

## **RESOURCES COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

16 November 2009

### Present:-

Councillors Gordon (Chair), Horsfall, Hughes OBE, Smith and Yeomans

### Apologies:-

Councillors Turner and Woodman

#### **\*RC/9. Minutes**

**RESOLVED** that the Minutes of the meeting held on 14 September 2009 be signed as a correct record.

#### **\*RC/10. Declarations of Interest**

Members were invited to consider whether they had any **personal/personal and prejudicial interests** in items as set out on the agenda for this meeting and to declare any such interests.

#### **RC/11. Revenue Budget Monitoring Report 2009/10**

The Committee considered a report of the Treasurer (RC/09/8) that set out projections of income and expenditure for the first seven months of the year (to the end of October 2009) against the approved Revenue Budget for 2009/10 and which detailed significant variations against individual budget lines. The report also contained details of the Authority's forecast performance against its financial targets.

At this stage, projections indicated that spending will be £0.875m less than the approved Revenue Budget for 2009/10, equivalent to just 1.20%. It should be noted that of this figure, an amount of £0.490m related to the fact that the 2009 pay award, for both uniformed and non-uniformed staff had been settled at a lower rate than had been budgeted. Additionally, there had been slippage associated with the Capital Programme resulting in a decrease in the debt charges and an underspend of £145,000. There had been an increase in the level of income received, due largely as a result of training new recruits for other services, which was good news for the Authority. Although there was five months of the year remaining, the Treasurer stated that there was a reasonable level of confidence in the forecast underspend position.

Reference was made to the underspend and the proposal to earmark £357,000 of this to contribute towards the costs of procuring Personal Protective Equipment (PPE) through the Integrated Clothing Project (ICP) to avoid increasing the base budget for 2010/11. In view of the Financial Regulations, in year virements in excess of £150,000 had to be authorised by the Fire and Rescue Authority and if this request was approved, it would be submitted for consideration on 14 December 2009.

In debating performance against financial indicators, as outlined in the report, Members expressed concern as to the level of “aged debt” (debt outstanding for more than 85 days) and any process that might be in place to mitigate against this (e.g. credit checks). The Treasurer indicated that this would then form the basis of a report to a future meeting.

**RESOLVED**

- (a) That the Authority be recommended to establish, from the total projected underspend of £0.875m, an earmarked reserve of £0.357m to part-fund the costs associated with the replacement Personal Preventative Equipment (PPE) Project under the Integrated Clothing Project (ICP);
- (b) That the performance against 2009/2010 financial targets, be noted;
- (c) That, subject to (a) and (b) above, the budget monitoring position as outlined in this report be noted.

***(SEE ALSO MINUTE RC/12 BELOW)***

**RC/12. Personal Preventative Equipment (PPE) Replacement - Integrated Clothing Project (ICP)**

The Committee considered a report of the Head of Physical Assets (RC/09/9) on recent developments in relation to securing replacement PPE as initially approved by the Authority at its meeting on 23 October 2008.

The PPE contract as initially approved was based and funded on a Fully Managed System (FMS). Subsequent consideration of both operational and contractual issues, however, had resulted in a revised option to move to a Purchase Managed System (PMS) which would provide all firefighters with two sets of kit instead of one (and a pool as under FMS). The PMS option represented a saving of £1.439million over the seven year term, although an additional amount of £621,000 would be required in 2010/11. £264,000 of this had already been set aside and it was proposed to meet the remaining £357,000 from an earmarked reserve to be established - subject to approval by the Authority - from the underspend in 2009/10.

**RESOLVED** that, following approval for utilisation of £357,000 from the indicative underspend on the 2009/10 budget, the Authority be recommended to approve the replacement of personal protective equipment (PPE) by a Purchase Managed Service (PMS) “as needed” basis (Option 2, Appendix A to report RC/09/9) under the Integrated Clothing Project and funded in accordance with the model as set out in Section 4 of report RC/09/9.

***(SEE ALSO MINUTE RC/11 ABOVE)***

**\*RC/13. Minutes of the Capital Programme Working Party held on 5 November 2009**

The Committee received for information the Minutes of the meeting of the Capital Programme Working Party held on 5 November 2009.

**\*RC/14. Capital Programme Monitoring 2009/10 to 2011/12**

The Committee received for information a report of the Head of Physical Assets (RC/09/10) giving the current position for the capital programme 2009/10 to 2011/12. Revisions to the Capital Programme to take account of actual outturn in 2008/09 and current status were approved by the Authority at its meeting on 28 September 2009.

The Head of Physical Assets advised that there had been a saving of £500,000 made in respect of the Middlemoor station build. He added that this matter had been reported to the Capital Programme Working Party at its meeting on 5 November 2009 and that a decision would need to be taken in due course as to how this funding could be reinvested within the Capital Programme in the future in the light of the pressures that had been identified already.

A discussion ensued in respect of potential pressures such as the Camels Head and Brixham station rebuilds. The Chief Fire Officer reiterated the point that there was a need for a longer term strategy in respect of station location and appliance disposition in order to gain improvements in public safety and efficiencies in service delivery. He indicated that he envisaged that the Capital Programme Working Party would assist in shaping the proposals emanating from the fundamental review of service delivery currently being undertaken and that this would be reported back to the Resources Committee in due course. It was noted that the Capital Programme Working Party would be undertaking visits to a number of stations to gain evidence at first hand in order to inform discussion in the future.

**\*RC/15. Treasury Management Performance 2009/10**

The Committee received for information a report of the Treasurer (RC/09/11) that provided details of the Authority's borrowing and investment activities during the first six months of 2009/10 (to the end September 2009) and which compared this performance against the approved Treasury Management Strategy.

The Authority's treasury management adviser, Mark Swallow, was in attendance at the meeting to present the report and he highlighted the following points:

- None of the Prudential Indicators had been breached and a prudent approach had been taken in relation to investment decisions taken during the year with priority being given to liquidity and security over yield;
- Whilst investment returns had reduced from the previous year as a consequence of the fall in interest rates, the Authority was still achieving returns above the LIBID 7 day rate, which is the benchmark return for this type of short term investment.

The Chair commented that this was an excellent health check for the Authority and commended the Treasurer and his team for the work undertaken in this area.

**\* DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and concluded at 11.20hours