

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 January 2013.

PRESENT:

Councillors : I. F. E Beagley (Chairman); S. Barnes-Andrews; C. Carter; M. Cooper; F. Pearce; R. Price; R. Smith and L. Stubbs.

120 APOLOGIES

Apologies for absence were received from Cllr Fairhurst (due to other HCC business) and Cllr Simpson (due to an annual Community Safety Partnership event).

121 DISCLOSURE OF INTEREST

Members were mindful of their duty to disclose at the meeting any disclosable pecuniary interest they had in any matter on the agenda for the meeting, where that interest was not already entered in the Authority's register of interests, and their ability to disclose any other pecuniary or non-pecuniary interests in any such matter that they might have wished to disclose.

No interests were declared under this item.

122 MINUTES

The Minutes of the meeting held on 23 October 2012 were confirmed as a correct record and signed by the Chairman.

123 DEPUTATIONS

There were no deputations at the meeting.

124 BUDGET MONITORING: 3RD QUARTER 2012/13

The Committee considered a report of the Treasurer and the Chief Officer (Item 5 in the Minute Book) regarding the budget monitoring position for the 3rd quarter of 2012/13.

The officer highlighted the underspends detailed in Section 3 of the report and also confirmed that some overspend listed in 3.10 was due to investing in new equipment as a result of the Shirley Towers incident. This included cameras and a number of other smaller items, rather than large equipment.

Members discussed re-establishing the Asset Management Working Group and it was agreed that the best approach would be to reconvene the meetings alongside Finance & General Purposes meetings, when the appropriate Members were already available.

RESOLVED:

The Committee:

- a) Noted the latest financial position for 2012/13
- b) Agreed the reconvening of the Asset Management Working Group as set out in Paragraph 6.3 of the report, which would be scheduled to take place before F&GP meetings and involve the Chairman of the Authority, Chairman of F&GP Committee and a Member from each party. The meetings, however, would be open to all of F&GP Committee if they wished to attend.

The Committee agreed the following RECOMMENDATION to the Authority:

- c) That the Authority approves the changes to the capital programme set out in this report.

125. UPDATED DRAFT BUDGET: 2013/14

The Committee considered a report of the Treasurer and Chief Officer (Item 6 in the Minute Book) regarding the draft budget position for 2013/14.

Members were taken through the report and it was confirmed that HFRS would have a greater reliance on council tax going forward, as a result of the grant reduction from central government. The Committee were shown various scenarios and subsequent impacts in relation to the budget currently. It was clear that the Authority would need to generate an additional source of income going forward to help meet shortfalls increasing at approximately 5% per annum (3% due to government grant reductions and 2% from inflation).

Members voted on the two options proposed in the recommendations, and it was unanimous that the council tax freeze grant should be accepted, rather than increasing council tax by 1.9%. It was felt that the Authority was in a stronger position than others due to making plans and saving money early on, and it was important that the grant reduction would not have an impact on tax payers in the coming financial year.

RESOLVED:

The Committee agreed the following RECOMMENDATION to the Authority:

- a) That having taken into account the budget consultation feedback, the Authority accept the council tax freeze grant for 2013/14

126. FIREWATCH PROJECT (MANDATE REVIEW / CLOSURE)

The Committee considered a report of the Chief Officer (Item 7 in the Minute Book), which provided a review of the FireWatch programme.

Members were taken through the report and agreed the actions proposed.

RESOLVED:

The Committee:

- a) Agreed that the initial phase of the FireWatch programme, which is due to be completed by April 2013, should be closed and reported to the Authority on completion in April 2013;

- b) Recognised that uncertainty of other projects (shared services and joint working) and
 - i. Supported the revised mandate; and
 - ii. Agreed to suspend any development of other modules until sufficient details is available.
- c) Supported the principle of future work and development to meet the developing needs of the Service being delivered on a “business as usual” basis.

127. JOINT WORKING IN HAMPSHIRE – PROGRAMME UPDATE

The Committee considered a report of the Chief Officer (Item 8 in the Minute Book), which provided the Committee with an update on the Joint Working programme.

Members were informed that the location for the Integrated Business Centre (IBC) had been identified as Elizabeth Court East at Winchester and that processes were in place to develop this. Workshops were underway around working as a joint entity and how the IBC would operate. Overall, good progress was being made with the programme.

RESOLVED:

- a) The Committee noted the progress to date of the Joint Working in Hampshire project.

128. ESTABLISHING A TRADING COMPANY

The Committee considered a report of the Chief Officer (Item 9 in the Minute Book) regarding proposals to set up a limited company, linked to HFRS.

Members were taken through the report, which included details regarding the costs of setting up a business, potential risks and also the opportunities to generate income. As part of the financial implications, it was highlighted that a loan would be necessary in order to get the company up and running, which would be payable back to the Authority at a commercial rate.

The company would be made up of two non-executive Directors and five-six people from the Authority and the Service, meaning the Authority would remain in overall control.

It was agreed that the primary objective of the company, detailed in Paragraph 6.2 of the report should be amended to the following to enable a wider remit:

“The primary objective of the company would be to carry out any lawful activity or function that is within the powers of a Fire and Rescue Authority for a commercial purpose”.

Members agreed that UK Fire expertise was very highly valued abroad and that in having a trading arm to the Fire Service, there was lots of potential for business in the future.

RESOLVED:

The Committee agreed the following RECOMMENDATIONS to the Authority:

- a) That the business case for the establishment of a wholly owned trading company limited by shares is approved;
- b) A limited company is established on the terms set out in the report but with the revised objective “...to carry out any lawful activity or function that is within the powers of a Fire and Rescue Authority for a commercial purpose”.
- c) A loan to the company of up to £250,000 over three years; to provide cash flow to meet set up and initial trading costs, subject to the repayment terms set out on the report, be agreed; and
- d) Authority is delegated to the Chief Officer, in consultation with the Chairman of the Authority and the Chairman of the Finance and General Purposes Committee, to take all such incidental and consequential steps as are reasonably necessary to implement the above decisions.

129. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

The public were excluded from the meeting during the following item of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would have been disclosure to them of exempt information within Paragraph 3 of Part I 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 report.

130. EXEMPT MINUTE FROM 23 OCTOBER 2012

The Committee received the exempt Minute from the 23 October 2012 (Item 11 in the Minute Book), which was agreed and signed by the Chairman.

131. OPPORTUNITY TO TENDER FOR MINISTRY OF DEFENCE CONTRACT - UPDATE

The Committee considered an exempt report from the Chief Officer (Item 12 in the Minute Book) regarding a tender for a Ministry of Defence contract. [SUMMARY OF EXEMPT MINUTE]