



HEREFORD & WORCESTER Fire and Rescue Authority

Budget Committee

AGENDA

11.30 am, Wednesday 28 January 2009

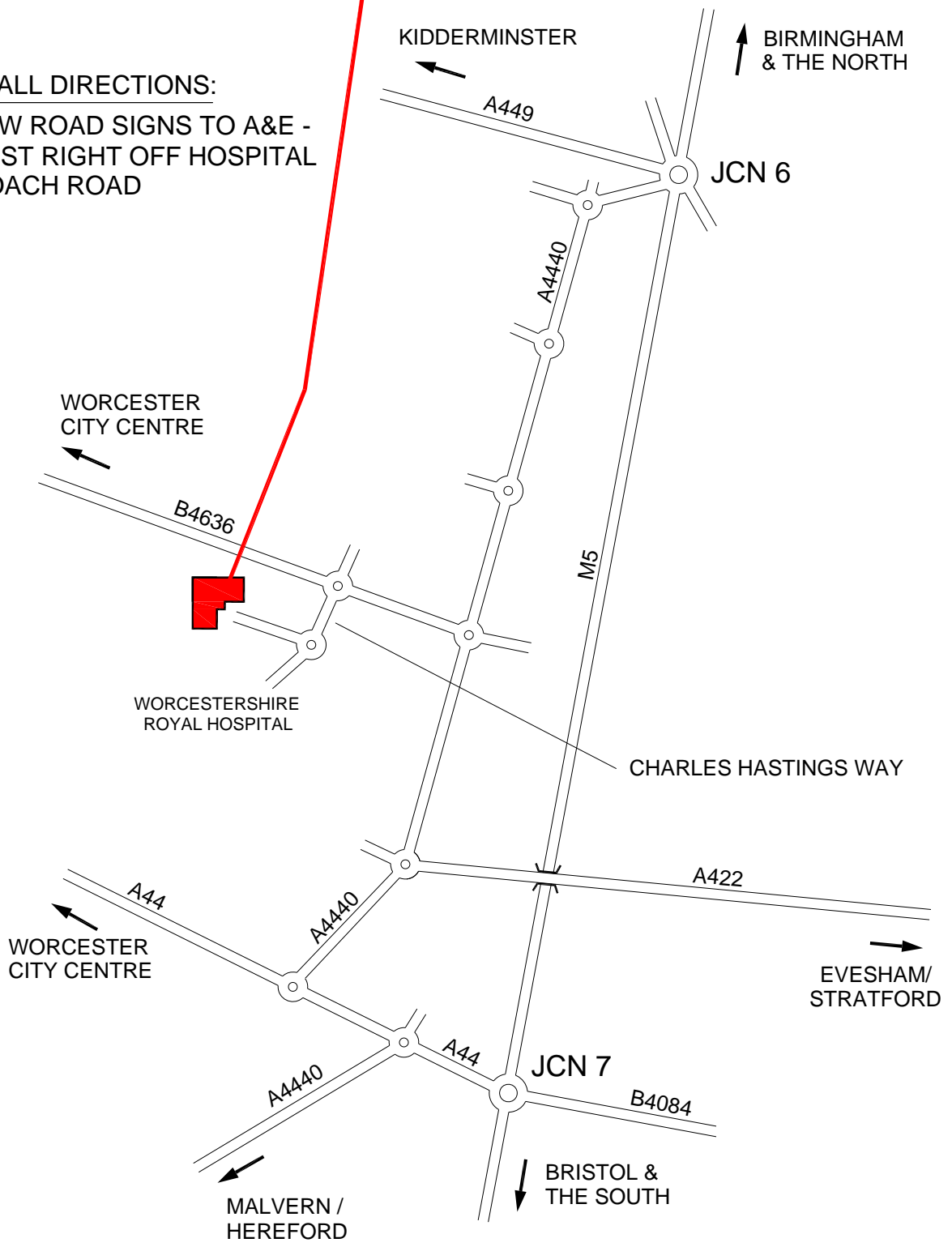
Conference Suites 2 & 3,
Headquarters,
2 Kings Court,
Charles Hastings Way,
Worcester
WR5 1JR



Awarded for excellence

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE
 HEADQUARTERS
 2 KINGS COURT
 CHARLES HASTINGS WAY
 WORCESTER. WR5 1JR
 TEL: 0845 12 24454

FROM ALL DIRECTIONS:
 FOLLOW ROAD SIGNS TO A&E -
 HQ FIRST RIGHT OFF HOSPITAL
 APPROACH ROAD



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ACTION ON DISCOVERING A FIRE

- 1 Break the glass at the nearest **FIRE ALARM POINT**.
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –

CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 4 Never re-enter the building – **GET OUT STAY OUT**.

ACTION ON HEARING THE ALARM

- 1 Proceed immediately to the Assembly Point

CAR PARK OF THE OPTIMUM BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

GUIDANCE NOTES FOR VISITORS

Security

Upon arrival, visitors are requested to proceed to the barrier and speak to the reception staff via the intercom. There are parking spaces allocated for visitors around the front of the building, clearly marked. Upon entering the building, you will then be welcomed and given any further instructions. In particular it is important that you sign in upon arrival and sign out upon departure. Please speak to a member of the reception staff on arrival who will direct you to the appropriate meeting room.

Wheelchair access

The meeting room is accessible for visitors in wheelchairs.

Alternative formats

For information regarding requests for papers in alternative formats, please contact Corporate Support on 01905 368366 /331 or by email at committeeservices@hwfire.org.uk

Smoking is not permitted.

First Aid -please ask at reception to contact a trained First Aider.

Toilets – please ask at reception.

ACCESS TO INFORMATION – YOUR RIGHTS

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Your main rights are set out below:

- Automatic right to attend all Authority and Committee meetings unless the business if transacted would disclose “confidential information” or “exempt information”.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Authority and Committees (or summaries of business undertaken in private) for up to six years following the meeting.
- Automatic right to inspect background papers used in the preparation of public reports.
- Access, on request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral divisions of members of the Authority with details of membership of Committees.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending the meetings of the Authority and Committees.

If you have any queries regarding this agenda or any of the decisions taken or wish to exercise any of these rights of access to information please contact Corporate Support on 01905 368366 / 331 or by email at committeeservices@hwfire.org.uk.

WELCOME AND GUIDE TO TODAY’S MEETING

These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

Agenda Papers

Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

Chairman

The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

Officers

Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

The Business

The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

Decisions

At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.

Agenda

Councillors:

Herefordshire:

Brigadier P Jones, Mr J Goodwin, Mr D C Taylor

Worcestershire:

Mr T Bean (Vice Chairman), Mr A I Hardman (Chairman), Mr J Holden, Mr P Mould,
Mr D Prodger, Mr R Udall, Mr C Smith, Mr G Yarranton

| | Pages |
|---|-------------|
| 1. Apologies for Absence To receive any apologies for absence. | |
| 2. Named Substitutes To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee. | |
| 3. Declaration of Interests (if any) The Members' Code of Conduct requires Councillors to declare any interests against an Agenda item, the nature of an interest and whether the interest is personal or prejudicial. If a Councillor has a personal interest, they must declare it but can stay, take part and vote in the meeting. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room for the duration of the item. This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda. | |
| 4. Confirmation of Minutes To confirm the minutes of the meeting held on 26 November 2008 (copy attached). | 6-7 |
| 5. Budget Preparation 2009/2010. To give an update on the 2008/09 budget position and to review the current position in relation to Revenue and Capital Budgets for 2009/10 and beyond and the implications for the precept. (Paper to follow) | |
| 6. Review of Service Level Agreements To inform Members of the revised Financial Services SLA with Worcestershire County Council. | 8-12 |

Hereford and Worcester Fire & Rescue Authority

Budget Committee Meeting,

26 November 2008

**Headquarters:
2 Kings Court, Charles Hastings Way,
Worcester, WR5 1JR**



Chairman: Cllr. A.I. Hardman

Other Councillors Present: **Herefordshire:** Mr J H R Goodwin, Brigadier P Jones, Mr D C Taylor.

Worcestershire: Mr T Bean, Mr P A Mould, Mr D Prodger, Mr. C. Smith, Mr R M Udall,

33. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs. J Holden and G Yaranton

34. NAMED SUBSTITUTES

None.

35. DECLARATION OF INTERESTS

Mr P A Mould advised the Committee that if the Firefighters' Pension Scheme was discussed in such detail that it affected his personal position, he would declare a personal and prejudicial interest. (That proving not to be the case, there was no need for Mr Mould to leave the room during the meeting.)

36. CONFIRMATION OF MINUTES

Resolved that the Minutes of the meeting held on 9 October 2008, be confirmed as a correct record and signed by the Chairman.

37. REVENUE AND CAPITAL BUDGET MONITORING REPORT 2008/09

The Director of Finance reported to the Committee on the Revenue and Capital accounts to date, for 2008/09.

At period 06, halfway through the financial year, the forecast outturn on the Revenue Account is for a marginal overspend of £0.039, arising largely from pay awards which are higher than forecast. The Authority's revenue account is close to balanced.

In response to the request at the previous Committee Meeting, the Capital Budget Report now differentiates between the Capital Strategy, (Appendix 2) and the Expenditure Progress Report, which shows expenditure progress against the allocated budgets on a scheme by scheme basis (Appendix 3).

The Chairman, on behalf of the Committee, thanked the Director of Finance for the improved presentation of the Budget Monitoring Report.

Resolved that:

- **The Committee confirms the revised presentation of the Capital Strategy and Budget, and**
- **The Committee notes the current position of Revenue and Capital Budgets.**

38. Treasury Activities 2008/09 Half Yearly Report

The Director of Finance presented to the Committee the Half Yearly Report 2008/09 on Treasury Activities. This Report has become more important, and has been expanded, following recent developments in the financial markets. The Authority's investment strategy is now to ensure maximum security of the Authority's funds, but at reduced investment returns. The Committee approved of this investment strategy.

The Director informed the Committee that investment returns for the first half year, at 5.4% were ahead of the 5% target set by the Authority, but a deficit of £0.06m to £0.07m is forecast for the second half of the year. It is anticipated that this shortfall will be met by lower than forecast spending on capital projects.

Resolved that: The Treasury Activities 2008/09 Half Yearly Report is noted.

39. Accounting Policies

The Director of Finance pointed out that the present Authority accounting policy in respect of vehicles is that all vehicle purchases below £0.020m are treated as revenue. This policy may need revision, in the light of changes in the global financial markets, which could reduce the viability of leasing options. In these circumstances, it would be sensible to finance through borrowing rather than leasing; however, the existing accounting policy prevents this for the purchase of vehicles below £0.020m.

It is proposed therefore to reduce the de-minimis limit for vehicle capital expenditure to £0.005m, which is below the value of all individual purchases. This change enables the Authority to consider a wider range of financing options, yet still permits leasing, should this prove to be more suitable.

Resolved that: The Committee notes the change to current accounting policies in respect of vehicle financing.

40. Fleet Strategy Revision- Special Appliances

The Director of Finance told the Committee that following an analysis of operational requirements, a re-alignment of the fleet strategy, within the limits of the approved 2008/09 capital budget, is now sought. This revision of the strategy will result in improved operational resources at no extra cost to the authority.

Resolved that: The Committee notes an amendment to the approved Fleet Strategy to allow for the provision of necessary special emergency response vehicles, within the limits of the approved 2008/09 Capital Budget

The meeting ended at 10.46 am

Chairman.....

6. Review of Service Level Agreements

Purpose of Report

1. To inform Members of the revised SLA for Financial Services.

Background

2. Since creation as a separate body the FRA has shared certain services with the County Council where the arrangements prove to be cost effective.
3. As time has passed, the extent of these services are altered and from time to time it is necessary to formally amend the Service Level Agreements (SLA) under which they are provided.

Financial Services SLA

4. Certain aspects of this SLA were queried by the External Auditors in 2007/08. That both parties agreed and understood the services being provided, was not questioned but it was noted that the SLA had not been updated.
5. The SLA covers technical and specialist services for which it is not practical for the FRA to employ staff.
6. The major part of the SLA relates to Treasury Management, and takes account of statutory duty, guidance and best practice. It is in line with the information given to Members in the 6-month Treasury Management report presented at Budget Committee on 26th November 2008.]
7. To clarify, surplus FRA funds are loaned to Worcestershire County Council (WCC) but in return for receiving interest at the WCC external investment rate risk is apportioned to the investment in relation to net risk on the WCC investment.
8. In practice this means that if Hereford & Worcester fire & Rescue Authority Funds represent 3% of the total investment and a £5m WCC loan was at risk, 3% of the risk (£150,000) potentially falls on the FRA.
9. To re-assure FRA Members, the arrangement does not allow funds to be at greater risk than those of the WCC, and the WCC always exercises proper professional care in the management of its own funds.

Delegation

Financial Regulation 2.5 delegates authority for Treasury Management arrangements to the Treasurer.

Recommendation

The Treasurer recommends that the revised SLA is noted.

SERVICE LEVEL AGREEMENT

between

Hereford and Worcester Fire and Rescue Authority

and

Worcestershire County Council

for

Financial Services

A) The Agreement

This agreement is made between Hereford and Worcester Fire and Rescue Authority (HWFRA) (the customer) and Worcestershire County Council (WCC) (the supplier).

AS WITNESS

The Customer

.....
Signature of authorised representative of the customer

.....
Date

The Supplier

.....
Signature of authorised representative of the supplier

.....
Date

B) Details of the Agreement

1) Definitions and interpretation

The financial services provided under this agreement are set out in Schedule 1.

2) Period of the Agreement

The service agreement will be from 1 April 2008 to 31 March 2011.

Any negotiations required for a further period will commence before December 2010.

3) Obligations of the parties

The Fire Authority engages the County Council to carry out the services as indicated in Schedule 1 for the period of the agreement as shown in paragraph 2 above and in return will receive fees as detailed in paragraph 8 below.

With regard to the investment of surplus cash undertaken by the County Council on behalf of the Fire Authority, in the event of any default on such an investment then the Fire Authority will bear any loss in proportion to their share of the investment on the day the investment was placed. The Fire Authority share of any investment will be calculated with reference to the cleared balance on the Fire Authority bank account compared to the total of all investments held by the County Council.

4) Variations

Either party may introduce variations or modifications to the agreement provided notice in writing of at least three months or other such agreed period is given. Any variations should take effect immediately following the notice period.

5) Termination

This agreement can be terminated by either party following notice of three months in writing to the other party.

Notice for termination of Insurance arrangements to be such that termination will be at the point of Insurance renewal.

6) Confidentiality

Neither party will make use of or disclose to any other person this Agreement or any information contained in it or in any material connected with it without the written consent of the other party.

7) Management of the Agreement

The Supplier and Customer will each nominate an appropriate officer who is authorised to represent their party who should be available for consultations at all reasonable times.

The responsible officers should review the agreement during each year to make necessary amendments they feel necessary and to review performances.

8) Settlement of Accounts

The charges are set out in the attached Schedule 1.

The customer will pay the supplier, on receipt of an annual invoice submitted in September, within 30 days.

9) Price Adjustments

The charges will be adjusted annually on the basis of percentage changes to NJC national pay rates, effective from 1 April for each financial year.

10) Disputes and Resolution

Any dispute arising out of this Agreement, which cannot be resolved by the responsible officers of the two parties, will be referred to the Chief Fire Officer in the case of the customer and the Director of Financial Services in the case of the supplier.

11) Monitoring and Review

The supplier will develop procedures to monitor the level of service provided and measures or indicators that can be used to confirm their performance.

Schedule 1

Schedule to the Service Level Agreement between Hereford and Worcester Fire and Rescue Authority and Worcestershire County Council for the provision of Financial Services

Service Areas

1) Technical Services

- To manage cash funds of the Authority when in credit or debit
- To arrange lending or borrowing facilities on the Authority's behalf as required
- To enable the use of Petty Cash Accounts
- To produce quarterly cash balances and interest calculation reports and monthly reports when requested
- To provide advice and analysis on the Local Government finance settlement as required
- To provide a summary of total investments in the same format and frequency as provided to WCC Director of Financial Services.

2) Accountancy Services (Insurance and VAT only)

- Arrange Insurance Policies that cover the Fire Authority as required
- To process insurance claims on behalf of the Fire Authority
- To give advice or assistance to Officer's of the Fire Authority in relation to insurance matters
- Oversee completion of VAT return and advise on VAT issues as required

Statement of Charges

The amounts to be charged in 2008/09 for the above services are as follows:

| | |
|----------------------|-----------------|
| Technical Services | £2,500.48 + VAT |
| Accountancy Services | £3,057.32 + VAT |

GLOSSARY OF TERMS

| | |
|-----------------|---|
| ACAS | Advisory Conciliation and Arbitration Service |
| ACFO | Assistant Chief Fire Officer |
| AFA | Automatic Fire Alarm |
| AFD | Automatic Fire Detection |
| ALP | Aerial Ladder Platform |
| AM | Area Manager |
| AMP | Asset Management Plan |
| ARCC | Aeronautical Rescue Co-ordination Centre |
| BA | Breathing Apparatus |
| BCM | Business Continuity Management |
| BCP | Business Continuity Plan |
| BME | Black and Minority Ethnic |
| BVPI | Best Value Performance Indicator |
| BVPP | Best Value Performance Plan |
| CAA | Combined Area Assessment |
| CAFS | Compressed Air Foam Systems |
| CARP | Combined Aerial Rescue Pump |
| CBRN | Chemical Biological Radiological Nuclear |
| CCA | Civil Contingencies Act |
| CDRP | Crime and Disorder Reduction Partnership |
| CERMIG | County Emergency Response to Major Incidents Group |
| CFA | Combined Fire Authority |
| CFO | Chief Fire Officer |
| CFOA | Chief Fire Officers Association |
| CFRMIS | Community Fire Risk Management System |
| CFS | Community Fire Safety |
| CIMAH | Control of Industrial Major Accident Hazards |
| CIPFA | The Chartered Institute of Public Finance and Accountancy |
| CLG | Department for Communities and Local Government |
| CM | Crew Manager |
| COSHH | Control of Substances Hazardous to Health |
| CPA | Comprehensive Performance Assessment |
| CPS | Chemical Protection Suits |
| CRE | Commission for Racial Equality |
| CRR | Community Risk Register |
| DC | District Commander |
| DCFO | Deputy Chief Fire Officer |
| DDA | Disability Discrimination Act |
| DIM | Detection, Identification and Monitoring |
| DOF | Director of Finance |
| DoH | Department of Health |
| DoT | Direction of Travel |
| DPA | Data Protection Act |
| EA | Environment Agency |
| ECS | Enhanced Command Support |
| EIR | Environmental Information Regulations |
| EPU | Environmental Protection Unit |
| ESLG | Equality Standard for Local Government |
| FAWAG | Fairness at Work Advisory Group |
| FBU | Fire Brigades Union |
| FDR | Fire Damage Report |
| FDS | Flexible Duty System |
| FireLink | The National Project for the introduction of a National Fire Service Radio System |
| FOIA | Freedom of Information Act |
| FRA | Fire and Rescue Authority |

| | |
|---------------|--|
| FRS | Fire and Rescue Service |
| FRSNCC | Fire and Rescue Service National Co-ordination Centre |
| FSC | Fire Service College |
| FSCA | Fire Service Consultation Association |
| FSEC | Fire Services Emergency Cover |
| FSNBF | Fire Service National Benevolent Fund |
| FSPA | Fire Service Procurement Association |
| GM | Group Manager |
| HAZMAT | Hazardous Materials |
| HERMIT | Herefordshire Emergency Response to Major Incidents Team |
| HFSC | Home Fire Safety Check |
| HMFSI | Her Majesty's Fire Service Inspectorate |
| HMI | Her Majesty's Inspector or Inspectorate |
| HPA | Health Protection Agency |
| HR | Human Resources |
| HSE | Health & Safety Executive |
| HWFRS | Hereford & Worcester Fire and Rescue Service |
| ICS | Incident Command System |
| ICT | Information and Communications Technology |
| IEG | Implementing Electronic Government |
| IIP | Investors in People |
| IOSH | Institute of Occupation Safety and Health |
| IPDS | Integrated Personal Development System |
| IRMP | Integrated Risk Management Plan |
| IRS | Incident Recording System |
| IRU | Incident Response Unit |
| ISU | Incident Support Unit |
| JERA | Joint Emergency Response Arrangements |
| JFS | Juvenile Fire-setters Scheme |
| KPI | Key Performance Indicator |
| KLOE | Key Lines of Enquiry |
| LAA | Local Area Agreements |
| LASER | Learning about Safety by Experiencing Risk |
| LEA | Local Education Authority |
| LFF | Leading Fire Fighter |
| LGA | Local Government Association |
| LGV | Light Goods Vehicle |
| LIBID | London Interbank Bid Rate |
| LPG | Liquid Petroleum Gas |
| LPSA | Local Public Service Agreement |
| LRF | Local Resilience Forum |
| LRI | Learning Resource International |
| LSGCM | Long Service and Good Conduct Medal |
| LSP | Local Strategic Partnership |
| LTCM | Long Term Capability Management |
| LTF | Local Training Facilities |
| MARP | Midlands Area Radio Project |
| MIS | Management Information Systems |
| MISAR | Mercia Inshore Search and Rescue |
| MMFE | Management of Major Flood Emergencies |
| MoU | Memorandum of Understanding |
| MTFP | Medium Term Financial Plan |
| NCFSC | National Community Fire Safety Campaign |
| NEBOSH | National Examination Board in Occupational Safety and Health |
| NEET | Not in Education, Employment or Training |
| NFST | National Flood Support Team |
| NJC | National Joint Council for Local Authorities' Fire Brigades |
| NOS | National Occupational Standard |
| NVQ | National Vocational Qualification |

| | |
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| OASD | Operational Assessment of Service Delivery |
| ODPM | Office of the Deputy Prime Minister |
| OJEU | Official Journal of the European Union |
| ORS | Opinion Research Services |
| PDR | Personal Development Review |
| PFI | Private Finance Initiative |
| PI | Performance Indicator |
| PMM | Principal Management Members |
| PO | Principal Officer |
| PPE | Personal Protective Equipment |
| PSA | Public Service Agreement |
| PSHE | Personal, Social, Health Education |
| PSRP | Public Services Radio Project |
| PWC | PriceWaterhouseCooper |
| PWLB | Public Works Loans Board |
| QSA | Quality Systems Audit |
| R2R | Rank to Role |
| RBIP | Risk Based Inspection Programme |
| RCC | Regional Control Centre |
| RCCC | Regional Civil Contingencies Committee |
| RDS | Retained Duty System |
| RHSCG | Regional Health and Safety Collaboration Group |
| RIDDOR | Reporting of Injuries, Diseases and Dangerous Occurrences Regulations |
| RMB | Regional Management Board |
| RoSPA | Royal Society for the Prevention of Accidents |
| RPE | Respiratory Protective Equipment |
| RRF | Regional Resilience Forum |
| RRT | Regional Resilience Team |
| RSIG | Road Safety Implementation Group |
| RTA | Road Traffic Accident |
| RTC | Road Traffic Collision |
| SAP | Systems Application and Products |
| SARA | Severn Area Rescue Association |
| SBE | Standards Board for England |
| SCC | Strategic Command Centre |
| SCE | Supported Capital Expenditure |
| SCG | Strategic Command Group |
| SDA | Service Delivery Agreement |
| SFSO | Senior Fire Safety Officer |
| SHA | Strategic Holding Area |
| SHEBA | Safety in the Home and Electric Under Blanket Assessment |
| SLA | Service Level Agreement |
| SM | Station Manager |
| SOLACE | Society of Local Authority Chief Executives |
| SoRP | Statement of Recommended Practice |
| SPI | Service Policy Instruction |
| SRT | Swift Water Rescue Team |
| SSI | Special Service Incidents |
| T&DC | Training and Development Centre |
| UoR | Use of Resources |
| USAR | Urban Search and Rescue |
| UWFS | Unwanted Fire Signal |
| VMDS | Vehicle Mounted Data System |
| WAN | Wide Area Network |
| WM | Watch Manager |
| WMRMB | West Midlands Regional Management Board |
| YFA | Young Firefighters' Association |