

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

(Budget Meeting)

24 February 2014

Present:-

Councillors Healey (Chairman), Bown, Mrs. Bowyer, Brazil, Brooksbank, Burrige-Clayton, Chugg, Colthorpe, Dyke, Eastman, Edmunds, Ellery, Gordon, Greenslade, Gribble, Horsfall, Knight, Owen, Prior-Sankey, Randall Johnson, Smith, Woodman and Yeomans.

DSFRA/42. Minutes

RESOLVED that the Minutes of the meeting held on 19 December 2013 be signed as a correct record.

DSFRA/43. Items Requiring Urgent Attention

The Chairman drew attention to two urgent issues:

- a request from Sedgemoor District and Taunton Deane Borough Councils for assistance from this Authority towards proposals to provide council tax relief to those residents affected by the recent flooding; and
- a consultation announced recently by the Department for Communities and Local Government (DCLG) on proposed Openness of Local Government Bodies Regulations, responses to which were required by 12 March 2014.

The Chairman indicated that – in light of time constraints and the importance of addressing budgetary matter first - these items would be considered towards the end of the agenda for this meeting.

(SEE ALSO MINUTES DSFRA/49 AND DSFRA/50 BELOW).

DSFRA/44. Minutes of Committees

(a) Treasurer Appointment Committee

The Chair of the Committee, Councillor Healey, **MOVED** the minutes of the meetings held on 9 and 16 October 2013 which had considered, amongst other things:

- at the meeting on 9 October, an evaluation on those tenders submitted in relation to undertaking the Treasurer function for the Authority; and
- at the meeting on 16 October, the interview process (following tender evaluation) and subsequent determination of Treasurer appointment.

RESOLVED that, in accordance with Standing Orders, the Minutes be adopted.

(b) Human Resources Management and Development Committee

The Chair of the Committee, Councillor Bown, **MOVED** the minutes of the meeting held on 22 January 2014 which had considered, amongst other things:

- a report on the Service Learning and Development Strategy 2013-16;
- a report on absence management and the health of the organisation;
- a report on redundancy compensation rates; and

- an update on the national dispute between the Government and the Fire Brigades Union (FBU) over the proposed new Firefighters' Pension Scheme 2015.

RESOLVED

- (i) that the recommendation at Minute HRMDC/15 (Redundancy Compensation Rates) be approved – specifically, that there should be no change to the current redundancy compensation rate of a multiplier of 2; and
- (ii) that, subject to (i) above and in accordance with Standing Orders, the Minutes be adopted.

(c) Community Safety & Corporate Planning Committee

The Chair of the Committee, Councillor Eastman, **MOVED** the minutes of the meeting held on 7 February 2014 which had considered, amongst other things:

- an update on the activities of Safe South West, the Service charitable arm established to access otherwise inaccessible funds to promote community safety initiatives;
- a report on the involvement of the Devon & Somerset Fire & Rescue Service in recent flooding incidents, particularly those affecting the Somerset Levels; and
- a progress report on the Networked Fire Control Services Partnership.

RESOLVED that, in accordance with Standing Orders, the Minutes be adopted.

(d) Commercial Services Committee

The Chair of the Committee, Councillor Healey, **MOVED** the minutes of the meetings held on 20 January and 3 February 2014 which had considered, amongst other things:

- at the meeting on 20 January, a presentation on the development of the Red One Ltd. website together with reports on current commercial leads and opportunities, an expenses budget for Red One Ltd. for 2014-15 and a financial update;
- at the meeting on 3 February 2014, further considerations in relation to the proposed expenses budget for Red One Ltd. for 2014-15.

RESOLVED that, in accordance with Standing Orders, the Minutes be adopted.

(e) Resources Committee

The Chair of the Committee, Councillor Greenslade, **MOVED** the minutes of the meetings held on 3 and 21 February 2014 which had considered, amongst other things:

At the meeting on 3 February 2014

- a report on treasury management performance as at quarter three of the current (2013-14) financial year;
- a report on financial performance as at quarter three of the current (2013-14) financial year against the approved revenue budget, capital programme and other approved financial targets;
- a report on the proposed capital programme 2014-14 to 2015-17;

- a report on the proposed disposal of two end-of-life Service vehicles to Nepal, as a humanitarian gesture; and
- a report on further considerations relating to the Georgia Group claim.

At the meeting on 21 February 2014

- a report on the proposed 2014-15 revenue budget and council tax levels; and
- a further report on the proposed capital programme 2014-14 to 2015-17

RESOLVED

- (i) that the recommendation at Minute RC/20(i)(a) of the meeting held on 21 February 2014 (relating to the proposed revenue budget 2014-15 and associated council tax levels) be considered in conjunction with Minute DSFRA/45(a) below;
- (ii) that the recommendation at Minute RC/15 of the meeting held on 3 February 2014 (Capital Programme 2014-15 to 2016-17) be noted but that the recommendation on the same issue set out at Minute RC/21 of the meeting held on 21 February 2014 be considered in conjunction with Minute DSFRA/45(b) below;
- (iii) that, subject to (i) and (ii) above and in accordance with Standing Orders, the Minutes be adopted.

(SEE ALSO MINUTES DSFRA/45(a) and (b) BELOW).

DSFRA/45.

Capital and Revenue Budgets

(a) 2014-15 Revenue Budget and Council Tax Levels

The Authority considered a joint report of the Treasurer and the Chief Fire Officer (DSFRA/14/1) on the proposed revenue budget and associated council tax levels for the Authority in 2014-15.

The final local government finance settlement for 2014-15 – the Settlement Funding Assessment (SFA) – had been announced by central government on 5 February 2014 as £32.283m. This represented a 7.7% reduction on the SFA for 2013-14 (£34.962m) but was in line with the figure already included in the Authority's medium term financial plans. The reduction was, however, additional to the 10.3% already experienced in 2013-14 meaning that this Authority had suffered the third worst settlement of all fire and rescue authorities over the two financial years.

At the same time as announcing the final SFA for 2014-15, the government had also announced, as part of the new provisions introduced by the Localism Act 2011, the threshold beyond which any proposed increase in council tax would trigger the requirement to hold a referendum. The limit had been announced at 2% for 2014-15. For this Authority (having fifteen billing authorities), the costs associated with holding a referendum – estimated in the region of £2.3m – were considered prohibitive. For this reason, this Authority had made representations to the government to apply a cash increase limit rather than percentage increase but to date these representations had not proven successful.

The report set out two options in relation to the council tax and budget requirement in 2014-15:

Option A – freeze council tax at the 2013-14 level (£75.39 for a Band D property); and

Option B – increase council tax by 1.99% above 2013-14 (to £76.89 for a Band D property).

The government had expressed its expectation that authorities should freeze council tax in 2014-15 and in support of this had announced a further council tax freeze reward grant – equivalent to a 1% increase (£0.472m) for this Authority – for those authorities either freezing or reducing council tax in 2014-15. Additionally, government had confirmed that this reward grant would be included in baseline funding for future years. While this marked an improvement on previous freeze grant announcements, it would be unusual for a government to make commitments on behalf of future administrations.

The report also identified that, while the amount of precept income and business rates to be received from billing authorities in forthcoming financial year would be £1.1m more than originally forecast (as a result of, for precept income, less council tax benefit being paid under the new Local Council Benefit Schemes and, for business rates income, the Authority's share of additional business rates to be collected), both Options A and B would result in a reduction of revenue funding for the Authority in 2014-15. Budget savings of £3.577m for both Options A and B were identified in the report. Option B, however, would result in a smaller reduction of £0.990m (compared to £1.356m for Option A) and the amount available (£0.838m) from the 1.99% increase in council tax would be built into future years funding levels.

A summary net budget requirement based on both Options A and B was set out in the report, reflecting issues such as provision for pay increases, inescapable commitments, budget savings and new investment. Further analysis, by subjective budget headings (e.g. employee costs, property costs etc.) was provided in a budget book compiled for each option and included with the agenda for the meeting. Option A would result in a net revenue budget requirement of £75.428m, with Option B £75.794m. Option B would also enable a further £0.366m of precept raised to be used to increase the revenue contribution to the capital programme in 2014-15, from £1.2m to £1.566m which, in turn, would alleviate the Authority's reliance on borrowing to fund its future capital requirements.

The illustrative SFA for 2015-16 of £29.575m represented a further reduction of £2.7m (8.4%) on the 2014-15 SFA and total reductions for this Authority of £8.6m in the three years to 2015-16. The Chancellor's Autumn Statement in December 2012 confirmed that austerity measures to reduce the structural deficit would need to continue until at least 2017-18. The medium term financial plan modelling tool assessment indicated, for this Authority, a "base case" assessment of securing cumulative savings in the region of £11m by 2017-18. A 1.99% council tax increase in 2014-15 would reduce the required savings target in 2015-16 by £0.4m, with a further £0.4m reduction in 2017-18 should a similar council tax be approved for 2015-16.

In accordance with Section 65 of the Local Government Finance Act 1992, non-domestic ratepayers had been consulted on the proposals for expenditure as contained in the report. Additionally, limited public consultation (in the form of face-to-face surveys in Exeter, Taunton, Torquay and Plymouth) had been undertaken in line with the Authority decision on 19 December 2013 (Minute DSFRA/38 refers).

The report outlined the methodology used for the consultations for which the results indicated that both the business community and the public felt that an increase in council tax by the Authority in 2014-15 would be reasonable. Of those agreeing that an increase would be reasonable, the majority favoured a 2% increase (69% public; 64% business community).

By virtue of Section 25 of the Local Government Act 2003, the Authority was obliged to receive from its Chief Finance Officer a statement on the robustness of the budget estimates and the adequacy of the levels of reserves and balances. This was appended to the report.

The Resources Committee, at its meeting on 21 February 2014, had considered budget options and associated council tax levels for the Authority in 2014-15 and had resolved (Minute RC/20 refers):

“that the Devon & Somerset Fire & Rescue Authority be recommended to approve:

- (a) that the level of council tax in 2014-15 for a Band D property be set at £76.89, as outlined Option B....representing a 1.99% increase over 2013-14; and*
- (b) that, accordingly, a Net Revenue Budget Requirement for 2014-15 of £75.794m be approved.*

Following a debate on the issue, Councillor Greenslade **MOVED**, with Councillor Smith seconding:

“that

- (a) the recommendations from the Resources Committee meeting held on 21 February 2014, relating to the Authority budget and associated council tax levels for 2014-15; and
 - (b) the recommendation in report DSFRA/14/1 relating to the Treasurer’s Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances
- be approved.”

The Motion was put to the vote and declared **CARRIED** by 21 votes for to 2 against, whereupon it was

RESOLVED

- (i) that, as recommended by the Resources Committee at its meeting on 21 February 2014 (Minute RC/20 refers), the level of council tax in 2014-15 for a Band D property be set at £76.89, as outlined in Option B in report DSFRA/14/1, representing a 1.99% increase over 2013-14;
- (ii) that, accordingly, a Net Revenue Budget Requirement for 2014-15 of £75,794,500 be approved;
- (iii) that, as a consequence of (i) and (ii) above:
 - (A) the tax base for payment purposes and the precept required from each billing authority for payment of a total precept of £42,962,580, as detailed on page 2 of the relevant budget book (circulated separately with the agenda for the meeting) and summarised overleaf be approved:

| Billing Authority | Tax Base used for Collection £ p | Surplus/ (Deficit) for 2013-14 £ p | Precepts due 2014-15 £ p | Total due 2014-15 £ p |
|-------------------|-------------------------------------|---------------------------------------|-----------------------------|--------------------------|
| East Devon | 54,047.00 | - | 4,155,674 | 4,155,674 |
| Exeter | 34,344.00 | 12,696 | 2,640,710 | 2,653,406 |
| Mendip | 37,452.86 | 49,843 | 2,879,750 | 2,929,593 |
| Mid Devon | 26,996.05 | 25,464 | 2,075,726 | 2,101,190 |
| North Devon | 31,543.02 | (3,378) | 2,425,343 | 2,421,965 |
| Plymouth City | 67,065.96 | 90,125 | 5,156,702 | 5,246,827 |
| Sedgemoor | 36,797.06 | 113,845 | 2,829,326 | 2,943,171 |
| South Hams | 36,250.26 | 24,000 | 2,787,282 | 2,811,282 |
| South Somerset | 56,140.81 | 24,322 | 4,316,667 | 4,340,989 |
| Taunton Deane | 37,662.97 | 17,500 | 2,895,906 | 2,913,406 |
| Teignbridge | 44,548.00 | - | 3,425,296 | 3,425,296 |
| Torbay | 41,713.28 | 41,627 | 3,207,334 | 3,248,961 |
| Torridge | 21,778.03 | 20,457 | 1,674,513 | 1,694,970 |
| West Devon | 19,185.50 | - | 1,475,173 | 1,475,173 |
| West Somerset | 13,229.00 | 17,340 | 1,017,178 | 1,034,518 |
| | 558,753.80 | 433,841 | 42,962,580 | 43,396,421 |

- (B) the council tax for each property bands A to H associated with the total precept of £42,962,580, as detailed on page 2 of the relevant budget book (circulated separately with the agenda for the meeting) and summarised below be approved; and

| Valuation Band | Government Multiplier | | Council Tax £ p |
|----------------|-----------------------|--------------|--------------------|
| | Ratio | % | |
| A | 6/9 | 0.667 | 51.26 |
| B | 7/9 | 0.778 | 59.80 |
| C | 8/9 | 0.889 | 68.35 |
| D | 1 | 1.000 | 76.89 |
| E | 11/9 | 1.222 | 93.98 |
| F | 13/9 | 1.444 | 111.06 |
| G | 15/9 | 1.667 | 128.15 |
| H | 18/9 | 2.000 | 153.78 |

- (iv) that the Treasurer's 'Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances', as set out at Appendix C to report DSFRA/14/1, be endorsed.

(NOTE: In accordance with Standing Order 24(3), Councillors Mrs. Bowyer and Prior-Sankey requested that their votes against a 1.99% increase in council tax for 2014-15 be recorded).

(SEE ALSO MINUTE DSFRA/44(e)(i) ABOVE AND DSFRA/45(b) BELOW.

(b) Capital Programme 2014-15 To 2016-17

The Authority considered a joint report of the Chief Fire Officer and the Treasurer (DSFRA/14/2) on a proposed Authority three-year capital programme, 2014-15 to 2016-17. The report identified the difficulties, given the size and geographical area covered by the Authority combined with funding restraints, of adequately maintaining the premises and fleet portfolio of the Authority.

These issues were exacerbated by the Authority's self-imposed prudential indicator to restrict debt charges associated with capital expenditure to a maximum of 5% of the approved revenue budget.

The programme now presented remained within this indicator for the period in question albeit that in seeking to secure this no major estates projects were included and it was also proposed to reduce the provision for minor improvements and structural maintenance by £0.5m over the next three years.

The Authority had the second largest fleet of all fire and rescue service and until last year the fleet replacement programme had been reduced in favour of the estates programme. It was proposed to redress this over the forthcoming three financial years, with a particular focus being on the introduction of Light Rescue Pumps (LRPs). The Service had, in 2013-14, submitted a bid for £4.7m over a two year period to off-set future borrowing costs associated with this programme. Unfortunately, that bid had not proven successful and, while endeavours would be maintained to secure external funding, it remained that additional borrowing to fund the LRP programme could cause the 5% indicator to be breached in 2017-18.

Any provision made from revenue towards capital projects would, however, mitigate this risk and for 2014-15 it was proposed that a revenue contribution of either of £1.2m or £1.566m be made towards the LRP project, depending on whether Option A or B respectively was approved in relation to the 2014-15 revenue budget. Appended to the report were prudential indicators for a capital programme predicated either on Option A or B.

The Resources Committee had considered the draft Capital Programme 2014-15 to 2016-17 at its meetings on both 3 and 21 February 2014 and, at the latter meeting, had revised its initial proposal in light of clarification of the proposed revenue budget provision to recommend the Authority to approve, amongst other things, a revenue contribution of £1.566m towards the LRP project (Minute RC/21 refers).

Councillor Greenslade **MOVED**, with Councillor Smith seconding:

“that the recommendations of the Resources Committee on 21 February 2014 in relation the proposed Capital Programme 2014-15 to 2016-17 be approved.”

The Motion was put to the vote and declared **CARRIED** whereupon it was

RESOLVED

- (i) that, as recommended by the Resources Committee at its meeting on 21 February 2014, a minimum revenue contribution of £1.566m be made from the 2014-15 revenue budget towards the Light Rescue Pumps (LRP) project;
- (ii) that the draft Capital Programme 2014-15 to 2016-17, as set out in report DSFRA/14/2 and summarised in the table set out at Appendix A to these Minutes, be approved;
- (iii) that the associated Prudential Indicators, as set out in the report and summarised in the table set out at Appendix B to these Minutes be approved;

- (iv) that the forecast impact of the proposed Capital Programme (from 2017-18 onwards) on the 5% debt ratio Prudential Indicator, as indicated in the report, be noted.

(SEE ALSO MINUTES DSFRA/44(e)(ii) AND DSFRA/45(b) ABOVE; AND MINUTE DSFRA/45(c) BELOW).

(c) Treasury Management Strategy (Including Prudential And Treasury Indicators 2014-15 To 2016-17)

The Authority considered a report of the Treasurer (DSFRA/14/3) setting out, amongst other things:

- a treasury management and investment strategy for 2014-15, with associated indicators;
- prudential indicators associated with the treasury management and investment strategy; and
- a Minimum Revenue Provision statement for 2014-15.

The Local Government Act 2003 and supporting regulations required the Authority:

- ensure that its capital investment plans were affordable, prudent and sustainable; and
- to establish a treasury management strategy setting out its policies for borrowing and managing its investments, giving priority to the security and liquidity of those investments.

In doing so, the Authority was required to “have regard to” the Prudential and Treasury Management Codes produced by the Chartered Institute for Public Finance Accountancy (CIPFA). The strategy and prudential indicators as set out in the report were compliant with the latest iterations of the CIPFA Codes.

RESOLVED

- (i) that the Treasury Management and Annual Investment Strategy as detailed in report DSFRA/14/3 be approved;
- (ii) that the Treasury Management Prudential and other Indicators as detailed in the report and set out in the table at Appendix B to these Minutes be approved;
- (iii) that the Treasurer be delegated authority to effect movements between the separately agreed prudential limits for borrowing;
- (iv) that the Minimum Revenue Provision set out in the report and attached at Appendix C to these Minutes be approved;
- (v) that the statement at paragraph 4.4 of the report, to the effect that borrowing limits and the debt management strategy had been set to ensure that – in the medium term – the gross borrowing would return to below the capital financing requirement for 2013-14 to 2016-17, in line with the requirements of the CIPFA Prudential Code, be noted.

(SEE ALSO MINUTE DSFRA/45(b) ABOVE)

DSFRA/46.

Transformation Funding for 2015-16

The Authority considered a report of the Chief Fire Officer (DSFRA/14/4) on the announcement by the government of transformation funding for 2015-16, the proposed single competitive process for bidding against this fund and the intended method for this Authority to submit bids in accordance with the process indicated by the Department for Communities and Local Government (CLG). Work had been ongoing with potential partner agencies (e.g. the South West Ambulance Services Trust) to identify and develop appropriate bids. It was intended that the detail of any such bids would be presented to the Members' Forum scheduled for 26 March 2014.

RESOLVED

- (a) that the indicative process for submission of bids against the government Transformation Funding for fire and rescue authorities in 2015-16, together with the proposal to submit bids on behalf of the Authority as outlined in paragraph 2.3 of report DSFRA/14/4, be noted; and
- (b) that, in line with (a) above and with guidance issued by the Department for Communities and Local Government, the Treasurer and Authority Chairman be authorised to sign-off any bid submitted on behalf of the Authority against the fire and rescue authority transformation funding 2015-16.

DSFRA/47.

Confirmation of Scheme of Members Allowances 2014-15

The Authority considered a report of the Clerk to the Authority (DSFRA/14/5) inviting it to consider, as required by Regulations, its approved Scheme of Members Allowances to apply for the forthcoming financial year. The report identified, amongst other things, Basic and Special Responsibility Allowances (SRAs) payable under the existing scheme, together with those rates agreed for reimbursement of travel and subsistence expenditure.

The Scheme had last been subject to a major review in 2012. In line with regulatory requirements, a further major review was required by no later than 2016 although, in reviewing the Scheme in 2012, the Authority had approved the recommendation to consider an interim review prior to 2016, with a particular focus on Special Responsibility Allowances.

A peer review of the Authority was scheduled for later in 2014. This review would feature, amongst other things, an examination of the governance arrangements currently in place for the Authority and could in turn be used to determine whether a partial review of allowances should be conducted prior to 2016.

Councillor Prior-Sankey **MOVED**, with Councillor Mrs. Bowyer seconding:

“that the existing Scheme of Members Allowances be amended as follows:

1. *that no Member should receive more than one SRA;*
2. *that SRAs for membership of the Commercial Services Committee be removed;*
3. *that the SRAs for Committee Chairs be reduced from 1.5 to 1 x Basic Allowance;*
4. *that Members should no longer be able to claim expenses for lunch;*

5. *that Members should purchase their own Authority ties and other badged items.*

The Motion was put to the vote and declared **LOST** by 16 votes against to 3 votes for, with 3 abstentions.

Councillor Dyke **MOVED**, with Councillor Randall-Johnson seconding:

“that the existing approved Scheme of Members Allowances, including the levels of Basic and Special Responsibility Allowance (and mechanism for the automatic uprating of these) and rates payable for reimbursement of travel and subsistence expenditure, be approved for 2014-15 and the Clerk authorised to publicise these details in one or more newspapers circulating in the area served by the Authority, as required by the relevant Regulations.”

The Motion was put to the vote and declared **CARRIED** by 21 votes for to 2 against, whereupon it was

RESOLVED that the existing approved Scheme of Members Allowances, including the levels of Basic and Special Responsibility Allowance (and mechanism for the automatic uprating of these) and rates payable for reimbursement of travel and subsistence expenditure, be approved for 2014-15 and the Clerk authorised to publicise these details in one or more newspapers circulating in the area served by the Authority, as required by the relevant Regulations.

(**NOTE:** In accordance with Standing Order 24(3), Councillors Mrs. Bowyer and Prior-Sankey requested that their votes in support of the Motion advanced by Councillor Prior-Sankey and against the Motion advanced by Councillor Dyke be recorded).

DSFRA/48. Localism Act - Pay Policy Statement 2014-15

The Authority considered a report of the Clerk to the Authority (DSFRA/14/6) to which was appended a draft Pay Policy Statement for the Authority for the 2014-15 financial year. The Localism Act 2011 required all relevant authorities to approve and publish, by 31 March in each year, a Pay Policy Statement to operate for the forthcoming financial year and setting out the Authority’s policies on a range of issues relating to the pay of its workforce and in particular senior staff and the lowest paid employees.

The draft Pay Policy Statement had been revised from earlier versions in light of both statutory guidance and the best practice guidance published by the Local Government Association (“Pay Policy in Practice in Local Authorities – A Guide for Councillors”) and now included arrangements for reviewing Chief Officers’ pay and a statement on the Authority’s position on re-employment of employees following redundancy or retirement.

RESOLVED

- (a) that, subject to the inclusion of the amendments to Section 8 of the document as indicated below, the Pay Policy Statement as appended to report DSFRA/14/6 be approved and published in accordance with the requirements of the Localism Act 2011.

Amendments

- (i) retitle Section 8 to read “Re-employment of Employees”;
- (ii) replace term “senior managers” with “employees”;

- (iii) insert new Paragraph 8.2 as follows:
- “For each of the above scenarios:
- the approval of the Human Resources Management & Development Committee will be required for the re-employment, following redundancy, of any former employee up to Executive Board posts; or
 - the approval of the full Authority will be required for the re-employment, following redundancy, of any Executive Board post-holder; and
 - for each of the above two approval processes, the Authority may require the repayment of one 24th part of any redundancy payment made by the Authority for every month less than 24 months between the date of redundancy and the date of re-employment”
- (iv) Insert the words “in principle” after “The Authority will...” at the start of [newly numbered] paragraph 8.3 and add the following additional sentence at the end of that paragraph:
- “The re-employment of any employee who has retired will, however, be subject to:
- the approval of the Human Resources Management & Development Committee for all employees up to Executive Board posts; or
 - the approval of the full Authority for any Executive Board post-holder.
- (v) Insert the following as the final sentence to [newly numbered] paragraph 8.4:
- “The authorisation of any such flexible retirement arrangements will be subject to the approval mechanism detailed above”
- (b) that the Terms of Reference of the Human Resources Committee be amended to reflect the approval mechanism above.

DSFRA/49. Flooding Response – Council Tax Discounts

(An item taken in accordance with Section 100B(4)(b) of the Local Government Act 1972).

The Chairman decided that this should be taken as an urgent matter to enable the Authority to respond at the earliest opportunity to requests received from Sedgemoor District and Taunton Deane Borough Councils following despatch of the agenda for this meeting.

The Clerk reported on receipt, on 21 February 2014, of letters from Sedemoor District and Taunton Deane Borough Councils requesting support from this Authority, in the form of its proportion of precept, towards council tax relief schemes for residents affected by the recent flooding in Somerset. It was anticipated that similar letters would be received from other affected councils in Somerset.

The Clerk further reported that the Authority had the legal power to make such a contribution by virtue of powers inserted into the Fire & Rescue Services Act 2004 by the Localism Act 2011 but that in doing so it should have regard to its overriding fiduciary duty to council tax payers as a whole.

RESOLVED

- (a) that in-principle approval be given to the provision of funding, representing this Authority's proportion of precept, towards council tax relief offered by Sedgemoor District and Taunton Deane Borough Councils (and any other affected Somerset District or Borough Councils) to residents affected by the recent flooding, subject to any government funding allocated for this purpose being apportioned proportionately to all participating precepting authorities;
- (b) that the same in-principle approval be given to any requests that may subsequently be received for support towards business rates relief in affected areas;
- (c) that the Treasurer be authorised, following consultation with the Chairman and having due regard to the impact on the Authority's budget, to implement the above in-principle decisions as necessary.

(SEE ALSO MINUTE DSFRA/43 ABOVE).

DSFRA/50.

Openness of Local Government Bodies Regulations 2014 – Consultation Response

(An item taken in accordance with Section 100B(4)(b) of the Local Government Act 1972).

The Chairman decided that this should be taken as an urgent matter to enable the Authority to submit a considered response to a recently-received consultation from the Department for Communities and Local Government by the relevant closing date (12 March 2014), which was before the next scheduled Authority meeting.

The Clerk reported and circulated an aide memoire on draft Regulations on the admission to and reporting of local authority meetings and the written recording of decisions taken by officers under delegated powers and associated public access to such decisions. The draft Regulations were subject to consultation by the Department for Communities and Local Government, with a closing date for responses of 12 March 2014. A copy of a proposed response by the Authority was appended to the aide memoire.

RESOLVED that the proposed response to the consultation by the Department for Communities and Local Government on the draft Openness of Local Government Bodies Regulation, as appended to the aide memoire circulated by the Clerk at the meeting, be approved and the Clerk authorised to submit it on behalf of the Authority.

(SEE ALSO MINUTE DSFRA/43 ABOVE).

DSFRA/51.

Chairman's Announcements

The Chairman reported, for information, on those activities he had undertaken on behalf of the Authority since its last meeting.

DSFRA/52.

Chief Fire Officer's Announcements

The Chief Fire Officer reported on:

- a fatal fire in Dunmere Road, Torquay, on 9 February 2014. The fatality was a 26 year old male. Service emergency response standards had been met at the incident (the first appliance arriving within 7 minutes; the second within 12 minutes) – the tragedy serving to evidence, amongst other things, the importance of taking appropriate fire prevention measures. The Chief Fire Officer had subsequently written to the Directors of Public Health in Torbay, Plymouth, Devon and Somerset to further emphasise the case for more effective sharing of information and a co-ordinated approach to the identification of vulnerable people.
- the current situation in relation to the flooding of the Somerset Levels. The operation was now entering the “recovery” phase, meaning that the direct contribution made by the Devon & Somerset Fire & Rescue Service would start to lessen. The Chief had written to all Service staff involved with the issue – both front-line and support – to thank them for their efforts.

The meeting started at 09:30hours and finished at 12:00hours.

APPENDIX A TO THE MINUTES OF THE BUDGET MEETING OF THE AUTHORITY HELD ON 24 FEBRUARY 2014

| Capital Programme (2014-15 to 2019-20) | | | | PROPOSED PROGRAMME 2014-15 TO 2016-17 | | | INDICATIVE PROGRAMME 2017-18 TO 2019-20 | | |
|---|---|-------------|--|--|---------------------------|---------------------------|--|---------------------------|---------------------------|
| 2013-2014 Revised Programme (£000) | 2013-2014 Predicted outturn (£000) | Item | PROJECT | 2014-15 (£000) | 2015-16 (£000) | 2016-17 (£000) | 2017-18 (£000) | 2018-19 (£000) | 2019-20 (£000) |
| 79 | 39 | | Estate Development | | | | | | |
| 1,544 | 1,214 | | SHQ major building works | 40 | | | | | |
| | | | Major Projects - Training Facility at Exeter Airport | 330 | | | | | |
| | | | Minor improvements & structural maintenance | 2,050 | 1,500 | 1,500 | 1,750 | 1,750 | 1,750 |
| 255 | 97 | | USAR works | 158 | | | | | |
| 1,288 | 1,153 | | Minor Works slippage from earlier years | 134 | | | | | |
| 63 | 43 | | Projects funded from Revenue | 20 | | | | | |
| 3,229 | 2,546 | | Estates Sub Total | 2,732 | 1,500 | 1,500 | 1,750 | 1,750 | 1,750 |
| | | | Fleet & Equipment | | | | | | |
| | | | Appliance replacement | 2,557 | 3,202 | 2,557 | 2,557 | 1,438 | 2,119 |
| | | | Specialist Operational Vehicles | | | 400 | 400 | | |
| 60 | 56 | | Vehicles and equipment funded from revenue | 0 | | | | | |
| | | | Equipment | 1,454 | 320 | 320 | 320 | 380 | 200 |
| 100 | 100 | | USAR Vehicles | 0 | | | | | |
| 481 | 337 | | Equipment slippage from earlier years | 144 | | | | | |
| | | | Appliance & Specialist Operational Vehicle slippage from earlier years | 940 | | | | | |
| 2,883 | 1,937 | | Fleet & Equipment Sub Total | 5,095 | 3,522 | 3,277 | 3,277 | 1,818 | 2,319 |
| 6,752 | 4,976 | | SPENDING TOTALS | 7,827 | 5,022 | 4,777 | 5,027 | 3,568 | 4,069 |
| | | | Programme funding | | | | | | |
| 1,596 | 1,596 | | Main programme | 2,849 | 5,022 | 4,777 | 5,027 | 3,568 | 4,069 |
| 3,361 | 1,743 | | Revenue funds | 3,422 | | | | | |
| 355 | 197 | | Earmarked Reserves | 158 | | | | | |
| 1,440 | 1,440 | | Grants | 1,398 | | | | | |
| 6,752 | 4,976 | | FUNDING TOTALS | 7,827 | 5,022 | 4,777 | 5,027 | 3,568 | 4,069 |

**APPENDIX B TO THE MINUTES OF THE BUDGET MEETING OF THE AUTHORITY HELD ON
24 FEBRUARY 2014**

| PRUDENTIAL INDICATORS | INDICATIVE INDICATORS 2017-18 to 2019-20 | | | | | |
|---|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2014-15 £m estimate | 2015-16 £m estimate | 2016-17 £m estimate | 2017-18 £m estimate | 2018-19 £m estimate | 2019-20 £m estimate |
| Capital Expenditure | | | | | | |
| Non - HRA | 7.827 | 5.022 | 4.777 | 5.027 | 3.568 | 4.069 |
| HRA (applies only to housing authorities) | | | | | | |
| Total | 7.827 | 5.022 | 4.777 | 5.027 | 3.568 | 4.069 |
| Ratio of financing costs to net revenue stream | | | | | | |
| Non - HRA | 3.86% | 4.32% | 5.00% | 5.57% | 6.13% | 6.51% |
| HRA (applies only to housing authorities) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Capital Financing Requirement as at 31 March | £000 | £000 | £000 | £000 | £000 | £000 |
| Non - HRA | 27,328 | 30,327 | 32,779 | 35,231 | 35,946 | 36,939 |
| HRA (applies only to housing authorities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long term liabilities | 1,509 | 1,443 | 1,374 | 1,299 | 1,209 | 1,112 |
| Total | 28,837 | 31,770 | 34,153 | 36,530 | 37,155 | 38,051 |
| Annual change in Capital Financing Requirement | £000 | £000 | £000 | £000 | £000 | £000 |
| Non - HRA | 1,328 | 2,933 | 2,383 | 2,377 | 625 | 896 |
| HRA (applies only to housing authorities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,328 | 2,933 | 2,383 | 2,377 | 625 | 896 |
| Incremental impact of capital investment decisions | £ p | £ p | £ p | £ p | £ p | £ p |
| Increase/(decrease) in council tax (band D) per annum | -£0.19 | -£0.44 | -£0.20 | N/A | N/A | N/A |
| PRUDENTIAL INDICATORS - TREASURY MANAGEMENT | | | | | | |
| Authorised Limit for external debt | £000 | £000 | £000 | £000 | £000 | £000 |
| Borrowing | 34,145 | 36,747 | 37,585 | 38,701 | 39,565 | 40,252 |
| Other long term liabilities | 1,449 | 1,371 | 1,278 | 1,177 | 1,070 | 963 |
| Total | 35,594 | 38,118 | 38,863 | 39,878 | 40,635 | 41,216 |
| Operational Boundary for external debt | £000 | £000 | £000 | £000 | £000 | £000 |
| Borrowing | 32,779 | 35,231 | 35,946 | 36,939 | 37,768 | 38,405 |
| Other long term liabilities | 1,374 | 1,299 | 1,209 | 1,112 | 1,010 | 907 |
| Total | 34,153 | 36,530 | 37,155 | 38,051 | 38,778 | 39,313 |

| TREASURY MANAGEMENT INDICATOR | Upper Limit % | Lower Limit % |
|---|------------------|------------------|
| Limits on borrowing at fixed interest rates | 100% | 70% |
| Limits on borrowing at variable interest rates | 30% | 0% |
| Maturity structure of fixed rate borrowing during 2014/15 | | |
| Under 12 months | 30% | 0% |
| 12 months and within 24 months | 30% | 0% |
| 24 months and within 5 years | 50% | 0% |
| 5 years and within 10 years | 75% | 0% |
| 10 years and above | 100% | 50% |

**APPENDIX C TO THE MINUTES OF THE BUDGET MEETING OF THE AUTHORITY HELD ON
24 FEBRUARY 2014**

MINIMUM REVENUE STATEMENT (MRP) 2014-15

Supported Borrowing

The MRP will be calculated using the regulatory method (option 1). MRP will therefore be calculated using the formulae in the old regulations, since future entitlement to RSG in support of this borrowing will continue to be calculated on this basis.

Un-Supported Borrowing (including un-supported borrowing prior to 1 April 2008)

The MRP in respect of unsupported borrowing under the prudential system will be calculated using the asset life method (option 3). The MRP will therefore be calculated to repay the borrowing in equal annual instalments over the life of the class of assets which it is funding. The repayment period of all such borrowing will be calculated when it takes place and will be based on the finite life of the class of asset at that time and will not be changed.

Finance Lease and PFI

In the case of Finance Leases and on balance sheet PFI schemes, the MRP requirement is regarded as met by a charge equal to the element of the annual charge that goes to write down the balance sheet liability. Where a lease of PFI scheme is brought, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion of the charge, for the year in which the restatement occurs, of an amount equal to the write-down for the year plus retrospective writing down of the balance sheet liability that arises from the restatement. This approach produces an MRP charge that is comparable to that of the Option 3 approach in that it will run over the life of the lease or PFI scheme and will have a profile similar to that of the annuity method.

MRP will normally commence in the financial year following the one in which the expenditure was incurred. However, when borrowing to construct an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone the beginning to make MRP until that year. Investment properties will be regarded as becoming operational when they begin to generate revenues.