

RESOURCES COMMITTEE
(Devon & Somerset Fire & Rescue Authority)

16 November 2016

Present:-

Councillors Dyke (Chair), Burridge-Clayton, Coles (sub Greenslade), Hendy, Thomas and Yeomans.

Apologies:-

Councillors Chugg.

* **RC/9** **Minutes**

RESOLVED that the Minutes of the meeting held on 1 September 2016 be signed as a correct record.

* **RC/10** **Treasury Management Performance 2016/17: Quarter 2**

The Committee received for information a report of the Treasurer (RC/16/13) that set out details of the treasury management performance for the second quarter of 2016 (to September 2016) as compared to the agreed financial targets for 2016/17.

Adam Burleton, representing Capita – the Authority's Treasury Management Adviser – was present at the meeting and he gave an overview of the performance to date as measured against the approved Treasury Management Strategy. He made reference to the following points:

- Post Brexit, the interest rate forecast had been reviewed and the bank rate had been reduced to 0.25% with interest rates expected to remain low until at least June 2019;
- The Authority was outperforming the 3 month LIBID benchmark return of 0.308% with investment interest at £60,696k (0.46%) in quarter 2;
- There had been no additional external borrowing undertaken with the debt reducing slightly to £25.790m. The Authority was maintaining its prudential approach to investment decisions with priority being given to liquidity and security over yield and no prudential indicators had been breached.

It was noted that the concern for the UK economy was that post Brexit, the cost of imported goods was starting to rise due to the drop in the value of sterling and the forecast for the Consumer Price Index was an increase to 3%, possible going to as high as 4%. With wage rises not increasing at the same rate, this may result in an earlier increase in interest rates in order to curb inflation.

Reference was made to the position in respect of the impending Government cuts to the Revenue Support Grant (RSG) to local authorities and the need for this Authority to continue to be ultra cautious in future. The Treasurer reported that the Government had issued a consultation document recently that made reference to the move towards self-sufficiency for local authorities and the question had been asked as to whether fire authorities should remain within this system.

* **RC/11** **Financial Performance Report 2016-17: Quarter 2**

The Committee received for information a report of the Treasurer (RC/16/14) that set out the financial performance for the second quarter of 2016/17 (to 30 September 2016) as compared with the agreed financial targets for 2016/17. In particular, the report provided a forecast of spending against the 2016-17 revenue budget with explanations of any major variations.

The Treasurer reported that it was forecast that spending would be £1.612 less than the approved revenue budget at this stage in the year, equivalent to 2.18% of the total budget. This continued to be attributable largely to the ongoing crewing changes as a result of the 2013-14 Corporate Plan together with a strategy to hold vacancies when staff left the organisation. There was no recommendation in terms of how this underspend should be utilised at the moment. However, there were some emerging budgetary issues which may require consideration in due course, such as the Emergency Services Mobile Communications Project (ESMCP), which may require some funding in the event that the government grant was insufficient to cover all of the costs of implementation, and there may also be a requirement to enhance the Change and Improvement reserve to support transformational projects and collaborative work in 2017/18 and beyond.

Attention was drawn to the position in respect of the costs associated with the recent fire in Cathedral Yard, Exeter which had required extensive resources. Whilst the full impact of this incident had not been assessed as yet, it was anticipated that costs may be in the region of £300k.

Reference was made to the position in respect of the Capital Budget which was anticipated to have a year-end spend of £4.2m against a budget of £6.417m. This was partly due to slippage and some timing issues and as a result, some projects had been removed from the Programme.

RESOLVED

- (a) That the monitoring position in relation to projected spending against the 2016-17 revenue and capital budgets be noted;
- (b) That performance against the 2016-17 be noted.

* **RC/12** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100(A) 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 involved 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 or business affairs of a particular person, including the Authority.

* **RC/13** **Estate Development Review Options**

(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/16/15) that provided an update in respect of the progress made with the Estates Development Review.

RESOLVED that the principle of pursuing the potential options listed in paragraph 3.10 of report RC/16/15 be endorsed, subject to the detailed information in respect of each scheme being submitted to the Committee for approval.

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

The meeting started at 10:00hours and finished at 11:55hours