

MERSEYSIDE FIRE AND RESCUE AUTHORITY

27 SEPTEMBER 2018

MINUTES

Present: **Cllr James Roberts (Chair)** Councillors Anthony Boyle, Peter Brennan, Joe De'Asha and Andrew Makinson

Also Present:

Apologies of absence were received from:
Cllr Denise Allen and Cllr Chris Meaden

1. CHAIR'S ANNOUNCEMENT

Prior to the start of the meeting, information regarding general housekeeping was provided by the Chair to all in attendance.

The Chair confirmed to all present that the proceedings of the meeting would not be filmed.

The meeting was declared open.

2. Preliminary Matters

Members considered the identification of declarations of interest, any urgent additional items, and any business that may require the exclusion of the press and public.

Members 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 to be considered as matters of urgency were determined by the Chair; 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.

3. Minutes of the Previous Meeting

The minutes of the last meeting of the Audit and Scrutiny Sub Committee, held on 7th June 2018, were approved as a correct record and signed accordingly by the Chair.

4. Annual Audit Letter 2017-18

Members considered the External Auditor, Grant Thornton, Annual Audit Letter 2017-18 that summarised their finding following the audit work carried out on the 2017/18 Statement of Accounts.

Grant Thornton had previously reported their draft findings to the Policy and Resources (P&R) Committee on 26th July 2018, as there were very minor issues still to finalise that have now been completed. Now that the work is complete the final Annual Audit Letter must be presented to members for their consideration. Grant Thornton have identified no additional issues since the P&R document and therefore have confirmed their unqualified opinion on the 2017/18 accounts and value for money conclusion.

Members were advised that the contents of the report have been discussed and agreed with management and there is nothing in the report that hasn't been seen before by the Authority. The report has been brought here for formal noting before it is made public.

Members resolved that:

The Annual Audit Letter 2017-18, be formally noted.

5. Financial Review 2018/19 April to June

Members considered report CFO/059/18 of the Chief Fire Officer, concerning the financial position, revenue and capital, for the Authority for 2018/19. The Authority receive 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 June 2018.

Members were given an overview of the report highlighting the following:

- The revenue budget is consistent with the original budget at £59.7m and outlines the self-balancing adjustment actions in the first quarter.
- The approved revenue budget saving options are expected to be delivered on target.
- Members were advised of the implementation of the day crewing whole-time retained duty system at Wallasey and the City Centre. It was explained that Authority will continue to lobby Government to allow increased flexibility around the 2019-20 council tax increase from just under 3% or to £5. If this is approved and all other financial assumptions remaining consistent with the current financial plan, then the CFO will look at options for re-investing any available funds back into the front line services.
- The revenue spend is anticipated to be consistent with the budget.
- Amendments to the approved capital programme of just under £8m, of which £7.5m relates to the approved rephrasing of 2017-18 schemes into 2018-19

- The most notable adjustment made to the 5 year capital programme is an increase of £1.4m in the purchase of national assurance assets, which is 100% funded by the home office. Also a reduction of £1.1m in the planned spend of the period as a result of schemes slipping beyond the 5 year capital programme and some proposed reduction in ancillary fleet and operational equipment spend following a review by officers.
- A £3m increase in reserves in the first quarter of 2018/19 as a result of the re-phasing of planned spend on the new stations at St Helens and Saughall Massie into 2019/20.
- The performance of treasury management remains consistent with the approved 2018/19 strategy.
- At the end of June the Authority held investments of just over £21m. All investments are consistent with the improved investment strategy and within limit.
- No new loans have been taken out.

Members enquired about the credit rating of A- against Skipton Building Society investment and were informed that the credit rating is within the approved treasury strategy limits for the level of investment with that organisation, and A- remains a substantive credit rating.

Members asked for more information with regards to the six debtor accounts that have been approved for write-off under delegated powers. The Director of Finance outlined the reason for the write-off. One account was raised in error and the rest had a significant level of doubt over whether they met the conditions for a chargeable service or the relevant debtor was not known. Based on advice from litigation services it was recommended that the debts be written-off.

Members asked a question about the £900k increase in Fees and Charges income and where it had come from. Members were advised that most of the increase came from two bodies; the Merseyside Road Safety Partnership, £0.424m; and the Princes Trust, £0.415m. Members were informed that these are one off contributions that may be repeated in future years. Members then praised the work that MFRA do with the Princes Trust programmes.

Members enquired about the current council tax referendum limit. Members were informed that next year the Secretary of State has stated that an increase of just under 3% without a referendum will be allowed, which has been already been assumed in the current financial plan. Members were informed that the current Lobbying Strategy includes a provision to ask for an increase in this limit to £5 for 2019/20.

Members asked about the deletion of ancillary vehicles and if we would receive a financial gain from the deletion of these vehicles. Members were advised that the reduction in planned spend for 2018/19 – 2022/23 is only due to some purchases being re-phased beyond 2022/23.

Members resolved that:

- a) the contents of the report, be noted;
- b) the proposed revenue, capital and reserve budget alignments, be approved; and
- c) the Director of Finance continues to work with budget managers to maximise savings in 2018/19.

Close

Date of next meeting Thursday, 14 February 2019

Signed: _____ Dated: _____