

## **RESOURCES COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

18 May 2011

### Present:-

Councillors Gordon (Chair), Drean (vice Smith), Horsfall, Leaves (vice Hughes OBE), Turner, Woodman and Yeomans

### Apologies:-

Councillors Hughes OBE and Smith

### Also in attendance:-

Councillors Bown, Dyke, Eastman, Foggin, Fry, Healey and Way.

### **\*RC/25. Minutes**

**RESOLVED** that the Minutes of the meeting of the Committee held on 28 January 2011 be signed as a correct record.

### **\*RC/26. Declarations of Interest**

Members of the Committee were asked 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 at this time.

No relevant interests were declared.

### **RC/27. Financial Performance Report 2010-11**

The Committee considered a report of the Treasurer to the Authority (RC/11/5) that set out a draft financial outturn position against the 2010/11 Revenue Budget, together with details of the Authority's performance against the financial targets set.

The Treasurer stated that total spending was £73.760million against an approved Revenue Budget of £75.135million, representing an underspend of £1.375million, equivalent to 1.83% of the total budget. He drew attention to the proposals that had been put forward for utilisation of the underspend, namely:

- To transfer £0.896million to the Change and Improvement Reserve, and;
- To transfer the balance of £0.479million to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve.

It was noted that the underspend position was due largely to the strategy that had been adopted by the Service in response to the CSR 2010 announcement that fire and rescue services could expect a 25% reduction in government grant over the next four years and that savings would need to be set aside to bridge the gap in the future. The Chairman commended the officers, members and staff on the commitment that had been demonstrated in order to generate savings across the organisation.

Reference was made to the position in respect of the recent judgement following the Employment Tribunal on the Part Time Workers (Less than Favourable Working Conditions) Regulations which had meant that an additional amount of £0.556m had been charged to the 2010/11 accounts to increase the provision set aside for the extra compensation costs that were anticipated.

Members of the Committee commented upon the other financial performance indicators as set out within Section C of report RC/11/5 and in particular, the outstanding debt as at 31 March 2011. It was suggested that the target of 10% of the total debt needed to be revised as it was not realistic given that the removal of 2 current debtors would reduce this level to 3.22%. The Clerk added, in response to a question regarding the risk assessment of suppliers and customers that, given the level of work being undertaken by the Training Academy, that a risk assessment of customers' financial standing should perhaps be undertaken and that he would pursue this matter.

## **RESOLVED**

- (a) That the Fire & Rescue Authority at its meeting on 27 May 2011 be recommended to approve that the underspend against the 2010-11 revenue budget of £1.375m be utilised to fund the following additional transfers to Earmarked Reserves, as outlined in paragraph 11.1 of this report;
  - (i) That an amount of £0.896m be transferred to the Change and Improvement Reserve, and;
  - (ii) That the remaining underspend, estimated to be £0.479m be transferred to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve.
- (b) that, subject to (a) above, the following be noted:
  - (i) The draft position in respect of the 2010-2011 Revenue and Capital Outturn, as indicated in this report.
  - (ii) That the underspend figure against the revenue budget of £1.375m includes;
    - a transfer of £0.726m to the Earmarked Reserve of CSR 2010 Budget Management Reserve, as agreed in-year by the Authority.
    - a transfer of £0.657m to the Earmarked Reserve of 2010-11 Carry Forwards Reserve to fund committed projects not delivered by 31 March 2011.
    - a transfer of £1.374m to the Earmarked Reserve of Grants Unapplied Reserve, as required under new International Financial Reporting Standards (IFRS).
    - an increase of £0.556m in the Provision set aside to fund the impact of the Employment Tribunal relating to the Part Time Workers (Less than Favourable Working Conditions), as outlined in paragraph 3.4 of this report.
  - (iii) The performance against the 2010-2011 financial targets.

**RC/28. Capital Programme 2011/12 to 2013/14**

The Committee considered a report of the Director of Service Support and Treasurer (RC/11/6) that set out proposals to revise the Capital Programme over the period 2011/12 to 2013/14 as a result of an additional £2.021million in debt free grant that the Service had received from the Department for Communities and Local Government.

The Director of Service Support advised the Committee that the revisions to the Capital Programme included:

- Proposals to maintain the estates programme;
- To bring forward spending of £0.678million for a number of special appliances and harmonising vehicles as a legacy of combination.

It was noted that the remainder of the grant in the sum of £1.343million would be utilised to reduce the Service's borrowing, so providing cumulative savings in debt charges of £0.423million during the period 2011/12 to 2013/14.

**RESOLVED** that the Authority be recommended to approve the revised Capital Programme for 2011-12 to 2013-14 as set out in Appendix B to Report RC/11/6 (as appended to these Minutes for reference).

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

The meeting started at 10.00hours and finished at 11.05hours

## APPENDIX B

## Revised Capital Programme (2011/12 to 2013/14)

2010/2011 DRAFT outturn (£000)	Item PROJECT	2011/12 (£000)	2012/13 (£000)	2013/14 (£000)
	<b>Estate Development</b>			
(7)	1 Exeter Middlemoor	30		
52	2 Exeter Danes Castle	10		
39	3 SHQ major building works	96		
	4 Major Projects - Training Facility at Exeter Airport	1,000	1,900	
1,091	5 Minor improvements & structural maintenance	1,650	1,750	1,750
90	6 Welfare Facilities	37		
34	7 Diversity & equality			
10	8 USAR works	560		
	9 Minor Works slippage from 2010-11	1,689		
<hr/> 1,309	<b>Estates Sub Total</b>	<hr/> 5,072	<hr/> 3,650	<hr/> 1,750
	<b>Fleet &amp; Equipment</b>			
1,642	10 Appliance replacement	397	1,400	1,700
328	11 Specialist Operational Vehicles	1,315		
68	12 Vehicles funded from revenue			
96	13 Equipment	127	200	200
23	14 Asset Management Plan (Miquest) software	129		
<hr/> 2,157	<b>Fleet &amp; Equipment Sub Total</b>	<hr/> 1,968	<hr/> 1,600	<hr/> 1,900
<hr/> <b>3,466</b>	<b>SPENDING TOTALS</b>	<hr/> <b>7,040</b>	<hr/> <b>5,250</b>	<hr/> <b>3,650</b>
	<b>Programme funding</b>			
2,050	Main programme	3,757	4,500	3,650
179	Revenue funds	802	750	
1,237	Grants	2,481		
<hr/> <b>3,466</b>	<b>FUNDING TOTALS</b>	<hr/> <b>7,040</b>	<hr/> <b>5,250</b>	<hr/> <b>3,650</b>