

RESOURCES COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

8 February 2010

Present:-

Councillors Gordon (Chair), Healey (vice Woodman), Smith, Turner and Yeomans

Apologies:-

Councillors Hughes OBE and Woodman

***RC/16. Minutes**

RESOLVED that the Minutes of the meeting held on 16 November 2009 be signed as a correct record subject to amendment under Minute *RC/9 (Declarations of Interest) to add a new line to reflect that "no interests were declared".

***RC/17. Declarations of Interest**

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

At this stage, no interests were declared.

***RC/18. Treasury Management Performance 2009/10**

The Committee received for information a report of the Treasurer (RC/10/1) that provided details of the Authority's borrowing and investment activities during the first nine months of 2009/10 (to the end of December 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:

- Technically the country was out of recession, although it was likely that interest rates would rise in 2010 as a result in order to control inflationary pressures. This may result in a substantial increase in the cost of borrowing;
- None of the Prudential Indicators had been breached and a prudential approach had been taken in relation to investment decisions taken during the year to date 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 for this type of short term investment.

Reference was made to the position for the Authority should the United Kingdom lose its AAA rating. It was noted that this would result in an increased cost of borrowing.

***RC/19. Financial Performance Report 2009/10**

The Committee received for information a report of the Treasurer (RC/10/2) that provided an update on the following matters:

- Revenue budget monitoring position for the current financial year based upon spending to the end of December 2009 against the approved Revenue Budget for 2009/10;
- Performance against the 2009/10 capital budget and prudential indicators;
- Forecast performance against other financial targets for 2009/10.

At this stage, projections indicated that spending will be £0.494m less than the approved Revenue Budget for 2009/10, equivalent to just 0.68%. It should be noted that this projection had taken account of the impact of the transfer of £0.357million to an earmarked reserve to part fund the introduction of the Integrated Clothing Project (ICP) as agreed by the Committee on 16 November 2009 (Minute RC/12 refers). There had been variations in spending patterns as compared with the projections, including retained pay costs (linked to activity levels) and the lower than anticipated pay awards for both uniformed and non-uniformed staff.

In terms of spend against the approved capital programme for 2009/10, it was noted that spending was projected to be at £9.924million as against £10.236million resulting in an underspend of £0.312million. This underspend was to be carried forward to support the Programme in 2010/11.

The report also set out details of performance against other financial targets, including efficiency savings, aged debt analysis and payment of supplier invoices. The Treasurer drew attention to the position in respect of aged debts and advised that action was being taken to recover debt through the legal process where necessary.

NB. Minute RC/20 below also refers.

RC/20. Capital Programme 2010/11 to 2012/13 and Associated Prudential Indicators

The Committee considered a report of the ACFO (Service Support) (RC/10/3) that set out the proposed, adjusted three year capital programme for 2010/11 to 2012/13. The report covered the proposals for estates, fleet and equipment together with details of the financing of the revised capital programme and associated prudential indicators.

RESOLVED that the Authority, at its budget meeting on 19 February 2010, be recommended to approve the revised Capital Programme 2010/11 to 2012/13 and the associated Prudential Indicators as set out in report RC/10/3.

RC/21. 2010/11 Revenue Budget and Council Tax Level

The Committee considered a report of the Treasurer and Chief Fire Officer (RC/10/4) that set out the necessary financial background in order that the Committee could give due consideration to an appropriate level of Revenue Budget and Council Tax for 2010/11 and to make a recommendation to the Fire and Rescue Authority accordingly.

The Treasurer made reference to the following information in presenting the report:

- details of the local government finance settlement for 2010/11 (which was the final year of the three year grant settlement covering the years 2008/09 to 2010/11), together with the position in respect of the Comprehensive Spending Review (CSR 2007) and capping;
- details of the core revenue budget requirements for 2010/11, together with details of existing inescapable commitments and proposed essential spending needs, that had been included on the draft revenue budget for 2009/10;
- proposals for the level of Council Tax in 2010/11 and the Medium Term Financial Plan (MTFP) 2010/11 to 2012/13;
- the precept consultation for 2010/11;
- the levels of reserves and balances.

The Treasurer stated that, to set a budget at £75.135 million (a 3.41% increase on the approved 2009/10 budget) as recommended within the report, would require an increase in the council tax of 3.74% over the 2009/10 level, equating to an additional £2.59 per annum on a Band D Property. The report set out the implications of setting the council tax at this level.

The Treasurer made reference to the position in respect of reserves and stated that, whilst current levels were in excess of the 5% minimum requirement, this was still in the lower quartile when compared with all fire and rescue services in the country. He recommended that, in view of the uncertainties in respect of future revenue grant funding and the current economic climate, the Authority should seek to protect its reserve balance as much as possible to provide some stability through a forthcoming turbulent financial period.

Reference was made to the precept consultation which had been carried out in respect of the 2010/11 budget proposals as required by Section 65 of the Local Government Finance Act 1992. It was suggested that the number of respondents could be increased by the utilisation of measures such as wholtime and/or retained firefighters taking out leaflets into the community when undertaking community safety activities, for example.

Councillor Gordon expressed his thanks for the work that had been undertaken by the Treasurer and his team in respect of the budget proposals for 2010/11, whereupon Councillor Yeomans proposed (and was seconded by Councillor Healey):

“that the recommendation as set out in report RC/10/4 be approved”.

Upon a vote (5 for, 0 against), the motion was carried.

RESOLVED that it be recommended to the the budget meeting of the Devon and Somerset Fire and Rescue Authority to be held on the 19 February 2010 that;

- (i) a Net Budget Requirement of £75,135,000 for 2010/2011 be set;
- (ii) a level of council tax of £71.77 for a Band D property, representing an increase of 3.74% over the figure for 2009/2010, be set.

***RC/22. Target Setting for the Devon and Somerset Fire and Rescue Authority's Corporate Plan 2010/11 To 2012/13**

The Committee considered a report of the Director of Corporate Services (RC/10/5) that set out proposals for targets under Goal 3 “to provide an effective, efficient and economic service” of the Corporate Plan for 2010/11 to 2012/13.

RESOLVED

- (a) That the following measures and targets be approved:
 - (i) To manage expenditure within a tolerance of -1%;
 - (ii) To achieve the savings from combining the two services of £3 million over the five years form 1 April 2007;
 - (iii) To achieve a Level 3 assessment on Use of Resources in the 2010/11 Comprehensive Area Assessment (CAA);
 - (iv) That no target be included in respect of the levels of efficiencies achieved to date.
- (b) That the targets are included in the Devon and Somerset Fire and Rescue Authority Corporate Plan 2010/11 to 2012/13 for submission to the Devon and Somerset Fire and Rescue Authority in February 2010 for final approval.

***RC/23. Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972 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 Part 1 of Schedule 12A (as amended) to the Act as set out below:

- For Minute RC/24 (“Specialist Rescue”), paragraph 4 - information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- For Minute RC/25 (“Debt Write Off”), paragraphs 1, 2 and 3 - information relating to an individual, information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of a particular person (including the authority holding that information).

RC/24. Specialist Rescue

(An item taken in accordance with Section 100A (4) of the Local Government Act 1972 during consideration of which the press and public were excluded from the meeting).

The Committee considered a report of the ACFO (Service Support) (RC/10/6) that outlined the issues in respect of the role and responsibilities for Level 3 Specialist Rescue activities and any potential payment associated with this.

RESOLVED that a report be submitted to the Devon and Somerset Fire and Rescue Authority at its meeting on 19 February 2010 setting out the recommendation of the Resources Committee thereon.

***RC/25. Debt Write Off**

(An item taken in accordance with Section 100A (4) of the Local Government Act 1972 during consideration of which the press and public were excluded from the meeting).

(The Chairman vacated the Chair and left the room during discussion of this item whereupon the Vice Chairman took the Chair).

The Committee considered a report of the Treasurer (RC/10/7) detailing an overpayment of ill-health and injury benefits to an individual.

RESOLVED that the recommendation (as amended) contained within report RC/10/7 be approved.

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

The meeting started at 14.15hours and concluded at 16.28hours