

## **RESOURCES COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

13 November 2013

### Present:-

Councillors Greenslade (Chairman), Burridge-Clayton, Chugg, Dyke, Gordon, and Yeomans

### Apologies:-

Councillor Brooksbank

### **\*RC/9. Minutes**

**RESOLVED** that the Minutes of the meeting held on 9 September 2013 be signed as a correct record.

### **\*RC/10. Financial Performance Report 2013-2014: Quarter 2**

The Committee received for information a report of the Treasurer (RC/13/11) that set out details of performance during the second quarter of the current financial year (2013/14) as compared with the approved financial targets and which provided a forecast of spending against the approved 2013/14 revenue budget.

The Treasurer highlighted that spending was forecast to be £75.280 million at the year-end which was £1.504million less than the approved revenue budget of £76.784million, equivalent to 1.96% of the total budget. This variation in spending was attributable largely to the early implementation of the strategy to reduce non operational support function costs. He added that this was a good position for the Authority at this stage in the year and that the Committee would need to make a recommendation to the Authority at the year-end in respect of how this money was to be utilised.

It was noted that the Authority was on track to deliver the savings required as a result of the reductions in fire grants announced in the Comprehensive Spending Review (CSR) 2010 and the further 10% savings that were announced by the Chancellor in 2013. These savings were to be achieved partly by the implementation of the measures within the Corporate Plan for 2013/14 to 2015/16. It was noted that the Committee would need to keep under review the delivery of these savings plans as the Treasurer would be in a position to recommend a balanced budget to the Authority for the years 2014-15 and 2015-16.

In terms of the Capital Programme and the Prudential Indicators, the Treasurer reported that the forecast at this stage was for spending to be £5.272million with slippage of £1.028million into 2014/15. This meant that, if further slippage was also to occur during the year, it was likely that there would not be any requirement for further borrowing which would ease the position on the financing of debt repayments within the revenue budget. He added that this was an area that needed to be kept under review in view of the issues of affordability of capital spending and the impact on the prudential indicators.

**RESOLVED**

- (a) That the monitoring position in relation to projected spending against the 2013-2014 revenue and capital budgets be noted;
- (b) That the performance against the 2013-2014 financial targets be noted.

**NB. MINUTE RC/11\* BELOW ALSO REFERS.**

**\*RC/11. Treasury Management Performance 2013-2014: Quarter 2**

The Committee received for information a report of the Treasurer (RC/13/12) that detailed the Authority's performance on treasury management activities in Quarter 2 of the financial year (2013/14) in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2011 Treasury Management in Public Services Code of Practice.

The Authority's treasury management adviser, Adam Burleton of Capita, was in attendance at the meeting and he highlighted the following points:

- That the UK economy had shown an improvement with 0.3% growth in the first quarter of 2013/14 and 0.7% in quarter 2, with consumer confidence and house prices on the up although consumer expenditure was likely to remain suppressed by inflation;
- Interest rates were likely to increase in the 3<sup>rd</sup> quarter of 2014/15 as opposed to the 4<sup>th</sup> quarter if unemployment rates continued to drop;
- The Authority was performing well against its investment strategy and was outperforming the 3 month LIBID rate which was good, although the Service should continue to budget for low returns at this stage;
- External Borrowing as at 30 September 2013 was £26.285million, which was well within the Authorised Limit.

**RESOLVED** that the performance in relation to the treasury management activities of the Authority for 2013-14 (to September 2013) be noted.

**\* DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 11.15hours.