

Safest People, Safest Places

County Durham and Darlington
Fire and Rescue Authority



COMBINED FIRE AUTHORITY

21 MARCH 2018

NOTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 31 JANUARY 2018

REPORT OF THE CHAIR OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

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

Forecast Outturn 2017/18 Quarter 3

- Members were updated with 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 and the insourcing of the FM function from October 2017. This overspend is offset by underspend on premises and contingencies budget headings. A number of the vacancies on the establishment have been filled by the trainees on completion of their training.

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

Pensions contributions are forecast to exceed the budget due to overspending on salaries and wages but this has been offset by underspending on contingencies.

Due to a number of long term ill health retirements having been progressed, it is likely that expenditure will exceed the budget by £201,000. This has been reported as an overspend but a transfer could be made from the pensions reserve at the end of the year if required.

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.

There is a forecast underspend of £0.252m (20.13%) on the revised capital budget of £1.252m.

Following receipt of tenders, work will not proceed with proposed works at the Training Centre at this time. Alternative proposals with the aim of reducing the cost are currently being considered. Work is underway on Stanhope Fire Station, with the lowest tender being £28,000 over budget.

The committee **noted** the report.

Short Term Investments Quarter 3

2. Members were provided with an update on the performance of the Authority's Short Term Investments for the period to 31 December 2017. Members noted that interest of £16,292 had been earned which is slightly above the budgeted amount of £15,000 for the year to date.

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

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

3. Members were advised 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 £311k, along with council tax increase of 2.95% for the years 2018/19 and 2019/20 which will generate £492k in the first year. It is anticipated that council tax increases will need to revert to 2% in the year 2020/21.

The assumptions on which the MTFP has been based including the four year settlement, efficiency savings and details of additional budget pressures were outlined to members.

Reductions to reserves, which will leave the Authority with a general reserve of 5%, will be made in line with guidance in the National Framework.

The committee **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.

Sickness Absence Performance Quarter 3

4. Members were given a brief update on sickness absence 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. Improvements have been seen in all categories. Although RDS absence levels remain relatively high, there has been a decrease and three RDS stations have no sickness absence at all. There has been a 24% increase in WT shifts lost this quarter in comparison to Quarter 2, largely due to musculoskeletal cases however, there has been a 41% decrease on this period last year. Sickness in Day Duty and FDO categories is predominantly due to long term cases which are now resolved and short term sickness in these categories is very low, with only seven shifts lost in the current reporting year. Members congratulated SN and staff for the progress which has been made.

The committee **noted** and **commented** on the position regarding the sickness absence performance.