



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Policy and Strategy Committee

# PRINCE'S TRUST UPDATE

Report of the Chief Fire Officer

**Date:** 25 April 2014

**Purpose of Report:**

To update and advise Members on the current position of the Prince's Trust programme in light of the continued funding framework.

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## **1. BACKGROUND**

- 1.1 Nottinghamshire Fire and Rescue Service (NFRS) has been a delivery partner for the Prince's Trust Team Programme for over ten years and very recently celebrated that strong relationship following completion of the 100<sup>th</sup> Team.
- 1.2 From 2012, staffing for delivery of the Team Programme was increased to 1 Manager, 5 Team Leaders and 4 Team Support Officers, who together deliver 15 teams annually.
- 1.3 Funding for the Team Programme is a reasonably complex process and is derived from either European Social Funds or Skills Funding Agency and channelled through further/higher education colleges that NFRS must enter contractual partnership with, currently West Notts College.
- 1.4 The amount of funding received can also vary and is paid retrospectively to NFRS on the completion of each Team. This links to two key Prince's Trust performance measures, 'retention' and 'qualification' of attending team members and dictates the income received.
- 1.5 Under the previous funding levels £3100 per learner NFRS was able to deliver the programme with a slight operating surplus, however with the national reduction in funding for learners and deduction for administration (30%) from partner colleges, NFRS can now only expect an income of approximately £1800 per learner. This means for the academic year 2013/2014 and 2014/2015 (predicted) the delivery of the Team Programme operates in deficit. The circumstances resulting in the deficit have previously been reported to Members of the Finance and Resources Committee at their meeting on the 17<sup>th</sup> January 2014.

## **2. REPORT**

- 2.1 Since being made aware of the funding changes, Officers have been working to identify new funding partners and other forms of support, either through colleges or private business, utilising the strong relationship the Service has with local partners and key figures.
- 2.2 The funding issues at the centre of this report are not unique to NFRS, but are subject to a national review between the lead Fire and Rescue Service Officer and the Prince's Trust. Members should be aware that this review has yet to commence in full and not set any date for its conclusion. There is an opportunity to be part of this review and Officers are engaged.
- 2.3 By reorganising resources in place to deliver the team programme it is possible to continue to deliver 15 teams, however this would create a predicted annual deficit of £92k. This is costed as option 1 in appendix A.

- 2.4 Cost savings have and continue to be made within the Prince's Trust partnership, but it can be seen from Appendix A that 'pay costs' account for the vast majority of the operating costs.
- 2.5 Further opportunity exists to increase income through better retention and qualification of team members. These greatly improved over the past 18 months up to an average of 83%, with an additional aim of 3-5% being desirable. This requires continued and sustained effort to achieve, but realistic when looking at national averages for other team programmes.
- 2.6 Officers recently held discussions with Nottinghamshire Police to consider the provision of staff for Princes Trust team delivery and limited financial support. Further exploration has identified that successful collaboration with the Police could reduce the annual deficit to £20k, yet still deliver 15 teams.
- 2.7 This demonstrates positive inter-agency collaboration and meet the objectives of both organisations. The Police would target team members from specific areas around the city and county and could be further explored as an area to secure income.
- 2.8 A further option would be to cease the Team programme and dissolve the partnership with the Princes Trust. However given the positive impact the programme has on outcomes for young people this should not be considered lightly. A further consideration is that this would result in an immediate redundancy situation for a number of staff.
- 2.9 The favoured approach would be to support option 1(see appendix A) for the forthcoming academic year (September 2014 to July 2015) and pursue option 2 through collaboration with the Police and drive down the deficit as much as possible. This approach will maintain the 15 teams within the programme and provide further time to engage in the national review.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 Prince's Trust activity is currently budgeted for on the assumption that all of the direct costs of the activity will be funded by income. Most of the income comes from the education sector as funding per learner and in addition there is a small amount of income raised by team efforts, for example donations or fund-raising ventures.
- 3.2 The reduction in funding per learner over the last three years is significant, as detailed in the report, and this means that the Prince's Trust activity is now running at a deficit.
- 3.3 Appendix A shows the option costs and income in respect of options for running the activity in the future, scenario two (running 15 teams per year with seven Service employees, plus Police employees) gives an estimated deficit of £20k per annum.

- 3.4 The figures shown are estimates based on a number of assumptions, so the actual costs and income will vary from those shown under each option. Although the assumptions used are reasonable, nevertheless the net financial position in each case could be slightly higher or lower than that shown.
- 3.5 The variable factors include: changes in the proportion of learners from each age group; changes in the proportion of learners completing the team and passing; long term sickness absence; supplier price increases; funding changes within the education sector; new procurement initiatives to reduce costs.
- 3.6 It is recommended that, if option 2 is approved, the Prince's Trust activity continues to be budgeted as fully funded by income, and performance against the budget is closely monitored and reported to the Finance and Resources Committee throughout the year within the revenue monitoring report. If it becomes apparent that there will be a deficit then Officers can recommend appropriate action to deal with this issue to Members of the Finance and Resources Committee at that time.

#### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

- 4.1 The human resources and learning and development implications will be dictated by the option taken by Members as detailed and recommended within this report.
- 4.2 Implications would include the potential for placing employees at risk of redundancy, redeployment, with staff members accessing role specific training that would be required to perform any new role.
- 4.3 NFRS is well equipped with the policy and procedural basis to deal with the above as a potential scenario and should option two be supported those impacts are kept to the minimum level necessary.

#### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report seeks to provide an update on the current position of the existing Princes Trust Programme.

#### **6. CRIME AND DISORDER IMPLICATIONS**

By engaging in the Princes Trust Team programme and targeting team members from around the city and county it is nationally recognised that this model has real a positive impact for the individuals attending the programme. The Team programme contributes to the wider multi-agency approach to the crime a disorder agenda, this is further supported by the collaboration potential identified in this report.

## **7. LEGAL IMPLICATIONS**

Legal implications relate to the ability to balance the financial aspects of the Prince's Trust programme and the employee issues that would result from any decision made by Members from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Over the past 18 months it has become apparent that there is a significant funding risk relating to Prince's Trust activity. The income for learners is sourced from further education colleges, which are in turn funded by Central Government and therefore at risk of being reduced during this period of austerity.
- 8.2 The academic year runs from August to July, so the Colleges' financial planning cycle does not coincide with the Fire Authority's financial planning cycle, and this means that funding can be cut at short notice and part way through the Authority's financial year. Last year, this issue resulted in funding partner being unable to continue funding the Prince's Trust from September 2013, which necessitated finding a new partner very quickly.
- 8.3 To manage this risk, it is proposed that the Authority keeps the Prince's Trust activity under continuous review and Officers be prepared to react quickly to any changes in funding circumstances, bringing any proposals for dealing with the impact to the appropriate committee of the Fire Authority.

## **9. RECOMMENDATIONS**

It is recommended that Members:

- 9.1 Agree to implement option 1 and task the Chief Fire Officer to work to deliver option 2 through collaboration with the Police.
- 9.2 Agree to receive further update reports on the national review and collaboration activity.
- 9.3 Receive updates to the Finance and Resources Committee through the Revenue monitoring report.

## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

John Buckley  
**CHIEF FIRE OFFICER**

**PRINCES TRUST FUNDING MODEL  
2014/15**

**Appendix A**

<b>STAFFING</b>	<u>Annual Cost</u>	<u>Annual Cost</u>
	<u>£</u>	<u>£</u>
	<u>Option 1</u>	<u>Option 2</u>
Manager	1	1
Team Leaders	5	4
Support		
Workers	3	2
Use 2 PCSOs	no	yes
Teams:	15	15
City	6	6
County	9	9
<b>COSTS</b>	<u>£000's</u>	<u>£000's</u>
Pay costs	337	267
Residential	61	61
Princes Trust Fees	21	21
Fleet maintenance & fuel	11	11
Travel expenses for staff	4	3
Bus fares for students	14	14
Mobile Phone charges	1	1
Catering, food & beverages for Residential course etc. / Subsistence	9	9
Staff training	5	4
Equipment	4	4
Workwear	2	1
Stationery etc.	1	1
<b>TOTAL COSTS</b>	<b>470</b>	<b>397</b>
<b>INCOME</b>	(149)	(149)
	(229)	(229)
<b>TOTAL INCOME</b>	<b>(378)</b>	<b>(378)</b>

**NET DEFICIT**

<b>92</b>	<b>20</b>
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