



# ethics, transparency & audit panel

*Building public trust in policing and fire and rescue*



## ETAP Fire and Rescue Finance Panel – Summary Issues and Actions – Dec 2019

## Item 2 (i)

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for the first 7 months of the year.</p> <p>The latest report shows that FARS net expenditure at £23.7m is £310k below budget. Both pay and non-pay costs are lower than forecast following the annual Dragons Den exercise. The first year-end forecast has been completed which estimates a £560k underspend for the year before any use of reserves.</p> <p>The capital programme has been reduced in year from £6.9m to £4.2m. This reflects a review of the deliverability in year of some projects.</p> <p>The cash position at £16m is in line with expectations.</p> <p>The Panel noted the strong financial management arrangements and the consequential cash and reserves position.</p> <p>The Panel discussed the implications of the settlement date being put back due to the general election.</p>	The Panel will continue to monitor the 2019/20 capital and revenue position.
MTFS update	<p>The Panel received an update report previously sent to the Police Fire and Crime Panel. The Panel welcomed the draft settlement received in early Autumn which would mean effectively a standstill position for 2020/21.</p> <p>However, the Panel noted the gap between current forecast revenue resources and spending needs during the MTFS period remains at circa £3m albeit that this is now delayed for a year to 2022/23.</p>	The Panel noted the update on the MTFS.
Treasury Management	<p>The Panel received a half year report on Treasury Management.</p> <p>Overall the Commissioner is borrowing at a marginally higher average cost and receiving marginally higher levels of interest on cash balances than the previous year. The current expectation that there should be no need for additional borrowing in this financial year and the policy of using cash to support any investment remains.</p>	The Panel will continue to monitor treasury management activities and compliance with prudential borrowing codes.



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	<p>The Panel discussed the impact of historic high interest rate debt and the use of a LOBO (Lender Option, Borrower Option) loan.</p>	
Internal Audit	<p>The Panel discussed internal audit arrangements and an option to bring together the provision for Police and Fire. The Panel heard of a positive meeting between Fire senior staff and the existing Police internal auditors and agreed in principal to a change in arrangements.</p>	<p>The Panel will review the joint arrangements for internal audit for 2020/21 onwards.</p>

**Alan Edwards**

**ETAP Finance Panel Chair**