

AT A MEETING of the HAMPSHIRE FIRE AND RESCUE AUTHORITY FINANCE AND GENERAL PURPOSES COMMITTEE held at Hampshire Fire and Rescue Service Headquarters, Eastleigh on 29 October, 2011.

PRESENT:

Councillors : I. F. E Beagley (Chairman); A.S. Carew, C. Carter; F. Jonas, J. Moulton; F. Pearce; R. Price; D. Simpson; R. Smith.

66 APOLOGIES

There were no apologies on this occasion.

67 DECLARATIONS OF INTEREST

Members were mindful that, where they believed that they had a personal or personal prejudicial interest in any matter to be considered at the meeting, they should normally, at the time of the debate, declare their interest and having regard to the circumstances described in Paragraphs 9, 10, 11 and 12 of the Fire Authority's Code of Conduct, consider whether to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with paragraph 12 of the Code.

There were no declarations of interest made by Members under this item.

68 MINUTES

The Minutes of the meeting held on 29 July, 2011 were confirmed as a correct record and signed by the Chairman.

69 DEPUTATIONS

There were no deputations to the meeting.

70 BUDGET MONITORING – 2ND QUARTER

The Committee considered the report of the Chief Officer and Treasurer (Item 5 in the Minute Book) on the second quarter analysis of expenditure to date. The report identified a projected underspend of £2.3m (3.3%) and summarised the main variations and total net savings to date.

In the ensuing discussion, Members' particular attention was drawn to the efficiency savings as summarised in the report and planned over the next four years. It was noted that these were monitored by the Financial Challenge Board (FCB) on which Councillor J. Moulton also served as the Member representative. The Committee highlighted the importance of careful monitoring and wished to receive the Minutes of the FCB so as to be kept up to date on financially related matters between Finance and General Purposes Committee meetings. The Chief Officer undertook to arrange this.

In supporting the mid-year review of treasury management activity and details of the investment and borrowing carried out by the Authority, the Committee asked the Treasurer to report back on those opportunities which may be available to vary the long-term borrowing arrangements currently adopted by the Authority.

RESOLVED:

- (a) That the 2nd quarter budget monitoring report and the projected underspend for 2011/12 be noted.
- (b) That the virements over £100,000, as listed in Section 4 of the report, be approved.
- (c) That it be a RECOMMENDATION to the Authority:

That the Treasury Management report, as set out in Appendix B to the report, be approved.

71 **PROVISIONAL BUDGET 2010/13 – 2014/15**

The Committee considered the report of the Chief Officer and Treasurer (Item 6 in the Minute Book) on the various budget issues for the next three years, together with parameters for setting the 2012/13 budget and council tax. As the expected levels of grant in the last two years of the Comprehensive Spending Review period 2013/14 and 2014/15 were still unknown, the report updated Members as to the Authority's key financial policy aims. With these in mind, it also recommended some assumptions to be used in forecasting the cost of continuing current levels of service.

Members discussed the item in detail. They supported the assumptions made in the report and the Government's offer to award a 3% 'council tax freeze grant', payable only for 2012/13. However, the Committee felt unable, in the absence of firm grant figures for 2013/14 and 2014/15 and other uncertainties over fuel/energy inflation, pay inflation and pension costs, to consider what, if any council tax increase they would be willing to recommend in relation to any future years.

As a way forward, the Committee asked the Treasurer and Chief Officer to prepare some sample scenarios with a range of possible council tax increases from 2013/14 to 2015/16 and to circulate this information to the Finance and General Purposes Committee in advance of the draft budget report for 2012/13 going to the next full Authority meeting on 7 December, 2011. Accordingly, it was

RESOLVED:

- (a) That the assessment of funding pressures and planning assumptions set out in the report be endorsed as a basis for preparing the Authority's budget for 2012/13.
- (b) That the Government's offer to award a 3% 'council tax freeze grant', payable for 2012/13 only be accepted and that the draft budget for 2012/13 be developed taking this new grant into account.

72 **PROGRESS REPORT ON POTENTIAL TO INSTALL SOLAR PHOTOVOLTAIC SYSTEMS**

The Committee considered the report of the Chief Officer (Item 7 in the Minute Book) on the potential to install photovoltaic systems on its major buildings. The Chief Officer reported that since the report was published further information had just become available. The likelihood of a sound financial business case for such

installations was not encouraging. Final details to complete the business case were expected to be available by 31 October 2011.

There followed a detailed discussion. The Committee were concerned, and one Member was critical, of the time taken to date to progress this matter. The Committee were mindful that after 31 March, 2012, the existing government's favourable feed-in tariffs system was due to cease. Because of this they were keen to take advantage of the current rates, before then. It was reported that it was only in the past two months that a national framework contract for the supply of solar PV had been established for any local authority or public body in the UK to use. Hampshire County Council, with whom the Authority was collaborating on this, was proceeding with its own business case for Solar PV on its sites and was beginning the procurement process (using the framework). As a result the County Council was now in a good position to provide expert advice (under existing Service Level Agreements) to develop further the business case(s) for solar PV on selected major buildings. It was the intention to present a further report on this item to the Fire Authority on 7 December, 2011.

Due to its urgency, the Chief Officer was asked to prioritise its work with immediate effect, on those of its buildings most likely to support the installation of photovoltaic systems. Also, notwithstanding the assurances provided by officers at the meeting, they asked the Treasurer to contact the relevant advisers from Hampshire County Council to convey the Committee's concerns over the delays in progressing this matter and asking for a response to this so this could be conveyed to the Finance and General Purposes Committee, prior to the next Fire Authority meeting.

RESOLVED:

- (a) That work on assessing the costs/benefits of installing photovoltaic systems on some of the Authority's buildings be progressed urgently in collaboration with property and financial advisers from Hampshire County Council with priority being given to those major buildings most likely to support the installation of photovoltaic systems.
- (b) That a further report be presented to the Authority at its meeting on 7 December, 2011 seeking a way forward to enable the necessary urgent approval to be given to any priority scheme(s) on major buildings which satisfy a rigorous business case, prior to the government's current favourable feed-in tariffs expiring on 31 March, 2012.

73 'FIREWATCH' MANAGEMENT INFORMATION SYSTEM PROGRESS REPORT

The Committee considered the report of the Chief Officer (Item 8 in the Minute Book) on progress and expenditure to date with regards to the 'Firewatch' Management Information System.

RESOLVED:

- (a) That the decision to extend the implementation date for Phase 1 of the 'Firewatch' Management Information System be endorsed.
- (b) That it be noted that expenditure to date on the Firewatch System is within the budget limit previously approved by the Authority.

74 EXCLUSION OF THE PRESS AND PUBLIC**RESOLVED:**

That, the press and public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present during these items, there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for the reasons set out in the reports.

75 VEHICLE REPLACEMENT PROGRAMME – PROPOSALS FOR 2012/13 TO 2016/17

The Committee considered and approved the exempt report of the Chief Officer (Item 10 in the Minute Book) about the Vehicle Replacement Programme and proposals for the next four years 2012/13 to 2016/17.

[SUMMARY OF EXEMPT MINUTE]

76 AUTHORITY'S INSURANCE ARRANGEMENTS

The Committee considered and approved the exempt report of the Chief Officer giving an update on the Authority's insurance arrangements.

RESOLVED:

That the benefits of continuing to participate in an assurance consortium with eight fire and rescue authorities be endorsed.

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