



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

FINANCE AND RESOURCES COMMITTEE

MINUTES

of meeting held on **5 APRIL 2013** at Fire and Rescue Service Headquarters, Bestwood Lodge from 10.00 am to 11.28 am.

Membership

- Councillor S Carroll (Chair)
^ Councillor C Barnfather
^ Councillor B Cross
Councillor E Kerry
Councillor M Wood
Councillor B Cooper (as substitute for Councillor Barnfather)

Members absent are marked ^

Present as an observer – Councillor Pulk.

28 BREEAM AWARD

The Chair informed the meeting that the Carlton Community Fire Station had received a BREEAM Award. BRE Environmental Assessment Method (BREEAM) was a voluntary measurement rating for green buildings that was established in the UK by the Building Research Establishment (BRE) as a tool to measure the sustainability of new non-domestic buildings in the UK. BREEAM Awards were made annually to the highest scoring building assessments certified under BREEAM Schemes in the preceding calendar year. The Awards recognised the achievement of those involved in the specification, design and construction of BREEAM assessed buildings. The Chair congratulated all those involved in the project for their hard work and asked Ian Pritchard, Estates and Procurement Manager, who was present at the meeting, to pass on the Committee's appreciation to all the officers concerned.

29 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Barnfather and Cross. The Chair agreed to arrange for a letter to be sent to Councillor Cross wishing him a speedy recovery from his current illness.

30 DECLARATIONS OF INTERESTS

No declarations of interests were made.

31 MINUTES

RESOLVED that the minutes of the last meeting held on 11 January 2013, copies of which had been circulated, be confirmed and signed by the Chair.

32 INTERNAL AUDIT ANNUAL REPORT 2012/13

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, bringing the report prepared by the Fire Authority's Internal Auditors to the attention of members. The report was presented by Mr Rob Disney of Nottinghamshire County Council who outlined the areas which had been considered for the twelve months to the end of March 2013, summarised the reports issued and the outcome of the considerations and set out the plan for 2013/14.

Members agreed that the issue of risk management was fundamental to the performance of the Authority and that it had to be embedded into all areas of work at all levels.

RESOLVED

- (1) that the report be noted;**
- (2) that the relevant officers be requested to implement the recommendations of the Internal Audit as soon as possible.**

33 INTERNAL AUDIT REPORTS

Consideration was given to the report of the Treasurer, copies of which had been circulated, presenting the reports which had been issued by Internal Audit during 2012/13 following audit work they had carried out and setting out the response of management to the recommendations made.

RESOLVED that the report be noted.

34 EXTERNAL AUDIT PLAN 2012/13

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, informing members of the plan to be implemented by the External Auditors for their audit of the accounts for the 2012/13 financial year.

The Strategic Director of Finance and Resources explained to the meeting that KPMG had been awarded the contract to provide external audit to public bodies across the East Midlands following the abolition of the Audit Commission. He introduced Flora Smith, Assistant Manager with KPMG who presented the report, outlining the four key

stages of the financial statements audit process for the year and the approach being taken to the audit.

Whilst the audit fees for 2012/13 would be lower than previous year's fees, the fees were based on a number of assumptions and could result in additional fees for any extra work which had to be carried out. The assumptions which were being made included assumptions that the Finance Team would provide KPMG with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. Processes were in place to agree any additional fees prior to the work being carried out.

The Chair, on behalf of the Committee thanked both the staff at KPMG and the Services' Finance Team for the work carried out in relation to the audit.

RESOLVED that the report be noted.

35 STRATEGIC RISK REGISTER

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, asking the Committee to accept the risks that had been identified by the Corporate Management Board as having a potential impact on future strategic direction and objectives.

The Strategic Director of Finance and Resources advised the meeting that Internal Audit had highlighted the need to have a more formal approach to corporate and strategic risk registers in their last two reports on the risk management function. The strategic risk register which had been compiled could be used to help inform the development of the Service's corporate objectives and ensure that the organisation remained sufficiently flexible to respond to future change through long-term strategic planning.

Members requested that a further column be added to the Register to include the likely impact of the identified risks.

It was proposed that further member training take place on a number of topics, including understanding the statement of accounts, treasury management, budgeting and budget monitoring, risk management and the role of the risk manager and the CIPFA guide to local government finance for members. This would be open to all Fire Authority members but was primarily targeted at members of the Finance and Resources Committee.

Councillor Wood requested that the Strategic Director of Finance produce a list of the top ten risks to the Authority and that the Risk Register be presented to the full Fire Authority for discussion.

RESOLVED

- (1) that the risks identified by the Corporate Management Board as having a potential impact on future strategic direction and objectives be accepted;**
- (2) that the Committee receive an annual update from the Corporate Management Board;**

- (3) that a report on the Risk Register be brought back to the Committee twice a year;**
- (4) that members of the Committee receive further training to include understanding the statement of accounts, treasury management, budgeting and budget monitoring, risk management and the role of the risk manager.**

36 CAPITAL BUDGET MONITORING REPORT TO 28 FEBRUARY 2013

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, reporting on the Capital Programme progress in the year 2012/13 to the end of February 2013, analysing significant variances against the original programme.

The report was presented by the Strategic Director of Finance and Resources who confirmed that the capital budget monitoring statement was showing an underspend to date of £3,950,000 against the budget for the year of £5,443,000. The budget for the year included slippage of £1,669,000 brought forward from 2011/12 which had been approved by the Authority on 29 June 2012.

RESOLVED that the report be noted;

37 REVENUE MONITORING REPORT TO 28 FEBRUARY 2013

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, reporting on the financial performance of the Service in the year 2012/13 to the end of February 2013 analysing significant variances against the original programme.

The report was presented by the Strategic Director of Finance and Resources who confirmed that the revenue budget monitoring statement was showing an underspend to date of £1,913,000 against a budget for the year of £46,494,000. The projected outturn variance for the year was an underspend of £1,845,000.

RESOLVED that the report be noted;

38 PRUDENTIAL CODE MONITORING REPORT TO 28 FEBRUARY 2013

Consideration was given to the report of the Treasurer, copies of which had been circulated, giving details of performance up to the end of February 2013 relating to the prudential indicators for capital accounting and treasury management.

RESOLVED that the report be noted.

39 VALUE FOR MONEY

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, outlining the proposed programme for achieving and demonstrating Value for Money in 2013/14 and reporting on progress against the Value for Money Programme for 2012/13.

The report was presented by the Strategic Director of Finance and Resources who advised the meeting that the Procurement Team would continue to take a pro-active

approach to ensure that the Service received value for money on all items purchased. The tender plan for 2013/14 included equipment, medical and occupational health services, and a new training management database.

RESOLVED that the report be noted.

40 UPDATE ON THE INVESTMENT IN SUSTAINABLE ENERGY TECHNOLOGIES

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, updating members on the capital investment and revenue income return of the sustainable energy technologies project carried out in 2012.

Ian Pritchard, Estates and Procurement Manager, updated the meeting on the project progress at the various sites, giving details of estimated annual generation and tariffs, actual generation and looking at the assumptions made for variables and the constraints.

Since the report had been written, the figures for March 2013 had been produced. The early indications showed that the project was on track to deliver the savings to the annual revenue budget and payback the capital expenditure as originally predicted despite the fact that 2012 had been a poor year for sunshine in the UK which had impacted upon the amount of electricity generated through photovoltaic panels.

The Chair thanked Mr Pritchard for his informative report.

RESOLVED that the report be noted.

41 TENDER FOR MOTOR INSURANCE

Consideration was given to the report of the Chief Fire Officer, copies of which had been circulated, giving details of the recent tender for motor insurance and subsequent award of the contract.

The report was presented by the Strategic Director of Finance and Resources who reminded members that due to the existing motor insurers deciding to terminate their long term agreement with the Authority and significantly raise their premiums, it had been decided to run a formal tender and to consider the retention of additional risk via the use of an internal insurance fund. The Authority's brokers had carried out the exercise and had concluded that the use of an insurance fund was not appropriate. The insurance was subsequently put out to tender using a combination of higher deductibles and stop losses. The preferred option was to take the lowest risk option of a higher premium and then to work with insurers to drive claims down to make a higher deductible option more viable in the future.

RESOLVED that the appointment of QBE via Risk Management Partners as the Authority's motor insurers for 2013/14 be noted.