

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for period 9.</p> <p>The Group's total Revenue spend year to date is £29.6m which is £0.7m favourable to budget. Pay costs are showing a favourable variance to budget year to date of £0.4m. The 1% difference between the operational budgeted pay award of 3% and the actual of 2% has been transferred to reserves in the period to help with financial funding pressures for 2021/22.</p> <p>Non-pay costs year to date are £0.3m favourable to budget. The Panel heard there are no cost areas of concern at this stage.</p> <p>The forecast outturn shows an expected net spend of £41.6m compared to a budget of £42.4m – ie some £0.8m less than budgeted. The Panel was briefed that this may improve in the last quarter given current levels of activity.</p> <p>The Capital Programme for 2020/21 has been approved at £6.1m (which includes the collaboration work at Hanley Fire Station). The Panel noted the welcome news of the recent completion of the Hanley project.</p> <p>The Cash position at end of December 2020 was £15.3m. Cash remains in line with expectation and is invested in accordance with the Service's Annual Investment Strategy. The Panel noted that the UK Government Debt Management Office was now offering negative interest rates on cash invested with them!</p> <p>The Panel noted this healthy financial position going into a period of uncertainty.</p>	The Panel will continue to closely monitor the underlying financial performance in 2020/21.
MTFS update	<p>The Panel received a presentation summarising the latest draft MTFS and precept recommendation.</p> <p>The draft shows a relatively small shift in spending between years largely as a result of the Government's pay freeze. Looking ahead there remains significant uncertainty particularly in relation to pay and pensions and the impact of the Grenfell enquiry. At this stage budget gaps are forecast for 2022/23 and the following year. The Panel was briefed that a Service 2025 review is underway to prepare the service to address these gaps and wider challenges not least to the attractiveness of the retained firefighter role.</p> <p>The Panel explored changes in the spend profile including the consolidation of JETS staff to Police and the consequential movement to a contracted service.</p> <p>ETAP will be receiving the full MTFS paper so the detail has not been summarised in this short paper.</p>	The Panel will continue to monitor the medium-term financial position.

Alan Edwards, ETAP Finance Panel Chair