemes. The HoR advised that this had been debated internally by officers but there are complexities around this proposal, particularly if the intention was for the money to be ring-fenced. The Treasurer confirmed that clarity would be needed as to how the money would be used and officers would have to investigate to establish the appropriate action to take in these circumstances.

A suggestion was then made that the balance could instead be moved against the Telford Central project, with the potential to use it for any suitable renewable energy schemes in relation to that project.

This was proposed and seconded and it was

Resolved that the balance of the Improvements at Wellington Scheme be moved against the Telford Central Project, for potential use on any suitable renewable energy schemes in relation to that project.

Members queried if any work had been undertaken to identify savings from video conferencing. The ACFO explained that benefits capture work was ongoing and that it is anticipated that some savings will be achieved in addition to improved general communication. It should also be remembered that some of this will be dependent on other organisations and their adoption of video conferencing.

Resolved that the Committee note the progress so far on current schemes.

10 Exclusion of Press and Public

Resolved that the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

11 Capital Programmes 2017/18 to 2021/22 and Prudential Guidelines (Paragraph 3)

The Committee received the Capital Programme from 2017/18 paper which contained exempt information. This was the Appendix to report 7 – Capital Programmes 2017/18 to 2021/22 and Prudential Guidelines

An amended version of the document was tabled to the meeting. A copy will be attached to the signed minutes for this meeting.

Resolved that the Committee confirm the 2017/18 onward programmes, and the associated revenue costs, as part of its final precept deliberations.

12 Capital Update on Activity and Finance (Paragraph 3)

The Committee received the second part of the appendix to report 9 – Capital Update on Activity and Finance, which contained exempt information.

Resolved that the Committee note exempt Appendix B to report 9.

The meeting closed at 3.15 pm.

Chair.....

Date.....