

## RESOURCES COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

21 November 2019

### Present:-

Councillors Coles (Vice-Chair), Drean (Chair), Peart, Radford and Tuffin

### Apologies:-

Councillors Biederman and Yabsley

\* **RC/7**            **Minutes**

**RESOLVED** that the non-restricted Minutes of the meeting held on 4 September 2019 be signed as a correct record.

\* **RC/8**            **Treasury Management Performance 2019-20 - Quarter 2**

*NB. Adam Burlerton, representing Link Asset Services - the Authority's treasury management adviser – was present for this item of business.*

The Committee received for information a report of the Director of Finance & Resourcing (RC/19/18) that set out the Authority's performance relating to the second quarter of 2019-20 (to September 2019) in accordance with the Treasury Management in Public Service Code of Practice (published by the Chartered Institute of Public Finance and Accountancy {CIPFA}) and the CIPFA Prudential Code. The report set out how this Authority was demonstrating best practice in accordance with these Codes.

During consideration of this item, the following points were noted:

- there was concern in respect of the general weakening of growth in the major world economies including the United States and the European Union;
- The UK had seen growth of 0.5% in quarter 1 but this was boosted by stock building ahead of the original March Brexit deadline so it was expected that quarter 2 would be slightly negative and it came in at -0.2%;
- The bank base rate was not forecast to change for at least 12 months with inflation below target at 1.5%;
- That the annual treasury management strategy continued on a prudent approach, being underpinned by investment priorities based on security of capital, liquidity and yield with investment income of £0.098m in quarter 2 outperforming the LIBID benchmark rate of 0.66% by 0.19bp;
- None of the Prudential Indicators (affordability limits) had been breached in quarter 2 with external borrowing at 30 September 2019 being £25.491m, forecast to reduce to £25.444m by the end of the financial year with no new borrowing undertaken.

\* **RC/9**      **Financial Performance Report 2019-20 - Quarter 2**

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (RC/19/19) that set out the Service's financial performance during the second quarter of 2019-20 against the targets agreed for the current financial year. The report provided a forecast of spending against the 2019-20 revenue budget with explanation of the major variations.

The Committee noted that it was forecast that spending would be £0.508m (0.68%) less than budget. The Director of Finance & Resourcing (Treasurer) advised this was attributable largely to savings on the Fire Service Pension Recharge (£0.156m), an underspend on equipment and furniture budget (£0.155m) and an increase in the Authority's investment income (£0.071m) due to prudent investment planning by the Finance team.

The Director of Finance (Treasurer) also drew attention to proposed budget transfers totalling £1.187m as set out at Table 3 of the report.

**RESOLVED**

- (a) That the budget transfers shown in Table 3 of report RC/19/19 be approved;
- (b) That the monitoring position in relation to projected spending against the 2019-20 revenue and capital budgets be noted; and
- (c) That performance against the 2019-20 financial targets be noted.

\* **RC/10**      **Exclusion of the Press and Public**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public (with the exception of Dr Sian George and Lisa Compton {Red One Ltd} and Councillors Saywell and Thomas {Authority appointed Non-Executive Directors on the Board of Red One Ltd.}) be excluded from the meeting for the following items of business on the grounds that they may involve the likely disclosure of exempt information as defined in the following paragraphs of Part 1 of Schedule 12A (as amended) to the Act:

- Paragraph 3 – information relating to the financial and business affairs of any particular person – including the authority holding that information.

\* **RC/11**      **Restricted Minutes of Resources Committee held on 4 September 2019**

An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of Dr Sian George and Lisa Compton, [Red One Ltd.] and Councillors Saywell and Thomas [Authority appointed Non-Executive Directors on the Board of Red One Ltd.]) were excluded from the meeting.

*NB. Councillors Saywell and Thomas were present for this item in a non-voting capacity as Non-Executive Directors of Red One Ltd. (in support of Dr Sian George) but did not speak.*

**RESOLVED** that the Restricted Minutes of the meeting held on 4 September 2019 be signed as a correct record.

\* RC/12

**Red One Limited Financial Performance 2019-20: Quarter 2**

An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of Dr Sian George and Lisa Compton, [Red One Ltd.] and Councillors Saywell and Thomas [Authority appointed Non-Executive Directors on the Board of Red One Ltd.]) were excluded from the meeting.

*NB. Councillors Saywell and Thomas were present for this item in a non-voting capacity as Non-Executive Directors of Red One Ltd. (in support of Dr Sian George).*

The Committee received for information a report of the Director of Finance & Resourcing (Treasurer) and Dr Sian George (Chair of the Board of Red One Ltd.) (RC/19/20) on the financial performance of Red One Ltd. in quarter 2 of 2019-20.

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

The Meeting started at 10.00 am and finished at 11.35 am