

To: All Members of the Authority



The Protocol and Procedure for visitors attending meetings of Merseyside Fire and Rescue Authority can be found by clicking [here](#) or on the Authority's website: <http://www.merseyfire.gov.uk> - About Us > Fire Authority.

J. Henshaw
LLB (Hons)
Clerk to the Authority

Tel: 0151 296 4000
Extn: 4113 Kelly Kellaway

Your ref:

Our ref HP/NP

Date: 6 April 2016

Dear Sir/Madam,

You are invited to attend an Extraordinary meeting of the **AUTHORITY** to be held *immediately following the meeting of the Community Safety and Protection Committee* (approximately 1:30pm) on **THURSDAY, 14TH APRIL, 2016** in the Liverpool Suite at Merseyside Fire and Rescue Service Headquarters, Bridle Road, Bootle.

Yours faithfully,



Clerk to the Authority

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

AUTHORITY

14 APRIL 2016

AGENDA

1. Preliminary Matters

The Authority is requested to consider the identification of:

- a) declarations of interest by individual Members in relation to any item of business on the Agenda
- b) any additional items of business which the Chair has determined should be considered as matters of urgency; and
- c) items of business which may require the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

2. Minutes of the Previous Meeting (Pages 5 - 20)

The Minutes of the Budget Authority meeting, held on 25th February 2016, are submitted for approval as a correct record and for signature by the Chair.

3. Part 2 - EXEMPT Minutes of the Budget Authority Meeting 25th February 2016 (Pages 21 - 24)

These Minutes contain EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The Part 2 – EXEMPT Minutes of the Budget Authority Meeting held on 25th February 2016, are submitted for approval as a correct record and for signature by the Chair.

4. Proposed Prescot Fire Station - Additional Costs

This report contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

To consider Report CFO/028/16 of the Deputy Chief Fire Officer, concerning the current position in relation to the Prescot merger particularly with regard to the anticipated increase in costs associated with the building of a new community fire and police station, on the land at

Manchester Road, Prescot, Merseyside.

If any Members have queries, comments or require additional information relating to any item on the agenda please contact Committee Services and we will endeavour to provide the information you require for the meeting. Of course this does not affect the right of any Member to raise questions in the meeting itself but it may assist Members in their consideration of an item if additional information is available.

Refreshments

Any Members attending on Authority business straight from work or for long periods of time, and require a sandwich, please contact Democratic Services, prior to your arrival, for arrangements to be made.

MERSEYSIDE FIRE AND RESCUE AUTHORITY

25 FEBRUARY 2016

MINUTES

Present: Cllr Dave Hanratty (Chair) Councillors Les Byrom, Linda Maloney, Robbie Ayres, Peter Brennan, Roy Gladden, Mike Kearns, Barbara Murray, Lesley Rennie, Denise Roberts, James Roberts, Jean Stapleton, Sharon Sullivan, Paul Tweed and Marianne Welsh

Apologies of absence were received from: Councillors Ray Halpin, Jimmy Mahon and Steve Niblock

9. Chair's Announcement

Prior to the start of the meeting, information regarding general housekeeping was provided by the Chair to all in attendance.

The Chair checked that all Members had received papers for the additional items.

The Chair confirmed to all present that the proceedings of the meeting would be recorded and requested that any members of the public present who objected to being filmed, make themselves known.

No members of the public voiced any objection therefore the meeting was declared open and recording commenced.

1. Preliminary Matters

The Authority considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

Resolved that:

- a) The following declaration of interest was made by individual Members in relation to items of business on the Agenda:
 - Cllrs. Lesley Rennie and Jean Stapleton declared a personal interest in relation to Agenda Item 3 – Asset Management Plans 2016/17-2020/21, due to being Trustees of the Fire Support Network.
 - Dispensation forms were completed and received for all Members in attendance, in relation to the setting of the Budget and Council Tax precept.

b) The following additional item of business was determined by the Chair to be considered as a matter of urgency; and was provided as a supplementary agenda item:

- Agenda Item 8 - ***“Tender for Insurance Services”***

c) The following items of business required the exclusion of the press and public during consideration thereof due to the possible disclosure of exempt information:

- Agenda Item 7 - ***“Fire Fit Hub Options Appraisals and Recommendations”***.
- Agenda Item 8 – ***“Tender for Insurance Services”***.

2. Minutes of the Previous Meeting

The minutes of the Authority Meeting held on 17th December 2015 were approved as a correct record and signed accordingly by the Chair.

3. Asset Management Plans

Members considered report CFO/011/16 of the Chief Fire Officer, concerning how the Authority plans to align its physical asset base with its Corporate goals and objectives over the next five years (2016/17 – 2019/20).

Members were provided with an overview of the report, which highlighted the Asset Management Plans for Estates, ICT and Transport; and how those Plans take account of the financial challenge faced by the Authority and the consequent changes that are likely to be required in order to continue to meet the requirements and expectations of internal and external service users.

Members resolved:

That the Asset Management Plans provided as Appendices to the report be approved.

4. fFinancial review 2015/16 - April to December 2015

Members considered report CFO/007/16 of the Treasurer concerning a review of the revenue and capital financial position for the Authority for April to December 2015/16.

Members were provided with an overview of the report which highlighted the Authority's position for the period April to December 2015, in relation to its Treasury Management Strategy, financial process performance indicators, revenue budget; and delivery against the agreed savings.

Members resolved that:

- a) The potential £0.65m favourable revenue position identified within the report, be noted.
- b) The utilisation of the £0.65m favourable revenue position to increase the capital investment reserve in light of the station merger programme and Service investment needs, be approved.
- c) The Treasurer be instructed to continue to work with Budget Managers to maximise savings in 2015/16.

**5. MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN
Merseyside Fire and Rescue Authority Budget and Financial Plan
2016/2017 – 2019/2020**

Members considered report CFO/008/16 of the Treasurer, presenting information to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensure the Authority delivers an efficient value for money service. This will allow the Authority to determine a budget for 2016/17 and a precept level in line with statutory requirements.

Members were provided with an overview of the report, which detailed the financial strategy and precept level proposed in order to achieve a balanced financial plan up to 2019/20.

Information was provided regarding the financial challenge up to 2019/20 and options for meeting this challenge. Members were informed that savings of approximately £11m are required by the end 2019/20; and although a proportion of technical savings have been identified, there will still be a requirement to make savings of approximately £5.5m from employee costs.

Of that £5.5m, savings of approximately £1.5m are anticipated from support functions, leaving around £4m of savings required from frontline services. Work is currently underway to consider options for delivering those savings required from Operational Response, and these options will be included within the Integrated Risk Management Plan for consultation; and will be brought back to the Authority for approval.

Members were advised that the technical savings identified, will provide the Authority with time to implement structural changes required to facilitate employee reductions.

Members commented on the difficult decisions that the Authority are facing and the crucial work undertaken by Fire and Rescue Services with regard to prevention measures. They commented on the need to continue lobbying Government and local MPs and thanked Officers for their honesty and support.

The Chair of the Authority – Councillor Dave Hanratty confirmed that a proposed Budget Resolution, submitted by the Labour Group, had been circulated to all Members; and that no alternative budget proposals had been received by the Clerk to the Authority.

The Labour Group Budget Resolution was then formally moved by Cllr Maloney and seconded by Cllr Hanratty. Members then voted on the motion:

15 Members voted in favour of the motion.
0 Members voted against the motion
0 Members abstained.

The Budget Resolution for 2016/17 was therefore unanimously approved.

Members resolved that:

- a) The 2016/17 service budgets set out in the report, be noted.
- b) The Treasurer's recommendation on maintaining the current level of general fund balance at £2.000m, and maintaining the reserves as outlined in Paragraph 170 to 173 of this report be endorsed.
- c) The current plan to increase the precept by just below 2% for 2016/17, raising the Band D Council Tax from £71.47 to £72.89 and confirm the strategy for future precept rises (the plan assumes 2% in each year thereafter), be endorsed.
- d) The assumptions in developing a four year (2016/17 – 2019/20) Financial Plan outlined in the report and the Medium Term Financial Plan in Appendix C and the 2016/17 budget estimate of £61.507m be endorsed.
- e) The 2016/17 – 2019/20, £11.000m saving plan as outlined in the report and summarised in Appendix C, be approved.
- f) The offer a 4 year financial settlement as set out in the Final Local Government Finance Settlement on 9th February 2016 in principle subject to the development of a robust efficiency plan and any other required Home Office documentation, be accepted.
- g) The capital strategy and investment strategy as summarised in Appendix B, be approved.
- h) The Minimum Revenue Payment (MRP) strategy for 2016/17 as outlined in Paragraph 79 of the report, be approved.

- i) The prudential indicators relating to the proposed capital programme, paragraph 90 to 92 of the report, be noted.
- j) The Treasury Management Strategy outlined in Section F and the Treasury Management indicators set out in paragraph 97 of the report for:-
- External debt
 - Operational boundary for debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt
 - Limits on investments for more than 364 days

be approved.

- k) The recommendations within the report, be noted as providing an approved framework within which officers undertake the day to day capital and treasury activities.
- l) The proposed Labour Budget Resolution, be approved as follows:

LABOUR BUDGET RESOLUTION 2016/17

Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2016/17 - 2019/20

1. Merseyside Fire and Rescue Authority (the Authority) suffered the largest cut in Government grant of any Fire and Rescue service in the country – over 35% between 2010/11 and 2015/16. The Government has announced further significant grant cuts over the next four years, 2016/17 to 2019/20, and the Authority faces a 50%, in real terms, reduction in its Revenue Support Grant.
2. These drastic cuts from Government means that the Authority must make tough choices.
3. The Authority has set a financial plan that delivers the £11m savings required as a result of government cuts over the next four years (2016/17 – 2019/20). The Authority has planned prudently to minimise the impact on frontline services and has planned significant efficiency savings of £6.0m by reducing management and support services costs. The Authority has benefitted from a known £1.0m increase in the council tax base and the approved plan assumes this increase is permanent. Despite these efficiencies identifying £7.0m of savings the Authority must approve an unavoidable reduction of £4.0m from the operational front line.
4. The Authority has already seen the number of fire appliances in Merseyside reduce from 42 down to 28 since 2010, which equates to 33% overall reduction. A further £4.0m operational response is likely to see a further loss of up to 100 firefighter posts which equates to 4 wholetime appliances.

5. The Authority is therefore extremely saddened to have to approve a financial plan which is based upon:-
 - (i) The loss of up to a further 100 firefighter posts
 - (ii) Leading to the loss of up to 4 fire appliances
 - (iii) Possibly lead to the closure of a number of fire stations
 - (iv) Further reductions in support services to the detriment of the service
6. In order to minimise the impact on the Fire & Rescue Service the Authority has agreed a council tax increase of 2%.
7. The effect of the budget on council tax will be a ***Band D Council Tax of £72.89, an increase of less than 3p per week, which equates to a total of £1.42 per week*** towards the Fire & Rescue Service.
8. Most people in Merseyside will pay ***Band A Council Tax of £48.59 or 93p per week towards their Fire & Rescue Service.***
9. The Authority accepts the Government offer of a four year settlement in principle subject to the development of a robust efficiency plan and any other required Home Office documentation. A four year financial settlement would provide a degree of funding certainty and stability to enable effective planning for the future service provision.
10. The Authority will continue to lobby the Government against the level of cuts being proposed over the next four years and highlight the consequences that further cuts will have on effectively delivering an emergency service.
11. The Authority recognises that the Fire & Rescue Service is emergency risk based and not demand led. During this period of austerity we urge this Government to reflect on the impact these cuts are having on the Fire & Rescue Service and properly review all risks facing the country in the light of emerging risks (for example a heightened terrorist threat or responding to increased flooding events through climate change) and would hope that resources are allocated in a way that allow Merseyside to continue to respond effectively to local and national threats.

The Financial Plan

12. In order to balance the financial plan the Authority will adopt the following strategy
 - Prepare a four year financial plan based on the final Local Government Finance Settlement figures announced on 9th February 2016.
 - Set a council tax increases in line with its financial plan.
 - Assume that Central Government's pay strategy for public sector staff can be achieved and therefore assume a 1% annual pay increase for its staff in line with that strategy for the 2016/17 – 2019/20 period.

- The Authority will focus its search for efficiencies on collaboration, management, support services costs and other technical reviews and assume that savings of £7.000million can be generated from that area.
 - The current station merger programme delivers the outstanding £2.6m from the 2015/16 financial plan.
 - The Chief Fire Officer identifies the least worst operational response saving proposals to deliver £4.0m of savings.
13. Note that these savings options represent a 15% reduction in managerial and support service roles and a 15% reduction in wholetime firefighter roles – a total reduction of 140 posts
14. Noting that the reduction in firefighter numbers will be achieved by natural retirement rates and will therefore take until 2018/19 to deliver in full.
15. Noting that there is a considerable risk that the Authority’s aspiration to avoid compulsory redundancy may be compromised because of the reductions in non-uniformed staff. Therefore instruct the Chief Fire Officer to use voluntary severance and early retirement in line with Authority policy to as far as possible achieve savings through voluntary means
16. The Authority notes that to deliver any savings in relation to the number of staff it employs may take time. The Authority is committed to seeking to try and avoid compulsory redundancy. The Authority has established a cost smoothing reserve to be used in this regard.
17. The Authority requests that the Chief Fire Officer continue to bring back individual reports, including equality impact assessments, as soon as possible on specific business cases for operational savings and support service reviews as detailed information and costs become available.
18. The Authority recognises that the exact timing of new operational response structures may take time to finalise and implement. It therefore recognises that the Chief Fire Officer will need to continue to manage appliance availability on a dynamic basis using “whole-time retained” crewing where necessary under his delegated powers as the financial plan proceeds to delivery.
19. The Authority is fully committed to reducing its own costs as the organisation faces up to the government cuts and what that means for local services. The Authority had already made reductions in its allowances of £24,000 and the Authority will again freeze all member allowances for the eighth consecutive year

IRMP

20. The Authority agrees to reflect this financial plan in its 2017- 2020 Integrated Risk Management Plan (IRMP) and will consult with the local community and

stakeholders on the IRMP and the impact current and future Government cuts will have upon them.

Implementation

21. The Authority recognises to fully deliver the staff savings (both Support and Firefighters) will take time as:-

- The Service needs to finalise plans to re-engineer support services and consider blue light collaboration opportunities, and
- In relation to Firefighter post reductions the Authority will seek to use natural turnover rates recognising this will take until at least 2018/19 to achieve the reduction in the establishment.

This approach will require the use of reserves (smoothing reserve) in the intervening period if compulsory redundancies are to be avoided. The proposed reserve strategy reflects this methodology.

22. The Authority requests the Chief Fire Officer to use every available measure and management tool to avoid compulsory redundancy and therefore it grants delegated power to utilise the Voluntary Severance / Voluntary Early Retirement Programme in line with the VS/VR framework agreed by the Authority previously.

23. The Authority believes that a fully wholetime professionally trained workforce is the most resilient and effective way of delivering a Fire & Rescue Service to its communities and is fully committed to maintaining this approach.

Council Tax

24. In identifying a financial deficit of £11m over the 2016/17 – 2019/20 period the Authority had already assumed a council tax increase at the maximum level allowed by the Government before a referendum of just below 2% in each year.

25. Because of the scale of the financial challenge the Authority has agreed, with a heavy heart, to stick to this plan and increase council tax in 2016/17 by just below 2% to minimise the impact on the services to Merseyside in the future

26. The impact of the budget on council tax will be a ***Band D Council Tax of £72.89, an increase of less than 3p per week to a total of £1.42 per week*** towards the Fire & Rescue Service.

27. Most people in Merseyside will pay ***Band A Council Tax of £48.59 or 93p per week towards their Fire & Rescue Service.***

Recruitment

28. Despite the need to reduce Firefighter numbers in the short term as part of the budget plan this Authority recognises that over the next decade that without any recruitment Firefighter numbers will reduce to just over 250 due to retirements. The loss of such experience and knowledge will bring major challenges for the Authority who will need to recruit between 250-400 firefighters by 2024. Any recruitment will be undertaken in a manner so as to meet the demands placed on the Authority.

29. In order to meet this challenge in a prudent and structured fashion the Authority has set aside a strategic reserve of £1m to support limited firefighter recruitment to ensure the recruitment approach reflects the financial plan and the competency requirements placed on the Authority.

Interoperability with Blue Light Partners

30. This Authority is fully committed to closer collaboration with our emergency service colleagues across the county. Many collaborative successes have been achieved so far including:-

- (i) The delivery of the Joint Command and Control Centre with Merseyside Police
- (ii) Sharing 7 sites with north West Ambulance Service (NWAS) including NWAS HART working alongside the Search and Rescue team
- (iii) Extensive joint planning and exercising

31. The Authority instructs the Chief Fire Officer to continue to build upon this success and in particular to actively seek out opportunities of working with NWAS and Merseyside Police around sharing buildings, and other assets and corporate service functions.

Working with other Partners

32. The Authority will continue to work in partnership with each District Council in order to explore opportunities in which will mutually benefit each Authority in dealing with these and future financial challenges.

33. The Authority will examine the impacts of the devolution agenda and how best we can understand and develop constructive dialogue with the Liverpool City Region Combined Authority.

Reserves

34. The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs.

35. The Authority recognises that there are substantial risks associated with these assumptions and that, particularly in light of the current economic climate; it is not unreasonable to expect a significant degree of financial uncertainty and risk which will vary across the life of the financial plan. The Authority will therefore set a medium term financial plan based upon these

key assumptions recognising that it may need to vary that plan to cope with changes arising.

36. In light of the risks within the financial plan the Authority therefore agrees to maintain the reserves as set out in Appendix B to this resolution and in particular maintain a general revenue reserve of £2.0m.

Capital Programme

37. The Authority approves the Capital Programme as set out in CFO/008/16 which includes a total investment of over £38.156m over 2016/17 – 2020/21 period. The programme for 2016/17 shall be approved as £20.600m.

38. The Authority notes the prudential indicators that this programme produces and recognises that the proposed capital investment programme is prudent, sustainable and the borrowing affordable. This programme makes use of the freedoms available to the Authority under the prudential regime and proposes 'prudential' borrowing of £6.565m in 2016/17 as part of a total borrowing of £21.561m across the life of the plan.

39. In the light of the capital programme and the prudential indicators agree the Treasury Management Strategy and the indicators set out in that strategy for:-

- (i) External Debt
- (ii) Operational Boundary for Debt
- (iii) Upper limits on fixed interest rate exposure
- (iv) Upper limits on variable rate exposure
- (v) Limits on the maturity structure of debt
- (vi) Limits on investments for more than 364 days

Basic calculations

40. Following consideration of the report of the Treasurer (CFO/007/16 & CFO/008/16) and having taken into account views expressed in consultations, and all other relevant matters, pursuant to the Local Government Finance Act 1992, as amended, (the "Act"), the Authority determines its budget requirement for the financial year 2016/17 as follows.

41. Approves the capital expenditure programme for the financial year 2016/17 for the total of £20.600m as set out in report CFO/008/16 and the five year programme totalling investment of £38.156m, and in this respect notes the advice of the Treasurer that the programme is prudent, sustainable and the borrowing affordable.

42. The Authority resolves as follows:

- (a) It be noted that on 25th February 2016, the Authority calculated the Council Tax Base 2016/17 for the whole Authority area as 355,792.06 [Item T in the formula in Section 42B of the Local Government Finance Act 1992, as amended (the "Act")].

(b) That the following amounts be calculated for the year 2016/17 in accordance with sections 40 to 47 of the Act:

The Authority calculates the aggregate of: (A)

- calculates the expenditure which it estimates it will incur in the financial year 2016/17 in performing its functions and will charge to the revenue account for the year in accordance with proper practices under S42A (2) (a) of the Act as £72.205m,
- calculates the allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to the revenue account for the year 2016/17 in accordance with proper practices under S42A (2) (b) of the Act as £0.000m,
- calculates the financial reserves which the Authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure for 2016/17 under S42A (2) (c) of the Act as £1.025m,
- calculates the financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not been already provided for under S42A (2) (d) of the Act as £0.000m.

The Authority must also calculate the aggregate of: (B)

- the income which it estimates will accrue to it in the year 2016/17 and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issued by it under S42A (3) (a) of the Act as £47.296m,
- The amount of the financial reserves which the Authority estimates that it will use in order to provide for the items mentioned in S42 (2) (a and b) under S42A (3) (a) of the Act as £5.341m.

If the aggregate calculated under A above exceeds that calculated under B above, the Authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year under S42A (4) (Item R in the formula in S42B of the Act).

The Authority calculates the basic amount of its council tax by dividing the aggregate amount of S42A (4) (item R) divided by the council tax base (item T) above. The council tax requirement for 2016/17 is £25,933,684 and the council tax base is 355,792.06, which is equal to £72.89 precept for a Band D property. This calculation meets the requirements under S42B of the Act.

43. The Authority calculates the council tax sums pursuant to s 47 of the Act as follows:

2016/17	Property Band		Increase	
			£	%
£48.59	For properties in Band	A	0.94	1.97
£56.69	For properties in Band	B	1.10	1.98
£64.79	For properties in Band	C	1.26	1.98
£72.89	For properties in Band	D	1.42	1.99
£89.09	For properties in Band	E	1.74	1.99
£105.29	For properties in Band	F	2.06	2.00
£121.48	For properties in Band	G	2.36	1.98
£145.78	For properties in Band	H	2.84	1.99

44. The Authority calculates the precept amounts payable by each constituent district council pursuant to S48 of the Act as follows:-

PRECEPT	AUTHORITY
£	
7,451,957	LIVERPOOL
6,595,226	WIRRAL
3,564,613	ST. HELENS
5,889,986	SEFTON
2,431,902	KNOWSLEY
25,933,684	

45. The Authority requests the Treasurer to arrange for precepts to be issued to the constituent district councils pursuant to S40 of the Act before 1st March 2016, such sums to be payable by 10 equal instalments on or before the following dates:

21st April 2016
31st May 2016
6th July 2016
11th August 2016
19th September 2016
25th October 2016
30th November 2016
10th January 2017
15th February 2017
17th March 2017

46. The Authority notes that The Treasurer has advised that the 2016/17 budget is based upon robust estimates.

Appendix A – 2016/17 Budget & Financial Plan to 2019/20

2016/17 - 2019/20 MTFP				
	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Current Approved Plan Forecast	62,812	64,762	66,512	68,260
2016/17 Issues				
Growth required to cover 0.5% levy for national apprenticeship programme		200	200	200
Sec 31 Grant for restricted small business NNDR increase	1	1	1	
Sec 31 Grant to cover subsidised local NNDR (NNDR1 Section C grants)	-140			
2016/17 Financial Plan Expenditure Forecast	62,673	64,963	66,713	68,460
Funding				
Government Funding - Settlement Funding Assessment				
Baseline Funding -Business Rates / Top-up	-18,428	-18,791	-19,345	-19,960
RSG (2016/17 - 2019/20)	-16,523	-13,664	-12,050	-11,000
Government Funding - Settlement Funding Assessment	-34,951	-32,455	-31,395	-30,960
Adjustment for District Local Business Rate income forecast	25	0	0	
Council Tax (assuming +2% increase in precept p.a.)	-24,968	-25,469	-25,978	-26,500
Council Tax Base (increase) / decrease	-966	-985	-1,005	-1,020
Council Tax / Business Rates - Collection Fund (surplus)/deficit	-647			
Council Tax	-26,581	-26,454	-26,983	-27,520
Updated Income Forecast	-61,507	-58,909	-58,378	-58,480
Forecast Net Position (surplus) / deficit (after CT Base increase)	1,166	6,054	8,335	9,970
Saving Proposals:-				
Pay Strategy:				
Change Pay Assumption from 2% to 1% over 2016/17 - 2019/20 period				
2016/17	-450	-500	-500	-500
2017/18	0	-450	-500	-500
2018/19	0	0	-450	-500
2019/20	0	0	0	-450
Review long term FPS Employer Budget	0	-180	-255	-370
Review NI increase following SERPS changes	0	-125	-125	-125
Council Tax – Tax Base:				
Assume increase of 0.5% in 2016/17 base from 2017/18	0	-125	-125	-125
Non-Employee and Technical saving options:				
Review Non-Employee Budgets	-350	-350	-350	-350
Review MRP payments	0	-500	-675	-820
Review Inflation for non-employee / cash limit budgets	-198	-500	-650	-720
Support Staff & Senior Management	-499	-1,249	-1,499	-1,499
Operational Response Staff Saving	0	-1,000	-2,800	-4,000
Use of Smoothing Reserve	331	-1,075	-406	
Forecast Net Position (surplus) / deficit after savings	0	0	0	

Appendix B- Reserves

Forecast Movement on Reserves 2016/17 Onwards

	Anticipated Balance 31.03.16	EXPECTED USE						Balance
		2016/17		2017/18	2018/19	2019/20	Future Years	
		Assumed in the Bud	Anticipated Additional Use					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves								
Emergency Related Reserves								
Bellwin Reserve	147	0	0	0	0	0	-147	0
Insurance Reserve	870	0	-470	-400	0	0	0	0
Emergency planning Reserve	75	0	0	0	0	0	-75	0
Catastrophe Reserve	500	0	0	0	0	0	-500	0
Modernisation Challenge								
Smoothing Reserve	1,323	977	0	-1,075	-406	0	-819	0
Severance Reserve	365		-65	-300	0	0	0	0
Ill Health Penalty Reserve	500		-250	-250	0	0	0	0
Recruitment Reserve	1,000		-1,000	0	0	0	0	0
Capital Investment Reserve	12,453	-5,292	-829	-6,332	0	0	0	0
PFI Annuity Reserve	2,177	-49	-51	-100	-100	-100	-1,777	0
Equality / DDA Investment Reserve	285		-185	-100	0	0	0	0
Firefighter Safety Investment Reserve	760		-260	-500	0	0	0	0
Specific Projects								
Community Sponsorship Reserve	0		0	0	0	0	0	0
Equipment Reserve	157		-157	0	0	0	0	0
Contestable Research Fund Reserve	25		-25	0	0	0	0	0
Healthy Living / Olympic Legacy	23		-23	0	0	0	0	0
Inflation Reserve	500		0	0	0	0	-500	0
Clothing / Boots Reserve	16		-16	0	0	0	0	0
CFOA Road Safety Reserve	100		-100	0	0	0	0	0
Ringfenced Reserves								
F.R.E.E. Reserve	52		-52	0	0	0	0	0
Princes Trust Reserve	368		-368	0	0	0	0	0
Community Youth Team Reserve	58		-58	0	0	0	0	0
Beacon Peer Project Reserve	62		-62	0	0	0	0	0
Innovation Fund Reserve	171		-171	0	0	0	0	0
Energy Reseve	156	48	-204	0	0	0	0	0
St Helens District Reserve	6		-6	0	0	0	0	0
New Dimensions Reserve	947		-947	0	0	0	0	0
Total Earmarked Reserves	23,096	-4,316	-5,299	-9,057	-506	-100	-3,818	0
General revenue Reserve	2,000	0	0	0	0	0	0	2,000
Total Reserves	25,096	-4,316	-5,299	-9,057	-506	-100	-3,818	2,000

6. **Emergency Medical Response Trial**

Members considered report CFO/012/16 of the Chief Fire Officer, providing Members with an update on the introduction of a co-responding trial between Merseyside Fire & Rescue Authority (MFRA) and North West Ambulance Service (NWAS) as part of the ongoing Blue Light collaboration work. The trial will involve a joint emergency response to cardiac arrest incidents by MFRA and NWAS. The report details the work undertaken to enable the six month trial beginning in February 2016 in line with NJC Circular 13/15.

Members were informed that a Memorandum of Understanding has now been signed between all parties and that the trial is due to commence on 29th February 2016.

Members were also advised of analysis undertaken, which identified that attendance at all cardiac arrest incidents across Merseyside, would equate to an additional seven incidents per day on average; and attendance at those events would have a slight impact on average response times and achievement of the response standard.

However, Members were informed that the benefits of attendance at such incidents would far outweigh any potential impact; and that a number of safeguards have been incorporated within the MoU to enable Fire Control to decline response in certain circumstances.

Members resolved that:

The contents of the report be noted.

7. **Fire Fit Hub Options Appraisals And Recommendations**

This Minute contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

8. **Tender for Insurance Services**

This Minute contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Close

Date of next meeting Date Not Specified

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This report is Restricted

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