

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 July, 2011

PRESENT:

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

55 APOLOGIES

Apologies for absence were received from Councillor J. Moulton.

56 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.

57 MINUTES

The Minutes of the meeting held on 14th January, 2011 were confirmed as a correct record and signed by the Chairman.

Matter arising:

Disposal of Copnor Fire Station

On Minute 50, the Chief Officer reported the present position.

58 DEPUTATIONS

There were no deputations to the meeting.

59 FINAL ACCOUNTS 2010/11

The Committee considered the report of the Treasurer and Chief Officer (Item 5 in the Minute book) on the final accounts for 2010/11.

In recognising the difficult financial position, the Authority's strategy had been to seek to deliver a significant underspend in 2010/11. This had been achieved with expenditure £3.2m below the revised budget. Of this £400,000 related to new accounting arrangements for the treatment of grant income. It meant that £2.8m was available for the Authority to add to its reserves.

The Treasurer explained that the additional underspending had been achieved across most expenditure heads including retained firefighters pay, IT and communications, operational equipment, bank interest and contingency. Members commended the position which puts the Authority in a better financial position for the

current year 2011/12 and was expected to ease the problem of dealing with government grant reductions in subsequent years.

Members noted a number of items of expenditure to be carried over and spread into 2011/12. They included a "Gender Conference deferred from 2010/11 £20k" and "an enhanced specification" for two schools' education vehicles ... also £20k". The Committee asked to receive a breakdown of costs of the two items involved and the Chief Officer undertook to arrange for this to be done.

RESOLVED:

- (a) That the carry forward of specific underspending set out in paragraph 7.4 of the report be approved.
- (b) That the final accounts for 2010/11 be approved including the use of reserves set out in paragraph 7.8 of the report.
- (c) That capital payments for the year be financed as set out in paragraph 4.6 of the report.
- (d) That the minor variation to the capital programme detailed in paragraph 4.2 of the report be approved.
- (e) That it be recommended to the Authority that the annual treasury outturn report set out in appendix 3 of the report be approved.

60 BUDGET MONITORING : 1ST QUARTER 2011/12

The Committee considered the report of the Treasurer and Chief Officer (Item 6 in the Minute Book) on the first quarter's analysis of actual expenditure and that currently committed. The report identified a projected underspend of £1.7m (2.4%), and summarised the main variations and total net savings to date.

In the ensuing discussion, Members' attention was drawn to the increasing cost of diesel fuel. Whilst the budget for transport expenditure was being increased by £71,000 to take account of this, the Chief Officer was asked to closely monitor the position. It was also felt that the government should be lobbied for a change in regulations so as to enable use of "red" (agricultural discounted) diesel in fire appliances.

RESOLVED:

- (a) That the latest financial position for 2011/12 be noted.
- (b) That the virements over £100,000 listed in Section 4 of the report be noted.

61 MEDIUM-TERM FINANCIAL STRATEGY : UPDATE

The Committee considered the report of the Treasurer (Item 7 in the Minute Book) giving an update on the medium-term financial strategy and continuing uncertainty about the future of central government funding. Although the Authority had received a higher than expected grant settlement for 2011/12 and 2012/13, the scale of reduction in grant it was likely to receive for 2013/14 and 2014/15 was still unknown.

For planning purposes, a grant reduction of 12.5% in each of these two years had been assumed and was supported by the Committee. They noted that a number of projects were underway to reduce expenditure in line with this assumption. The Authority had previously agreed to increase its levels of reserves to mitigate the potential detrimental impact of any higher than anticipated reductions in grant from 2013/14.

During a full discussion, the Committee supported the medium-term financial strategy and the assumptions contained within the report, but emphasised the importance of reviewing and reporting on those assumptions over the coming months.

RESOLVED:

That the Committee endorses the issues and assumptions made in the review of the Authority's medium-term financial strategy, setting out the framework for the preparation of the draft budget in December, 2011.

62 **REDUCING ENERGY COSTS AND OUR IMPACT ON THE ENVIRONMENT – PROGRESS REPORT**

The Committee considered the report of the Chief Officer (Item 8 in the Minute Book) on progress to reduce energy costs and the Service's impact on the environment. Members were pleased with the good progress being made in developing a number of positive actions in relation to this item over the next six months. With regard to development of a business case for Solar Photovoltaic installations on major buildings, Members felt it was now timely to progress this initiative. This was due to the current favourable Government backed feed-in tariffs until 31 March 2012. The Chief Officer undertook to prepare a report on the business case in relation to this for the next meeting.

RESOLVED:

- (a) That approval be given for improvements to be made to the heating and hot water systems at Headquarters as set out in paragraphs 7.3 and 7.4 of the report and that these "invest to save" works be funded from the Authority's Improvement and Sustainability reserve.
- (b) That work on the development of a business case for Solar Photovoltaic installations on major buildings be progressed so as to provide the Committee at its next meeting in October with the required financial information on which Members can base any future investment decisions.
- (c) That to demonstrate determination to reduce the Service's carbon footprint, an appropriate "statement of commitment" to the Public Sector Carbon Management Programme be produced and jointly signed by the Chairman of the Authority and the Chief Officer at the Authority's next meeting (September, 2011).

63 **BUSINESS CONTINUITY MANAGEMENT UPDATE**

The Committee considered the report of the Chief Officer (Item 9 in the Minute Book) giving an update on the Service's Business Continuity Management arrangements and recent related activities.

It was reported that additionally across the South-East region that the Service was actively seeking to develop resilience arrangements collectively and were continuing joint activity to refine systems and procedures and to learn from both planned exercises and actual business interruptions. As an example of the commitment across the region, a practitioner's group had been created to share good practice and carry out peer reviews which was being used to identify areas of activity where improvements can be made. Also, a seminar was planned involving FRA's from the region and other neighbouring areas with the aim of producing a model agreement for reinforcement schemes that all authorities can use.

During discussion Members asked to be briefed about the Service's plans for dealing with any large scale disruptions to business (including industrial action). The Chief Officer agreed to arrange for the matter to be included as an item at the next Members' Awareness Session in September.

RESOLVED:

That the Committee support the contents of the report, and acknowledge the suitability and sufficiency of HFRS' Business Continuity Management Planning arrangements.

64 **"FIREWATCH" MANAGEMENT INFORMATION SYSTEM – PROGRESS REPORT**

The Committee considered the report of the Chief Officer (Item 10 in the Minute Book) on progress following the Authority's approval to proceed with the acquisition of the "FireWatch" Management Information System. Members were advised of the good progress being made in line with the Programme Plan and completion of the first phase of roll out of the Service.

RESOLVED:

- (a) That the Committee acknowledge that the FireWatch Programme is on schedule and that the risk management and programme management is delivering the programme as intended.
- (b) That the Committee note the costs to date and confirm that the FireWatch Programme is within the agreed budget.

65 **CODE OF PRACTICE RELATING TO CONTRACTS**

The Committee received and noted the report of the Chief Officer (Item 11 in the Minute Book) giving details of proposed contracts for goods and services where each contract value is likely to exceed £50,000. The Chief Officer clarified for Members that the Integrated Management Information System (para 4.2 of the report refers) was indeed part of the FireWatch Programme.