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NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY - FINANCE AND RESOURCES

Date: Friday, 19 October 2018 **Time:** 10.00 am

Venue: Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham NG5 8PD

Members are requested to attend the above meeting to be held at the time, place and date mentioned to transact the following business

A handwritten signature in black ink, appearing to read "M. J. Cave".

Clerk to the Nottinghamshire and City of Nottingham Fire and Rescue Authority

AGENDA

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8 EXCLUSION OF THE PUBLIC

To consider excluding the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9 INSTALLATION OF AN ELECTRICAL SUBSTATION BY WESTERN POWER AT BINGHAM FIRE STATION

57 - 72

Report of the Chief Fire Officer

ANY COUNCILLOR WHO IS UNABLE TO ATTEND THE MEETING AND WISHES TO SUBMIT APOLOGIES SHOULD DO SO VIA THE PERSONAL ASSISTANT TO THE CHIEF FIRE OFFICER AT FIRE SERVICES HEADQUARTERS ON 0115 967 0880

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ABOVE, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ON THIS AGENDA, IF POSSIBLE BEFORE THE DAY OF THE MEETING.

Governance Officer:

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<http://committee.nottinghamcity.gov.uk/ieListMeetings.aspx?CId=216&Year=0>



**NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM
FIRE AND RESCUE AUTHORITY**

FINANCE AND RESOURCES COMMITTEE

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge,
Arnold Nottingham NG5 8PD on 29 June 2018 from 10.00am - 10.57am**

Membership

Present

Absent

Councillor Malcolm Wood (Chair)
Councillor Andrew Brown
Councillor John Clarke
Councillor Brian Grocock
Councillor Mike Quigley MBE

Colleagues, partners and others in attendance:

John Buckley	- Chief Fire Officer, NFRS
Ian Pritchard	- Head of Procurement and Resources, NFRS
Becky Smeathers	- Head of F&R Finance, NFRS
Gavin Harris	- Head of ICT
Catherine Ziane-Pryor	- Governance Officer

1 APOLOGIES FOR ABSENCE

None.

2 DECLARATIONS OF INTERESTS

None.

3 MINUTES

The minutes of the meeting held on 27 April 2018 were confirmed as a true record and signed by the Chair.

4 REVENUE AND CAPITAL OUT-TURN FOR 2017/18

Becky Smeathers, Head of Finance, presented the report informing members of the financial performance of the Service in the year 2017/18, and analysing significant variances against revenue and capital budgets. This final position will also be reported in the Statement of Accounts for 2017/18 at the Combined Fire Authority meeting on 20 July 2018.

The following points were highlighted and responses given to members' questions:

- (a) total expenditure for 2017/18 was £41.971m against a budget of £40,805m;
- (b) earmarked reserves are £1.211m;
- (c) £384,000 was used from general reserves, which is an underspend of £142,000;
- (d) there is an overall budget overspend of £1.166m;
- (e) variances are detailed in the report and include:
 - (i) Pay award;
 - (ii) Pension costs;
 - (iii) Superannuation/National Insurance;
 - (iv) Business Rates;
 - (v) Planned fleet maintenance;
 - (vi) Capital Financing Costs
 - (vii) Secondment income;
- (f) with regard to the additional expenditure of £178,000 on fleet maintenance, this was as a result of several incidents, including mechanical engine failure on an appliance, an accident (for which an insurance claim has been submitted), and a fault found on some appliances between the vehicle and pump which requires specialist correction by the manufacturers. If this fault is found to be in appliances across the UK, then there may be grounds for a claim, but this is yet to be determined.

RESOLVED to:

- (1) note the contents of the report;**
- (2) recommend to the Fire Authority to transfer £500,000 from general fund to the Transition Earmarked Reserve;**
- (3) approve the total capital slippage of £1,248,000 to be carried forward to 2018/19 as detailed in paragraph 2.21 of the report.**

5 REVENUE AND CAPITAL MONITORING TO 31 MAY 2018

Becky Smeathers, Head of Finance, presented the report informing members of the financial performance of the Service so far in the year 2018/19 to the end of May 2018.

The following points were highlighted and responses given to members' questions:

- (a) the report outlines areas with a higher risk of significant variance and it is noted that there are likely to be further changes during the course of the year;
- (b) Summary Expenditure and Funding Position:

	2018/19 Budget	2018/19 Revised	Forecast Outturn	Variance
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	£'000	Budget	£'000	£'000
Expenditure	42,227	42,514	42,039	(475)
Income	(40,783)	(40,783)	(40,783)	(0)
General Fund Reserves	(1,444)	(1,444)	(969)	(475)
Earmarked Reserves	0	(287)	(287)	(0)
Total	0	0	0	0

- (c) reserves are still in line with the levels agreed in February by the Fire Authority;
- (d) with regard to reserves, this Service's reserve level is mid-table of all English Services. The full listings are due to be published by Central Government and CIPFA and will be brought to the next meeting;
- (e) the National Joint Council (NJC) has requested that all Chairs and Chief Fire Officers attend an update briefing next week with regard to the pay award, which suggests significant developments. NFRS has budgeted 2% but Scotland has proposed 20% pay rise over 5 years. In addition to the pay award issue, there are differing views regarding broadening the role of Fire Fighters;
- (f) with regard to the Breathing Apparatus (BA) capital project, the budget figure includes the purchase of BA radios which have been trialled and will now be rolled out across the service;
- (g) the delay of 7 weeks to the completion of Newark Fire Station does not have a significant direct impact on the Service as it is predicted that the majority of costs will be met by the builder.

RESOLVED to note the contents of this report.

6 PRUDENTIAL CODE MONITORING TO MAY 2018

Becky Smeathers, Head of Finance, presented the report informing the Committee of the performance for the two month period of 31 May 2018 relating to the Prudential Indicators for Capital Accounting and Treasury Management.

The following points were highlighted and responses given to members' questions:

- (a) in April the Service committed to some short –term borrowing of £3m until July to assist with cash-flow whilst waiting for the Central Government Grant;
- (b) a long-term loan of £1m was taken out in May to take advantage of the low interest rate;
- (c) the report contains information on the loan maturity profile, total debt compared to Prudential Limits, and cash balances for the period 1 April 2018-31 May 2018.

RESOLVED to note the content of the report.

7 INTERNAL AUDIT ANNUAL REPORT 2017/18

John Buckley, Chief Fire Officer, presented the report bringing the to the attention of Members the annual report prepared by the Authority's Internal Auditors, including the

outcomes of two additionally commissioned audits. The Internal Audit strategy 2017/18 to 2019/20 is included along with the Annual Audit Report.

Rob Disney, from Internal Audit at Nottinghamshire County Council was in attendance to respond to Member's questions along with Ian Pritchard, Head of Procurement and Resources.

The following points were highlighted and responses given to members' questions:

- (a) where senior officers believe that there may be an issue with process or procedure, Internal Audit are invited to investigate and recommend solutions which will support the Service;
- (b) a specialist audit was undertaken by blue light tax consultants to ensure that the Service is legally compliant, specifically with regard to Employment Taxes, the Construction Industry Scheme and VAT. Action is being undertaken to amend processes around taxation connected to vehicle leases following a change in legislation;
- (c) a Pension Administration audit was undertaken and an audit opinion of substantial assurance issued;
- (d) based on the Internal Audit Work completed during the year, an opinion of satisfactory was issued on the overall level of internal control;
- (e) although no specific issues were identified, as a matter of good practice, action challenge is one of the recommendations which has been implemented in that once an action has received management approval, confirmation is sought that the action has been completed;
- (f) low risk issues are treated as advisory as it is more efficient for the Service to focus on addressing higher risk issues;
- (g) an external Quality Assurance test was completed in March and illustrated a high level of compliance with some helpful recommendations to take forward;
- (h) Ian Pritchard assured the Committee that all assets are tagged as part of the Red Kite System. Processes are thorough although some unregistered kit had been found in a store at the Mansfield Station;
- (i) Internal Audit will be asked to examine new estate management, including lease agreements, room hire and collaboration agreements. Although the majority of lease agreements are now formalised, there needs to be a nationally agreed collaboration process as circumstances are changing quickly as collaboration arrangements develop.

Councillor Mike Quigley expressed concern that notoriously across the majority of organisations, asset management and property and premises are areas where controls tend to be weak and need to be closely monitored. It is suggested that a follow-up on Asset Management is allocated a timescale to be revisited. Consideration should include Wi-Fi.

RESOLVED

- (1) to note the contents of the report;**
- (2) to approve the Internal Audit Strategy for 2018/19 to 2019/20 as set out in Section D of the Internal Audit Annual Report 2017/18 published with the agenda;**
- (3) for completed internal audits to be submitted to the Finance and Resources Committee as they are completed to assist with monitoring.**

8 ICT RESOURCE REVIEW

John Buckley, Chief Fire Officer, presented the report updating members on demands for resources in delivering the ICT Strategy of the Fire Authority. Gavin Harris, Head of ICT, was also in attendance to respond to any technical queries.

The following points were highlighted and responses given to members' questions:

- (a) the demands on the ICT Service are changing and additional resources are required to meet the increased number of risks and responsibilities that need to be managed internally and externally;
- (b) following a report to the Committee in January, an initial assessment was undertaken which concluded that additional permanent skills are required in the ICT Team to proportionally manage the risks identified, including cyber security and on-going project work;
- (c) currently there are 4 temporary posts which are in place to service specific project work, including Emergency Services Network (ESN), but there are not enough core specialist ICT positions to meet the current and projected future needs of the service;
- (d) the initial predicted cost of formalising appropriately capable staffing will be in excess of £200,000 per year but there are no feasible alternative options. In future, collaboration arrangements may provide opportunities but currently Police and Fire systems are not compatible;
- (e) in addition to seeking the support of this Committee, a formal report will be submitted to Human Resources Committee and if agreed, progressed to Full Fire Authority to consolidate the budget.

RESOLVED

- (1) to note the contents of the report;**
- (2) to support a review of ICT Structure to identify additional resources;**
- (3) to receive further update reports on progress in delivering resources to manage future risk and review of the ICT strategy.**

9 CHANGES TO THE GIFTS AND HOSPITALITY POLICY

Ian Pritchard, Head of Procurement and Resources presented the report which seeks approval to revise the Gifts and Hospitality Policy, the proposed draft of which is attached to the report.

The following points were highlighted and responses given to members' questions:

- (a) following an Internal Audit review of Anti-Fraud and Anti-Corruption procedures, a review of the Gifts and Hospitality Policy is required;
- (b) the report summarises the changes proposed to the existing Gifts and Hospitality Policy which includes reducing the declarable value from £25 to £10, including hospitality, and requiring entry into free draws to be declared and tightening of policies for staff responsible for budget and purchasing;
- (c) the revised policy will be published annually on the Service's website.

RESOLVED to agree to the revisions to the Gifts and Hospitality Policy.

10 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Act.

11 EXEMPT MINUTES

The exempt minutes of the meeting held on 27 April 2018 were confirmed as a true record and signed by the Chair.



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

PRUDENTIAL CODE MONITORING REPORT TO AUGUST 2018

Report of the Treasurer to the Fire Authority

Date: 19 October 2018

Purpose of Report:

To inform Members of performance for the three-month period to 31 August 2018 relating to the prudential indicators for capital accounting and treasury management.

CONTACT OFFICER

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1. BACKGROUND

- 1.1 The Local Government Act 2003 sets out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code, which CIPFA updated in 2011.
- 1.2 The objectives of the Prudential Code are to ensure that the capital investment plans of authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. The Prudential Code sets out a number of indicators which authorities must use to support decision making. These are not designed to be comparative performance indicators.
- 1.3 The Fire Authority approved these prudential indicators for 2018/19 at its meeting on 16 February 2018.
- 1.4 The Prudential Code requires that local authorities report performance against prudential targets to Members.

2. REPORT

PRUDENTIAL INDICATORS

- 2.1 Some of the prudential indicators cannot easily be measured until the final year end expenditure position for both capital and revenue is determined. These will be included in the 2018/19 Treasury Management Annual Report for 2018/19 to Fire Authority in September 2019. These indicators are:
 - Ratio of financing costs to net revenue stream 2018/19 (affordability);
 - Incremental impact of capital investment decisions on Council Tax 2018/19 (affordability);
 - Total capital expenditure 2018/19;
 - Capital Financing Requirement as at 31 March 2019.
- 2.2 In terms of borrowing, the indicator "Gross borrowing and the capital financing requirement (CFR)" (a prudence indicator) requires that gross external borrowing does not, except in the short term, exceed the CFR. The CFR at 1 April 2018 was £26.278m and was estimated to be £27.306m by the year end.
- 2.3 The Authority set an operational boundary for 2018/19 of £29.723m and an authorised limit of £32.695m. Although these limits are year end targets, the Authority is required to demonstrate that it has not exceeded them at any time during the financial year.
- 2.4 During April £3m temporary borrowing was taken out for cashflow purposes. The need for temporary borrowing has occurred due to the Authority's maintaining a position of under-borrowing to fund the capital programme in line

with the Treasury Management Strategy. The loan was repaid in July when the Authority received the firefighters' pension grant. In May, a further £1m long term borrowing was taken out from the PWLB to take advantage of a dip in interest rates. As a consequence, total borrowing at the end of August was £24.238m. This is well within the operational boundary of £29.723m.

- 2.5 The graph given as Appendix A illustrates the levels of borrowing up to the end of August 2018.

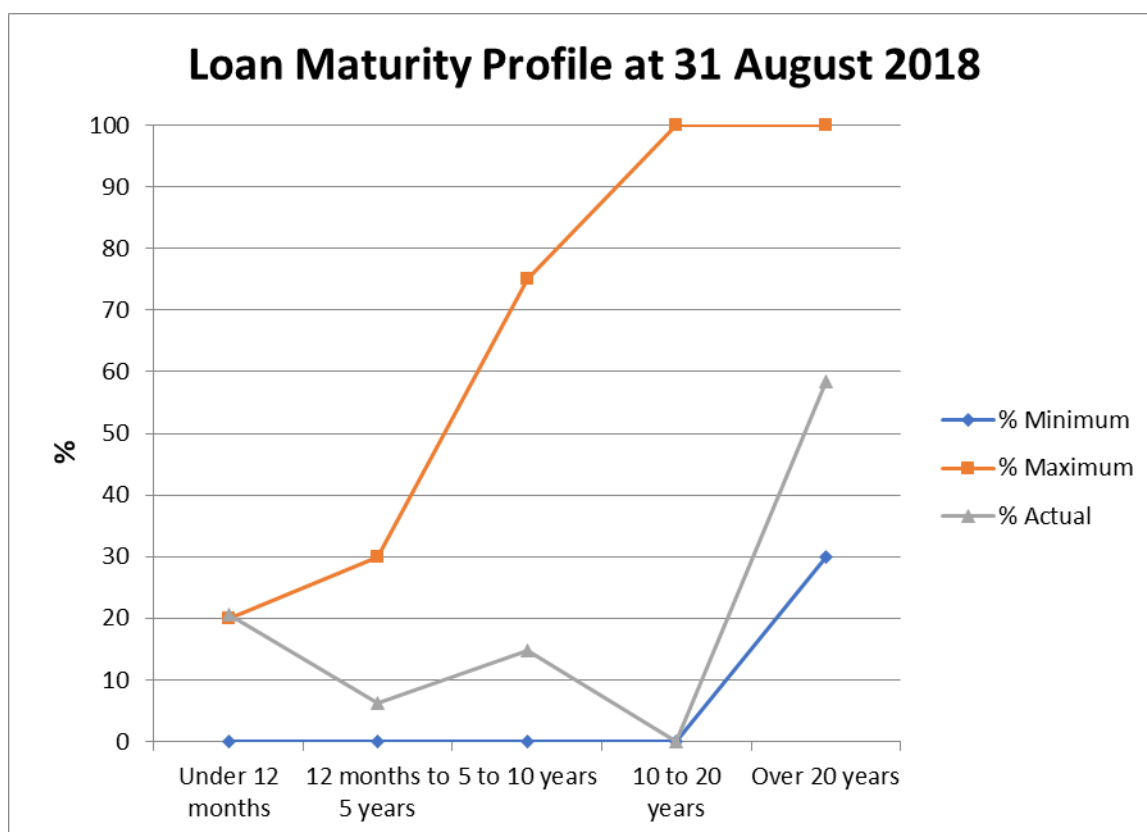
TREASURY MANAGEMENT INDICATORS

- 2.6 An interest earnings budget of £66k was set for 2018/19, as at 31 August 2018 £26k has been received. Within the benchmarking group supported by Link Asset Services there are 7 councils and NFRS within the group, as at the end of March 2018, NFRS Weighted Average Rate of Return (WARoR) is 0.70% the average of the group is 0.64%.
- 2.7 The treasury management target relating to interest rate exposure is that fixed interest rate exposures should be between 0% and 100% of total lending and that variable interest rate exposures should be between 0% and 30%. During the period up to 31 August 2018, 100% of borrowing was at fixed interest rates.
- 2.8 The treasury management target in respect of cash management is that the Authority's bank overdraft should not exceed £200,000. During the three months of up to 31 August 2018 the account was not overdrawn. A graph of cash balances for the three months up to 31 August 2018 is shown in Appendix B.

Treasury management limits relating to loan maturity are shown below:

Loan Maturity		
	<i>Upper Limit</i>	<i>Lower Limit</i>
Under 12 months	20%	0%
12 months to 5 years	30%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	0%
Over 20 years	100%	30%

Actual performance against these targets at 31 August 2018 is shown in the following graph and demonstrates that none of the maturity bands have been breached.



- 2.9 The upper limit for sums invested for longer than 364 days is £2m. During the part of the 2018/19 financial year up to 31 August 2018, no sums were invested for a fixed term of longer than 364 days. This excludes amounts invested in call accounts with notice periods of less than 364 days, and on which notice can be given immediately if required.

UK SOVEREIGN RATING

- 2.10 Following on from the report to Members of this Committee in January, it is confirmed that the sovereign rating of the UK remains at AA (Fitch rating) which means that investments in UK institutions are within the current Treasury Management Strategy's parameters. On 25 September, Moody's downgraded the UK Sovereign rating from Aa2 to Aa1, which brings it in line with that of Fitch and S&P (also AA).
- 2.11 The Authority's policy around Sovereign Ratings has been reviewed as part of the Treasury Management Strategy at Fire Authority on 16 February 2018. Should the UK be downgraded to AA- status, the Authority's strategy will be to continue with existing banking arrangements and to retain current investments with UK institutions.

3. FINANCIAL IMPLICATIONS

The financial implications are set out in full within this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources and learning and development implications arising directly from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report gives detail of performance against the approved Treasury Management Strategy and Prudential Code. These are financial policies and do not directly impact on employees or members of the public.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

The Prudential Code is a framework which sets out to quantify and minimise financial risk arising from the financing of capital, the investment of surplus funds and the maintenance of operating cash balances for the Authority. The favourable performance against the prudential targets demonstrates that these areas of operation are being managed effectively.

9. COLLABORATION IMPLICATIONS

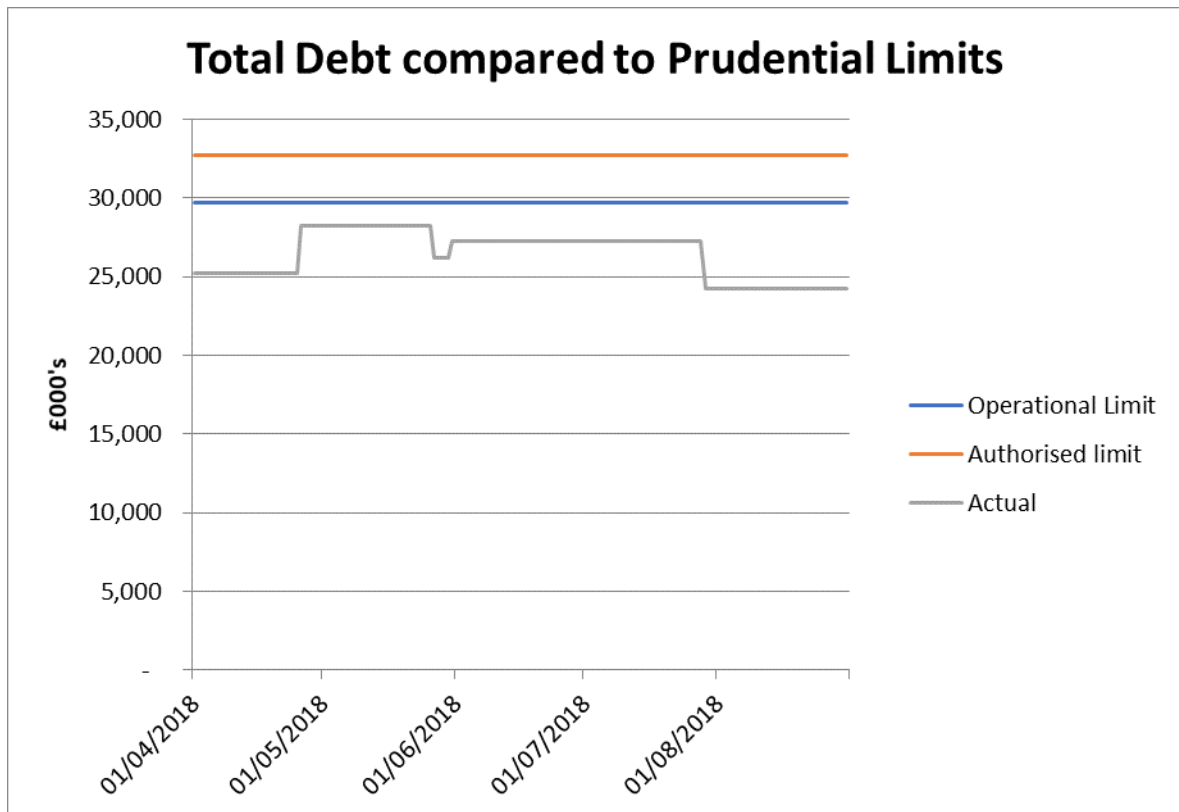
There are no collaboration implications arising from this report.

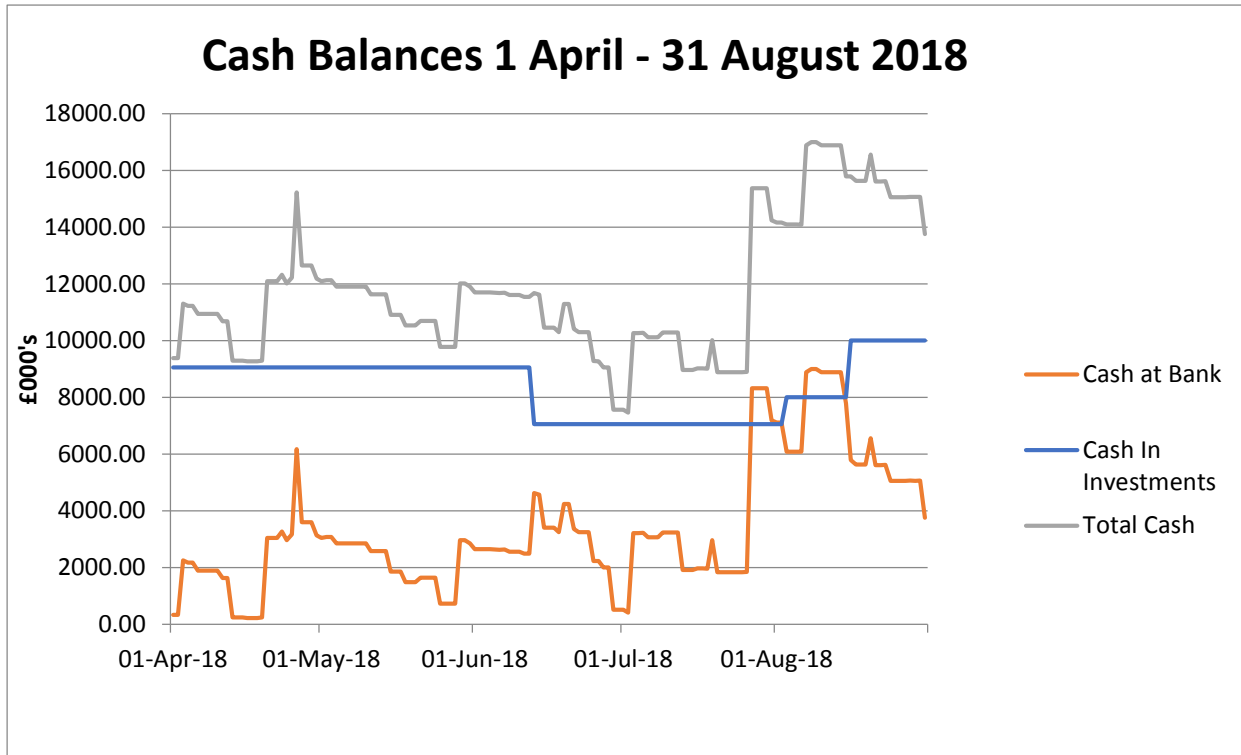
10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.





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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

REVENUE AND CAPITAL MONITORING REPORT TO 31 AUGUST 2018

Report of the Chief Fire Officer

Date: 19 October 2018

Purpose of Report:

To report to Members on the financial performance of the Service in the year 2018/19 to the end of August 2018.

CONTACT OFFICER

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**Media Enquiries
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1. BACKGROUND

- 1.1 Budget monitoring is a key aspect of financial management for the Fire Authority. Regular reporting of spending against the revenue budgets is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities.
- 1.2 For this report, those key areas with a higher risk of significant variance are reported on. An assessment of this risk has been made in the light of the size of the budgets selected and / or previous experience of variances, as well as the emergence of actual variances. It is vital that an overview of the budgetary position during the year is maintained so that appropriate action can be taken in respect of significant variances and the budget is managed as a whole.

2 REPORT

REVENUE BUDGET

- 2.1 The revenue monitoring position is attached at Appendix A. It shows a forecast outturn position of £42.777m against a revised budget of £42.918m. Within the forecast outturn of £42.777m there is expenditure of £690k that will be met from the earmarked reserves. A summary position of expenditure and funding is shown in the table below:

Table 1 – Summary Expenditure and Funding Position

	2018/19 Budget £'000	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Expenditure	42,227	42,918	42,777	(141)
Income	(40,783)	(40,783)	(40,783)	0
General Fund Reserves	(1,444)	(1,444)	(1,303)	141
Earmarked Reserves	0	(690)	(690)	0
Total	0	0	0	0

- 2.2 A more detailed analysis of expenditure can be found at Appendix A.

2.3 Details of the major variances are shown below:

- **Wholetime pay** (including overtime) is forecast to overspend by £590k;
- **Non-uniformed pay** is forecast to underspend by £231k;
- **Retained pay** is forecast to underspend by £182k;
- **Provision for Pay Awards** will be reversed into 2018/19 accounts as it is no longer required - £183k;
- **Car Tax Liabilities** prior year liabilities to be met by the Authority have been estimated at £225k;
- **Firefighter pension charges to revenue** are forecast to underspend by £85k;
- **Business rates** are forecast to overspend by £52k;
- **Contribution to partnership working** is forecast to overspend by £90k;
- **Capital financing costs** (interest costs and minimum revenue provision charges) are forecast to underspend by £116k.

2.4 These significant variances are explained further in the report below, together with details of other key variances.

2.5 **Wholetime pay:** the total forecast overspend on wholetime pay is £590k.

- Basic pay is forecast to overspend by £20k. This budget is based on an approved establishment of 455. During the first 5 months of the year wholetime has been under-established by an average of 7 posts. However, there are 2 recruit courses planned and a number of people are expected to transfer into the service. As a result, forecast staff numbers as at 31 March 2019 are expected to be in the region of 466, which is 11 above the approved establishment. Additionally, temporary promotions relating to the backfilling of vacancies, secondments and project work etc has resulted in an increase in the proportion of staff at higher ranks. Expenditure on basic pay includes staff seconded to external organisations for which income of £183k is received above the original budget. It is proposed to vire this secondment income into pre-planned overtime.
- Unplanned overtime relating to late fire calls is forecast to overspend by £95k. The estimated outturn is based on actual expenditure to date, however this budget is difficult to forecast due to the unpredictability of incident activity.
- Pre-planned overtime is forecast to overspend by £421k. The total estimated spend is based on the best information available, however it is difficult to forecast the extent to which gaps in the ridership can be covered by detachments rather than overtime. The estimated spend includes £25k for the training of retained recruits for Ashfield and Retford. The wholetime trainers will be paid overtime to deliver much of this recruitment course in order to ensure that it is completed in time for

the planned implementation of mixed crewing in April 2019. This training cost will be met from the organisational transition earmarked reserve, and this funding is reflected in the revised budget figure.

- Bank holiday pay is expected to underspend by £52k as two additional bank holidays were budgeted for in error. It is recommended that this surplus budget be temporarily vired to wholetime overtime to help alleviate the overspend there.
- Employer's national insurance and pension contributions are expected to overspend by a total of £106k as a result of the overspend on basic pay and overtime.

2.6 **Retained pay:** This overall retained pay budget is expected to underspend by £182k.

- The most significant area of underspend relates to drills and training, which is forecast to underspend by £289k. The budget calculation was based on the assumption that RDS staff would undertake 3 hours of drills per week, however the actual level of drill activity has been closer to 2 hours per week. Staff are being encouraged to make use of the additional drill time that has been made available, and an increase in activity has been factored into the calculation of the forecast outturn. Recruitment levels are lower than budgeted and this has also contributed to the training underspend.
- The underspend on drills and training is partially offset by a forecast overspend of £129k relating to turnouts, disturbance allowances and attendance fees. The expenditure against these budgets is driven by incident numbers and so can be difficult to predict. The budget was based on previous levels of expenditure, adjusted for pay awards. Between April and June 2018 the monthly average number of mobilisations was 252, compared with 236 for the same period in 2017 (an increase of 7%). In July and August this year RDS mobilisation levels increased significantly to 491 and 414 respectively, due to the spike in incident numbers caused by the unusually warm weather. The forecast overspend includes £43k relating to the assistance given to Lancashire and Greater Manchester Fire and Rescue Services during the moorland fires. These costs can be recovered under the Bellwin Scheme.

2.7 **Control pay:** the control pay budget is forecast to overspend by £11k.

2.8 **Non-uniformed pay:** non-uniformed pay is expected to underspend by £231k due to vacancies (12 vacant posts as at the end of August).

2.9 **Provision for pay awards:** a provision of £183k was charged to revenue in 2017/18 as it had seemed likely that an additional pay award of 1% would be backdated to July 2017. The National Joint Council (NJC) have now confirmed a 2% pay award for 2018/19 and that there will be no additional

amount backdated for 2017/18. The provision is therefore no longer required and has been written back to revenue.

- 2.10 **Car Tax Liabilities:** The Authority recently commissioned a tax review which has identified that some travel related expenses have been incorrectly treated for tax purposes. This has been corrected going forward. At its meeting on 28 September 2018 Fire Authority approved that the service would meet the tax liabilities previously incurred up to a maximum of £250k. £225k has been included in the forecast outturn figures to cover the liability.
- 2.11 **Pension costs:** the forecast underspend is £85k. Ill health retirement costs can be difficult to predict as they are dependent on the number of ill health retirements during the year, and costs for each retirement can vary greatly. At present, it is thought that there will be one less than predicted in the budget. This budget will be monitored closely and any changes will be reported.
- 2.12 **Premises related costs:** the budgets for premises related costs are expected to overspend by £58k. This variance mostly relates to Business Rates. This is expected to overspend by £52k due to backdated rating appeals not being expected to result in the reductions first anticipated. The electricity budget was expected to overspend due to price increases but this has been offset by reduced energy consumption over the summer.
- 2.13 **Transport related costs:** These are expected to overspend by £27k, mostly due to a forecast overspend of £41k relating to the fleet maintenance budget. There have been some difficulties with the maintenance contract for which a temporary solution has been put into place. The contract is currently out to tender and the results will be known shortly.
- 2.14 **Supplies and services costs:**

Supplies and Services Costs: expenditure is forecast to be over budget by £95k, but much of this relates to ESN related work which has received grant to offset the costs. Other variances include:

- **Smoke alarms:** underspend of £20k. This is due to the delayed roll-out of the Safe and Well programme, plus a number of vacant Home Safety Check Operative roles. The Safe and Well programme will be fully rolled out by October.
- **Estates-related professional fees:** overspend of £17k due to work on the Joint Estates Strategy.
- **Computer software maintenance contracts:** net expenditure is over budget of £53k due to the Systel maintenance charges which were not transferred from capital to revenue as part of the budget process.
- **Insurance:** underspend of £45k. The budgets will be revised for 2019/20.

- 2.15 **Recovered costs:** These offset costs reported elsewhere in the monitoring report. It is higher than usual due to £79k being recovered via the Bellwin scheme for the cost of the assistance provided to Lancashire and Greater Manchester Fire and Rescue Services during the moorland fires at the end of June.
- 2.16 **Government revenue grants:** there is a £27k surplus relating to government revenue grants. This is due to the amount of fire revenue grant relating to Firelink and New Dimensions being slightly higher than expected.
- 2.17 **Prince's Trust income:** funding for the Prince's Trust Team Programme is received from the RNN Group in arrears. An estimated accrual for this income of £187k is included in the final accounts for the year because the Service has not yet received all income relating to the 2015/16 and 2016/17 academic years. A meeting has been held with representatives from RNN Group which has uncovered a number of issues relating to the payment of funding for the 2016/17 academic year - work is underway to agree the amount outstanding. This situation will be closely monitored, and members will be updated at the earliest opportunity.
- 2.19 **Capital Financing Costs:** overall the capital financing budgets are forecast to underspend by £116k by the end of the financial year. This variance is comprised of two elements:
- **Interest charges:** underspend of £78k. The forecast is based on current loans and an additional £2m long term loan being taken out in December to replace a maturing £1.5m loan. In addition, it is anticipated at this stage that an additional short term loan will be taken out in the year for cash flow purposes.
 - **Minimum Revenue Provision:** the budget for the minimum revenue provision (MRP) charge is expected to underspend by £37k. The budget for the MRP charge was calculated in the autumn of 2017 and was based on estimated capital expenditure for 2017/18 of £4,827k. The actual capital expenditure for the year was £4,060k due to slippage into 2018/19. This has resulted in an underspend for 2018/19.

RESERVES

- 2.20 Details of the use of reserve movement during 2018/19 can be found in Appendix B.
- 2.21 The current reserve position is attached at Appendix B. Expected levels of reserves at 31 March 2019 are £10.115m:

Reserves	Balance 01/04/18 £'000	Anticipated Use 2018/19 £'000	Expected Balance 31/03/19 £'000
Earmarked	5,022	(614)	4,408
General Fund	6,953	(1,303)	5,650
Total	11,975	(1,917)	10,058
ESMCP* Regional Reserve	134	(76)	58
Total	12,109	(1,993)	10,116

* Emergency Services Mobile Communications Programme

2.22 The General Reserve is expected to be £5.650m. This remains above the minimum level of £4.3m agreed by Fire Authority on 16 February 2018.

2.23 The Emergency Services Mobile Communications Programme (ESMCP) regional reserve has been shown separately to those reserves held by the Authority to reflect that the funds are to be allocated regionally and do not belong to Nottinghamshire Fire and Rescue Service (NFRS). This further demonstrates the Authority's commitment to collaboration and regional working.

CAPITAL PROGRAMME

2.24 The current approved 2018/19 capital programme is £3.3m. The total spend to date is £663k, the forecast out-turn expenditure is £2.9m and estimated slippage of £308k, the current capital programme is shown at Appendix C.

TRANSPORT

2.25 The Command Support Unit requires upgrading to allow it to perform in line with current operational procedures. Following a successful collaboration project with DFRS there is no longer a requirement to purchase a second command support vehicle. NFRS and DFRS have also successfully collaborated on the use of the HMEPU, this will still require replacement in 2018/19 and the budget of 150K will be used in 2018/19 to complete this project.

2.26 A review of light vehicle utilisation has been undertaken and further work is now in progress to look at ways of working which will promote more effective use of the light vehicle fleet.

EQUIPMENT

- 2.27 The breathing apparatus project of, £110k has been slipped from 2017/18, the project will be completed during 2018/19.
- 2.28 Conversion of hose reel equipment is due to be completed in 2018/19 the project will start in November 2018.
- 2.29 CCTV in vehicles - this is a major project that, due to resourcing issues, will be delayed until 2019/20 and therefore the budget will be slipped.
- 2.30 The £180k procurement of the lightweight fire coats has been slipped from 2018/19 as this project will be carried out in collaboration with DFRS. This project will be amalgamated with the structural PPE project for 2019/20. This is due to a six months' lead time on purchase of light weight jackets subject to PM resourcing to the project. Therefore, this budget will be slipped to 2019/20.

ESTATES

- 2.31 The new Newark Fire Station is now complete and operational. The building contractor is currently working on completion of a number of outstanding items; these are being dealt with through the contract. The Demolition of what's left of the old fire station will be tendered over the next two months. Subject to the tenders received the old station should be demolished between December 2018 and February 2019.
- 2.32 The disposal of the old fire station land will be the subject of an options report to the Finance and Resources Committee in the New Year.
- 2.33 Work with the East Midlands Ambulance Service on the potential collaboration concerning the existing Hucknall Fire Station continues. The details of the draft lease and agreement to lease are currently with the respective solicitors for agreement on the terms and conditions.
- 2.34 The initial work for a new Worksop Fire Station is currently underway; this will include the potential for collaboration with the Ambulance Service in a joint project. Authority to proceed with the project and to purchase the preferred site was granted in April 2018 through the Finance and Resources Committee. The due diligence is being carried out for the purchase of the new site between our solicitors and the appointed professional team.
- 2.35 The options appraisal for the proposed Joint Headquarters between Nottinghamshire Police and NFRS was presented to the Strategic Collaboration Board 5 September 2018. The report is now to be presented to the September 2018 Fire Authority with recommendations on the next steps.

ICT

- 2.36 Mobile Computing – this budget is financing a variety of projects and equipment purchases relating to the growing use of mobile computing across the Service.
- 2.37 Business Process Automation – this budget will continue to be used to finance ICT Strategic developments, most notably small digital transformation projects related to the implementation of the new Microsoft SharePoint workflows.
- 2.38 Performance Management –. work to pilot a hybrid solution using Microsoft PowerBI and Microsoft SQL Server Reporting Services commenced in June 2018. The Performance Management Framework Policy has completed consultation and has been published across the Service, enabling the external technical consultancy required to implement the solution to be procured. The additional time required to complete the pilot and develop the Performance Management Framework will mean that the project will be completed by November 2018.
- 2.39 ICT SharePoint Internet/Intranet – this budget will be used to finance the final phase of the ICT SharePoint Strategy, which will involve the implementation of a new Microsoft SharePoint document management solution and the digitisation of current manual business process using SharePoint workflows.

3. FINANCIAL IMPLICATIONS

The financial implications are set out in the body of the report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising directly from this report. Some of the efficiency targets will have had staffing implications which were considered as part of the decision-making process at the time.

5. EQUALITY IMPLICATIONS

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service. Its purpose is to explain variances to the approved budget, which reflects existing policies.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure as are the management actions which are stimulated by such reporting.

9. COLLABORATION IMPLICATIONS

This report identifies several areas where collaboration is taking place between NFRS, other fire authorities, East Midland Ambulance Service and Nottinghamshire Constabulary. Opportunities for collaboration around asset use and ownership are continually being investigated.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Note the contents of this report.
- 10.2 Approve the temporary virement of £183k from the secondment income surplus to wholetime pre-planned overtime (Section 2.5).
- 10.3 Approve temporary virements of £52k from wholetime bank holiday pay to wholetime pre-planned overtime (Section 2.5).

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

REVENUE BUDGET MONITORING POSITION AS AT 31 AUGUST 2018

Budget Area	Annual Budget £'000	Revised Budget £'000	Exp to Date £'000	Forecast Outturn £'000	Variance against Revised budget £'000
Employees	33,577	34,057	13,981	34,194	137
Premises	2,367	2,390	1,055	2,449	59
Transport	1,747	1,759	637	1,786	27
Supplies & Services	3,407	3,567	1,712	3,662	95
Third Party	58	58	6	58	0
Support Services	168	179	107	181	2
Capital Financing Costs	2,430	2,431	1,581	2,316	(115)
Fees and Charges	(210)	(206)	(76)	(263)	(57)
Other Income	(1,317)	(1,317)	(810)	(1,606)	(289)
Net Cost	42,227	42,918	18,193	42,777	(141)
Financed by:					
RSG	(5,962)	(5,962)	(3,432)	(5,962)	0
Non Domestic Rates	(10,585)	(10,585)	(4,487)	(10,585)	0
Council Tax	(24,236)	(24,236)	(9,694)	(24,236)	0
Reserves	(1,444)	(1,444)	0	(1,303)	141
Earmarked Reserves	0	(690)	0	(690)	0
Funding Total	(42,227)	(42,918)	(17,613)	(42,777)	141
(Under) / Over Spend	0	0	580	0	0

APPENDIX B

ANTICIPATED USE OF RESERVES UP TO AUGUST 2018

	Balance at 31 March 2018	Revenue Expenditure up to August 2018	Committed Expenditure up to 31 March 2019	Estimated Balance
Funded by Grants	£000	£000	£000	£000
LPSA Reward Grant	(126)	63		(63)
Fire Investigation	(72)	22	13	(36)
Safe as Houses - Smoke Alarms	(22)		3	(18)
Community Fire Safety - Innovation Fund	(194)	16	29	(150)
Resilience Crewing and Training	(383)	31		(352)
New Threats / MTFA	(22)			(22)
Thoresby Estate Charitable Trust	(3)			(3)
SubTotal	(821)	132	45	(644)

APPENDIX B (cont'd)

	Balance at 31 March 2018	Revenue Expenditure up to August 2018	Committed Expenditure up to 31 March 2019	Estimated Balance
	£000	£000	£000	£000
Earmarked Reserves				
Pensions - Ill Health	(209)			(209)
Pensions - General	(100)			(100)
Fire Safety - On Fire Fund	(75)			(75)
Business Systems Development	(60)			(60)
ICT SharePoint / Internet / Intranet	(62)	11	20	(31)
Operational Equipment	(10)			(10)
Capital Reserve	(1,114)	18	25	(1,071)
Organisational Transition - One-off Costs	(849)	42	106	(701)
Backlog Buildings Maintenance	(95)		71	(24)
Duke of Edinburgh	(23)			(23)
Tri Service Control Project Phase 2	(258)	29	39	(190)
HEP B Vaccinations	(21)			(21)
Taxation Compliance	(10)		10	(0)
Retained Policy Change	(212)			(212)
Communications Development – ESN	(192)	30	36	(126)
Systel Security PSN Work	(266)			(266)
Systel Airwave ESN Transition	(173)			(173)
Emergency Services Network – RAP Work	(452)			(452)
ESN Control Room ICT	(20)			(20)
Sub Total	(4,201)	130	307	(3,764)
ESN Regional Reserves				
ESN Balance	(118)	20	55	(43)
Emergency Services Mobile Communications Programme	(16)			(16)
Sub Total	(134)	20	55	(59)
Total	(5,156)	282	407	(4,467)

BUDGET MONITORING SHORT REPORT FOR AUGUST 2018

CAPITAL PROGRAMME	2018/19 Approved Budget	Slippage 2017/18	2018/19 Revised Budget	Actual to August	Remaining Budget to be Spent	Estimated Outturn	Outturn Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
TRANSPORT							
Special Appliances		150	150		-150	150	
Light Vehicle Replacement	197	25	222	35	-186	222	
	197	175	372	35	-336	372	
EQUIPMENT							
Special Appliances Equipment (Holmatro)							
BA Sets		110	110	-3	-113	110	
Conversion of hose reel equipment	200		200	0	-200	200	
CCTV - vehicles	200		200		-200		-200
Lightweight Fire Coat		180	180		-180		-180
	400	290	690	-3	-693	310	-380
ESTATES							
Refurbishment and Rebuilding Fire Stations	0	126	126		-126	126	
Central Fire Station				10	10	10	10
Newark Fire Station	707		707	402	-305	600	-107
Hucknall Fire Station		380	380	11	-369	539	159
Worksop Fire Station	240	0	240	52	-188	230	-10
Retention Payments	0						
	947	506	1,453	475	-978	1,505	52
I.T. & COMMUNICATIONS							
ICT Capital Programme - Replacement Equipment	140		140	23	-117	140	
Mobile Computing	20		20	20		20	
SharePoint Development	150		150	45	-105	150	
HQ Core Switch Upgrade	30		30		-30	30	
Business Process Automation		49	49	38	-11	49	
Performance Management System		67	67		-67	67	
Community Fire Safety - Innovation Fund				6	6	6	6
	340	116	456	131	-325	462	6

CAPITAL PROGRAMME	2018/19 Approved Budget	Slippage 2017/18	2018/19 Revised Budget	Actual to August	Remaining Budget to be Spent	Estimated Outturn	Outturn Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
CONTROL							
Emergency Services Mobile Communications	41		41	10	-31	41	
Tri-Service Control & Mobilising System	0	171	171		-171	171	
	41	171	212	10	-202	212	
FINANCE							
Payroll System Replacement				14	14	14	14
Finance Agresso Upgrade	30	15	45		-45	45	
	30	15	45	14	-31	59	14
Grand Total	1,954	1,273	3,227	663	-2,565	2,920	-308

	Actual August 2018	Estimated Outturn
	£000's	£000's
To Be Financed By:		
Capital Grant - General		
Capital Grant – Tri-Service Control		
Emergency Services Mobile Communications -Earmarked Reserve	10	41
ICT SharePoint Internet/Intranet - Earmarked Reserve		
Community Fire Safety - Innovation Fund	6	6
Capital Receipts - Property		300
Capital Receipts - Vehicles		20
New Borrowing	647	2,553
Internal Financing		
Revenue contributions to capital		
Total	663	2,920

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

CORPORATE RISK MANAGEMENT

Report of the Chief Fire Officer

Date: 19 October 2018

Purpose of Report:

To provide Members with an overview of the Corporate Risk Management Process and the current version of the Corporate Risk Register.

CONTACT OFFICER

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1. BACKGROUND

- 1.1 The Authority has a robust risk management process which enables the consideration of key external and internal risks as part of the management decision-making process, and the management of those risks to an acceptable level.
- 1.2 By establishing a systematic approach to identifying, assessing and managing risk, Nottinghamshire Fire and Rescue Service (NFRS) intends to continually improve the Authority's governance, increase accountability and enhance overall performance.
- 1.3 This report provides Members with an oversight of the corporate risk management process, the role of the Fire Authority, and the key risks to which the Authority is exposed.
- 1.4 The Authority's Corporate Risk Register details those risks which are significant enough to warrant management by a Principal Officer. Specific risk control measures are put in place to reduce the likelihood and/or impact of a risk occurrence where this is felt to be practicable and/or appropriate.

2. REPORT

- 2.1 The Authority's current Corporate Risk Register is attached at Appendix A. The risks contained within this register are those that the Service has identified as being the most significant in terms of impacting on the Service priorities. Members will note the activities in place, and planned to help to control those risks.
- 2.2 A change to Principal Officer responsibilities is reflected in the risk register with risks assigned to the Assistant Chief Fire Officer being re-assigned to the Deputy Chief Fire Officer and vice versa.
- 2.3 The four risks with the highest residual rating, after the application of existing risk control/mitigation measures are – the use of vehicles on Authority business; mobilising; working at height; and emergency services network.
- 2.4 A separate report updating on progress against the Management of Road Risk Action Plan has been submitted to Finance and Resources Committee to provide detail on the underpinning work ongoing to mitigate this risk.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report consolidates existing work streams that may themselves be subject to an equalities impact assessment.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

The failure of the Authority to effectively manage the risks to which it is exposed poses a risk, particularly where there is a systemic failure. Risk management is a key element of the corporate governance framework and it is imperative that risk identification and management is both up-to-date and embedded in the decision-making, governance and scrutiny processes of the Authority.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

CORPORATE RISK REGISTER

Risk Owner: Head of Finance (on behalf of the CFO)									
Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Inability to set a balanced budget and to contain spending within existing budgets	<p>Inability to deliver savings identified in Sustainability Strategy.</p> <p>Changes to funding regime 2020/21</p> <p>Cost uncertainties due to Brexit e.g. increases in equipment costs/supply chain disruption</p> <p>Unforeseen increases in costs</p> <p>Poor budget management results in significant overspend or underspend</p> <p>Political impact on short to medium-term budgets</p>	4	4	16 VH	<p>Medium term financial strategy; Annual review of budget assumptions; Finance staff work with budget holders to develop realistic budgets for essential expenditure which they have the capacity to deliver; Budget holders trained in finance system based budget monitoring; Budget monitoring reported regularly to SLT and F&R Committee. General reserves are risk-assessed to include elements to cover unexpected expenditure and overspends.</p> <p>Recognition that underspends may arise due to early implementation of savings as part of medium term financial strategy, which is a positive situation</p>	3	3	9 H	Creation of working group to review impact of Brexit with key SLT members

Risk Owner: Assistant Chief Fire Officer										
Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects	
Mobilising	Service is unable to receive and act on emergency calls in contradiction of statutory duty	4	5	20 VH	Tri-Service Control has business continuity plans in place for failure of mobilising system and other disruptive events. These plans are practiced on a regular basis due to numerous live events. Some additional assurance is required from the Tri-Service Control Manager that effective 'fall back' business continuity arrangements are in place and exercised between the three control rooms. The robustness and resilience of communications equipment between control rooms, stations and appliances must be maintained.	4	4	16 VH	<p>Tested BCPs exist where alternative mobilising arrangements are in place, reliance on communication equipment is critical and therefore such equipment must be maintained operationally robust and resilient.</p> <p>Familiarity and BCP confidence has developed within control rooms, continual support and communication to be provided to control staff.</p> <p>Testing and exercising schedule required within action plan</p> <p>Ongoing review of resilience crewing arrangements</p>	

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Employee engagement	Negative industrial relations arising from a period of austerity and change Risk that the Service will be unable to introduce organisational change due to a lack of employee engagement	3	5	15 VH	SLT champion positive engagement with staff and representative bodies. OD strategy published and in process of being updated. Effective communications in place, tested and confirmed by staff. Issues remain relating to trust at some levels in some areas of the service. These form part of the next phase of OD work. National negotiations relating to pay and broadening the role of Firefighters present a risk of industrial relations tension and action which is beyond the control of NFRS. Regardless, continual open communication is aimed at ensuring informed decisions can be made by all involved.	3	4	12 VH	OD scrutiny group. Communications strategy Open communications including effective use of technology to publish key decision minutes. Values based leadership introduced to supervisory and middle manager development programmes. Ongoing support to Employee Engagement Network.
Workforce sustainability	Inability to maintain sufficient or adequate workforce to meet service requirements. Issues around competency of staff, loss of corporate memory and single points of failure or critical persons in specific roles	4	4	16 VH	Annual workforce plan, provides an overview of workforce projections and identifies key priority areas. L&D ensures delivery of effective acquisition and revalidation of operational training against national standards. Application of maintenance of competence policy ensures ongoing refreshing and practice of core operational skills and competencies. Managers identify and address single points of failure as part of BCM and succession planning	3	3	9 VH	

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
	Specific risk relating to the time taken to implement new crewing arrangements to achieve crewing reductions and numbers agreed to deliver 2018 Crewing collective agreement.	4	4	16 VH	Degradation policy Use of overtime, detachments, voluntary secondary arrangements. Consideration to overall impact on level of service delivery / availability.	4	3	12 VH	Monthly ridership meetings to consider deployment of resources by Area Manager (Delivery) to maintain appliance availability across the county and manage pay budgets associated with operational crewing requirements.
Preventable deaths	The risk that a person will die in an incident, where the Service failed to put in place an intervention which would have reduced the risk, or where an intervention was ineffective	4	5	20 VH	Operational response Collaborative working with other agencies to identify and target interventions at high risk individuals Fire investigations can identify instances where interventions were not made, or were ineffective Risk reduction initiatives being evaluated for effectiveness Serious fire incident review panel in place to investigate 'near misses'	2	5	10 VH	Implementation of iMatch software to ensure evidence based and targeted interventions to those most vulnerable by pulling together data available from CFRMIS, Adult Social Care and Exeter database. Introduction of Safe and Well visits using data referenced above. Revised process for serious fire reviews.

Risk Owner: Deputy Chief Fire Officer										
Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects	
Equipment	Adequacy of work equipment and personal protective equipment	3	4	12 VH	<p>Service needs identified, and business cases required for significant purchases, project management process utilised for major work streams.</p> <p>Appropriate specifications for the selection of work equipment through involvement of relevant stakeholders.</p> <p>Procurement process follows industry standards to address risk issues.</p> <p>Robust inspection and maintenance procedures in place on the basis of PUWER and PPE risk assessments plus associated information documents and Standard Tests.</p> <p>Issues raised through Line Managers, Service Health, Safety and Welfare Committee and via Operational Assurance Team</p>	2	3	6M	<p>Codified auditing system utilising competent auditors required to complete the risk management loop.</p> <p>Learning loop requires clarification to ensure that reactive and proactive monitoring lessons inform future practice.</p>	

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Emergency Services Network	The risk that lack of robust operational communications will affect the delivery of public services during the transition to ESN	4	5	20 VH	<p>Nationally agreed programme funded by government.</p> <p>Airwave remains in place until successful transition has been achieved.</p> <p>Internal project team established with ACFO SRO.</p> <p>Regional Fire Board working in place/being developed.</p> <p>Regular assessment and reporting to the CFA on future implications on service delivery</p>	3	5	15 VH	<p>Greater collaboration to assure transition and long-term capability management, seeking multi service support and reduce duplication in activity.</p> <p>PSN action plan to deliver a more robust and secure infrastructure</p>
Availability of resources	The risk that the Service will lose widespread access to key resources – premises, equipment, ICT systems/employees impacting its ability to deliver services	3	5	15 VH	<p>Business continuity plans in place.</p> <p>Service is implementing the principles of the protective security framework.</p> <p>Competent managers.</p> <p>Property Strategy.</p> <p>Transport Strategy.</p> <p>Service policy framework for employees.</p> <p>ICT Strategy – policies/procedures</p>	3	3	9 H	<p>BCM plans to be reviewed, with testing and exercising on a programmed, auditable basis.</p> <p>PSN action plan to update the ICT infrastructure to a standard equivalent to 27001 ongoing</p>

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Health, Safety, and Welfare	The risk arising from the hazards associated with the Service's activities which may cause injury, ill-health or death to employees and/or non-employees and could result in both criminal and civil sanctions, reputational damage and negative effects on service delivery and employee morale	4	5	20 VH	<p>The existence of the safety management system and availability of 'competent persons' to advise the Service of its duties and necessary risk controls which are then translated in to safe systems of work.</p> <p>Risk information gathering process provides a structured methodology for assessing the risk from hazards associated with specific operational sites.</p> <p>Risk and Assurance Team facilitates learning from operational incidents.</p> <p>Service learns from other major events affecting FRSs via reports to Service Health, Safety and Welfare Committee.</p> <p>Training ensures competence of employees.</p> <p>Organisational Learning Policy in place</p>	3	5	15 H	<p>Co-ordinated risk management approach being adopted to address NOGp involving peer FRSs to address issues of interoperability and achieve the efficiencies available from joint work.</p> <p>Ongoing review of the SMS to refresh and communicate across the organisation.</p> <p>Communications plan to promote SMS.</p> <p>Introduction of technology in relation to mobile working</p> <p>Robust assurance process required to monitor effectiveness of arrangements.</p>

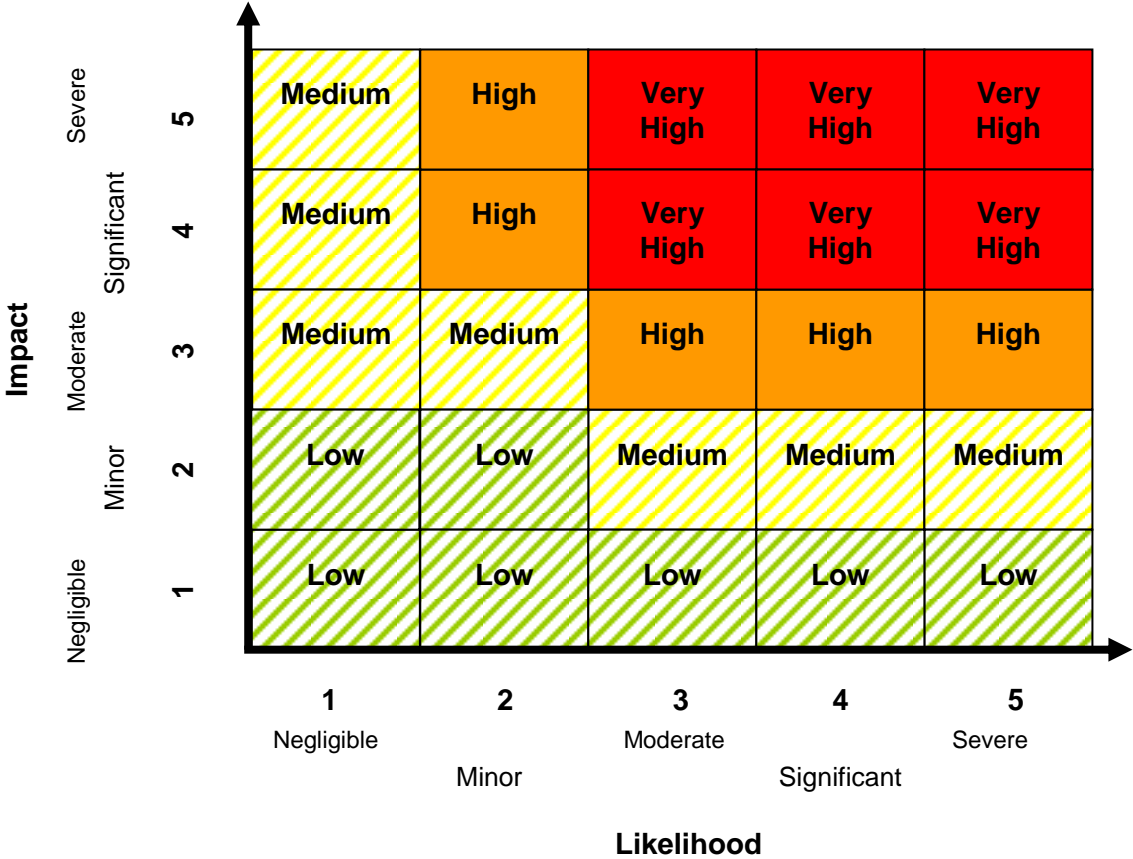
Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Working at Height	Aspects of working at height activities, equipment and training have been identified as requiring review to ensure strategy, governance and change management etc. are being adequately addressed to ensure that NFRS is confident that it is adopting and maintaining safe systems of work	4	5	20 VH	<p>Various elements of policy, equipment procurement and maintenance, training and record keeping.</p> <p>Action plan based on the findings of an audit [completed] and subsequent further research to be devised and administered and eventually signed off by Service Health, Safety and Welfare Committee</p>	3	5	15 VH	<p>Re-audit to determine if the risk controls identified by the previous intervention have been applied to the required effect.</p> <p>Re-audit of working at height arrangements in 6 months' time.</p>

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
The use of vehicles on Authority business	<p>The risk of accidents or other events arising from driving-related activity or a shortfall in driving standards.</p> <p>The impact of vehicle accidents or other events on insurance premiums and retained loss costs</p>	4	5	20 VH	<p>Management of Road Risk action plan progress reported to SHSWC and Finance & Resources Committee.</p> <p>Performance framework activity to enable managers to address shortfalls.</p> <p>Driver training (quality framework) by L&D function.</p> <p>Insurance cover to mitigate financial losses.</p> <p>Driving safety policy.</p> <p>Generic blue-light risk assessment.</p> <p>Generic non-emergency driving risk assessment.</p> <p>External review completed by insurers.</p> <p>Engagement with Nottingham Trent University Emergency Services Research Group.</p> <p>Communications approach</p>	4	5	20 VH	<p>Specification being developed to deliver event investigation across the Service.</p> <p>Improvement of vehicle collision investigations to maximise organisational learning and improved management of risk.</p> <p>Greater engagement by line managers over standards and expectations in the workplace for driving-related activities.</p> <p>Communications plan development to address gaps in understanding and awareness.</p> <p>Wider publication of event information across the Service to highlight the implications of failures in management systems and workplace practices.</p>

Risk Title	Risk Description	L	I	Score	Owner Assurance Control	L	I	Score	Key Projects
Legal knowledge	The risk that the Service will make decisions without full understanding of legal requirements	4	5	20 VH	<p>Business Risk Manager coordinates the identification of vulnerabilities through the risk management process with departmental leads.</p> <p>Key roles maintain subject matter expertise/CPD to mitigate risk.</p> <p>Use of external professionals to support the Service on compliance in areas not covered by in-house expertise</p>	2	5	10H	<p>Business Risk Manager and topic specialists to provide annual horizon-scanning report on legislative development.</p> <p>Embed the local code of governance into daily decision making and practice.</p> <p>Formally identify subject matter experts in the organisation and ensure they are enabled to maintain CPD</p>
Programme governance	The risk that the Service fails to effectively prioritise and resource programmes and projects, resulting in acute capacity issues and potential financial strain	5	4	20 VH	Business case process requires authorisation of Executive Delivery Team and Strategic Leadership Team as appropriate, who have knowledge of competing demands and priorities Approved programmes and projects managed through project and programme management framework	2	4	8H	<p>The Service Project Manager reports on project and programme status to the Executive Delivery Team on a monthly basis.</p> <p>More accountability and challenge required in governance arrangements to prevent additional works being introduced that compete for resources.</p> <p>Awareness raising across the Service of current and planned demands and the process required to introduce new demands as a business case.</p>

Risk Title	Risk Description	L	I	Score	Owner Assurance Commentary	L	I	Score	Key Projects
Environmental impact	<p>The risk that the Service will fail to comply with its environmental duties resulting in the potential for enforcement action.</p> <p>Failure to give consideration to environmental factors when making other business decisions may result in missed opportunities for reducing waste and emissions and purchasing environmentally superior assets or consumables that may deliver financial savings</p>	3	5	15 VH	<p>Property Strategy – Energy saving and generation considered as part of new build/refurbishment projects.</p> <p>Transport strategy now agreed.</p> <p>Access to competent environmental advice.</p> <p>Environmental Strategy signed off September 2016.</p> <p>Procurement process considers 'whole life' implications of equipment and other products bought into service.</p> <p>When procuring services, tender requirements include assessment of environmental management skills of contractors.</p> <p>Collaborative working with the Environment Agency and partners at operational incidents</p>	2	5	10H	<p>Develop environmental performance improvement targets.</p> <p>Develop environmental reporting to all levels of the Service, EDT, SLT and the CFA to allow transparency and scrutiny</p>

RISK SCORING MATRIX



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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

MANAGEMENT OF OCCUPATIONAL ROAD RISK

Report of the Chief Fire Officer

Date: 19 October 2018

Purpose of Report:

To provide Members with an overview of the activities associated with the management of occupational road risk and an update of progress made against the Road Risk Action Plan

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1. BACKGROUND

- 1.1 The use of vehicles on Authority business remains one of the most significant risks on the Corporate Risk Register. This key corporate risk is monitored and managed in part by the Service Health, Safety and Welfare Committee. The Committee monitors progress against an action plan containing several risk mitigation measures.
- 1.2 The term occupational road risk encompasses a range of driving activities undertaken by the Service, including blue-light emergency response for fire appliances and officer cars, in addition to other journeys made for the purposes of work including 'grey fleet' journeys.
- 1.3 This report provides Members with information on the costs associated with 2018-19 motor insurance renewal together with an overview of vehicle accident performance and progress against the road risk action plan.

2. REPORT

- 2.1 Nottinghamshire Fire and Rescue Service (NFRS) motor insurance was renewed on 1 April 2018. Renewal costs remained static at £158,644 plus IPT. To achieve this, it has been necessary to increase the policy deductible from £1,000 to £2,500 per claim.
- 2.2 A review of vehicle accident data for the year September 2017-September 2018 shows there were a total of 49 vehicle accidents. Of these 41 were associated with low cost higher frequency slow speed manoeuvring events.
- 2.3 There have been two high cost events. The first event was a forward collision on 12 January 2018 with a total cost of £42,898.03. The appliance, on its return from an incident, was turning a corner at 30mph when the driver took diversionary action to avoid an oncoming vehicle and struck the grass verge resulting in the appliance getting stuck in a ditch. The second event was a forward collision on 30 July 2018. Costs are based on an estimate at present. Vehicle T05W1 (Water Foam Unit) was overturned by the driver when exiting the motorway junction on a roundabout.
- 2.4 There has also been a low speed event involving an appliance undertaking a reversing manoeuvre where an employee suffered injuries whilst acting as a signaller to the reversing fire appliance. The Health and Safety Executive has confirmed that they wish to review this event and Members will be kept informed of any outcomes.
- 2.5 The current Road Risk Action Plan can be found at Appendix A to this report. Members will note that the focus of the action plan relates to developing driver skills and behaviours with the aim of reducing the frequency of slow speed manoeuvring accidents. These actions are in addition to NFRS's routine driver training and other fleet management activities.

3. FINANCIAL IMPLICATIONS

- 3.1 The increase in the policy deductible from £1,000 to £2,500 per claim will result in a financial implication for the Service. The increased deductible was accepted to maintain motor insurance premiums at 2016-17 levels.
- 3.2 Event investigation training for line managers will incur costs of £10,000.
- 3.3 There is a small cost of £2,000 associated with increased frequency of driver license checking which is conducted by a third party on the Service's behalf.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

NFRS's learning and development team are supporting the delivery of practical and e-learning training.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report consolidates existing work streams that may themselves be subject to an equalities impact assessment.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report at present.

8. RISK MANAGEMENT IMPLICATIONS

This report provides evidence of the risk control measures which have been implemented in respect of the risk of using vehicles on Authority business. It is evidence of Member involvement in gaining assurance as to the management of a significant risk.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

ROAD RISK ACTION PLAN							
Ref No	Action Title	Action Details	Owner	Start Date	End Date	Progress	Comments
1	To deliver event investigation training to all line managers to ensure the root cause of vehicle collisions is identified	Identification of root cause of events will maximise the opportunities for organisational learning. Root cause identification will also contribute to more effective performance data being available to provide evidence on which to base decisions.	Health, Safety & Environmental Advisor	1.10.18	01.04.19	Not started	Awaiting appointment of H, S & E Advisor - commences 1 October
2	Update signaller e-learning and make available via NFRS-Learn to all employees	An updated e-learning package is required to ensure that the training provided to employees is up to date and based on good practice. The package should be made available to all employees.	Learning and Development	01.07.18	31.08.18	On Track	Signaller e-learning package complete. For launch September 2018
3	Ensure that vehicle checks for appliances are codified and communicated to drivers via posters and RedKite	All drivers must complete vehicle checks at the start of each shift. A consistent approach is required to ensure all drivers are aware of and are undertaking checks to the same standard.	Engineering	28.09.17	01.09.18	On Track	Poster returned from print, ready to be distributed.
4	Ensure that training of drivers includes the risk associated with low speed manoeuvring, and that where necessary these skills (including the use of a signaller) are included in the relevant driver training courses	Performance data indicates that the majority of vehicle collisions occur when fire appliance drivers are conducting slow-speed manoeuvring. L&D to ensure that this is reflected in the course content of training courses by including tuition and assessment of slow speed manoeuvring.	Learning and Development	01/07/18	31/08/18	On Track	All drivers would have had input from driver trainers on low speed driving by the end of September. This is in addition to this activity being part of station training and recorded on Red Kite PDS.

Ref No	Action Title	Action Details	Owner	Start Date	End Date	Progress	Comments
5	Service Delivery line management engagement in vehicle collision reduction including nomination of Service Delivery lead for road risk	The communications plan identifies a range of interventions required to achieve the behavioural and cultural change necessary to reduce avoidable damage of Service vehicles. The action identified is included within the attached communications plan.	Service Delivery	01/10/18	31/03/19	Not Started	
6	Produce an article for the newsletter about the costs of vehicle collisions	The communications plan identifies a range of interventions required to achieve the behavioural and cultural change necessary to reduce avoidable damage of Service vehicles. The action identified is included within the attached communications plan.	Health, Safety and Environmental Advisor	01/10/18	31/12/18	Not Started	Awaiting appointment of H, S &E Advisor - commences 1 October
7	Arrange for Stuart Gemmell from Gallagher Bassett to present a road risk workshop to middle managers	The communications plan identifies a range of interventions required to achieve the behavioural and cultural change necessary to reduce avoidable damage of Service vehicles. The action identified is included within the attached communications plan.	Risk Manager	16.08.2018	31/12/18	Not Started	An appointment had been arranged with Gallagher Bassett to discuss a potential date and the scope for the training.

Ref No	Action Title	Action Details	Owner	Start Date	End Date	Progress	Comments
8	Produce an article for the newsletter about Driving School and how drivers are trained. To include key aspects of training we would like to remind crews about	The communications plan identifies a range of interventions required to achieve the behavioural and cultural change necessary to reduce avoidable damage of Service vehicles. The action identified is included within the attached communications plan.	Learning and Development	01/07/18	31/09/18	On Track	Corporate comms team to 'interview' driver trainers and an article will be formulated from this.
9	Communicate lessons learned from all events – including vehicle collisions	Organisational learning to be aligned with National Operational Guidance – good practice in Organisational Learning. Includes the communication of lessons learned through case studies and other routes to ensure continual improvement of organisational performance.	Health, Safety and Environmental Advisor	01.07.18	31.10.18	On track	Draft Organisational Learning Procedure produced. Requires consultation and includes communication of learning. OAT Bulletin format reviewed to enable more timely communication of information. System required for the production and communication of case studies to promote learning.
10	Review driving safety section of the written safety policy	Review policy to ensure it is up to date and clearly defines roles and responsibilities. Once completed the policy should be published and communicated to all employees via NET Consent to provide auditable acknowledgement of the policy.	Health, Safety & Environmental Advisor	1.10.18	31.01.19	Not Started	Awaiting appointment of H, S & E Advisor - commences 1 October

Ref No	Action Title	Action Details	Owner	Start Date	End Date	Progress	Comments
11	Review skills development training for driver trainers	Ensure regular skills development training is provided to driver trainers including consideration being given to the inclusion of a more coaching based approach, knowledge of human factors, individual differences and performance issues.	Learning and Development	01.10.18	01/11/18	On Track	Driver trainers are involved in driving event investigation as required and are aware of the factors that influence poor driving standards. Awaiting appointment of H, S & E Advisor - commences 1 October to support this initiative.
12	Review mini bus and PCV training	Review existing training to ensure that established Minibus Driver Assessment and Training Scheme standards be applied to this type of skill evaluation and development.	Learning and Development	01/06/18	31/07/18	Complete	One driver trainer is qualified to teach minibus driving within the MIDAS standards
13	Audit tax, MOT and insurance compliance of vehicles that are driven for work and are not owned by NFRS	Request that those employees driving their own cars for work provide proof of vehicle tax, business use insurance (including blue light cover where appropriate) and a valid MOT certificate for their vehicle.	To be assigned	Not Started	31/3/19	Not Started	

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