



# Minutes

## Finance & Resources Committee

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Date: 01 February 2019

Time: 10.30 am

Venue: Fire and Rescue Service Headquarters, Birkenshaw

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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

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## 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