

## NORTH WALES FIRE AND RESCUE AUTHORITY

Minutes of the extraordinary meeting of North Wales Fire and Rescue Authority held on Monday 25 January 2016 at Conwy County Borough Council Chamber, Bodlondeb. Meeting commenced at 10.00am.

### PRESENT

<u>Councillor</u>	<u>Representing</u>
M LI Davies (Chair)	Denbighshire County Council
P R Lewis (Deputy Chair)	Conwy County Borough Council
B Dunn	Flintshire County Council
J G Evans	Anglesey County Council
R O Jones	Anglesey County Council
G Lowe	Wrexham County Borough Council
D A MacRae	Conwy County Borough Council
D J Miles	Conwy County Borough Council
H McGuill	Flintshire County Council
R E Parry	Conwy County Borough Council
J R Skelland	Wrexham County Borough Council
W O Thomas	Flintshire County Council
G G Williams	Gwynedd Council

### Also present:

S A Smith (Chief Fire Officer and Chief Executive); C Everett (Clerk and Monitoring Officer); G Owens (Deputy Clerk and Monitoring Officer); D Docx (Deputy Chief Fire Officer); R Simmons and R Fairhead (Assistant Chief Fire Officers); G W Griffiths (Senior Training and Development Manager); G Brandrick (Senior Professional Service Standards Manager); S Millington (Senior Fire Safety Manager); K Roberts (Senior Operations Manager); S Morris (Corporate Planning Manager); T Williams (Corporate Communications Manager); S Forrest (Accountant, Treasurer's Department, Conwy County Borough Council); A Davies (Member Liaison Officer).

### APOLOGIES

<u>Councillor</u>	<u>Representing</u>
L W Davies	Anglesey County Council
R Davies	Denbighshire County Council
A I Dunbar	Flintshire County Council
T A Edwards	Wrexham County Borough Council
A Evans	Wrexham County Borough Council
C Hughes	Gwynedd Council
P Owen	Denbighshire County Council
M A Reece	Flintshire County Council
W P Shotton	Flintshire County Council
D Simmons	Denbighshire County Council
A Tansley	Conwy County Borough Council
D Taylor	Wrexham County Borough Council

K Finch            Treasurer

The Chair informed Members that Ken Finch had been taken ill and was currently in hospital. It was noted that the meeting would have been the Treasurer's last meeting as he was due to retire from Conwy County Borough Council on 29 January. Members asked that their best wishes be conveyed to Mr Finch.

## 1 DECLARATIONS OF INTEREST

1.1 There were no declarations of interest.

## 2 URGENT MATTERS

2.1 There were no urgent matters.

## 3 MEDIUM TERM FINANCIAL STRATEGY 2016-2019 AND BUDGET 2016-17

3.1 The CFO introduced the report which asked Members to approve the medium term financial strategy (MTFS) for 2016-17 to 2018-19 which included the draft budget for 2016-17.

3.2 The CFO explained that due to the delay in the Welsh Government's budget announcement, the extraordinary meeting had to be held to finalise budget details before 15 February 2016; the constituent authorities had been informed of their provisional contributions to the FRA by the 31 December 2015 as required, however, these figures also needed to be confirmed by the Authority. The WG had indicated that the settlement would include a decrease in funding for local government and the overall aggregate external funding had been reduced but not as much as anticipated. Members were aware of these pressures and, in order to reduce the burden on the constituent authorities, agreed to set a frozen budget. Members noted that a letter received from the Minister dated 8 December 2015 confirmed that he was unable to provide assurances about the WG budget beyond 2016-17.

3.3 It was noted that the production of a MTFS ensures a strategic approach is taken towards planning budgets and funding over a longer term and that the annual Improvement Plan is also a key element as it details how the Authority intends to deliver its responsibilities and sets out the main objectives for the year ahead.

3.4 Members were reminded that they have agreed the objective included in the draft Improvement Plan to develop a three year financial strategy in which freezing the budget will be a central principle commencing 2016/17 and, if necessary, use reserves in the short term until strategies have been developed to reduce costs and produce a balanced budget. In order to set a frozen budget and maintain service delivery at current levels it will be necessary to absorb unavoidable cost pressures through changing the way services are delivered and, in the short term, by the use of a one-off contribution from reserves.

- 3.5 In order to maintain operational service delivery in light of the necessity to reduce costs, the Authority will need to continue and extend its collaborative working with the NIC, local authorities and other emergency services in North Wales. The impact of general inflation is managed each year by projects aimed at improving efficiency by reducing usage. However, there are additional costs that are unavoidable and can't be managed downwards such as pay awards. Members noted that as of 1 April 2016 the UK Government is introducing changes to the state pension. Previously, as an employer who offered a salary-related pension scheme, the Authority was entitled to a National Insurance rebate of 3.4%. As a result of the changes this rebate is no longer available. The estimated additional cost to the Authority for 2016/17 is £329k per annum and this figure has been added to the previous years' base budget.
- 3.6 As well as continuing to freeze the budget, savings will need to be made year on year for the next three years. However, it was acknowledged that for 2016/17 it was too short notice to make changes that would yield the full saving of £0.760m and therefore Members had agreed to use reserves to underpin the budget and decisions will have to be made in the future to make savings whilst minimising the impact on service delivery. In the Treasurer's absence, the CFO reminded Members of the risk in of using reserves and that they would only be available for one year; the Improvement Planning Working Group will need to identify fundamental savings from the Service's revenue budget for subsequent years.
- 3.7 Members were given the opportunity to ask questions and issues were clarified by officers. Before moving to the recommendations the Clerk commented that it was important that the constituent authorities realised that resolution c) below was to note the 'principle' of freezing the budget for three years and that should the FRA decide the risk was too high then it would need to be revisited and may impact the constituent authorities' contributions in future years.
- 3.8 **RESOLVED to**
- (a) approve the budget for 2016/17 at the same cash limit as the current financial year i.e. £31,885,843 and utilise £0.760m from reserves to underpin it;**
  - b) acknowledge the risk of the use of reserves in terms of future financial planning;**
  - c) acknowledge the contents of the MTFs and, in particular, note the principle of setting the budgets for 2017/18 and 2018/19 at the same cash limit as 2016/17.**