

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for the first 7 months. The Panel noted the significant impact the summer fires had on both operations and finance. This had resulted in a potential forecast overspend in the past three months. This month's report now showed that the tight financial controls and lower than forecast levels of retained staff had reversed the picture and it was now forecast that the outturn would be within the original budget. The Panel welcomed this news.</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>
Medium Term Financial Strategy (MTFS)	<p>The Panel was presented with any early draft of the MTFS and the 2019/20 budget timetable. As background the Panel was informed that in 2016 the Authority accepted Settlement Funding from the Department for Communities and Local Government for the four year period 2016/17 to 2019/20 in return for the publication of an Efficiency Plan covering the four year period. The Settlement Funding included a total reduction in Revenue Support Grant of £4.8m during this period. To date £4.2m of this reduction has now been applied with a further £0.6m included within the MTFS for 2019/20.</p> <p>An additional pressure in 2019/20 and subsequent years relates to the employer cost of fire pensions. This is similar to the position in Policing. For Staffordshire FARS the indicative additional cost in the coming year is circa £1m. As a result, this could create a gap in the MTFS rising to £1.8m by 2020/21 despite efficiency savings planned of £1.3m pa.</p> <p>In relation to capital the plans involve a significant reduction in spending in the next two years following the purchase of new appliances in the current year.</p> <p>The reserves position looks on the face of it strong, but the majority of the reserves are earmarked with £1.9m held in general reserve at the end of the last financial year.</p> <p>The Panel welcomed this early opportunity to consider FARS finances and the underlying risks and opportunities</p>	<p>The Panel will devote most of its January meeting to a detailed review of the 2019/20 budget and MTFS.</p>

	to be explored within the MTFS. As with Policing the financial settlement is expected in early December when it is hoped that some support for the additional fire pension contributions can be identified.	
Treasury Management	<p>The Panel received a six-monthly update to end September 2018 on Treasury Management. This showed that FARS had relatively significant amounts of cash invested in line with its agreed investment strategy. The relatively low levels of return currently available in the market on cash holdings was noted. FARS headroom within its Prudential borrowing limits was also noted.</p> <p>The Panel recognised that FARS is a professional (rather than retail) client in relation to MIFID regulations due to its relatively high cash levels.</p>	The Panel will continue to monitor FARS treasury management activities.
Police and Fire collaboration	<p>The Panel had received a short paper analysing opportunities to extend Police/Fire collaboration in its Policing meeting. The Panel had welcomed the paper and noted the initial focus on enabling and support services. The delivery will be phased with an initial Phase One target delivery date of April 2019.</p> <p>The Panel highlighted the potential for wider operational collaboration as part of the future development of the relationship. The Panel discussed the timing of any such development from a FARS perspective.</p>	The Panel will support the development of police and fire collaboration initiatives.

**Alan Edwards**

**ETAP Finance Panel Chair**