

**ETAP Fire and Rescue Finance Panel – Summary Issues and Actions – January 2019    Item 2**

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for the first 9 months. The Panel welcomed this first report with a forecast outturn position. It was also welcome that the tight financial controls and lower than forecast levels of retained staff meant that it was now forecast that the outturn would be in line with the original budget.</p> <p>The capital programme is now also likely to be within budget with some projects deferred into 2019/20.</p> <p>The Panel noted the relatively strong cash and reserves position.</p>	<p>The Panel will continue to monitor the 2018/19 capital and revenue position, but has agreed that can be achieved using bi-monthly meetings.</p>
Reserves Strategy	<p>The Panel was presented with a report presented to the Strategic Governance Board on reserves.</p> <p>The Panel noted the high level of reserves relative to those in policing. The general reserve at 4.8% of spend compared to a strategic target level of 2% in policing. In addition the Panel noted there was an earmarked reserve of £1m that was designated as contingency which in effect is a general reserve!</p> <p>The Panel particularly welcomed the specific descriptions that underpinned the rationale for the level of general and earmarked reserves and commended this as good practice. Much of the earmarked reserve is set aside to support capital spending. This has a consequential impact on borrowing with a relatively low level of debt forecast in the medium term strategy.</p>	<p>The Panel will continue to review revenue reserves.</p>
Draft budget for 2019/20	<p>The Panel received a draft budget report. The budget is based on a 2.99% increase in Council Tax and reflects changes in central government funding in line with their 4 year settlement for fire plus additional support for increased pension costs. To achieve a balanced budget further cost savings will be required in the coming year. However, these are in line with previously agreed plans.</p> <p>Looking ahead there are likely to be additional spending pressures arising from the forthcoming HMT spending review.</p> <p>The Panel welcomed the report and the clarity about the financial position.</p>	<p>The Panel noted the draft budget.</p>

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Audit progress	<p>The Panel received a short verbal update in relation to outstanding internal audit actions.</p> <p>The Panel discussed the possibility of appointing a single internal auditor for both Police and Fire. It was agreed that there would be a review to consider a joint approach from 2020/21.</p>	<p>The Panel will review internal audit provision during 2019/20.</p>
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**Alan Edwards**

**ETAP Finance Panel Chair**