

Safest People, Safest Places

County Durham and Darlington  
Fire and Rescue Authority



## COMBINED FIRE AUTHORITY

22 NOVEMBER 2017

### NOTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 26 OCTOBER 2017

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#### REPORT OF THE CHAIR OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

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- Members Present:** Cllr A Batey (Chair)  
Cllrs G Richardson, K Hawley and  
S Richmond
- Officers Present:** T Hope and K Metcalfe
- Apologies:** Apologies were received from AM S Natrass, Cllrs C Potts and J Shuttleworth

#### Sickness Absence Performance – Quarter 2

- Members were given a brief update on sickness absence for the year to 30 September 2017. Overall sickness across all categories has greatly improved this reporting year with a 41% reduction in shifts lost in comparison with this time last year. Improvements have been seen in all categories though Control remains above target. Although RDS absence levels remain high, there has been a 30% reduction in shifts lost on the same period last year, predominantly due to long term sickness but this is being managed by HR.

The committee noted the report.

#### Revenue and Capital Outturn to 30 September 2017

- Members were provided with an update on the Services forecast revenue and capital outturn which, based on expenditure and income to 30 September 2017, indicated a revenue underspend of £0.143m (0.51%).

There are a number of vacancies on the establishment resulting in a saving in salaries and wages costs, partially offset by payments to firefighters working additional hours under occupational cover contracts and expenditure on agency staff. The forecast outturn also includes an allowance of 1% for a pay award to firefighters from 1 July 2017. This may prove to be insufficient based on recent events however sufficient funding remains in contingencies to cover a higher pay award should this be agreed.

Pension contributions are in line with budget however, due to a number of long term ill health retirements, there is likely to be an overspend of £235,000 which could be met by a transfer from pension reserves at the end of the year if required.

Capital financing is in line with budget and, as no drawings have been made from contingencies to 30 September 2017, half (£165,000) has been reported as an underspend leaving the remainder as a contingency to the end of the year.

There is a forecast shortfall in come from fees and charges and interest receipts of £15,000.

The capital budget has been revised to include Stanhope Fire Station and the Training Centre alterations and capital expenditure on ICT and vehicles is forecast to be in line with budgets.

The committee **noted** the position regarding the capital and revenue outturn to 30 September 2017 and **approved** the revisions to the capital budget.

### **Short Term Investments Quarter 2 2017/18**

3. Members were provided with an update on the performance of the Authority's Short Term Investments for the period ended 30 September 2017. Members noted that interest of £7,810 had been earned which was slightly below the budgeted amount of £10,000 for the year to date.

The committee **noted** the current position regarding the Authority's Short Term Investments.

### **Budget and Medium Term Financial Plan**

4. Members were advised of the proposed timetable for the consideration and approval of the 2018/19 budget and Medium Term Financial Plan (MTFP).

Based on an assumed 1.9% rise in council tax, grant reductions in line with the four year funding settlement and assumptions on the levels of pay awards and inflation, the MTFP approved in February 2017 highlighted that further savings of £0.413 need to be made over the plan period in order to balance the budget.

Savings in relation to staffing and capital financing have been achieved and the service is on track to deliver collaboration and income generation savings. Plans to achieve further efficiency savings through the emergency response review have previously been circulated to members and work will be undertaken in the coming months to develop savings options in line with members views.

The members were advised that there could be some significant pay and inflation pressures. Construction of a "standstill" budget for 2018/19 has commenced and will take a realistic view of pay awards, inflation and pension costs for future years whilst emphasising the need to identify further savings.

The approved plans for the Training Centre and Stanhope Fire Station have been added to the capital programme for 2017/18 and it is hoped that plans for modernisation works to Darlington station can be added if funding streams are identified.

From 2018/19 the capital programme will include expenditure on replacement of vehicles, equipment and ICT along with provision for minor improvements on existing buildings. The revenue implications of the capital programme will be incorporated into the 2018/19 budget and MTFP.

Consultation on next years budget plans will include a combination of the website, AAP, Parish and Town Councils and the IRMP. Work is also underway to facilitate consultation with non domestic rate payers.

The Committee is to meet prior to January in order to give further consideration to savings options, consider any changes to the settlement information and consider outline revenue and capital budgets. It is anticipated that members will recommend an outline revenue and capital budget for 2018/19, together with an associated MTFP for consideration by the CFA in February 2018.

The committee **noted** the current position and **agreed** the recommendations outlined in the report.

### **Local Government Finance Settlement Technical Consultation Response**

7. Members were informed of the Authority's response to the technical consultation on the LG Finance Settlement. The majority of the questions raised in the consultation did not apply to the Authority with the exception of the question on council tax referendum limits. The Authority's response to the consultation requests that "fire and rescue authorities be allowed increases of less than 2% or up to and including £5, whichever is the higher." The response to the consultation will returned later today.

**ACTION:** Members **agreed** and **noted** the response.