

RESOURCES COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

9 September 2013

Present:-

Councillors Brooksbank, Burridge-Clayton, Dyke, Gordon, Greenslade and Yeomans

Apologies:-

Councillor Chugg

Also in attendance in accordance with Standing Order 36

Councillors Eastman, Horsfall and Woodman.

***RC/1. Election of Chair**

Councillor Dyke nominated, with Councillor Yeomans seconding, Councillor Greenslade as Chair of the Committee. There being no further nominations, it was

RESOLVED that Councillor Greenslade be elected Chair of the Committee until its first meeting following the Authority annual meeting in 2014.

***RC/2. Minutes**

RESOLVED that the Minutes of the meeting held on 16 May 2013 be signed as a correct record.

***RC/3. Election of Vice Chair**

Councillor Dyke nominated, with Councillor Gordon seconding, Councillor Yeomans as Vice-Chair of the Committee. There being no further nominations it was

RESOLVED that Councillor Yeomans be elected Vice-Chair of the Committee until its first meeting following the Authority annual meeting on 2014.

RC/4. Financial Performance Report 2013-14: Quarter 1

(Councillor Greenslade declared a **personal interest** only in this item, in relation to monitoring of the approved capital programme 2013-14 to 2015-16 and in particular the major project for a Training Facility at Exeter Airport, by virtue of his being a non-executive Director on the board of Exeter International Airport Ltd. This was not a disclosable pecuniary interest).

The Committee considered a report of the Treasurer to the Authority (RC/13/7) on performance during the first quarter of the current (2013-14) financial year against approved financial targets and providing a forecast of spending against the approved 2013-14 revenue budget with explanations of the major variations.

At this early stage, it was forecast that spending would be some £1.011m (1.32%) less than the approved total budget. This saving was largely attributable to early implementation of the strategy to reduce non-operational support function costs. Positive management action (including the deletion of 16 support staff posts - anticipated to reach 40 by 31 March 2014) combined with new procurement strategies provide a good confidence level that the projected full year savings of £1.5m by 2015-16 would be met.

The Committee was reminded, though, that the issue of firefighter pensions for retained staff, linked to the ruling on the application of the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, had yet to be fully resolved. While the Authority had established a provision of £1.6m to address this, the actual final impact on the Authority could be more significant depending on take-up by retained staff.

Nonetheless, given the indicative level of underspend it was proposed that £450,000 be transferred to an ear-marked reserve to fund enhanced prevention activities as set out in the Corporate Plan approved by the Authority at its meeting on 10 July 2013 (Minute DSFRA/20(f) refers).

The report also set out the forecast reserves and provisions balances as at 31 March 2014.

With regard to capital spending in 2013-14, a report elsewhere on the agenda for the meeting sought approval for an increase of £1.332 to the approved programme (from £4.998m to £6.330m). This increase did not reflect, however, any increase in borrowing requirement but addressed slippage from the previous financial year final details of which were not known when the programme was initially approved.

Finally, the report commented on performance against other financial indicators, namely aged debt analysis and payment of supplier invoices within 30 days.

RESOLVED

- (a) that the Authority, at its meeting on the 30 September 2013, be recommended to approve the transfer of £0.450m from the 2013-14 approved revenue budget to an Earmarked Reserve to fund enhanced prevention activities, as outlined in paragraph 9.2 of this RC/13/7 and referred to above;
- (b) that, subject to (a) above, the monitoring position in relation to projected spending against the 2013-2014 revenue and capital budgets as set out in the report and outlined above be noted;
- (c) that the performance against the 2013-2014 financial targets as indicated in the report be noted.

(SEE ALSO MINUTE RC/5 BELOW)

RC/5. Capital Programme 2013-14 to 2015-16

(Councillor Greenslade declared a **personal interest** only in this item, in particular the major project for a Training Facility at Exeter Airport, by virtue of his being a non-executive Director on the board of Exeter International Airport Ltd. This was not a disclosable pecuniary interest).

The Authority received a report of the Director of Operations and the Treasurer (RC/13/8) on proposed revisions to the capital programme 2013-14 to 2015-16 as approved initially by the Authority at its budget meeting in February (Minute DSFRA/ refers).

The proposed revisions would reflect an increase in slippage from 2012-13 being carried forward to 2013-14 and additional capital spending items in 2013-14 being funded from revenue contributions and grant funding. The proposed increases did not require, however, any increase in the Authority's external borrowing requirements.

RESOLVED that the Authority, at its meeting on 30 September 2013, be recommended to approve the revised Capital Programme and associated prudential indicators for 2013-14 to 2015-16, as identified in report RC/13/8 and summarised in Appendices A and B respectively to these Minutes.

(SEE ALSO MINUTE RC/4 ABOVE).

***RC/6. Treasury Management Report 2013/14: Quarter 1**

The Committee received for information a report of the Treasurer (RC/13/9) on the performance of the Authority's treasury management activities for the first quarter (April to June) of the current, 2013-14, financial year. Submission of the report accorded with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

No prudential indicators had been breached and a prudent approach had been adopted for investment decisions with priority being given to liquidity and security over yield. While investment return remained low because of low interest rates it was nonetheless still anticipated that they would meet the budgeted target.

***RC/7. Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of the Authority and other organisations.

RC/8. ICT Building at Service Headquarters

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded from the meeting).

The Committee considered a report of the Director of Corporate Services (RC/13/10) on the outcome of discussions with Devon County Council on the transfer into ownership of the Authority of the ICT building at Service Headquarters. At the time of the initial establishment of the Devon Fire Authority and at the subsequent merger with the Somerset Fire & Rescue Service the building had, somewhat anomalously, remained in the ownership of Devon County Council.

RESOLVED that the Authority be recommended to approve the acquisition of the ICT building at Service Headquarters from the Devon County Council on the terms and conditions as set out in report RC/13/10.

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

The meeting started at 10.00hours and finished at 11.28hours.

**APPENDIX A TO THE MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON 9
SEPTEMBER 2013**

Revised Capital Programme (2013/14 to 2017/18)			PROPOSED PROGRAMME 2013-14 TO 2015-16			INDICATIVE PROGRAMME 2016-17 TO 2018-19		
2012/2013 Revised Programme (£000)	2012/2013 Outturn (£000)	PROJECT	2013/14 (£000)	2014/15 (£000)	2015/16 (£000)	2016/17 (£000)	2017/18 (£000)	2018/19 (£000)
		Estate Development						
92	3	SHQ major building works	121					
3,284	2,090	Major Projects - Training Facility at Exeter Airport	1,544					
2,140	820	Minor improvements & structural maintenance	988	2,050	1,750	1,750	1,750	1,750
15	15	Welfare Facilities						
112	109	USAR works						
343	343	Minor Works slippage from 2010-11						
1,674	549	Minor Works slippage from 2011-12						
52	47	Minor Works slippage from 2012-13	300					
0	0	STC ship structure	0					
7,712	3,976	Estates Sub Total	2,953	2,050	1,750	1,750	1,750	1,750
		Fleet & Equipment						
700	207	Appliance replacement	1,015	2,480	3,125	2,480	2,480	1,395
920	251	Specialist Operational Vehicles				400	400	
184	183	Vehicles funded from revenue	13					
242	45	Equipment	300	1,184	300	300	300	200
889	0	Appliance & Specialist Operational Vehicle slippage Equipment Slippage	1,868 181					
2,935	686	Fleet & Equipment Sub Total	3,377	3,664	3,425	3,180	3,180	1,595
10,647	4,662	SPENDING TOTALS	6,330	5,714	5,175	4,930	4,930	3,345
		Programme funding						
4,179	2,076	Main programme	1,596	4,316	5,175	4,930	4,930	3,345
3,247	415	Revenue funds	3,295					
1,200	150	Earmarked Reserves						
2,021	2,021	Grants	1,440	1,398				
10,647	4,662	FUNDING TOTALS	6,330	5,714	5,175	4,930	4,930	3,345

**APPENDIX B TO THE MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON 9
SEPTEMBER 2013**

PRUDENTIAL INDICATORS	INDICATIVE INDICATORS 2016/17 TO 2018/19					
	2013/14 £m estimate	2014/15 £m estimate	2015/16 £m estimate	2016/17 £m estimate	2017/18 £m estimate	2018/19 £m estimate
Capital Expenditure						
Non - HRA	6.330	5.714	5.175	4.930	4.930	3.345
HRA (applies only to housing authorities)						
Total	6.330	5.714	5.175	4.930	4.930	3.345
Ratio of financing costs to net revenue stream						
Non - HRA	3.85%	3.88%	4.49%	5.15%	5.71%	6.24%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March	£000	£000	£000	£000	£000	£000
Non - HRA	25,978	28,430	31,472	33,968	36,214	36,608
HRA (applies only to housing authorities)	0	0	0	0	0	0
Other long term liabilities	1,532	1,509	1,443	1,374	1,299	1,209
Total	27,510	29,939	32,915	35,342	37,513	37,817
Annual change in Capital Financing Requirement	£000	£000	£000	£000	£000	£000
Non - HRA	-356	2,430	2,974	2,423	2,168	301
HRA (applies only to housing authorities)	0	0	0	0	0	0
Total	-356	2,430	2,974	2,423	2,168	301
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p	£ p
Increase/(decrease) in council tax (band D) per annum	-£0.36	-£1.18	-£0.96	N/A	N/A	N/A
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT						
Authorised Limit for external debt	£000	£000	£000	£000	£000	£000
Borrowing	32,770	35,390	37,788	38,306	39,343	40,122
Other long term liabilities	1,520	1,449	1,371	1,278	1,177	1,070
Total	34,290	36,839	39,159	39,584	40,520	41,192
Operational Boundary for external debt	£000	£000	£000	£000	£000	£000
Borrowing	31,472	33,968	36,214	36,608	37,532	38,292
Other long term liabilities	1,443	1,374	1,299	1,209	1,112	1,010
Total	32,915	35,342	37,513	37,817	38,644	39,302

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2013/14		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%