

DEVON & SOMERSET FIRE & RESCUE AUTHORITY
(Ordinary Meeting)

29 May 2014

Present:-

Councillors Healey (Chair), Ball, Bown, Mrs. Bowyer, Brooksbank, BurrIDGE-Clayton, Colthorpe, Dyke, Eastman, Edmunds, Ellery, Greenslade, Horsfall, Knight, Prior-Sankey, Radford, Randall Johnson, Smith, Woodman and Yeomans

Apologies:-

Councillors Chugg, Owen and Way

DSFRA/7. Councillor Julian Brazil

The Chairman and the Authority paid tribute to former Authority Member, Councillor Brazil, thanking him for his contribution to the work of the Authority during his period in office and wishing him well for the future.

DSFRA/8. Minutes of Committees

(a) Commercial Services Committee

The Chair of the Committee, Councillor Healey, **MOVED** the Minutes of the meetings held on 26 March and 19 May 2014 which had considered, amongst other things, updates on commercial ventures or leads being pursued and the financial performance of commercial activities.

RESOLVED that, in accordance with Standing Orders, the Minutes be adopted.

(b) Audit & Performance Review Committee

The Chair of the Committee, Councillor Radford, **MOVED** the Minutes of the meeting held on 7 May 2014 which had considered, amongst other things:

- a progress report from Grant Thornton (external auditors);
- the 2013-14 year-end report on work undertaken as part of the approved internal audit plan;
- the proposed 2014-15 internal audit plan; and
- a report on performance by the Devon & Somerset Fire & Rescue Service for the 2013-14 financial year against those measures contained in the approved Corporate Plan 2013-14 to 2015-15.

RECOMMENDATION that, in accordance with Standing Orders, the Minutes be adopted.

(c) Resources Committee

The Chair of the Committee, Councillor Greenslade, being temporarily absent from the meeting at this point, the Vice-Chair of the Committee, Councillor Yeomans, **MOVED** the Minutes of the meeting held on 16 May 2014 which had considered, amongst other things:

- a report on the Authority's financial performance during the fourth quarter of 2013/14 compared to approved financial targets for that year; and

- a report proposing an annual grant in 2014-15 to the Service Ceremonial Unit.

RECOMMENDATIONS

- (i) that the recommendation at Minute RC/24 (Financial Performance Report 2013-14 - Quarter 4) be considered in conjunction with report DSFRA/14/10 elsewhere on the agenda for this meeting;
- (ii) that, subject to (i) above and in accordance with Standing Orders, the Minutes be adopted.

(SEE ALSO MINUTE DSFRA/9 BELOW)

DSFRA/9. Provisional Financial Outturn 2013-14

The Authority considered a report of the Treasurer (DSFRA/14/10) on the financial outturn for 2013-14, for both revenue and capital spending, against the approved budgets for that financial year.

Total revenue spending in 2013-14 was £74.135m against an approved budget of £76.784m – an underspend of £2.649m (3.45%) – based on figures to the end of March 2014 and which were subject to final accounting adjustments and audit scrutiny for the year end. The underspend was largely accounted for by planned in-year savings including the deletion of 41 support staff posts. The report detailed significant variations from the approved budget and identified the following three transfers made in-year to Earmarked Reserves:

- £0.450m to an earmarked reserve for community safety prevention initiatives, as approved by the Authority at its meeting on 30 September 2014 (Minute DSFRA/26(e)(i) refers);
- £0.937m budget carry forwards to enable the following projects, planned to be delivered by the end of March 2014, to be completed during 2014-15:
 - replacement work wear for operational staff (£0.450m);
 - replacement breathing apparatus kit (£0.135m);
 - property maintenance projects (£0.059m);
 - change and improvement projects (£0.228m); and
 - mobile data upgrades for fire appliances (£0.065m);
- £0.314m grants from the Department for Communities and Local Government (CLG) unapplied and carried forward to 2014-15 in accordance with International Finance Reporting System requirements, as follows:
 - £0.110m of grant allocated for capital funding;
 - £0.165m of grant allocated as part of Small Business Rates Relief Scheme; and
 - £0.039m of grant allocated to fund Urban Search and Rescue (USAR) activities.

For the £2.649m underspend against the approved revenue budget, the report contained a proposal for the following two further transfers to Earmarked Reserves:

- £0.300m to the Earmarked Reserve established to meet the following essential spending pressures in 2014-15 identified since setting the approved revenue budget for that year:
 - enhancement of home fire safety visit programme (£0.100m); and

- works required for compliance with water regulations at a limited number of stations (£0.200m);
- £2.349m to an Earmarked Capital Funding Reserve to fund capital spending and thereby reduce borrowing and exposure to external debt. The report identified that the impact of this proposal on the Authority's Medium Term Financial Plan would be to reduce future debt charges by £0.245m from 2015-16 thereby contributing to the Authority's future savings targets.

The report also summarised the Authority's Provisions balances as at 31 March 2014 which had increased to £2.378m in total, the additional £0.766m relating to:

- a £0.481m increase in the provision to meet future pension liabilities arising from legislative changes; and
- an increase of £0.295m to the equalisation fund for the Joint Fire Training Centre, Avonmouth – a joint PFI venture (with Gloucester County Council and Avon Fire & Rescue Service).

The provisional outturn for capital expenditure indicated capital spending of £3.853m against a final, approved programme of £6.798m, with slippage of £2.882 million and net savings of £0.123m. The report set out the principal reason for the slippage (including delays in the appliance replacement programme) and identified financing for the capital spending of £3.853m in 2013-14. No prudential indicators had been breached as a result of capital expenditure during the year.

RESOLVED

- (a) That, from the underspend of £2.649m against the approved revenue budget, the following two transfers to Earmarked Reserves, as set out in paragraph 12.1 of report DSFRA/14/10 and outlined above, be approved;
 - the transfer of £0.300m to an Earmarked Reserve to fund two one-off essential spending pressures not included in the 2014-15 revenue budget; and
 - the transfer of £2.349m to the Earmarked Reserve for Direct Revenue Funding of Capital.
- (b) that the following capital determinations for the funding of capital spending in the 2013-14, as set out in paragraph 18.1 of the report, be approved:
 - £1.440m be capitalised and funded from external grant; and
 - £2.413m be capitalised and funded from revenue contributions to capital spending, either directly from the 2013-14 revenue budget or from balances in Earmarked Reserves
- (c) that subject to (a) and (b) above, the position in relation to the Revenue and Capital Outturn, as indicated in the report, be noted.

(SEE ALSO MINUTE DSFRA/8 ABOVE)

DSFRA/10. Annual Treasury Management Report 2013-14

(Adam Burleton, Capita, in attendance for this item).

The Authority received for information Report of the Treasurer (DSFRA/14/11) summarising Authority treasury management activities during 2013-14 in accordance with the requirements of the CIPFA Code of Practice on Treasury Management.

A prudent approach had been taken to investment decisions during the year with priority being given to liquidity and security over yield. Against a backdrop of continued uncertainty in the aftermath of the 2008 financial crisis, a cautious approach had been followed whereby investments were determined by risk considerations resulting in relatively low returns compared to the borrowing rates. Despite this, however, the Authority still secured returns on investment above the LIBID 3 month rate (the bench mark return for short-term investments) and no Prudential Indicator had been breached.

DSFRA/11. Chairman's Announcements

The Chairman reported, for information, on activities undertaken on behalf of the Authority since its last meeting.

DSFRA/12. Chief Fire Officer's Announcements

The Chief Fire Officer reported on:

- a forthcoming Awards Evening, to be held at 19:00hours on Thursday 31 July 2014 at Service Headquarters, to recognise, amongst other things, those involved in the M5 and recent flooding incidents and for Long Service and Good Conduct awards;
- the forthcoming official opening of the Exeter Airport Training Academy site on 15 July 2014;
- the commemoration of the 40th Anniversary of the Fire Service College, to be attended by the Princess Royal and to which the Service Ceremonial Unit had been invited to play;
- the current position in relation to the dispute between central government and the Fire Brigades Union in relation to proposed revisions to the Firefighters Pensions Schemes.

The meeting commenced at 11.15hours and finished at 12.24hours.