

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 28 September 2016, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

F De Molfetta (Chairman)
T Aldridge (Vice-Chair)
A Barnes
S Holgate
A Matthews
D O'Toole
R Shewan
V Taylor
T Williams

Officers

K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
J Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

18/16 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Fred Jackson and County Councillor Michael Green.

19/16 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

20/16 MINUTES OF THE LAST MEETING HELD ON 29 JUNE 2016

RESOLVED: That the Minutes of the meeting held on 29 June 2016 be confirmed as a correct record and signed by the Chairman.

21/16 REVISIONS TO THE STATEMENT OF ACCOUNTS 2015/16

The Committee approved the draft Statement of Accounts for the financial year ended 31 March 2016 at the June meeting, prior to the audit being carried out by Grant Thornton. The Statement of Accounts had now been updated to reflect two misstatements and one disclosure change identified during the audit as now presented.

The Director of Corporate Services advised that the changes requested by Grant Thornton were made to the accounts and the updated version would be presented to the Audit Committee on 29 September 2016 for information, alongside the full Audit Findings Report.

RESOLVED: - That the Committee re-approve the revised Statement of Accounts.

22/16 FINANCIAL MONITORING 2016/17

The report set out the current budget position in respect of the 2016/17 revenue and capital budgets and performance against savings targets.

Revenue Budget

The overall position as at the end of August showed an under spend of £0.933m. The current underspend was the result of the Authority continuing to monitor variances for emerging savings opportunities which may be reflected in the forthcoming budget setting process.

The Committee was provided with detailed information regarding the position within individual departments, with major variances being summarised below: -

Area	Overspend / (Under spend) £'000	Reason
Fleet & Technical Services	32	The overspend related to the timing of committed spend against breathing apparatus, operational equipment and breathing apparatus, as goods and services were ordered for delivery later in the financial year, and hydrant repair commitments.
Property	(157)	The underspend related to spend against planned repairs and maintenance as property department capacity was almost fully occupied with working on the current capital projects. It was likely that this would result in a similar level of underspend by year end which would be reported in November.
IT	28	The current overspend predominantly related to the timing of annual software licences paid during the first part of the year, which would reduce as the year continued. In addition, the national Emergency Services Mobile Communications Project (ESMCP) to replace the Airwave mobilising radio system was now underway, and as such LFRS had been allocated government funding to create up to 4 fixed term project roles to facilitate our transition to the replacement system in due course. The Committee was asked to endorse the creation of these posts for this purpose.

Service Delivery	(98)	The underspend reflected the continued reductions in spending across many budget headings, for which next year's budget would be adjusted, and the single most significant element of which was the ongoing underspend on smoke detectors as the new Home Fire Safety Check process continued to be embedded within the service.
Pay	(648)	<p>In terms of the underspend to date, this was broken down as follows:</p> <ul style="list-style-type: none"> • Wholetime pay (£278k underspend) related to a combination of the timing of costs of ad hoc payments such as overtime and public holidays, which would be monitored closely for the rest of the financial year and the differences between the expected staffing numbers versus the actual staff in post. In addition, following retirements to the end of August and 5 personnel leaving without accruing full pension benefits, there were 20 vacant posts which would continue to create underspends until the Lancaster wholetime pump was removed on 1 October. The wholetime budget allowed for the recruitment of up to 30 staff in the second half of the year, to make up the anticipated shortfall in staff as retirements continued. This recruitment exercise had been open to existing Retained Duty System (RDS) staff only. • Retained pay (£220k underspend) related to vacant hours of cover across many fire stations, plus timing of spend for retained training courses scheduled for later in the financial year. The current Wholetime recruitment could potentially create further reductions in hours of cover dependent on the number of RDS appointed and their subsequent ability to carry out dual roles. <p>Note the Retained pay budget also included an additional £600k in relation to the Strengthening and Improving RDS project, which was phased in at the end of the year pending identification and approval of specific requirements in due course.</p> <ul style="list-style-type: none"> • Support staff pay (£150k underspend) related to various vacant posts, for which recruitment was currently underway, including posts relating to the additional £100k budget added into ICT to create additional capacity.

Capital Budget

The Capital Programme for 2016/17 stood at £8.063m, as approved at the last Resources Committee. A review of the programme had been undertaken to identify progress against the schemes as set out below: -

	Committed spend to Aug 16 £m	
Pumping Appliances	0.964	Committed spend to date related to the purchase of 5 pumping appliances for the 2016/17 programme, which had been ordered and were currently in build, anticipated delivery was by March 2017.
Other vehicles	0.130	<p>Committed spend to date related to various support vehicles from the 2015/16 and 2016/17 capital programmes which had either been delivered or had been ordered.</p> <p>The balance of the budget related to:-</p> <ul style="list-style-type: none">• the remaining planned support vehicles replacements, which were being reviewed prior to replacement;• the replacement of 2 driver training vehicles (DTVs) for which specification options were currently being considered.
Operational Equipment / Future Firefighting	0.118	This £1m budget was set aside to meet the costs of innovations in firefighting equipment, and the spend to date reflected the purchase of an Unmanned Aerial Vehicle (UAV) or drone, which was now operational, and the costs of trialling a new vehicle type to use as a water tower. In addition, the initial purchase costs of flood suits would shortly be charged against this budget.
Building Modifications	1.527	<p>The majority of committed spend to date related to the purchase of the property adjacent to Lancaster fire station in order to facilitate the redevelopment of the site.</p> <p>The balance of the budget related to:-</p> <ul style="list-style-type: none">• the remainder of the budget for the provision of a replacement for Lancaster Fire Station, incorporating a joint Fire & Ambulance facility, following the purchase of the adjacent site, we were expecting tender responses back during October;

		<ul style="list-style-type: none"> • completion of the remaining items of capital works at the Training Centre site in order to make the site fit for purpose for the next five years, in addition the budget allowed for the relocation of the Fleet workshop to Training Centre.
IT systems	0.012	<p>Committed spend to date related to the final stages of the phased implementation of the replacement asset management system begun during the last financial year.</p> <p>The balance of the budget related to:-</p> <ul style="list-style-type: none"> • Initial costs of the national Emergency Services Mobile Communications Project (ESMCP) to replace the Airwave wide area radio system – with further budgetary provision included in the 2017/18 draft capital programme; • the replacement of the wide area network (WAN) to allow a solution to be in place when current service contracts were due to end during 2017/18; • The replacement of various systems, in line with the ICT asset management plan, however these were reviewed prior to starting the replacement process.

Members were also provided details which set out the capital programme and the expenditure position against this, as reflected above. The costs to date would be met largely by revenue contributions, with capital grant funding the costs to date of Lancaster Redevelopment.

Delivery against savings targets

The current position on savings targets identified during the budget setting process, was reported. The performance to date was ahead of target due to a combination of the underspend on salaries for the first five months, plus savings in respect of procurement activities during the same period. It was anticipated that we would meet our efficiency target for the financial year.

RESOLVED: - That the Committee

- i) Endorse the creation of up to an additional four Emergency Services Mobile Communications Project roles within the Information Technology department budget; and
- ii) Note the financial position.

23/16 SELF SUFFICIENT LOCAL GOVERNMENT - 100% BUSINESS RATES RETENTION

The current business rates retention scheme was introduced in 2013. Within the current scheme 50% of local business rates were retained, in theory providing a strong incentive for local authorities to grow business rates in their area and thereby generate additional funding.

The main points of the current scheme were considered by Members. It was noted that in 2016/17 our local retained business rates were £4.7m (less than 10% of our total budget) and our top up grant was £9.7m. A move to 100% retention of business rates would have little impact on the position as we would still be a top up authority requiring specific government grant to maintain funding levels. Furthermore the proposal would still retain a safety net and periodic resets.

It was also noted that within the draft 4 year settlement, business rate income was assumed to grow by 2.0% in 2017/18, 3.0% in 2018/19 and 3.2% in 2019/20, which was significantly higher growth than we had seen within Lancashire over the last 3 years, which averaged just 1.2%.

At the time of the initial consultation in 2012 we argued that Fire Authorities should not be included in the scheme as they had very little, if any, impact on business rates. We did not believe this position had changed significantly and therefore still felt that we should be excluded from this system and should be funded from specific grant similar to the Police.

Furthermore, as business rates in Lancashire had historically grown by less than the national average then removing us from this should in theory provide greater funding in future years, assuming that any grant funding was linked to national indices. It should also improve funding certainty, reducing the risk to future funding should a large business pull out of the area, such as British Aerospace, or should a major business be successful in winning an appeal against their rating value.

Given the consultation had closed on 26 September a response had been agreed with the Chairman and Vice-Chairman of Resources as now presented.

RESOLVED: - That the Committee note the report and endorse the response to the consultation document as agreed by the Chairman and Vice-Chairman of Resources.

24/16 DATE OF NEXT MEETING

The next scheduled meeting of the Committee was agreed for Wednesday 30 November 2016 in the Main Conference Room, Service Headquarters, Fulwood, commencing at 1000 hours.

Further meeting dates were noted for 29 March 2017 and 28 June 2017 and agreed for 27 September 2017.

25/16 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: - That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated at the heading to the item.

26/16 HIGH VALUE PROCUREMENT PROJECTS

Members considered a report that provided an update on all contracts for one-off purchases valued in excess of £50,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects with an anticipated value exceeding £100,000.

RESOLVED: That the Committee note the report.

27/16 URGENT BUSINESS (PART 2) - PRESTON FIRE STATION

Members considered a report received from the Director of Corporate Services.

RESOLVED: - that the recommendation outlined in the report be approved.

28/16 URGENT BUSINESS (PART 2) - WHOLE TIME RECRUITMENT

The Director of People and Development advised Members of the current position regarding the recruitment of whole time firefighters. It was agreed that a report would be presented to the next Resources Committee meeting in November.

RESOLVED: - That the current position be noted.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood