



# Minutes

## Finance & Resources Committee

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Date: 30 January 2015

Time: 10.30 am

Venue: Conference Room, Oakroyd Hall, Fire and Rescue Service Headquarters, Birkenshaw

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Present: Councillors B Smith (in the Chair); T Austin, R Grahame, P Harrand, L Holmes, A Hussain (items 5 – 8 only, Min nos. 26 – 29 refer), H Middleton, C Pillai, M Shaw and A Wallis

In Attendance: None

Apologies: Councillor G Thornton

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### **22 Minutes of the last meeting**

#### **RESOLVED**

That the Minutes of the Committee at a meeting held on 21 November 2014 be signed by the Chair as a correct record.

### **23 Urgent item**

None.

### **24 Admission of the public**

There were no items which required the exclusion of the public and press.

### **25 Declarations of interest**

There were no declarations of disclosable pecuniary interest in any matter under discussion at the meeting.

## **26 Data Transparency**

Consideration was given to a report of the Director of Service Support which advised of the publication of relevant information as required by the Local Government Transparency Code 2014.

The material published within the remit of the Finance and Resources Committee were;

- Expenditure exceeding £500
- Government Procurement Card transactions
- Procurement information
- Local Authority Land (Land and Assets)

The Director of Service Support confirmed that steps had been taken to ensure compliance and, as such, all the information could be accessed on the corporate website and would be updated as appropriate.

### **RESOLVED**

That the report be noted.

## **27 Quarterly Financial Review**

Consideration was given to a report of the Chief Finance and Procurement Officer which presented an overview of the financial performance of the Authority over the third quarter of the current financial year.

The report projected an underspend in the revenue budget of £2m which represented an increase of £0.8m over the previous forecast. It further advised of an allocation which had been made from the contingency fund to cover the cost to date of the industrial action (£850k). The main variances in the budget were due to the following;

- reduction in wholetime and Control staff salary costs of £1.497m – representing a larger than anticipated number of retirements and salary savings as a result of industrial action
- reduction in supplies and transport costs
- reduced capital financing charges

It was reported that the adjustments had been factored into the draft 2015 – 16 budget.

In response to a Member query, it was explained that the change in the forecast of salary expenditure from the report in November 2014 had been a result of filling posts within the support staff establishment. The variation in retained salaries had been a result of increased activity as a result of the industrial action, in addition to new support staff appointments and additional overtime related to industrial action,.

Treasury Management had been the subject of a separate report on the agenda (Min no. 28 refers).

### **RESOLVED**

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

## **28 Treasury Management Strategy 2015 – 2016**

The Chief Finance and Procurement Officer submitted a report which provided detail of the proposed Treasury Management Strategy for 2015 / 16 which included information on the following;

- Economic outlook, credit risk and interest rates
- Borrowing and investment strategies

Members were reminded that, due to the implementation of new European directives, there was the possibility that investments would not be as secure as had previously been the case due to the removal of the provision of guarantees to public sector organisations in instances where a bank failed. It was reported that the alternative arrangements put in place by Government were not likely to be used by this Authority due to the £10m minimum investment threshold.

The investment strategy remained focused on security rather than return and approval was sought for the following changes;

- increase in limits on investment in the money market funds from £18m to £24m (more security due to wider spread of investment),
- extension on time limit for investments from 60 to 364 days,
- investments in smaller Building Societies which did not have official ratings

Members sought advice on specific areas of Treasury Management activity in the current year and their impact on the 2015 financial strategy.

## **RESOLVED**

That the Full Authority be recommended to approve the Treasury Management Strategy 2015 – 16 including;

- a) the investment strategy outlined in section 2.3 and Annex A of the report
- b) the borrowing strategy in section 2.4 of the reports,
- c) the policy for provision of repayment of debt outlined in Annex C; and
- d) the Treasury Management indicators at Annex D to the report now submitted.

## **29 Budget report 2015 / 2016**

Members considered a report of the Chief Finance and Procurement Officer which presented a draft revenue budget for 2015 / 2016 together with the 4-year medium-term financial plan and capital programme.

The report set out the following;

- a revised draft five-year capital investment plan (£35.392m)
- a service standstill budget of £85.56m
- a draft four-year medium term financial plan

The report provided a summary of the current financial year together with information on the provisional Local Government Finance Settlement for the forthcoming year (a reduction of £4.574m (9%) over the current year). Recommendation was also made that savings would pay for anticipated revenue growth rather than the use of balances.

In terms of future years and the 4-year financial plan, Members were advised that there would be similar levels of grant cuts for the next spending review as had been the case for the previous one. It would, therefore, be necessary to continue the policy of non-recruitment. However, it was unlikely that this would deliver sufficient savings to bridge the gap in funding with a net deficit of approximately £7m by 2018 / 19.

**RESOLVED**

That the report be noted.

Chair