



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

FINANCE & RESOURCES COMMITTEE OUTCOMES

Report of the Chair of the Finance & Resources
Committee

Agenda No:

Date: 07 December 2007

Purpose of Report:

To report the business and actions of the Finance and Resources Committee meeting of 12 October 2007 to Members of the Fire and Rescue Authority.

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1. BACKGROUND

As part of the revised Governance arrangements the Authority has delegated key responsibilities for Finance and Resources to the Finance and Resources Committee. As part of those delegated responsibilities, the Chair of the Finance and Resources Committee and the Management lead report to the Authority on its business and actions as agreed at Fire & Rescue Authority meeting 1 June 2007.

2. REPORT

2.1 The unconfirmed minutes of the meetings are attached to this report at Appendix A and B respectively. The following summarises the main points of the papers discussed at each meeting.

20 September 2007

2.2 This meeting was called specifically to deal with the issue of the External Auditors Governance report, which was required to be presented to Members before 30 September 2007. The opportunity was taken however to also bring a report on the latest cost estimates for the Hassocks Lane project.

2.3 The External Auditors Governance report is one which is required to be presented to Members in their role as “those charged with the governance of the Authority”. In essence this report replaces the Management Letter and sets out the Auditors views of the financial position of the Authority. It is pleasing to note that this is a very positive report which indicates that the accounts closure processes have continued to improve and that the technical expertise of staff continues to increase. The Auditors note that there are no unadjusted misstatements in the accounts and bring to the attention of Members only two adjustments, which were made at audit.

2.4 A full copy of the External Auditors Governance Report is attached as Appendix C.

2.5 The first of these was an error made by the Pensions Administration Authority which then reflected in the accounts of the Authority and the other was a technical error in the accounts which does not affect the overall position of the Authority but caused the balance sheet to alter slightly.

2.6 The report on the Hassocks Lane project brought together all the elements of this project and for the first time set out all of the anticipated costs. Members discussed this report at length and raised concerns regarding, among other things, cost reduction strategies and project management. Members requested a report be brought to the meeting on 12 October addressing these issues before an approval to proceed could be given. See the 12 October briefing below.

12 October 2007

- 2.7 This committee received three monitoring reports relating to the Prudential Code, the Capital Budget and the Revenue Budget. In terms of the prudential code the Director of Finance and Resources reported that the Authority had complied fully with the code during the period to 31 August 2007 and that all the compliance targets set by the Authority had been met.
- 2.8 The Capital Budget again showed significant underspendings and Members sought explanations of these from the Director and Finance and Resources. The Committee accepted the recommendations of the report but asked that a specific report relating to the Authority's ICT Strategy be brought to a future meeting.
- 2.9 The report on Revenue Budget performance to 31 August was also considered by Members. The report highlighted a number of significant variances against the original Revenue Budget and although the Authority is likely to have an underspend by the year-end Members expressed concern that there were still a number of significant overspends within the overall budget. Members have asked for specific areas such as Wholetime pay and overtime to be examined and reported on separately.
- 2.10 The Director of Finance and Resources presented a report to the Committee setting out his view of the Budget Outlook for 2008/9 and beyond taking into account the results of the Comprehensive Spending Review 2007 and expected constraints on the budget. The Committee agreed to support the actions of management in attempting to develop a budget within the overall constraints set out in the report and asked that this report be considered by the Policy and Strategy Committee.
- 2.11 At the Meeting on 20 September as set out above the Director of Finance and Resources was asked to prepare a supplementary report on the proposed new Fire Station at Hassocks Lane setting out for the Committee the Authority's arrangements for cost reduction strategies and project management. This report was presented to Members and the Committee agreed to delegate the responsibility for authorising the signing of the contract to the Chair of the Authority, the Chair of Finance and Resources (also Vice-Chair) and the Opposition Spokesperson. It is pleasing to report that they were satisfied with the position as set out by the Director of Finance and Resources and a letter of intent has been issued to Allenbuild pending the final land transaction with the vendors. Members also requested that regular reports on project progress are brought to each Finance and Resources Committee and that a report is brought to the next meeting detailing the consultations carried out with the residents of Dunkirk and Lenton.

- 2.12 The Director of Finance and Resources presented two reports related to risk. The first of these confirmed a recent review of risk exposures had conformed that the low risk appetite adopted by the by the Authority was being adhered to. The second of these reports related to the Director of Finance and Resources reporting to Members that he had used his discretion with regard to the Fire and Rescue Services Mutual Insurance Company and decided, for a number of reasons, that joining at this time would not be in the best interests of the Authority. Consequently Nottinghamshire and City of Nottingham Fire and Rescue Authority have not joined the Mutual.

3. FINANCIAL IMPLICATIONS

All of the reports considered by Finance and Resources Committee on 12 October 2007 were finance related. However, there were no significant financial implications arising from those reports.

4. PERSONNEL IMPLICATIONS

All personnel implications were considered as part of the original reports submitted to the Finance and Resources Committee.

5. EQUALITY IMPACT ASSESSMENT

An equality impact assessment has not been specifically carried out in relation to this report. There are no additional implications for Members to consider as a result of this progress report.

6. RISK MANAGEMENT IMPLICATIONS

The Service's performance in relation to matters addressed through Finance and Resources Committee is scrutinised through a range of audit processes. The Service needs to continue to perform well in these areas as external scrutiny through Comprehensive Performance Assessment and auditors' judgement is key to future Service delivery.

7. RECOMMENDATIONS

That Members note the contents of this report.

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

None.

Councillor Penny Griggs
CHAIR OF FINANCE & RESOURCES COMMITTEE