

# **MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**26 FEBRUARY 2015**

## **MINUTES**

**Present:** Cllr Dave Hanratty (Chair) Councillors Les Byrom, Linda Maloney, Robbie Ayres, Peter Brennan, Roy Gladden, Ted Grannell, John Kelly, Jimmy Mahon, Barbara Murray, Steve Niblock, Lesley Rennie, Denise Roberts, James Roberts, Tony Robertson, Jean Stapleton and Sharon Sullivan

**Apologies of absence were received from:** Councillors Ray Halpin

### **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:
  - Cllr Lesley Rennie declared a personal interest in relation to Agenda Item 4 – Integrated Risk Management Plan Supplement 2015/17, due to being a Trustee of the Fire Support Network.
- b) no additional items of business were determined by the Chair to be considered as matters of urgency; and
- 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 10 – Part 2 EXEMPT Minutes of the Previous Meeting held on 29<sup>th</sup> January 2015
  - Agenda Item 11 – Disposal of Derby Road
  - Agenda Item 12 – Facilities Maintenance Contract

### **2. Minutes of the Previous Meeting**

The Minutes of the previous meeting of the Authority, held on 29<sup>th</sup> January 2015, were approved as a correct record and signed accordingly by the Chair.

### **3. Local Government Subscription 2015/16**

(CFO/006/15)

Members considered Report CFO/006/15 of the Deputy Chief Executive, concerning continuation of the Authority's membership of the Local Government Association.

Members Resolved that:

- a. The Authority continue membership with the Local Government Association (LGA) for 2015/16.
- b. the freeze of the LGA subscription fee for a further year and the 2.5% loyalty discount to all Fire and Rescue Authorities not on notice, alongside the 2.5% prompt payment discount to Authorities who pay the annual subscription in full by 30<sup>th</sup> June 2014, be noted;
- c. The Authority take up the offer of the discounted subscription, for 2015/16, of £10,460 plus VAT, and the Democratic Services Manager be instructed to raise purchase order and make subscription payment in full, before 30<sup>th</sup> June 2015.

### **4. INTEGRATED RISK MANAGEMENT PLAN SUPPLEMENT 2015/17**

(CFO/007/15)

Members considered Report CFO/007/15 of the Deputy Chief Fire Officer, concerning the outcomes of the public consultation on the Integrated Risk Management Plan (IRMP) Supplement 2015/17 and publication of the final (post consultation) version of the IRMP 2015/17 Supplement.

The Deputy Chief Fire Officer provided Members with an overview of the report, which detailed the content of the IRMP Supplement 2015/17 document and the consultation process undertaken.

Members commented on the quality of the document, which they felt was very clear and useful for public consumption.

Members requested that the document detail more explicitly, the work which is undertaken with the Authority's partners and how they could work more closely with Health and Wellbeing Boards in the future.

Members Resolved that:

- a. The responses received to the consultation, be agreed as having been adequately considered and reflected within the Integrated Risk Management Plan 2015/17 Supplement, where appropriate.

- b. The document be amended slightly, to detail more explicitly work with partner agencies and how the Authority could work more closely with Health and Wellbeing Boards moving forward.
- c. With the amendments to the document as detailed above, the IRMP 2015/17 Supplement, be approved for publication.
- d. The document, which is a supplement to the IRMP 2013/16 and continues to reflect the challenging budget position, be noted. In order to set a balanced budget further savings of £6.3m will need to be made by 1<sup>st</sup> April 2016 (£2.9m from support staff, £3.4m from front line fire stations).

These savings will be made by:

- A reduction of approximately 90 Firefighter posts
  - Merging fire stations – 3 pairs of stations have been identified for potential merger
  - Closing fire stations – initially Allerton but potentially other sites in the future
  - Loss of 40+ support staff posts
- e. Their commitment to ensuring that the impact of the changes on the communities of Merseyside should be minimised and firefighter safety maximised, be re-affirmed and it be noted that there are areas of the IRMP that will have significant impact upon our staff. In line with all staffing matters these will be the subject of additional staff consultation/negotiation. Likewise fire station mergers and closures have been, and will continue to be, subject to extensive public consultation.
  - f. That the Chief Fire Officer be requested to report the outcomes of these consultations separately to the Authority, as appropriate.
  - g. Prior to any implementation (and in line with normal practice) the Chief Fire Officer be instructed to exercise his full delegated responsibility for completing those consultations/negotiations and managing the implementation of any changes.
  - h. A further report be brought back to an appropriate Committee, concerning a review of how the new Automatic Fire Alarm (AFA) Policy is working.
  - i. A report be brought to a future meeting of the Community Safety & Protection Committee, details the Authority's current involvement with an representation on the Health and Wellbeing Boards across the Districts of Merseyside.

**5. Allerton Fire Station Consultation Outcomes**

(CFO/008/15)

Members considered Report CFO/008/15 of the Chief Fire Officer, concerning the outcomes of the twelve week public consultation process regarding the draft proposal to close Allerton fire station.

Members were provided with a detailed overview of the report and the consultation process.

Members were informed of the timescales for the consultation process, the different type of events held to engage with a range of stakeholders; and how the events were advertised.

The Chief Fire Officer also provided Members with a summary of the outcomes of the consultation and responses received in relation to the online survey.

**Members Resolved that:**

- a. The outcomes of the comprehensive and informative Allerton public consultation, be noted.
- b. Full and carefully considered account be taken of those outcomes when considering report CFO/010/15 relating to the proposals for fire cover in Liverpool.

**6. Operational Response Savings Options 2015/16 - Liverpool District**

(CFO/010/15)

Members considered Report CFO/010/15 of the Chief Fire Officer, concerning operational response savings options for Liverpool following the consultation process (which commenced on 1<sup>st</sup> November 2014 and concluded on 26<sup>th</sup> January 2015) over the proposal to close Allerton fire station and relocate the Allerton appliance to Old Swan to be crewed on a wholetime retained basis on a 30 minute recall.

The Chief Fire Officer detailed the requirement for operational response savings to be made within the Liverpool District; and provided Members with a comprehensive overview of all the savings options considered, explaining why Allerton fire station was subsequently selected for closure and relocation of its appliance to Old Swan fire station, to be crewed on a wholetime retained basis.

The Chief Fire Officer re-iterated that all options open to the Authority would have a detrimental impact; and that the closure of Allerton fire station was considered to be the “least worst” option available in terms of the overall impact on operational response, in order to make the necessary savings.

Members Resolved that:

- a. the outcomes of the public consultation process and the professional view of the Chief Fire Officer over the option to deliver least impact on overall operational response, be noted.
- b. the proposal to close Allerton fire station and relocate the Allerton appliance to Old Swan on a wholetime retained basis on a 30 minute recall, be approved.

7. **Interim Measures to be Taken Under Delegated Authority to Ensure Appliance Availability**

(CFO/013/15)

Members considered Report CFO/013/15 of the Chief Fire Officer, concerning the interim measures taken by the Chief Fire Officer under delegated authority to ensure appliance availability prior to the structural changes required as a result of ongoing cuts to the Authority budget are implemented.

Members were informed that although the station merger options have been approved, there is still a lengthy process to be undertaken before any new stations can be built and become operational.

Therefore, to enable appliance availability to be maintained whilst these structural changes are being progressed, the Chief Fire Officer, in conjunction with the Representative Bodies, will seek to implement wholetime retained crewing of four appliances, which will subsequently allow for 24 hour crewing at eight stations.

Discussion took place around the appetite of staff to work the 24 hour shift system, which is clearly highlighted by the number of expressions of interest received to work the system. A further discussion took place over sickness absence levels assumed in the current staffing model.

Members Resolved that:

The measures being taken by the Chief Fire Officer under delegated authority to ensure appliance availability prior to the structural changes required as a result of ongoing cuts to the Authority budget are implemented, be noted.

8. **Financial Review 2014/15 - April to December**

(CFO/005/15)

*Members agreed to consider the following Agenda Items together:*

- ***Agenda Item 8 – Financial Review 2014/15 – April to December***
- ***Agenda Item 9 – Merseyside Fire & Rescue Authority Budget And Financial Plan 2015/2016 – 2019/2020***

Members considered Report CFO/005/15 of the Deputy Chief Executive, concerning a review of the financial position, both revenue and capital, for the Authority for 2014/15, covering the period April to December 2014.

Members were provided with an overview of the report, which identified a favourable revenue position of £0.4m, which it is recommended be added to the Capital Investment Reserve to help avoid borrowing.

Members Resolved that:

- a. The potential £0.4m favourable revenue position identified within this report, be noted.
- b. The utilisation of the £0.4m favourable revenue position to increase the capital investment reserve in light of the future station merger programme and Service investment needs, be approved; and
- c. The Deputy Chief Executive be instructed to continue to work with budget managers to maximise savings in 2014/15.

**9. MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2015/2016 - 2019/2020**

(CFO/014/15)

Members considered Report CFO/014/15 of the Deputy Chief Executive, concerning the setting of a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensures that the Authority delivers an efficient, value for money service. This will allow the Authority to determine a budget for 2015/16 and a precept level in line with statutory requirements.

Members were advised that a 2 year financial plan had been approved by the Authority in 2013/14; and it is recommended that the Authority commit to the delivery of that financial plan, which assumes a Council Tax increase of just below 2 percent for 2015/16.

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.

Councillor Hanratty then formally moved the Labour Group Budget Resolution.

This motion was seconded by Councillor Linda Maloney.

Speaking in support of the Labour Budget Resolution, The Chair of the Authority highlighted the level of cuts the Authority has received over the duration of the

current parliament; and the reductions in employee numbers and changes to the service made as a result.

Discussion took place around the risks associated with continuing cuts and the impact on national resilience.

Members commented on the need to continue to work constructively with representative bodies, to help protect and shape the future of the Authority, to protect staff; and to maintain autonomy moving forward.

Members expressed their appreciation to Officers and all staff who in the face of continuous cuts and unprecedented change, continue to deliver a fantastic service on the Authority's behalf.

Cllr Rennie expressed support for the resolution and re-affirmed her continued commitment to collective, all party lobbying against further cuts.

Members then voted on the motion.

17 Members voted in favour of the motion.

0 Members voted against the motion.

0 Members abstained.

The Budget Resolution for 2015/16 was therefore unanimously approved.

Members Resolved that:

- a. The 2015/16 service budgets set out in the report, be noted.
- b. The Deputy Chief Executive's recommendation on maintaining the current level of general fund balance, £2.000m, and maintaining the reserves as outlined in Paragraph 151 to 153 of this report, be endorsed.
- c. Their current plan to increase the precept by just below 2% for 2015/16, raising the Band D Council Tax from £70.07 to £71.47 and confirm the strategy for future precept rises (the plan assumes 2% in each year thereafter), be endorsed.
- d. The approved 2014/15 – 2015/16 £6.300m saving plan outlined in Appendix C, be re-affirmed.
- e. The assumptions in developing the 2015/16 – 2019/20 Financial Plan outlined in the report, be endorsed and the Medium Term Financial Plan in Appendix D and the 2015/16 budget estimate of £62.169m, be approved.
- f. The capital strategy and investment strategy as summarised in Appendix B, be approved.

- g. The Minimum Revenue Payment (MRP) strategy for 2015/16 as outlined in Paragraph 79 of this report, be approved.
- h. The prudential indicators relating to the proposed capital programme, paragraph 90 to 92 of this report, be noted.
- i. The Treasury Management Strategy outlined in Section F and agree the Treasury Management indicators set out in paragraph 97 of this report, be approved 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
- j. The recommendations above be noted as providing an approved framework within which officers undertake the day to day capital and treasury activities.
- k. The proposed Labour Budget Resolution, be approved as follows:

### ***LABOUR BUDGET RESOLUTION 2015/16***

#### **Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2015/2016 - 2019/20**

1. Merseyside Fire and Rescue Authority (the Authority) has suffered the largest cut in Government grant of any Fire and Rescue service in the country – over 35% since 2010.
2. The Authority has planned prudently to minimise the impact on frontline services. The Authority has made significant efficiency savings, cut management costs and reduced support services.
3. However, as a direct consequence of the scale of Government cuts there has been an inevitable impact on frontline services and already the Authority has seen the number of fire appliances in Merseyside reduce from 42 to only 28 which equates to 33% overall reduction in appliance availability since 2010.
4. The Authority had already planned prudently to deal with the cuts and established a two year financial plan which despite identifying £2.9m from support and technical savings still required an unavoidable reduction of £3.4m from the operational front line
5. The Government has confirmed the level of grant cut for 2015/16 as £3.7m in a single year.



6. The Authority is therefore extremely saddened to have to continue with its current financial plan which is based upon:-
  - (i) The loss of a further 90 firefighter posts
  - (ii) Leading to the loss of 4 immediately available fire appliances
  - (iii) Delivered by a programme of station mergers and closures.
  - (iv) Further reductions in support services to the detriment of the service
7. In order to minimise the impact on the Fire & Rescue Service the Authority has agreed a council tax increase of 2%.
8. The effect of the budget on council tax will be a ***Band D Council Tax of £71.47, an increase of less than 3p per week, which equates to a total of £1.37 per week*** towards the Fire & Rescue Service.
9. Most people in Merseyside will pay ***Band A Council Tax of £47.65 or 92p per week towards their Fire & Rescue Service.***
10. The Authority recognises that any future Government are likely to apply further cuts to the Fire and Rescue Service beyond 2015/16 although it is extremely difficult to assess at this time the scale of those financial challenges. The Authority will continue to lobby the Government against such a position and highlight the consequences that further cuts will have on effectively delivering an emergency service. It is recognised further cuts to funding will mean additional station closures, reductions in front line Firefighter's posts, fire appliances and cuts to its support services. The Authority will prepare plans for meeting these financial challenges during 2015/16 and beyond.
11. The Authority recognises that the Fire & Rescue Service is emergency risk based and not demand led. During this period of austerity we would 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 located in a way that allow Merseyside to continue to respond effectively to local and national threats.

### **The Financial Plan**

12. The Authority has previously approved the financial plan as outlined in CFO/014/15 (*summarised in the attached Appendix A to this resolution*) and endorses the recommendations a. to j. in that report. The plan has a two year strategy for delivering a balanced budget over the 2014/15 – 2015/16 period and contains a package of £6.3m savings.
13. The Authority notes the progress in consulting with its communities delivering mergers of:-
  - (i) Huyton/Whiston at Prescot

- (ii) Upton/West Kirby at Saughall Massie Road
- (iii) Eccleston/St Helens at St Helens town centre

And the outright closure of Allerton.

14. The Authority requests that the Chief Fire Officer continue to bring back individual reports, including equality impact assessment, as soon as possible on specific business cases for mergers as detailed information and costs become available.
15. The Authority notes that to deliver any savings in Firefighter posts requires a reduction in the number of staff. The Authority is committed to seeking to try and avoid compulsory redundancy. It notes that to deliver the required reduction in Firefighter posts will take until 2016/17 based on natural retirement rates. The Authority has established a cost smoothing reserve to be used to avoid redundancy.
16. The Authority is committed to reducing its own costs as a consequence of government cuts and what that means for local services. The Authority has already made reductions in its member allowances of £24,000 as part of a four year target of reducing costs by 10%. Whilst that review is ongoing the Authority will in any case freeze all member allowances for the seventh consecutive year.
17. The Authority is also committed to reviewing its overall management structures to identify efficiencies and on an ongoing basis it expects the Chief Fire Officer to consider the managerial structure and capacity required to manage the Service at a time of such significant change.
18. The Authority notes that the capital programme at present only includes a provision for one station merger proposal, Prescott, as only station mergers that have been approved following public consultation are included in the programme. Whilst it is hoped that the availability of capital receipts, Government grant funding and the potential availability of reserves may assist in funding any building schemes it recognises that if this is not sufficient there may be a need to borrow to build which will impact on capital financing costs.
19. The Authority recognises that the exact timing of new station delivery and firefighter retirements is difficult to forecast and 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.
20. The Authority recognises that if suitable sites cannot be identified for mergers then station closures would be the next 'least worst' option.

## IRMP

21. The Authority agrees to reflect this financial plan in its future 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

22. The Authority recognises to fully deliver the savings required will take until the early part of 2016/17 if it wishes to minimise the likelihood of compulsory redundancy. It will reflect this phased approach in its reserve strategy.

23. 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 broad framework agreed by the Authority previously.

24. In relation to Firefighter post reductions the Authority will seek to use natural turnover rates recognising this will take until 2016/17 requiring the use of reserves in the intervening period if compulsory redundancies are to be avoided.

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

## Council Tax

26. In identifying a financial deficit of £6.3m the Authority had already assumed a council tax increase at the maximum level allowed by the Government before a referendum of just below 2%.

27. Because of the scale of the financial challenge likely in future the Authority has agreed, with a heavy heart, to stick to this plan and increase council tax in 2015/16 by just below 2% to minimise the impact on the services to Merseyside in the future

28. The impact of the budget on council tax will be a ***Band D Council Tax of £71.47, an increase of less than 3p per week to a total of £1.37 per week*** towards the Fire & Rescue Service.

29. Most people in Merseyside will pay ***Band A Council Tax of £47.65 or 92p per week towards their Fire & Rescue Service.***

## Recruitment

30. 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 and the need to recruit 250-400 firefighters by

about 2024. In addition it takes almost a year to train a firefighter across the full range of competencies.

31. 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 manage effectively succession planning. The Authority looks forward to welcoming the first of those new recruits in the near future.
32. The Authority directs the Chief Fire Officer to explore the opportunities for succession planning including apprenticeship models and more flexible recruitment contracts and to report back to the Authority with proposals for strategic recruitment.

### **Interoperability with Blue Light Partners**

33. This Authority is fully committed to securing efficiency and improvement and to making Merseyside safer by close working with Blue Light colleagues across the county. Many successes have been achieved so far including:-
  - (i) The successful delivery of the JCC with the police
  - (ii) Sharing 7 sites with the Ambulance Service including NWAS HART working alongside the Search and Rescue team
  - (iii) Extensive joint planning and exercising

34. 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 resources.

### **Working with other Partners**

35. 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.
36. The Authority will examine the impacts of the devolution agenda and how best we can understand and develop constructive dialogue with the newly constituted Merseyside Combined Authority and requests the Chief Fire Officer and Chair to report back to the Authority when further information and details become available.

### **Planning for beyond the Election**

37. The Authority is seriously concerned that this phase of cuts is likely to be followed by further cuts in 2016/17 and beyond. If any future Government follows through with proposals for public spending cuts (based upon how poorly local government, Fire and Rescue Service's and the Authority have fared in the current CSR) then future years would see further cuts in emergency cover across Merseyside unless council tax payers in Merseyside are willing to pay more for their Fire and Rescue Service.

38. The Authority, whilst continuing with its strong and direct approach to lobbying, recognises that it needs to plan prudently for what it would do if that approach is not successful.

### **Reserves**

39. 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.

40. 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.

41. 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**

42. The Authority approves the Capital Programme as set out in CFO/014/15 which includes a total investment of over £27.268m over 2015/16 – 2019/20 period. The programme for 2015/16 shall be approved as £13.780m.

43. 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 £10.405m in 2015/16 as part of a total borrowing of £21.443m across the life of the plan.

44. 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**

45. Following consideration of the report of the Deputy Chief Executive (CFO/005/15 & CFO/014/15) 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 2015/16 as follows.

46. Approves the capital expenditure programme for the financial year 2015/16 for the total of £13.780m as set out in report CFO/014/15 and the five year programme totalling investment of £27.268m, and in this respect notes the advice of the Deputy Chief Executive that the programme is prudent, sustainable and the borrowing affordable.

47. The Authority resolves as follows:

(a) It be noted that on 26<sup>th</sup> February 2015, the Authority calculated the Council Tax Base 2015/16 for the whole Authority area as 342,548.40 [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 2015/16 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 2015/16 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 £69.593m,
- 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 2015/16 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 2015/16 under S42A (2) (c) of the Act as £0.074m,
- 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 2015/16 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 £45.185m,

- 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 £1.303m.

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 2015/16 is £24,481,934 and the council tax base is 342,548.40, which is equal to £71.47 precept for a Band D property. This calculation meets the requirements under S42B of the Act.

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

| 2015/16 | Property Band            | Increase |
|---------|--------------------------|----------|
| £       |                          | £        |
| £47.65  | For properties in Band A | 0.94     |
| £55.59  | For properties in Band B | 1.09     |
| £63.53  | For properties in Band C | 1.25     |
| £71.47  | For properties in Band D | 1.40     |
| £87.35  | For properties in Band E | 1.71     |
| £103.23 | For properties in Band F | 2.02     |
| £119.12 | For properties in Band G | 2.34     |
| £142.94 | For properties in Band H | 2.80     |

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

| PRECEPT    |            | AUTHORITY |
|------------|------------|-----------|
| £          |            |           |
| 6,751,020  | Payable by | LIVERPOOL |
| 6,385,480  | Payable by | WIRRAL    |
| 3,416,838  | Payable by | ST.HELENS |
| 5,597,459  | Payable by | SEFTON    |
| 2,331,137  | Payable by | KNOWSLEY  |
| 24,481,934 |            |           |

50. The Authority requests the Deputy Chief Executive to arrange for precepts to be issued to the constituent district councils pursuant to S40 of the Act before 1<sup>st</sup> March 2015, such sums to be payable by 10 equal instalments on or before the following dates:

21st April 2015  
29th May 2015  
6th July 2015  
11th August 2015  
17th September 2015  
23rd October 2015  
30th November 2015  
8th January 2016  
15th February 2016  
17th March 2016

51. The Authority notes that The Deputy Chief Executive has advised that the 2015/16 budget is based upon robust estimates.



**APPENDIX A**

**2015/16 - 2019/20 DRAFT MTFP**

|   | 2015/16        | 2016/17        | 2017/18        | 2018/19        | 2019/20        |
|---|----------------|----------------|----------------|----------------|----------------|
|   | £'000          | £'000          | £'000          | £'000          | £'000          |
| <b>2014/15 Approved Financial Plan</b>  | <b>61,113</b>  | <b>62,889</b>  | <b>64,589</b>  | <b>66,089</b>  | <b>67,589</b>  |
| <b>2015/16 Issues</b>   |                |                |                |                |                |
| Increase in Sec 31 Grant for restricted NNDR increase   | -77            | -77            | -77            | -77            | -77            |
| New Sec 31 Grant to cover 2014/15 other NNDR adjustments (NNDR1 Part 1C In 25-29)increase in Autumn | -190           |                |                |                |                |
| Adjust Planned Drawdown from smoothing Reserve?   | 1,323          |                |                |                |                |
| Minimum Revenue Provision (MRP) & Interest Payable on loans   |                |                | 250            | 500            | 750            |
| <b>2015/16 Financial Plan Net Expenditure Forecast</b>  | <b>62,169</b>  | <b>62,812</b>  | <b>64,762</b>  | <b>66,512</b>  | <b>68,262</b>  |
| <b>FUNDING</b>  |                |                |                |                |                |
| <b>Government Funding</b>   |                |                |                |                |                |
| <b>Baseline Funding</b>   |                |                |                |                |                |
| <b>Council Tax Benefit Grant</b>  |                |                |                |                |                |
| Top Up Grant (Post 15/16 uplift by previous yr change)  | -13,765        | -14,027        | -14,294        | -14,566        | -14,843        |
| CLG Estimate of Local Business Rate Share (Post 15/16 uplift by previous yr change)                 | -4,228         | -4,310         | -4,394         | -4,480         | -4,568         |
| <b>Allocation Within Baseline Funding Level</b>   | <b>-17,993</b> | <b>-18,337</b> | <b>-18,688</b> | <b>-19,046</b> | <b>-19,411</b> |
| 2011/12 Ctax Freeze Grant uplift by previous yr change  | -282           | -287           | -292           | -297           | -302           |
| <b>Total Baseline Funding Level</b>   | <b>-18,275</b> | <b>-18,624</b> | <b>-18,980</b> | <b>-19,343</b> | <b>-19,713</b> |
| <b>RSG</b>  |                |                |                |                |                |
| 2013/14 - 2015/16 RSG Grant   | -18,336        |                |                |                |                |
| 2016/17-2018/19 uplift by previous yr change (-17.5%)   |                | -15,073        | -12,391        | -10,186        | -8,373         |
| 2011/12 Ctax Freeze Grant uplift by previous yr change  | -393           | -385           | -377           | -369           | -361           |
|   | -18,729        | -15,458        | -12,768        | -10,555        | -8,734         |
| <b>Settlement Funding Assessment</b>  | <b>-37,004</b> | <b>-34,082</b> | <b>-31,748</b> | <b>-29,898</b> | <b>-28,447</b> |
| <b>Adjustment for Business Rate income forecast from Districts</b>                                  | <b>95</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>NNDR Collection Fund (surplus)/deficit</b>   | <b>235</b>     | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>Council Tax -</b>  |                |                |                |                |                |
| Base Precept Income   | -23,430        | -24,482        | -24,972        | -25,471        | -25,980        |
| Council Tax Base (increase) / decrease  | -572           | 0              | 0              | 0              | 0              |
| Assume <b>2% rise 2013/14 to 2015/16</b>  | -480           |                |                |                |                |
| Assume <b>2% rise 2016/17 to 2019/20</b>  |                | -490           | -499           | -509           | -520           |
| Precept Income yield, rounding adjustment   |                |                |                |                |                |
| Council Tax Collection Fund (surplus)/deficit   | -1,013         |                |                |                |                |
| <b>Forecast Council Tax Income</b>  | <b>-25,495</b> | <b>-24,972</b> | <b>-25,471</b> | <b>-25,980</b> | <b>-26,500</b> |
| <b>Updated Income Forecast</b>  | <b>-62,169</b> | <b>-59,054</b> | <b>-57,219</b> | <b>-55,878</b> | <b>-54,947</b> |
| <b>Potential Future Saving Requirement</b>  | <b>0</b>       | <b>3,758</b>   | <b>7,543</b>   | <b>10,634</b>  | <b>13,315</b>  |

## Appendix B- Reserves

| <b>FORECAST USE OF RESERVES</b>          |                                 |                              |                            |               |             |                 |              |
|--|---------------------------------|------------------------------|----------------------------|---------------|-------------|-----------------|--------------|
|  | <b>EXPECTED USE</b>             |                              |                            |               |             |                 |              |
|  | Estimate<br>Balance<br>31.03.15 | 2015/16                      |                            | 2016/17       | 2017/18     | Future<br>Years | Balance      |
|  |                                 | Used in<br>2015/16<br>Budget | Forecast<br>in year<br>Use |               |             |                 |              |
|  | £'000                           | £'000                        | £'000                      | £'000         | £'000       | £'000           | £'000        |
| <b><u>Emergency Related Reserves</u></b> |                                 |                              |                            |               |             |                 |              |
| Bellwin Reserve                          | 147                             |                              |                            |               |             | -147            | 0            |
| Insurance Reserve                        | 370                             |                              |                            |               |             | -370            | 0            |
| Emergency Planning                       | 75                              |                              |                            |               |             | -75             | 0            |
| Catastrophe Reserve                      | 500                             |                              |                            |               |             | -500            | 0            |
| <b><u>Modernisation Challenge</u></b>    |                                 |                              |                            |               |             |                 |              |
| Smoothing Reserve                        | 1,695                           | -372                         | -1,323                     | 646           |             | -646            | 0            |
| Severance Reserve                        | 600                             |                              | -600                       |               |             |                 | 0            |
| Ill Health Penalty Reserve               | 440                             |                              | -220                       | -220          |             |                 | 0            |
| Recruitment Reserve                      | 1,000                           |                              | -400                       | -600          |             |                 | 0            |
| Capital Investment Reserve               | 10,786                          | -882                         | 176                        | -4,500        |             | -5,580          | 0            |
| PFI Annuity Reserve                      | 2,225                           | -49                          | -51                        | -100          | -100        | -1,925          | 0            |
| Equality / DDA Investment                | 285                             |                              | -285                       |               |             |                 | 0            |
| Firefighter Safety Investment            | 800                             |                              | -800                       |               |             |                 | 0            |
| <b><u>Specific Projects</u></b>          |                                 |                              |                            |               |             |                 |              |
| Community Sponsorship                    | 4                               |                              | -4                         |               |             |                 | 0            |
| Equipment Reserve                        | 111                             |                              | -111                       |               |             |                 | 0            |
| Contestable Research Fund                | 25                              |                              | -25                        |               |             |                 | 0            |
| FSD Reserve                              | 6                               |                              | -6                         |               |             |                 | 0            |
| Healthy Living                           | 35                              |                              | -35                        |               |             |                 | 0            |
| Water Rescue Reserve                     | 1                               |                              | -1                         |               |             |                 | 0            |
| Inflation Reserve                        | 500                             | 0                            | 572                        | 0             | 0           | -1,072          | 0            |
| <b><u>Ringfenced Reserves</u></b>        |                                 |                              |                            |               |             |                 |              |
| F.R.E.E. Reserve                         | 41                              |                              |                            |               |             | -41             | 0            |
| Princes Trust Reserve                    | 279                             |                              |                            |               |             | -279            | 0            |
| Community Youth Team                     | 53                              |                              |                            |               |             | -53             | 0            |
| Beacon Peer Project                      | 50                              |                              |                            |               |             | -50             | 0            |
| Innovation Fund Reserve                  | 170                             |                              |                            |               |             | -170            | 0            |
| Regional Control Reserve                 | 0                               |                              |                            |               |             | 0               | 0            |
| Energy Reserve                           | 84                              | 74                           |                            |               |             | -158            | 0            |
| St Helens District Reserve               | 6                               |                              |                            |               |             | -6              | 0            |
| New Dimensions Reserve                   | 793                             |                              |                            |               |             | -793            | 0            |
| <b>Total Earmarked Reserves</b>          | <b>21,081</b>                   | <b>-1,229</b>                | <b>-3,113</b>              | <b>-4,774</b> | <b>-100</b> | <b>-11,865</b>  | <b>0</b>     |
| <b>General Revenue Reserve</b>           | <b>2,000</b>                    | <b>0</b>                     | <b>0</b>                   | <b>0</b>      | <b>0</b>    | <b>0</b>        | <b>2,000</b> |
| <b>Total Reserves</b>                    | <b>23,081</b>                   | <b>-1,229</b>                | <b>-3,113</b>              | <b>-4,774</b> | <b>-100</b> | <b>-11,865</b>  | <b>2,000</b> |

10. **Part 2 Minutes 29/01/2015 Authority**

The Part 2 EXEMPT Minutes of the previous meeting, held on 29<sup>th</sup> January 2015, were approved as a correct record and signed accordingly by the Chair.

11. **Disposal of Derby Road ( MACC Building)**

(CFO/009/15)

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

12. **Facilities Maintenance Contract**

(CFO/011/15)

***The following Minute contains EXEMPT information, by virtue of Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.***

Close

Date of next meeting Thursday, 25 February 2016