

MERSEYSIDE FIRE AND RESCUE AUTHORITY

11 FEBRUARY 2021

MINUTES

Present: Cllr Linda Maloney (Chair) Councillors Janet Grace, Lisa Preston, Allan Brame and Edna Finneran

Also Present: Anthony Boyle (Independent Person)

Apologies of absence were received from:

8. CHAIR'S ANNOUNCEMENT

At the start of the meeting, the Chair of the Authority thanked everyone for attending and welcomed any members of the press or public who were observing the proceedings.

The Chair of the Authority then introduced the meeting and provided all present with an overview of how this remote meeting would work and some housekeeping.

A roll call was taken of all Members present, to confirm that they could hear and be heard; and that they could see and be seen.

1. Preliminary Matters

Members considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda
- b) no additional items of business were determined by the Chair to be considered as matters of urgency; and
- c) no items of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

2. Minutes of the Previous Meeting

The Minutes of the previous meeting of the authority, held on 26th November 2020 were approved as a correct record and for signature by the Chair.

3. FINANCIAL REVIEW 2020/21 – APRIL TO DECEMBER

Members considered Report CFO/005/21 of the Treasurer, concerning the financial position, revenue and capital, for the Authority for 2020/21. The Authority receives regular comprehensive financial reviews during the year which provide a full health check on the Authority's finances. This report covers the period April to December 2020.

Members were given an overview of the report informing them that that the net budget in the third quarter of the revenue position remains at £61.961m.

The report reviewed the robustness of the approved key budget assumptions and in particular;

- The McCloud remedy assumption that the cost to the employer of allowing FPS members access to their legacy schemes would be considered as part of the 2020 FPS actuarial review and reflected in Employer rates from 2023/24 (or 2024/25).
- The financial impact of COVID-19 on the Authority can be contained within the Government funding received by the Authority.

Members were advised that the current position is that these assumptions remain robust and all costs can be contained within the approved budget.

After reviewing income and expenditure officers have identified the following favourable variances:

- £200,000 savings on the overall employee budget as a result of staff vacancies arising from staff turnover in the year and staff not being at the top of their substantive grade;
- A small £75,000 increase in the section 31 grant to compensate for the loss of income due to the small business rate relief above.

A saving of £75,000 has been identified from the contingency provision for price increases as some inflationary pressures have been contained within the base budget overall, a favourable variance of £350,000 was identified.

Members were informed that the Service has procured a new application to deliver the information needs of Protection, Prevention and Response. A project team has been established to implement and develop the system over the next 12 months and Members were asked to support the use of the identified £350 favourable variance to create a reserve so officers can use it towards the cost of the implementation and development of the new system.

Members were advised of changes to the Capital Programme;

- a small increase of £24,000 due to an increase in ICT hardware and vehicle expenditure, and
- Schemes to the value of £6,124,000 have been re-phased from 2020/21 into future years to reflect the expected actual yearly spend.

The overall change to the capital programme was outlined in Appendix C.

Regarding the use of the Reserves, Members were advised that in quarter 3 a net contribution from the reserves was made for £37,000, to support consultancy costs within the applications development team and to cover planned community risk management projects. Following an ongoing review of the current reserves the report proposes to re-align £0.5m from the recruitment reserve to increase the capital / TDA reserve in light of the proposal for a new TDA.

Members were informed that the Treasury Management Performance was consistent with the approved treasury management strategy for 2020/21. At the end of December, the Authority held £35.4m of investments. All investments are consistent with the approved investment strategy and within the limits and no new loans have been taken out.

Members thanked the Treasurer for the report and asked if Merseyside Fire and Rescue Authority (MFRA) only received 95% of funds to cover fees and charges due to Covid19. Members were advised that MFRA receives from MHCL's Covid-19 fees and charges grant a 95% contribution but the remaining loss is funded from the general Covid-19 grant and therefore 100% of lost income is covered by Covid-19 grant monies.

Members queried why £20m was invested into other Councils/Authorities and were advised that this type of investment was part of the agreed investment strategy approved at the Budget Authority, and reflects the priority given to security and liquidity of any investments within the approved thresholds.

Members asked for the reason that the Council Tax and Business Rates collection fund deficits are to be spread over the 2021-22 to 2023-24 period and were informed that it is because the Government have acknowledged the impact Covid19 will have on the collection fund and have therefore allowed regulations to be changed to allow collection rates to be spread over 3 years.

Members resolved that:

- a) the contents of the report, be noted;
- b) the proposed revenue, capital and reserve budget alignments, be approved;
- c) the use of the £0.350m favourable revenue variance identified within this report to increase the Capital Investment Reserve in order to fund investment in a new Response, Prevention & Protection ICT application, be approved; and
- d) the Director of Finance be instructed to continue to work with budget managers to maximise savings in 2020/21.

CLOSE

Date of next meeting: 3rd June 2021