

report

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY	
date	1 June 2007	agenda item number

REPORT OF THE CHAIR OF FINANCE AND RESOURCES COMMITTEE

FINANCE AND RESOURCES COMMITTEE OUTCOMES

1. PURPOSE OF REPORT

To report the business and actions of the Finance and Resources Committee to Members of the Fire and Rescue Authority and to seek specific approval for one item relating to the formation of the Fire Services Insurance Mutual.

2. BACKGROUND

- 2.1 As part of the revised Governance arrangements the Authority have delegated key responsibilities for Finance & Resources to the Finance & Resources Committee. As part of those delegated responsibilities the Chair of the Finance & Resources Committee and the Management lead report to the Authority on its business and actions.
- 2.2 One of the major pieces of business for the Finance and Resources Committee is the work that goes into the preparation of the Annual Budget. This was agreed at the Authority meeting on 23 February 2007. The process of the year end closedown now begins in earnest and the attentions of both staff and Members will be focussed on this issue. This report however reports back to the Authority on the specific business arising from the meeting of the Finance and Resources Committee on 13 April 2007.

3. REPORT

- 3.1 The minutes of the meeting are attached to this report however the following summarises the main points of the papers discussed at the meeting.
- 3.2 The External Auditors annual inspection letter was presented to the committee by the Audit Commission and was the subject of detailed discussions. The Auditors gave a well balanced commentary to their letter and drew Members' attention to the CPA assessments that had recently taken place. Broadly this confirmed that the Service Assessment was level 4 and the Use of Resources and Direction of Travel elements were level 2. The Auditors went to great lengths to point out that they were not displeased with this performance and that only one or two minor elements had let down the overall scores. Despite their comments relating to the difficulties that the Authority has had recently in relation to Human Resources and the secondment of the Chief Officer they were quick to praise the Authority for the prompt and decisive action that was taken. All in all a very positive report from the Auditors despite somewhat disappointing Use of Resources and Direction of Travel scores.

- 3.3 The Committee then went on to consider reports of the Chief Fire Officer in relation to monitoring the prudential code indicators and monitoring reports in respect of both Capital and Revenue Budgets. The only matter of significance here was the rescheduling of the Authority's debt portfolio to generate some small annual savings.
- 3.4 The Head of Finance and Resources then introduced a paper which reported on the monitoring of efficiency gains and which set out anticipated accumulated efficiency savings of over £1m in 2006/7. The Authority is also well ahead of the target for the required level of savings.
- 3.5 The Internal Auditors also attended the meeting to present their findings in relation to the Cardiff Checks that they had carried out in the past three months. There were a number of areas of concern but primarily these related to contract management issues and processes. The Head of Finance and Resources undertook to review the current processes and to implement the recommendations of the Auditors.
- 3.6 The meeting went on to approve Strategies for Treasury Management, Internal Audit and Value for Money for the coming year before considering an item relating to the formation of the Fire Services Insurance Mutual which is attached to this report in full.
- 3.7 The Head of Finance and Resources explained the complex issues around the formation of the Mutual in full to the Committee which concluded that the following recommendations should be made to the Authority for acceptance:
 - 3.7.1 That the potential benefits to be gained from participating in the Fire Service Mutual Insurance Company be noted;
 - 3.7.2 That the Head of Finance and Resources be given authority to join, withdraw or participate as appropriate in the Fire Service Mutual Insurance Company, at the most appropriate time, having regard to the available facts and professional advice;
 - 3.7.3 That when appropriate, the nomination of the Head of Finance and Resources as a candidate for membership of the board of the Fire Service Mutual Insurance Company be endorsed.
- 3.8 It is important for the Authority to note that other than a small investment in the Mutual Company there will be no Authority risk placed with the mutual until April 2011.
- 3.9 The remaining part of the meeting was taken up by an exempt item dealing with two Internal Audit reports the recommendations and management actions arising there from were approved.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report save for those associated with the Insurance Mutual membership which are set out fully in main report.

5. PERSONNEL IMPLICATIONS

There are no personnel implications arising from this report.

6. EQUALITY IMPACT ASSESSMENT

An initial assessment has revealed there are no equality issues arising from this report.

7. RISK MANAGEMENT IMPLICATIONS

The Services performance in relation to these matters addressed through Finance & Resources Committee is scrutinised through a range of audit processes. The Service needs to continue to perform in these areas as external scrutiny through Comprehensive Performance Assessment and auditors' judgement is key to future Service delivery. Failure to do so can lead to intervention measures if the Service is considered to be failing.

8. RECOMMENDATIONS

- 8.1 That specific approval is given to the recommendations in paragraph 3.7 above i.e.
 - 8.1.1 That the potential benefits to be gained from participating in the Fire Service Mutual Insurance Company be noted;
 - 8.1.2 That the Head of Finance and Resources be given authority to join, withdraw or participate as appropriate in the Fire Service Mutual Insurance Company, at the most appropriate time, having regard to the available facts and professional advice;
 - 8.1.3 That when appropriate, the nomination of the Head of Finance and Resources as a candidate for membership of the board of the Fire Service Mutual Insurance Company be endorsed.
- 8.2 That in future the minutes of all meetings of the Committee are bought to Fire & Rescue Authority to ensure Members remain informed of key decisions made.

9. BACKGROUND PAPERS FOR INSPECTION

None.

Penny Griggs
CHAIR OF THE FINANCE & RESOURCES COMMITTEE



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

FINANCE AND RESOURCES COMMITTEE

MINUTES

of the meeting held on **15 SEPTEMBER 2006** at Fire and Rescue Service Headquarters, Bestwood Lodge, from 11.00 am to 12.25 pm.

Membership

Councillor J Cottee
Councillor P Griggs
Councillor J O'Riordan
Councillor T Pettengell
^ Councillor N Smedley

Members absent are marked ^

1 APPOINTMENT OF CHAIR

RESOLVED that Councillor Griggs be appointed Chair for the remainder of the municipal year 2006/07.

2 APOLOGY FOR ABSENCE

An apology for absence was received from Councillor Smedley.

3 DECLARATIONS OF INTERESTS

No declarations of interests were made.

4 MINUTES

RESOLVED that the minutes of the last meeting held on 13 April 2006, copies of which had been circulated, be confirmed and signed by the Chair.

5 TERMS OF REFERENCE

(a) Finance and Resources Committee

RESOLVED that the additional term of reference for this Committee below, as agreed at the meeting of the full Fire and Rescue Authority held on 13 September 2006, be noted:-

'To be responsible for the review and monitoring of the Statement of Internal Control'.

(b) Audit Committee role

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated.

It was reported that the Human Resources Committee was investigating the training requirements of all Fire Authority members, appropriate to the Committee or Panel of which they were members. With regard to the Audit Committee function, it was stated that Nottingham Trent University Business School was considering the establishment of an audit-based training course.

RESOLVED that it be agreed that the terms of reference empowering members of this Committee to undertake the role of an Audit Committee, as detailed in the report, and a recommendation of approval of those terms, be submitted to the Policy and Strategy Committee.

6 COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA)

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which highlighted the main areas of the CPA that would be of concern to this Committee.

RESOLVED

- (1) that the report be noted;**
- (2) that the Chief Fire Officer be requested to forward a paper copy of the internal self assessment to members.**

7 CAPITAL MONITORING - PERIOD 2 ENDED 31 MAY 2006

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed spending with regard to transport, property and information technology (IT).

Mr Timms reported that there was currently an underspend of £2.085 million on transport, £2.995 million on property, and £1.435 million on IT, although these figures would be reduced as orders had been placed for 8 new appliances, construction of a new fire station at Hassocks Lane was due to commence in January 2007 and various IT projects had recently commenced.

RESOLVED

- (1) that the report be noted;**

- (2) **that the Chief Fire Officer be requested to submit a report, detailing capital monitoring during the period 1 June to 31 August 2006, to the October meeting of this Committee.**

8 BUDGET MONITORING - PERIOD 2 ENDED 31 MAY 2006

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed the financial performance with regard to whole-time and part-time pay, premises costs, operational equipment, supplies and services, operating lease payments, station budgets, annual pensions, trading activities and the Integrated Risk Management Plan (IRMP).

RESOLVED that the report be noted.

9 PRUDENTIAL CODE MONITORING

- (a) **January to March 2006 (4th quarter 2005/06)**
- (b) **April and May 2006 (1st quarter 2006/07)**

Consideration was given to reports of the Chief Fire Officer, copies of which had been circulated, detailing the performance with regard to the prudential indicators for accounting and treasury management, as agreed at the full Fire Authority meeting held on 25 February 2005.

RESOLVED

- (1) **that the reports be noted;**
- (2) **that the Chief Fire Officer be requested to submit a report, detailing Prudential Code performance during the period 1 June to 31 August 2006, to the October meeting of this Committee.**

10 FLEET REPLACEMENT AND MANAGEMENT STRATEGY

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated.

Further to the report, it was stated that:-

- as part of the 2006/07 Transport Business Plan, the current and future fleet requirements with regard to pumping and special appliances, and light and other vehicles, would be ascertained;
- in response to the IRMP Best Value Review into how the Service responded to road traffic collisions (RTC), the next generation of pumping appliances would need to be rescue pumps with a dual function for fire fighting and RTC medium rescue capability;
- due to a lack of service support and parts availability, which caused an increased vehicle off-road downtime, the decision to switch chassis suppliers from Dennis to Scania had been taken, with delivery of the first chassis expected in November 2006.

RESOLVED that the Fleet Replacement and Management Strategy, as detailed in the report, and a recommendation of approval of the Strategy, be submitted to the Policy and Strategy Committee.

11 LAND AND BUILDINGS UPDATE

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, setting out the current position with regard to the acquisition, disposal, construction and refurbishment of the Service's buildings and land.

Further to the report, it was stated that:-

- as a result of the planning consent to build the new community fire station at Hassocks Lane, the Service was working in partnership with the City Council to dispose of the land at the current Dunkirk fire station site;
- a suitable building had been found as a base for the Community Safety Team and the purchase was currently being processed by the Service's legal advisors regarding an existing caveat that would need to be removed or amended.

RESOLVED

- (1) that the report be noted;**
- (2) that the Chief Fire Officer be requested to submit a report, detailing the running costs of the Community Safety Team, to a future meeting of this Committee.**

12 VALUE FOR MONEY PROGRAMME - PROGRESS

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, setting out the current position with regard to the Value for Money programme as agreed at the full Fire Authority meeting held on 24 March 2006.

RESOLVED that the report be noted.

13 CAPITAL STRATEGY

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed the current position with regard to the Capital Strategy. The Strategy drew together information from the Capital Programme, the Prudential Code and the Treasury Management, Medium Term Financial, IT, Fleet and Property Strategies.

RESOLVED

- (1) that the Capital Strategy, as detailed in the report, and a recommendation of approval of the Strategy, be submitted to the Policy and Strategy Committee;**
- (2) that the following be supported:-**
 - (i) the undertaking of a feasibility study of the possibility of the Service entering into Private Finance Initiative contracts for the provision of fire stations and other buildings;**

- (ii) the over-programming of capital to ensure the capacity for investment was maximised;**
- (3) that the Chief Fire Officer be requested to submit a report, detailing the pros and cons of the use of Private Finance Initiative monies, to a future meeting of this Committee.**

14 DATES OF FUTURE MEETINGS

RESOLVED

- (1) that it be noted that, as agreed at the meeting held on 13 April 2006, the Committee would meet on Fridays 13 October 2006 and 13 April 2007;**
- (2) that the Clerk to the Authority be requested to investigate a suitable alternative date to the previously agreed Friday 12 January 2007, and inform members accordingly.**



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

FINANCE AND RESOURCES COMMITTEE

MINUTES

of the meeting held on **13 OCTOBER 2006** at Fire and Rescue Service Headquarters,
Bestwood Lodge, from 10.02 am to 11.15 am.

Membership

	Councillor P Griggs	(Chair)
	Councillor J Cottee	
	Councillor P Lally	(substitute for Councillor O'Riordan)
^	Councillor J O'Riordan	
^	Councillor T Pettengell	
	Vacancy	

Members absent are marked ^

15 CHAIR'S ANNOUNCEMENTS

The Chair, with regret, informed the Committee of the recent death of Councillor Nellie Smedley, a member of this Committee.

16 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors O'Riordan and Pettengell.

17 DECLARATIONS OF INTERESTS

No declarations of interests were made.

18 MINUTES

RESOLVED that the minutes of the last meeting held on 15 September 2006, copies of which had been circulated, be confirmed and signed by the Chair.

19 EXTERNAL AUDITORS GOVERNANCE REPORT 2005/06

Consideration was given to a joint report of the Chief Fire Officer and Treasurer, and to the Audit Commission's Annual Governance Report (September 2006), copies of which had been circulated.

Mr Brumhead, District Auditor, presented the report and stated that although overall the Authority's financial governance was effective, of the 12 areas covered under the Value for Money conclusion, four required further evidence of improvement. These were:-

- (a) Performance Management - rated 'poor' in the 2005 Comprehensive Performance Assessment;
- (b) Data Quality - arrangements not robust enough at present;
- (c) Risk Management - further steps required, including the involvement of members, in assessing acceptable levels of risk;
- (d) Asset Management - records (such as the asset register) were currently 'not fit for purpose';

RESOLVED that the report be noted and submitted to the Fire Authority for information.

20 MONITORING UPDATES - PERIOD ENDED 31 AUGUST 2006**(a) Budget**

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed variances in financial performance with regard to whole-time and part-time pay, premises costs, operational equipment, supplies and services, operating lease payments, station budgets, annual pensions, trading activities and the Integrated Risk Management Plan (IRMP).

RESOLVED that the report be noted.

(b) Capital

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed spending with regard to transport, property and information technology (IT).

Mr Timms, Head of Finance and Resources, reported that there was currently an underspend of £1.925 million on transport, £2.561 million on property, and £1.305 million on IT, although these figures would be reduced as orders in excess of £952,000 for appliances and equipment had been placed, planning permission had been granted for the construction of a new fire station at Hassocks Lane and a total of £997,000 had been committed for various IT projects.

RESOLVED that the report be noted.

(c) Prudential Code

Consideration was given to a report of the Treasurer, copies of which had been circulated, detailing the performance with regard to the prudential indicators for capital accounting

and treasury management, as agreed at the full Fire Authority meeting held on 24 February 2006.

RESOLVED that the report be noted.

21 EFFICIENCY GAINS MONITORING

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, detailing the background to the Annual Efficiency Statements and the current position with regard to planned efficiency gains for 2006/07.

Mr Timms, Head of Finance and Resources, reported that the Authority was currently achieving efficiency gains in excess of government set targets, but below the targets set by the authority itself.

RESOLVED that the report be noted.

22 TREASURY MANAGEMENT ANNUAL REPORT 2005/06

Consideration was given to a joint report of the Chief Fire Officer and Treasurer, copies of which had been circulated, detailing the Treasury Management Policies, Plans, activities and results for the financial year 2005/06, in line with the Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management, which the Authority had adopted.

RESOLVED that the report be noted.

23 RISK APPETITE

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, detailing the factors influencing the risk appetite for the Authority, and providing guidance on an acceptable level of risk.

RESOLVED that, in view of the regulatory framework under which the Service operated, the Policy and Strategy Committee be recommended to adopt a low-risk appetite.



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

FINANCE AND RESOURCES COMMITTEE

MINUTES

of the meeting held on **12 JANUARY 2007** at County Hall, West Bridgford, from 10.05 am to 11.10 am.

Membership

Councillor P Griggs (Chair)
Councillor J Cottee
Councillor H Holt
Councillor J O'Riordan
Councillor T Pettengell

Members absent are marked ^

24 CHAIR'S ANNOUNCEMENTS

The Chair welcomed Councillor Helen Holt to her first meeting of this Committee.

25 DECLARATIONS OF INTERESTS

No declarations of interests were made.

26 MINUTES

RESOLVED that the minutes of the last meeting held on 13 October 2006, copies of which had been circulated, be confirmed and signed by the Chair.

27 MONITORING UPDATES - PERIOD ENDED 30 NOVEMBER 2006

(a) Revenue Budget

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed variances in financial performance with regard to whole-time and

part-time pay, premises costs, operational equipment, supplies and services, operating lease payments, station budgets, annual pensions, trading activities and the Integrated Risk Management Plan (IRMP).

Mr Timms, Head of Finance and Resources, reported that although there was likely to be a large under-spend on budgets, due mainly to changes in Capital Accounting and under-spending in Pensions, the Authority would be on target for a minimal under-spend by the financial year end.

RESOLVED

- (1) that the report be noted;**
- (2) that the proposals for managing the forecasted under-spend of £1.708 million, as detailed in paragraph 3.2.17 and outlined below, be submitted to the Fire Authority for approval:-**
 - (a) cancellation of the earmarked contribution of £400,000 to the budget from balances;**
 - (b) contributions of:-**
 - (i) £325,000 to Balances to provide against unexpected events;**
 - (ii) £300,000 from the Revenue Budget to the 2006/07 Capital Programme, as an alternative to borrowing or leasing as a means of financing capital expenditure;**
 - (c) earmarked reserves of:-**
 - (i) £280,000 for any backdated Retained employee employers' pension contributions;**
 - (ii) £75,000 for professional development payments to operational employees;**
 - (iii) £200,000 for Community Safety initiatives.**

(b) Capital Budget

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which detailed spending with regard to transport, property and information technology (IT).

Mr Timms reported that there was currently an underspend of £2.341 million on transport, £1.994 million on property, and £715,000 on IT, although these figures would be reduced as orders for appliances and equipment would be completed in early 2007/08, construction of the new fire station at Hassocks Lane had yet to commence and various IT projects were under consideration.

RESOLVED that the position be noted.

28 URGENT ITEMS

The Chair of the meeting was of the opinion that the following items, although not included on the agenda, should be considered as a matter of urgency in accordance with Section 100(B)(4)(b) of the Local Government Act 1972, in view of the special circumstances that members required the information prior to the Budget Seminar, to be held on 7 February 2007, and the next scheduled meeting of the Committee was not until 13 April 2007.

29 MONITORING UPDATES -- PERIOD ENDED 30 NOVEMBER 2006

(a) Efficiency Gains

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, detailing the background to the Annual Efficiency Statements and the current position with regard to planned efficiency gains for 2006/07.

Mr Timms reported that the Authority was currently achieving in excess of government set targets and, should the predicted efficiency gains for 2006/07 be achieved, the three year target to 2007/08 would be met by the end of 2006/07, within two years.

RESOLVED that the position be noted.

(b) Prudential Code

Consideration was given to a report of the Treasurer, copies of which had been circulated, detailing performance with regard to the prudential indicators for capital accounting and treasury management, as agreed at the full Fire Authority meeting held on 24 February 2006.

RESOLVED that the report be noted.

30 WORKING BALANCES

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, detailing the levels of reserves and balances to meet the requirements of the Authority during the 2007/08 financial year and beyond.

RESOLVED that the proposed level of balances, as detailed in the report, be submitted to the Fire Authority for approval.



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

FINANCE AND RESOURCES COMMITTEE

MINUTES

of the meeting held on **13 APRIL 2007** at The Council House, Old Market Square,
from 10.00 am to 11.20 am.

Membership

Councillor P Griggs (Chair)
Councillor J Cottee
Councillor H Holt
Councillor J O'Riordan
Councillor T Pettengell

31 DECLARATIONS OF INTERESTS

No declarations of interests were made.

32 MINUTES

RESOLVED that the minutes of the last meeting held on 12 January 2007, copies of which had been circulated, be confirmed and signed by the Chair.

33 REVISED TERMS OF REFERENCE

RESOLVED that the revised terms of reference for this Committee, copies of which had been circulated, as agreed at the meeting of the full Fire and Rescue Authority held on 23 February 2007, be noted.

34 ANNUAL AUDIT AND INSPECTION LETTER

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which overall illustrated that the Service was operating well above the minimum standards required, with better than average achievements in performance.

RESOLVED

- (1) that the report be noted;**
- (2) that the Chair of the Performance Monitoring Committee be requested to submit regular updates regarding the statistical information available which would focus on the outcomes, as detailed in paragraphs 7 to 12 of the Audit letter;**
- (3) that the thanks of this Committee to all personnel involved in achieving the results of the Comprehensive Performance Assessment, set out by the auditors, be recorded.**

35 PRUDENTIAL CODE MONITORING TO 28 FEBRUARY 2007

Consideration was given to a report of the Treasurer, copies of which had been circulated, which informed members of the Authority’s performance in regard to prudential indicators for capital accounting and treasury management, including a saving of £1,500 by restructuring the debt portfolio.

RESOLVED that the report be noted.

36 EFFICIENCY GAINS - MONITORING

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, predicting efficiency gains for 2006/07 of £1,039,457. The Committee received a verbal update at the meeting, reporting that the actual gains achieved were ahead of the national target.

RESOLVED that the report be noted.

37 CAPITAL MONITORING– PERIOD 11 ENDED 28 FEBRUARY 2007

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, and identified the following capital position:-

	Total £000s
Budget 2006/07	7,298
Slippage 2005/06 virements 2006/07	751
Revised Budget 2006-07	8,049
Actual expenditure	3,704
Under Spending	-4,345
Estimated Outturn	4,473
Outturn Variance	-3,576

RESOLVED that the report be noted.

38 BUDGET MONITORING – PERIOD ENDED 28 FEBRUARY 2007

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which analysed significant variances and highlighted areas of concern.

RESOLVED that the report be noted.

39 CARDIFF CHECKS

Consideration was given to a report of the Treasurer, copies of which had been circulated, regarding the findings of Internal Audit's consideration of four paid invoices.

RESOLVED

(a) Ntl invoice for leased line rental

- (1) that all contractual arrangements be formally documented to ensure a permanent record was available to both the parties to the contract, with documents identifying the goods and/or services, the period of the contract, renewal, cancellation and pricing arrangements;**
- (2) that strategic and planning decisions which impacted on the effective running of the Service be subject to a formal appraisal of available options, considering benefits, disbenefits and costs to demonstrate that the decisions made represented best value to the Authority and to provide a valuable resource when future reviews were undertaken;**
- (3) that a named, responsible officer, provided with written guidance on the requirements and responsibilities of this role, actively manage contracts;**
- (4) that invoices not subject to formal procurement control processes be subject to certification by the responsible budget officer (across the face of the invoice) to confirm that the charges were valid and related to a current contract;**
- (5) that further efforts be made to establish the value of the overpayment to Ntl, and confirm that the credit given was correct and that a cash refund be requested for the agreed value;**

(b) Bristol Uniforms Limited invoice for uniform clothing

- (6) that the terms of reference/project initiation document for the Integrated Clothing Project refer to the need to demonstrate best value and to test the market at regular intervals, in addition to other contractual issues;**
- (7) that repaired/reserve stocks of uniform be accounted for as stores stock and valued appropriately;**
- (8) that explanations be sought for the variations between physical and book stock records and adjustments be made to stock records and the financial accounts in respect of any necessary and duly authorised amendments;**
- (9) that stock checking procedures be reviewed to ensure that high value and desirable stock items were checked more regularly than other stocks in the cyclical rotation;**

- (10) that, in an attempt to reduce stock levels and subject to supply chain arrangements meeting the required timescale, the needs of new recruits be identified at an early stage in order to anticipate the demand for specific sizes of uniform;
- (c) Texaco invoice for ultra low sulphur diesel
- (11) that stations be instructed to send all documents associated with fuel orders and receipts to HQ stores;
- (12) that contract management procedures be reviewed to ensure that appropriate formal contractual arrangements were in place where appropriate, with effective monitoring and renewal in a timescale appropriate to the circumstances;
- (d) Nottinghamshire County Council invoice for Catering Services
- (13) that hospitality and additional catering requirements be recharged in full, based on current standard costs, or actual charges.

40 PARTICIPATION IN THE FIRE AND RESCUE SERVICES MUTUAL INSURANCE COMPANY

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which informed members of the opportunity for the Service to participate in the Fire Services Mutual Insurance Company.

RESOLVED that the following be recommended to a future meeting of the Fire and Rescue Authority:-

- (1) that the potential benefits to be gained from participating in the Fire Service Mutual Insurance Company be noted;
- (2) that the Head of Finance and Resources be given authority to join, withdraw, or participate as appropriate in the Fire Service Mutual Insurance Company, at the most appropriate time, having regard to the available facts and professional advice;
- (3) that when appropriate, the nomination of the Head of Finance and Resources as a candidate for membership of the board of the Fire Service Mutual Insurance Company be endorsed.

41 TREASURY MANAGEMENT STRATEGY 2007/08

Consideration was given to a joint report of the Chief Fire Officer and Treasurer, copies of which had been circulated, which set out the proposed treasury management strategy for 2007/08.

RESOLVED

- (1) that the Treasury Management Strategy as set out in the report be approved;

(2) that the list of institutions, as set out in Appendix A to the report, to which the Authority would lend surplus cash, be approved.

42 INTERNAL AUDIT STRATEGY 2007- 10

Consideration was given to a report of the Treasurer, copies of which had been circulated, which informed members of the proposed audit strategy for the period 2008 to 2010 and presented the planned work to be undertaken by Internal Audit during the 2007/08 financial year.

RESOLVED that the Audit Strategy for 2008 to 2010 and the Audit Plan for 2007/08 be approved.

43 VALUE FOR MONEY

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated, which proposed the following areas as projects and subjects for value for money scrutiny:-

- Participation and taking a leading role in the development of a benchmarking process for the Fire and Rescue Service
- Linked to the above, continued analysis of expenditure patterns in relation to other Services
- Benchmark assessment of Risk Management, leading on behalf of ALARM with Devon Fire and Rescue Service. (Brought forward from 2006/7)
- Continued support to the regional procurement project
- Continued support to the Integrated Common Service project
- Review of sickness absence programmes
- Water usage, charging and environmental issues
- Storage of road fuel
- Evaluation of Black and Minority Ethnic engagement and consideration of equity issues
- Evaluation of RiskWatch via Quizclass or similar products
- Continuance of base budget review cost reduction process
- Building/grounds maintenance
- Baseline study of environmental impacts and development of an improvement programme
- Development of improved financial reporting arrangements integrating with the performance management framework.

- An evaluation of engagement with disabled citizens

RESOLVED that the approach to the achievement of Value for Money and the proposed programme, be approved.

44 EXCLUSION OF THE PUBLIC

RESOLVED that, pursuant to section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the remaining item as it contained information relating to:-

- individuals and,
- to the financial and business affairs of particular individuals and the Authority,

and, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in paragraphs 1 and 3 of Schedule 12A to the Act.

45 INTERNAL AUDIT REPORTS

Consideration was given to a report of the Chief Fire Officer, copies of which had been circulated.

RESOLVED

- (1) that the contents of the Internal Auditors' reports be noted and the proposed management actions approved;
- (2) that the Internal Auditor's report be submitted by the Chair of this Committee to a future meeting of the Policy and Strategy Committee for consideration;
- (3) that the Chief Fire Officer submit to this Committee an annual report which detailed whether, and how, the recommendations of the Internal Auditors, as specified in the report, had been implemented.