



Minutes

Finance & Resources Committee

Date: 01 February 2019

Time: 10.30 am

Venue: Fire and Rescue Service Headquarters, Birkenshaw

Present: Councillor T Peart (in the chair), J Dodds, R Grahame, P Harrand, L Holmes, J Lennox, D O'Donovan and O Rowley (as substitute for Councillor A Tait)

In Attendance: None

Apologies: Councillors C Anderson, R Downes, J Fenton-Glynn and A Tait

18 Minutes of the last meeting

The Chief Finance and Procurement Officer advised to Members that confirmation had been received that central government would provide £3.672m funding in 2019 – 2020 in respect of the increase in the employers' contribution rate for the 2015 Firefighters' Pension Scheme (Min no. 14 refers).

RESOLVED

That the Minutes of the Committee at a meeting held on 12 October 2018 be signed by the Chair as a correct record.

19 Urgent items

None.

20 Admission of the public

There were not items which required the exclusion of the public and press.

21 Declarations of interest

None.

22 Mid-year Treasury Management report

Consideration was given to a report of the Chief Finance and Procurement Officer which presented the 6-monthly review of treasury management activity as required by the adopted CIPFA Code of Practice on Treasury Management.

The report examined treasury management performance for the period 1 April to 30 September 2018 and provided assurance that it had operated within the approved strategy and reported on the impact of the following;

- Economic factors and interest rates
- Investments performance
- Borrowing performance.

Members were advised that the Authority had invested an average balance of £24.5m externally during the period; generating an income of £0.082m. Detail of investments was detailed at Annex 1 to the report now submitted.

It was further reported that long-term loans at the end of September totalled £45.7m with total repayment of £0.118m made (including £38k due in the 2017 – 18 financial year but not collected). No new external borrowing had taken place to date and Members were provided with detail one short term loan of £1m taken out in July 2018 to ensure investment balances were maintained at a minimum of £10m. The cost of the loan was £145.

Net expenditure on interest and provision of debt repayment was estimated to be £7.57m for 2018/19 and the latest budget monitoring showed that a significant underspend was likely in the current year and it was anticipated that no new borrowing would be required in 2018 – 19. A schedule of the prudential indicators was provided for Members in Annex C.

RESOLVED

That the report be noted.

23 Treasury Management Strategy 2019 – 20

Members received a report of the Chief Finance and Procurement Officer setting out the draft Treasury Management Strategy for 2019 – 20 which covered the following issues;

- Economic outlook, credit risk and interest rates
- Borrowing and investment strategies
- Capital strategy – this had been included for the first time in 2019 – 20 in accordance with CIPFA guidelines)

Members were advised that the report meets the requirements of both CIPFA's Code of Practice and the DCLG Guidance.

RESOLVED

That the Full Authority be recommended to approve the Treasury Management Strategy 2019 - 20 including;

- The investment strategy
- The borrowing strategy
- The capital strategy
- The policy for the provision for repayment of debt
- The treasury management indicators, and
- The capital plan 2019 – 22

24 Quarterly financial review

Members considered a report of the Chief Finance and Procurement Officer which presented the quarterly review of the financial position of the Fire Authority over the preceding 3 months of the current financial year.

It was reported that, since the date of the last report £670k had been transferred from contingencies to employee budgets to finance the grey book 2% pay award. Members were advised that an underspend was forecast of £414k - an increase of £234k from the previous reporting period. The RAG rating had also been amended to allow for the inclusion of underspends

RESOLVED

- a) That the report be noted; and
- b) That the revised capital plan be approved.

25 Draft Capital Investment Plan/Draft Revenue Budget and Medium Term Financial Plan 2019 – 20

The Chief Finance and Procurement Officer submitted a report which presented a draft capital investment plan, a draft revenue budget and four-year medium-term financial plan.

The report set out the following;

- a four-year capital investment plan of £25.074m (to include £7.31m in 2019 – 20)
- a standstill budget of £82.153m
- details of the final year of the 4 year funding settlement (reduction of £0.41m)
- details of the authority reserves and planned use of these reserves
- proposed amalgamation of two earmarked capital reserves (capital financing and major projects reserves) on the premise that both had the same objective
- details of the tax base
- details of the increase in business rate income

RESOLVED

- a) That the report be noted; and
- b) That approval be given to the amalgamation of the two earmarked reserves as detailed in the report now submitted.

Chair