

COUNTY DURHAM AND DARLINGTON FIRE AND RESCUE SERVICE

At a **MEETING** of the **FINANCE AND GENERAL PURPOSES COMMITTEE** held at Service Headquarters, on **Wednesday, 31 January at 10.00am**

PRESENT:	Cllr Alison Batey in the Chair
DURHAM COUNTY COUNCIL:	Cllrs G Richardson and C Potts
DARLINGTON BOROUGH COUNCIL:	Cllr S Richmond
OFFICERS:	T Hope; S Natrass

PART A

1 Apologies

Apologies were received from Cllr J Shuttleworth

2 Minutes of Previous Meeting

The minutes of the meeting held on 26 October 2017 were agreed as a true record.

3 Forecast Outturn 2017/18 Quarter 3

TH updated the members on the forecast of outturn for 2017/18 Quarter 3. Based on expenditure and income to 31 December 2017, the forecast revenue outturn position to year end is an underspend of £0.209M (0.75%).

Salaries and wages are forecast to exceed the budget by £232,000 largely due to expenditure on firefighter apprentices and trainees (which was included in the budget under contingencies) and on the insourcing of the FM function in October 2017. There will, however, be a corresponding reduction in staff costs on the FM budget. This overspending is offset by underspendings on premises and contingencies budget headings. A number of the vacancies on the establishment have now been filled by the trainees on completion of their training.

An allowance has also been included for a 1% pay award to firefighters from July 2017.

Pensions contributions are forecast to exceed the budget due to the overspending on salaries and wages and is offset by the underspending on contingencies.

A significant number of long term ill health retirements have been progressed and, based on that, it is likely that expenditure will exceed the budget by £201,000. Currently reported as an overspend, a transfer from the pensions reserve will be made at the end of the year if required. Other employee costs are in line with the budget.

An underspend on premises, transport, contingencies and supplies and services is forecast.

There is a forecast excess on the budget for income from fees, charges and investment interest of £32,000.

The forecast capital position at year end on revised capital budget of £1.252m is an

underspend of £0.252m (20.13%).

Following receipt of tenders, a decision has been made not to proceed with the proposed works at the Training Centre at this time. Alternative proposals with the aim of reducing the cost of this project are currently being considered. Work has commenced on Stanhope Fire Station, with the lowest tender return being £28,000 above the budget.

ACTION: Members **noted** the position regarding the forecast revenue and capital outturn position.

4 Short Term Investments Quarter 3

Members were presented with the report on the Short Term Investments for the period to 31 December 2017.

Interest of £16,292 had been earned up until 31 December 2017 which is slightly above the budgeted amount of £15,000 for the year to date and slightly ahead of the Bank of England base rate.

ACTION: Members **noted** the position regarding the Authority's Short Term Investments.

5 Revenue and Capital Budgets 2018/19 and Medium Term Financial Plan

TH gave a presentation on the Medium Term Financial Plan.

TH outlined that funding from central government will reduce by £0.486m in 2018/19 and a further £0.276m in 2019/20. This is offset by an increase in the council tax base which will generate an additional £311,000 of council tax revenue based on the current Band D council tax of £97.65, along with an additional council tax rise to 2.95% for the years 2018/19 and 2019/20 which will generate £492,000 in the first year. It is anticipated that this figure will revert to 2% in the year 2020/21.

TH outlined to members the assumptions on which the MTFP has been made based upon the figures provided by the Government as part of the four year settlement covering the period 2016/17 to 2019/20 and also the details of the efficiency savings agreed as a term of the settlement, along with the details of additional budget pressures.

Reductions will be made to reserves to bring them in line with guidance in the National Framework and to fund any capital expenditure. This will leave the Authority with a general reserve of 5% which is considered adequate taking into account such risks as local business rates retention, local council tax benefits schemes and expenditure and income assumptions.

ACTION: Members **considered** the information contained within the report, along with the level of council tax for the year 2018/19; **noted** the risks identified as part of the budget setting process and **agreed** to recommend a council tax increase of 2.95% to the full meeting of the Fire Authority to be held on 13 February 2018.

6 Sickness Absence Performance Quarter 3

SN gave a brief update on sickness absence performance for the first nine months of the reporting year. Overall sickness across all categories has greatly improved this reporting year with a 31% reduction in shifts lost in comparison with this point last year. Significant

decreases in absence levels can be seen in the Wholetime (WT), Control and non-uniformed categories which have impacted positively on performance indicators. Levels of sickness across the RDS, although they remain relatively high, have seen a decrease and three RDS stations have had no sickness absence at all. There has been a 41% decrease in absence levels for WT on this period last year however, largely due to musculoskeletal cases, there has been a 24% rise in shifts lost this quarter. Seven of the 15 stations have absence levels below target. Sickness in the FDO and Day Duty category is predominantly due to long term absence within the FDO group, there being four cases of long term sickness which have now been resolved. On a positive note, short term absence in this category is very low with only seven shifts lost in the current reporting year which is below target for the year. Members congratulated SN and staff for the progress which has been made.

ACTION: Members noted and commented on the position regarding the sickness absence performance – quarter three.

Time and Date of Next Meeting: TBC