

Minutes of the meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 5 FEBRUARY 2014 at 10.00 am

**Present:** Councillors Busby, Gomm, Lambert, Morris, Reed and Schofield

**Officers:** J Thelwell (Chief Operating Officer), G Britten (Director of Legal and Governance), D Skinner (Director of Finance and Assets), L Swift (Director of People and Organisational Development), D O'Driscoll (Head of Service Development), M Osborne (Head of Service Delivery), J May (Head of Finance [Deputy Director]) M House (External HR Consultant) and K Nellist (Democratic Services Officer)

1 Member of Public

**Apologies:** Councillors Dransfield, Edwards

**EX32 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on 20 November 2013, be approved and signed by the Chairman as a correct record.

**EX33 TREASURY MANAGEMENT PERFORMANCE 2013/14 – QUARTER 3**

The Committee noted that since the 1 April 2013 the Authority had been investing in its own name. The report highlighted the performance of the in-house treasury management function for the third quarter 2013/14.

The Committee also noted that the accrued interest earned for the first nine months of the year was £90k, which was £37.5k higher than the budget for the same period and £40k higher than the interest that would have been earned under the previous Service Level Agreement with Buckinghamshire County Council.

RESOLVED –

That the Treasury Management Performance 2013/14 – Quarter 3 report be noted.

**EX34 BUDGET MONITORING PERFORMANCE AND DEBT MANAGEMENT APRIL – DECEMBER 2013 (Q3)**

The Committee considered the Revenue and Capital Budget Monitoring and Debt Management Performance for the nine months to 31 December 2013.

The Committee noted that Managers had positively and proactively controlled spend and forecast an under-spend of £1.3m, against a revenue budget of £29m.

The Committee also noted that the underspend would be used as follows:

- (a) £900k to be transferred to the control room reserve to cover the estimated additional costs of control in 2014/15 as a result of the delays to the control room project;
- (b) £260k revenue contribution to capital to support the ICT strategy;
- (c) The residual balance of the under-spend would be transferred to the redundancy and early retirement reserve when the final outturn figure was confirmed at the end of the year.

RESOLVED –

1. That the latest projected outturn forecast for the Fire Authority as at 31 December 2013 be noted.
2. That the capital budget virement as detailed at the end of section 9 of the report be authorised.
3. That the proposed use of underspend as outlined above be approved.

#### **EX35**

#### **LOCAL GOVERNMENT PENSION SCHEME – RESTRUCTURING OF LIABILITY**

The Head of Finance highlighted to the Committee the proposal in this report for a one-off lump sum repayment of £1,920k of the employers contributions to the Local Government Pension Scheme for Green Book workers, to reduce the deficit recovery amount for the Authority to zero.

RESOLVED -

That the restructuring of the Authority's Local Government Pension Fund liabilities (by making a one-off payment of £1,920k into the pension fund) be approved.

#### **EX36**

#### **TREASURY MANAGEMENT**

The Committee considered the Treasury Management Policy Statement, the Treasury Management Strategy Statement and the Annual Investment Strategy.

The Committee noted the main changes were an increase from £5 million to £7.5 million to the counterparty limit for Lloyds, that a limited number of non-UK based banks were added to the counterparty list and that a limited number of additional UK based building societies were added to the counterparty list.

RESOLVED –

That the Authority be recommended to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2014/15.

**EX37**

**THE PRUDENTIAL CODE, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION**

The Committee considered the Prudential Code, Prudential Indicators and the Minimum Revenue Provision.

The Committee noted that the Authority was currently in an over-borrowed position but due to the prohibitive penalties early repayment of borrowing was not an option. The Authority would therefore ensure that no additional borrowing be undertaken for the foreseeable future.

The Committee noted that the Prudential Code had been established to ensure that capital investment plans were affordable, prudent and sustainable and equated to an acceptable level of risk to the Authority.

RESOLVED –

That the Authority be recommended to approve:

1. The prudential indicators; and
2. The minimum revenue provision policy statement.

**EX38**

**MEDIUM TERM FINANCIAL PLAN (MTFP) 2014/15 – 2017/18**

The Committee considered the draft Medium Term Financial Plan for 2014/15 – 2017/18, and noted the three different council tax options set out.

The Director of Finance and Assets reminded the Committee that the funding regime had changed over the past year in terms of how the Authority received funds. The Authority now received 1% of non-domestic rates which are actually collected and billed.

Information received from two districts show we could be facing a £300k shortfall in funding (to a maximum shortfall level of 386k), below the level the Government has set.

RESOLVED –

1. That the latest savings and growth bids at Appendix C and Appendix D were noted.
2. That the draft capital budget for 2014/15 to 2017/18 at Appendix E was noted.
3. It being proposed by the Chairman and seconded by Councillor Reed it was:

RESOLVED –

That recommendations for two options for precept be considered by the full Authority; i) 0% and accept council tax freeze grant and ii) a percentage rise up to the referendum limit.

#### **EX39**

#### **BMKFA PAY POLICY PRINCIPLES AND STATEMENT 2014 15**

The Committee noted that the purpose of this report was to recommend approval to the Authority for the Pay Policy Principles and Statement for 2014/15, thus achieving compliance with the requirements of sections 38 to 40 of the Localism Act 2011 with regards to Openness and Accountability in Local Pay.

The Committee also noted that the Pay Policy Statement was based on last year's, with minor amendments to align with guidance from the Department of Communities and Local Government.

RESOLVED –

That the draft Pay Policy Principles and Statement be recommended to the Authority as its statutory Pay Policy Statement for 2014/15.

#### **EX40**

#### **EXCLUSION OF PUBLIC AND PRESS**

RESOLVED –

That the press and public be excluded from the meeting by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 as Appendix 5 of the report contained information relating to the financial or business affairs of an individual; and Paragraph 4 of Part 1 of Schedule 12a of the Local Government Act 1972 as Appendix 5 of the report also contained information relating to actual, or contemplated, consultations or negotiations in connection with labour relations and on all these grounds it was considered the need to keep information exempt outweighed the public interest in disclosing the information, so that the committee could consider the following matter:

Appendix 5 of the Remuneration and Performance Review

(The Head of Service Delivery and the Head of Service Development left the meeting)

#### **Senior Management Team Pay Review Methodology Appendix 4 (Recommendations 1 and 2)**

The Director of People and Organisational Development asked the Committee to note the scored out and high-lighted changes to the Senior Management Team Pay Review Methodology.

The high-lighted section was an amendment to the named roles within the group that covers the senior management team pay review and methodology. This would move the Heads of Service Delivery to Gold Book terms and conditions.

The scored out section was no longer necessary as the Executive Committee are able to approve the senior management team pay review methodology as the Committee's terms of reference were amended by the Authority at its June AGM.

RESOLVED –

1. That the amendments to the Senior Management Team Pay Review Methodology as set out in Appendix 4 be approved.
2. That the Chief Fire Officer be delegated authority to negotiate amendments to employment contracts of the Heads of Service Delivery so that "Gold Book" methodology be applied in respect of salary.

J Thelwell (Chief Operating Officer), G Britten (Director of Legal and Governance), D Skinner (Director of Finance and Assets), L Swift (Director of People and Organisational Development), J May (Head of Finance [Deputy Director]) left the meeting.

RESOLVED:

3. That a 1% pay award for SMT members as an outcome of the 2013 review be applied.
4. That a 1% pay award to eligible SMT members under the 2012 review be applied.

**EX41 REMUNERATION AND PERFORMANCE REVIEW**

The Committee considered Appendix 5 report, details of which are noted in the Confidential/Exempt Minutes.

**EX42 DATE OF NEXT MEETING**

The Committee noted that the date of the next Executive Committee would be held on Wednesday 19 March 2014 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 12.50 PM