

# **MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**28<sup>TH</sup> SEPTEMBER 2021**

## **MINUTES**

**Present:** Cllrs Linda Maloney (Chair), Edna Finneran, Jan Grace & Andrew Makinson

**Also Present:** CFO Phil Garrigan, Ria Groves, Ian Cummins

**Apologies of absence were received from:** Cllr Preston & Anthony Boyle

### **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, held on 3rd June 2021 were approved as a correct record and for signature by the Chair.

### **3. AUDIT FINDINGS 2020/21 – GRANT THORNTON**

Georgia Jones, representing the Authority's External Auditor – Grant Thornton (GT), provided Members with an overview of their Audit Finding Report for 2020-21.

Members were advised that the work for the Audit Findings 2020-21 had been substantially complete at this point, but GT are just finishing work on the valuation of land and buildings, the pension liability and they are waiting for assurance from the Auditor of Merseyside Pension Fund (MPF) as without it GT's financial statements can't be signed off. MPF will supply their declaration in the next week or 2 and if there are any changes, GT will bring it to Members' attention at the earliest opportunity.

Key risks were then identified to Members, along with key judgements and estimates. Members were informed of the communication and responsibilities GT have and lastly identified their conclusion and fee.

Members were asked if they had any question or comments about the report and they did not.

#### **4. STATEMENT OF ACCOUNTS 2020/21 – APPROVAL OF AUDITED STATEMENTS**

Members considered Report CFO/055/21 of the Director of Finance and Procurement, that presented the 2020/21 Statement of Accounts for approval by Members' and request that they be authorised for issue.

Members were advised that Accounts and Audit regulations require the Authority's approval for the audited Statement of Accounts before the 30 September 2021, but it can only do this once Grant Thornton (GT) have completed their work. Unfortunately, Grant Thornton informed the Director of Finance & Procurement that they will not complete their audit work by the 30th September as they are waiting on some assurances from the Merseyside Pension Fund auditor, before they can issue their audit opinion. Grant Thornton have indicated that subject to the MPF assurances, they will issue an unqualified opinion on the Statement of Accounts, which is basically confirming that the Statement represents a true and fair view of the financial position of the Authority and its income and expenditure for 2020/21, and that the Statement has been prepared in accordance with the required Code and regulations. Therefore, Members were asked to consider the statement of accounts and delegate authority to the Chair of the Audit Committee and the Director of Finance & Procurement, as the s151 officer, to sign-off the 2020/21 Statement of Accounts for publication, once Grant Thornton have completed their audit work.

Members were given a brief overview of the report including the four core financial statements: the Comprehensive Income & Expenditure Statement, the Movement in Reserves Statement (MiRS), the Balance Sheet and the Cash Flow Statement; and any significant changes to the previous year's figures.

The Code and regulations require a number of notional accounting entries and adjustments that are significant in value are to be included in the Statement of Accounts, such as a depreciation charge. As these charges are notional in nature they do not form part of the costs that must be funded by the Authority's approved (general fund) budget.

Members were advised that the 2020/21 neutral revenue outturn position, reported to Members' of the Policy & Resources Committee at their meeting on 29th July 2021, has not changed as a result of any financial information in the statements being considered today.

#### **RESOLVED that:**

- A) the unaudited Statement of Accounts 2020/21 (attached as Appendix A to this report) to be authorised for issue and delegate authority to the Chair of the

Audit Committee and the Director of Finance & Procurement, as the s151 officer, to sign-off the 2020/21 Statement of Accounts for publication, once GT have completed their audit work, be approved and;

- B) the letter of representation in relation to the 2020/21 accounts (attached as Appendix B), be approved. Once Grant Thornton have completed the audit, the Chair and Director of Finance & Procurement will sign the letter.

## **5. FINANCIAL REVIEW 2021/22 – APRIL TO JUNE**

Members considered Report CFO/050/21 of the Director of Finance and Procurement, concerning the revenue, capital, and reserves financial position for the Authority for 2021/22.

Members were given a brief overview of the report highlighting the revenue position and budget movements in the first quarter. All the adjustments are self-balancing and do not impact on the approved net budget requirement, that remains at £59.250m.

The report considered the robustness of the approved key budget assumptions which are:

A 2020/21 pay freeze assumption. As the Firefighters and non-uniform staff have been offered 1.5% and 1.75% pay award, the Authority is faced with a £0.612m financial challenge in 2021/22, rising to £0.750m in future years. .

The administration costs associated with implementing the Home Office immediate detriment offer to the firefighters with regard to the age discrimination remedy for the McCloud case are expected to cost £0.080m in 2021/22 and may rise to potentially £350k by 2023/24.

The report has identified a £0.692m revenue overspend in 2021/22.

Members were recommended to draw down £0.692m from reserves to cover the financial challenge in 2021/22. The ongoing financial challenge will be picked up during the 2022/23 budget process (£0.750m to cover 2021/22 pay awards).

The Capital Position shows the amendments to the approved capital programme of +£3.856m and this increase relates to:

the approved re-phasing of £3.702m of 2020/21 schemes into 2021/22;

the approved works on the existing TDA site of £0.150m, funded from reserves; and additional ICT works of £0.004m funded from the revenue budget.

Members were informed that apart from the adjustments to reflect the approved use of reserves, the report is seeking members approval to use £0.692m of reserves to cover the revenue financial challenge.

The performance of Treasury management was consistent with the approved treasury management strategy for 2021/22. At the end of June 2021 the Authority held £29.5m of investments. All investments are consistent with the approved investment strategy and within the limits.

Members were advised that no new loans have been taken out.

Members commented that reserves are there for meeting projects spread over more than one year, specific risks, or as a contingency against unplanned events.

**RESOLVED** that:

- A) the contents of the report, be noted;
- B) the proposed revenue and capital budget alignments, be approved;
- C) the reserve adjustments in the quarter and the proposed use of reserves outlined in the report to fund:-
  - i) the cost of the 2021/22 pay awards, and
  - ii) additional pension administration costs, be approved, and;
- D) the Director of Finance and Procurement be instructed to continue to work with budget managers to maximise savings in 2021/22.

**Close**

Date of next meeting: 10<sup>th</sup> February 2022

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_