



CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING HELD ON FRIDAY, 28 SEPTEMBER 2007

PRESENT:

CHAIRMAN:
Councillor Mrs Brenda Forster – Redcar & Cleveland

HARTLEPOOL BOROUGH COUNCIL:
Councillors Henery, Payne

MIDDLESBROUGH COUNCIL:
Councillors Jones, Pearson, Porley, Williams

REDCAR AND CLEVELAND BOROUGH COUNCIL:
Councillors Cooney, Dunning, Ovens

STOCKTON ON TEES BOROUGH COUNCIL:
Councillors Kirton, O'Donnell, Roberts, Salt, Stoker, Woodhead

AUTHORITY OFFICERS:
Deputy Clerk , Treasurer, Legal Adviser

FIRE BRIGADE OFFICERS:
Chief Fire Officer

AUDIT COMMISSION:
Caroline Tyrell

APOLOGIES FOR ABSENCE
Councillors Cook, Marshall (Hartlepool)
Councillors Briggs (Redcar & Cleveland)
Councillor Dixon (Stockton) ,
Councillors Clark, Ismail (Middlesbrough)

- 60. DECLARATIONS OF MEMBERS INTEREST**
It was noted no declarations of interest were submitted to the meeting.
- 61. MINUTES**
RESOLVED - that the Minutes of the Ordinary Meeting held 27 July 2007 be confirmed.
- 62. TO CONFIRM THE MINUTES OF COMMITTEES**
RESOLVED - that the Minutes of the Executive Committee held on 31 August 2007, and the minutes of the Tender Committee held on 24 August 2007 be confirmed.
- 63. TO RECEIVE REPORTS OF THE CHIEF FIRE OFFICER**
REGIONAL MANAGEMENT BOARD MEETING 14 SEPTEMBER 2007
- 63.1 RMB – Fire Control Project Update**
The Chief Fire Officer provided an update on progress with regard to the Regional Fire Control Centre Project. It was reported that correspondence between the four separate Authorities regarding the Transitional Arrangements had now been dealt with, and approval for the revised Project Structure and Governance Arrangements contained in the RMB report to its meeting held on the 14 September 2007 was sought.
- 63.1 RMB – Fire Control Project Update continued ...**

The Chief Fire Officer also advised Members that the Regional Project Board was to be refocused to form a Regional Joint Project Board considering FiReControl, Firelink and any associated issues that may impact on the implementation of FiReControl. The Regional Joint Project Board would maintain the responsibilities set out in the Project Initiation document and be responsible for assuring that the Regional Project remains on track to deliver the required project outcomes. The Chief Fire Officer added support structures and resources will be collectively pooled to enable issues to be dealt with on a collective basis. The Chief Fire Officer also referred to the proposed event to mark the opening of the RCC buildings, the expected date of which is anticipated to be late November/early December.

RESOLVED –

- i) That the report be noted**
- ii) That the revised project structures and governance arrangements detailed within the RMB report be approved**
- iii) That the continued pooling of FiReControl project grant funding on a regional basis be approved**
- iv) That the exploration of the possibility of an opening event of the NE RCC building in conjunction with a lease signing event by the RCC Company be approved**

63.2 RMB Expenditure & Income for 2006/2007

The Chair commended the Treasurer for the hard and valued work he had undertaken on behalf of both the CFA and the RMB, a statement which was endorsed by the Chief Fire Officer.

The Treasurer informed Members that a closing net balance of £121,000 as at 31 March 2007 had been carried over into 2007/2008, the closing balance for the previous year being £87,000. In accordance with previous RMB directions, this money was available to fund or 'pump-prime' future regional work or possibly offset any shortfall which might arise in implementing the RCC. Councillor Pearson reminded Members that when the RMB was started it was agreed to provide only enough money to run the Board, it was not the intention to build up finances. The Treasurer reported he had not objected to the increased balance, adding there had initially been plans to make two regional appointments to take forward some of the work but these appointments had not yet been made but the finance was available to fund these positions next year.

Councillor Williams queried if, given the financial status, was there a case for a reduction in our contribution in the next year's budget. The Treasurer advised he would take this into account when making his recommendations to the RMB for next year's budget.

RESOLVED – That the Regional Management Board accounts for the year ended 31 March 2007 be approved.

63.3 RMB Reports for information:

The Chief Fire Officer updated Members on the three primary RMB Workstreams: Resilience, Human Resources and Procurement, adding that Cleveland Fire Brigade, led by the Executive Director, would be taking forward all HR issues associated with the move to the Regional Control Centre

63.4 RMB Reports for information continued ...

The Chief Fire Officer reported he had asked for clarification regarding the other 3 Authorities position on the principle of delegated powers. He advised, in the not too distant future, the Authority would be asked to give a mandate on those areas worthy of instruction for delegation. Members reported that this must be to the benefit of the people of Cleveland and agreed a report be brought to a future meeting.

Referring to the services provided by the Brigade, Councillor Pearson made the observation that she had recently attended the Middlesbrough Members Awareness Seminar and had spoken to staff and had ascertained that most other Authorities are not using Bedding Packs. The Chief Fire Officer reported that there were a lot of very vulnerable people in the Cleveland area which the Authority support and this is one illustration of how much is done over and above what the central expectation is of protecting communities.

RESOLVED: That the following minutes and reports be noted

- i) Update on RMB Workstreams**
- ii) Minutes of the RMB meeting held on the 15 June 2007**

64. REPORT OF THE EXECUTIVE DIRECTOR
64.1 INFORMATION PACK September 2007

- 64.1.1** Fire and Rescue Service Circulars
- 64.1.2** Long Service & Good Conduct Medals

RESOLVED: That the report be noted

65. REPORT OF THE PERFORMANCE SCRUTINY CHAIR
65.1 Progress Against Revenue and Capital Budgets 2007/08 – Appendix A

In the Performance Scrutiny chairs absence the Treasurer reported that the Progress against Revenue & Capital Budget for 2007/2008 for the first four months had showed an adverse variance of £41,000. Appendix 1 to this report summarised the variances between the expected and actual expenditure and income. The Treasurer reported that at this stage there were no significant variances although a number of minor variances were outlined. The projected outturn was also expected to be within budget therefore there should be no impact on the level of reserves.

The Treasurer reported that Appendix 2 detailed a monitoring statement on the Capital Budget 2007/2008 including physical and financial information. Details of the Prudential borrowing indicators for 2007/2008 were approved as part of the Budget and Council Tax report submitted on the 9 February 2007 and these indicators, together with the approved Treasury Management Strategy detailed how the Authority would manage its capital investment, finance this expenditure and manage the Authority's loans portfolio. Details of the progress against key indicators were as set out in Appendix 4 to this report.

65.2 First Quarter Performance Summary Report 2007/08 – Appendix B

The Treasurer reported that the First Quarter Performance Summary Report 2007/2008 was the Brigade's performance against Best Value and Home Office Indicators and Corporate Objectives and priorities from April to June 2007. He reported that there were no other issues that the Performance Scrutiny Committee wished to bring forward to the Authority.

The Treasurer reported that savings needed to be identified and strategies put in place to identify savings within the 2008/09 budget. The Chairman requested that the Deputy Clerk identify potential efficiency savings from within the Members budgets.

RESOLVED:

- i) **That the report be noted**
- ii) **That the Deputy Clerk identify any potential savings from within the Members Budgets.**

66. REPORT OF THE SCRUTINY SERVICE DELIVERY CHAIR

The Chair of the Service Delivery Scrutiny Committee sought members approval of the Forward Work Programme (FWP) for 2007/2008. The Chair added the FWP would remain flexible to enable referrals to be made from the Authority, its committees or individual Members. The FWP included the continued monitoring of the Safety Improvement Plan, Co-responder, Asset Management, Business Risk Management and Fire Brigade Control.

RESOLVED - That the Scrutiny Service Delivery Committee Forward Work Programme for 2007/2008 be approved.

67. REPORT OF THE CLERK TO THE AUTHORITY

67.1 CFA Annual Report 2006/2007

The Deputy Clerk sought Members approval of the CFA Annual Report for 2006/07.

RESOLVED - that Members approved the CFA Annual Report 2006/2007

67.2 LGA Combined Fire Authorities Conference 30 October 2007

The Deputy Clerk sought Members wishes in respect of Member attendance at the LGA Combined Fire Authorities Conference to be held in Southampton on the 30 October 2007. After discussion Members agreed that the Chairman (or substitute) attend this event.

RESOLVED – that the Chairman or substitute attend the LGA Combined Fire Authorities Conference in Southampton on the 30 October 2007.

67.3 LGA Annual Fire Conference 2008 – 11/12 March 2008

The Deputy Clerk sought Members wishes in respect of Member attendance at the LGA Annual Fire Conference 2008 – Building Resilience: responding to environmental change, which is to be held in Coventry on the 11-12 March 2008. After discussion it was agreed that the Chairman, Vice Chairman and one Member from a non majority party (or substitutes) attend the Conference.

RESOLVED - that the Chairman, Vice Chairman and one Member from a non majority party or substitutes attend the LGA Annual Fire Conference in Coventry on the 11 and 12 March 2008.

67.4 Clerk's Information Pack

The Deputy Clerk updated Members on the feedback received from the Fire Service College visit and the NE Regional Overview and Scrutiny Annual Conference. She also informed Members of the current items discussed by the Member Development Group. In response to Councillor Pearsons request she confirmed that Councillor Porley and Councillor Kirton would be attending the IDeA Leadership Academy Programme 2007/08.

RESOLVED - that the report be noted

68. REPORT OF THE TREASURER

68.1 Final 2006/2007 Statement of Accounts & Audit Commission Annual Governance Report

The Treasurer reported the draft 2006/2007 Statement of Accounts was approved by the Executive Committee at its meeting held on the 29 June 2007, at which time Members were informed that a further report would be compiled when the Audit Commission had completed their review. The Audit Commission had completed their review and their recommendations are contained in Appendix A to this report. There are no issues within the Annual Governance Report which affect the level of the Authority's reserves.

During the Audit, amendments were made to improve the presentation of the statements and improve compliance with the Statement of Recommended Practice (SORP). These changes improved the presentation of information in the accounts but did not affect the Authority's overall cash position. Referring to the Annual Governance Report, the Treasurer outlined the principle purposes of the report, which was attached at Appendix A.

Caroline Tyrell presented the Audit Commissions Annual Governance Report as outlined in Appendix A to this report. She reported very few amendments had been made to the accounts this year, adding that the good working papers had made the audit very straight forward. Areas which had been amended were mainly due to changes in accounting requirements. She drew attention to the Action Plan (Appendix 1 page 11 of the Audit Commission report) around the control arrangements for the recording of fixed assets which needed improvement to ensure the asset register is properly maintained.

Councillor Dunning referred to the transfer of ownership of the Marine Fire Station to the Authority and queried the length of time this was taking. The Legal Adviser confirmed work was ongoing on this matter.

RESOLVED:

- (i) that Members noted the report**
- (ii) that the final 2006/2007 Statement of Accounts be approved**
- (iii) that the Chief Fire Office and Treasurer implement any actions recommended in the Annual Governance Report**

68.2 Treasury Management Annual Review 2006/2007

The Treasurer informed Members of the Treasury Management position and the actual outturn Prudential indicators for 2006/07. He informed Members that as part of the annual budget process the Authority had approved an outline of the overall Treasury Management Strategy and associated Prudential Indicators. The current report provided: a review of the actual treasury activity and summarised capital expenditure and financing; treasury position as at 31 March 2007; Prudential Indicators and Compliance issues; Economic Background for 2006/07; and Regulatory framework, risk and performance.

Referring to Capital Expenditure and Financing, the Treasurer stated the Authority's approved capital programme was funded from a combination of capital receipts, revenue contributions and approved Prudential Borrowing. Actual capital expenditure formed one of the required Prudential Indicators, and the total amount of capital expenditure for the year was £507,000, of which £480,000 was financed from Prudential Borrowing.

Turning to the Treasury Position as at 31 March 2007, the Treasurer advised the Authority has taken a proactive approach to managing cash investments and debt. As a result of changes in interest rates during 2006/2007, the Authority had been able to benefit from ongoing savings as a result of replacing some PWLB loans with a lower rate market loan, known as LOBOs (Lenders Option, Buyer Option). The table under point 5.2 of this report showed the treasury position as at the 31 March 2006 and 2007 for comparison purposes. The Treasurer drew attention to the key performance indicator shown in this table which is the very low average rate of long term debt of 3.99% which, when compared to the national average rate of PWLB borrowing of 5.97% indicated how low this rate is. The level of investments had reduced in the year partly as a result of reducing levels of borrowing and partly from the impact of the timing of grant payments.

Referring to Prudential Indicators and Compliance Issues, the Treasurer stated details of each Prudential Indicator was shown in Appendix 1 which indicated that treasury management activities were within the approved limits. The Treasurer then gave details of the key Prudential Indicators. Net borrowing and the CFR: Net borrowing should not have exceeded the CFR and the Authority had complied with this Prudential Indicator. The Authorised Limit: The Authority does not have the power to borrow above this level, and Appendix A indicated the Authority has maintained gross borrowing within its authorised limit. The Treasurer reported the 2006/2007 financial year had featured a rising trend in short term interest rates, and the first hike in the Bank of England Rate from 4.5% to 4.75% had been announced in August 2006. Two quarter point increases in the Bank Rate had been announced, one in November 2006 which raised the rate to 5%, and another in January 2007 which raised the rate to 5.25%. Long term interest rates charted an erratic course but the overall trend was towards higher levels.

The Treasurer reported the Authority's treasury management activities were regulated by a variety of professional codes, statutes and guidance with which the Authority has complied. The Authority is aware of the risks of passive management of the Treasury portfolio and, with the support of the Authority's advisers, had proactively managed its treasury position.

In conclusion the Treasurer advised the report provided the Authority with an overview of the Treasury Management activities for 2006/2007 and demonstrated that all activities have been undertaken in accordance with relevant legislation, regulations and the Authority's approved Treasury Management Strategy, therefore there were no specific issues to draw to Members attention.

RESOLVED: that the report be noted

69. ANY OTHER BUSINESS

69.1 Consultation on Formula Grant Distribution 2008/2009 and 2010/2011

The Treasurer informed Members of the details from Communities and Local Government (CLG's) consultation paper on Formula Grant Distribution which may impact on the Authority, and also contained suggested responses for Members consideration. The Formula Grant Distribution methodology is the basis used by the Government to allocate funding to individual authorities as part of the annual grant settlement. CLG had issued a

consultation paper setting out the distribution formula and which required a response by the 10 October 2007. Whilst some of the options were accompanied by exemplifications of the proposed changes, they illustrated the effects of the changes if they had applied in 2007/2008. The detailed effects in 2008/2009 and beyond would be different because the overall level of grant is likely to change as a result of the Comprehensive Spending Review (CSR7) and were therefore only indicative. Turning to page 2 of this report, the Treasurer drew Members attention to the table under point 4 which, using the exemplifications provided, showed the impact of each change.

The Treasurer then expanded on the significant impact of some of the proposed changes. Fire and Rescue Relative Needs Formula: the relative weightings of these factors are determined by regression against past expenditure data and the proposal was to update the expenditure data. This would result in a major loss of resources for the Authority. The impact in national terms would be the movement of significant resources away from deprived regions to more rural Fire Authorities (as summarised on page 3 of this report). The Treasurer stated this proposal should be opposed because the idea that past expenditure is a good indicator of need is fundamentally flawed, and drew Members attention to his suggested response. Referring to Relative Needs and Resources, the Treasurer stated the total grant was made up of four elements: Relative Need; Relative Resources; Central Allocation; Floor damping. The % of each element was originally designed to ensure some consistency between the current and previous grant models. The splits are therefore judgemental and the options range from an increase of just over £1m before damping to a loss of around £0.2m. The Treasurer stated this option should not be supported at this time and drew attention to a suggested response.

In conclusion the Treasurer stated that Members would note that the impact of some of the proposals was significant. He suggested possible further actions which may be considered The Chief Fire Officer and the Treasurer join forces with the Metropolitan Fire Authorities in a joint response, and on behalf of the Authority the Treasurer to make MPs aware of the situation and its impact.

Detailed discussion on the way forward took place. It was agreed the suggested responses contained in this report be taken forward by the Chief Fire Officer and the Treasurer. In addition the Treasurer agreed to raise this matter at the Fire Forum and that a cross party approach be made to bring more political weight to bear on this matter. It was also agreed that the Chairman of the CFA would write to MPs making them aware of the situation and the effect the potential loss of funding would have on the deprived areas covered by Cleveland Fire Authority, bearing in mind that the Authority had very recently lost £1.4m in funding.

RESOLVED:

- i) That the report be noted**
- ii) That Members agreed the responses proposed in this report**
- iii) That Members agreed to submitting a co-ordinated response with the Metropolitan Fire Authorities who are similarly affected**
- iv) That Members agreed MP's be made aware of the proposals and the concerns felt by the Authority**
- v) That the Treasurer would bring this matter to the attention of the Fire Forum**
- vi) That a cross party approach be made to Government**
- vii) That the Chairman write to MPs making them aware of the situation and the impact it will have in their area**

70. LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1972

Members were requested to pass the following resolution:

“That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 3 of Schedule 12A to the Act namely information regarding an individual; information relating to the financial or business affairs of any particular person (including the authority holding the information).”

71. CONFIDENTIAL MINUTES

71.1

RESOLVED – that the Confidential Minutes of the Ordinary Meeting held 27 July 2007 be confirmed.

71.2

RESOLVED – that the Confidential Minutes of the Executive Committee held 31 August 2007 and Tender Committee held 24 August 2007 be confirmed.

**COUNCILLOR MRS BRENDA FORSTER JP
CHAIRMAN**