



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

SCRUTINY OF BUDGETS

Report of the Chief Fire Officer

Agenda Item No:

Date: 11 October 2013

Purpose of Report:

To report to Members on the work undertaken by the Chair of Finance and Resources Committee alongside officers of Nottinghamshire Fire and Rescue Service to review existing base budgets and identify initial budget savings.

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1. BACKGROUND

- 1.1 A report entitled “Scrutiny of Budgets” was presented to the Finance and Resources Committee on 12 July 2013. Members considered the budget reduction strategy outlined in this report and resolved that a review of base budgets be carried out in line with the strategy recommended in the report.
- 1.2 This report updates members of the Finance and Resources Committee to the progress of this work.

2. REPORT

- 2.1 Finance department officers selected a range of non-pay budgets to be considered as part of this review. The selection was driven primarily by the value of budgets with the aim of a significant proportion of the total value of non-pay budgets being subject to scrutiny.
- 2.2 The Chair of Finance and Resources Committee set aside two days, 23 and 24 September, to join the Strategic Director of Finance and Resources in meeting with budget holders and finance officers to discuss the budgets selected. Unfortunately the dates coincided with the Station Manager selection process and immediately preceded a day when industrial action took place, so there were a few budget holders who could not attend the meetings. Nevertheless, of the total non-pay base budget of £11,017k, budgets totalling a value of £10,145k were examined during the course of the two days. This represents 92% of the total non-pay budget.
- 2.3 The budget managers attending the meetings were:
 - Area Manager, Response (Delivery)
 - Media Services Manager
 - Head of HR Services
 - Principal Accountant
 - Partnership Manager
 - Senior Accountant
 - Occupational Health & Fitness Manager
 - Head of ICT
 - Transport Manager
 - Procurement & Estates Manager

- Risk Manager
- Hydrant Maintenance Manager
- Training Delivery Manager
- The Prince's Trust Manager

2.4 During the meetings, budget managers explained what their budgets were used for and what kind of factors influenced their spending. They also reported on when tenders had last taken place, as well as cost saving initiatives already implemented and future anticipated changes. The Chair of Finance and Resources Committee and the Strategic Head of Finance and Resources asked questions of budget managers and looked at budget variances and past performance.

2.5 For all areas, apart from two, where a base budget review meeting was held, savings were identified. In some areas further work was requested and therefore there is the potential that more savings will be identified during the rest of the budget process.

2.6 A total of £671k of savings in 2014/15 were identified during the process. However, following the meetings, finance officers identified that some of these savings had already been offered up for 2014/15 during last year's budget process which means that they have already been assumed in the forecasted budget. The "double-counts" total £62k and so the total of new savings found during the base budget review process was £609k i.e. 5.5% of the total non-pay base budget.

2.7 Appendix A shows the budgets where savings were identified.

3. FINANCIAL IMPLICATIONS

The financial implications are set out in full within 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.

5. EQUALITIES IMPLICATIONS

An Equality Impact Assessment has not been undertaken because this report is not associated with a policy, function or service. Implications for equality may arise as part of budgetary considerations but these will need to be dealt with as they arise.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

Whilst there are no risk management implications directly arising from this report, it will be important to ensure that the risks identified within the corporate risk register and the strategic risk register continue to be managed appropriately, especially where there are budget reductions imposed.

9. RECOMMENDATIONS

That Members note the progress made to date in reviewing the base budget.

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

None.

Frank Swann
CHIEF FIRE OFFICER

APPENDIX A

Cost Centre	Account	Account Description	Base Budget 2013/14	Changes Identified in BBR Meeting	Previously agreed reduction 2014/15	New Savings 2014/15
Corporate Core	7502	External Audit Fees	48,510	-5,000	0	-5,000
Democratic Core	4570	Members Expenses	7,415	-1,000	0	-1,000
Pan Organisation	4701	Generic Savings Targets	91,500	-91,500	0	-91,500
Pan Organisation	4701	Generic Savings Targets	219,983	-169,983	0	-169,983
Pan Organisation	3303	Finance Lease Extensions & Terminations	67,580	-50,000	-17,580	-32,420
Pan Organisation	4554	Consultancy Fees	25,000	-14,000	0	-14,000
Finance	7500	Treasury Services	175,307	-30,000	0	-30,000
Finance	9101	LA & Partnership Income	-2,500	2,500	0	2,500
Engagements and Partnerships	4601	Community Safety Delivery Equipment	100,000	-40,000	0	-40,000
Special Rescue Team	3505	Detachments Mileage	22,740	-5,000	0	-5,000
Service Delivery	4526	Emergency Catering at Fires	15,000	-10,000	0	-10,000
Risk Management & Insurance	4891	Insurance - Brokerage	11,700	-7,000	-2,700	-4,300
Risk Management & Insurance	4892	Insurance - Claims Handling Fees	5,000	-3,000	0	-3,000
Pension Costs met from Revenue	1901	Ill Health Charge	86,121	-18,000	-8,653	-9,347
Pension Costs met from Revenue	1903	Injury Gratuity Lump Sum	10,000	-5,000	0	-5,000
HR Support	1813	Refund of NHS charges	10,000	-1,000	0	-1,000
Professional Support	4553	Professional Fees	16,500	-16,500	-15,000	-1,500
Professional Support	4555	CRB Checks	15,000	-6,000	0	-6,000
Service Development Centre	4523	Catering/Food & Beverages	15,000	-5,000	0	-5,000
Education Liaison	4594	Training/ Teaching Equipment	10,000	-5,000	0	-5,000
Premises	2204	Contract Cleaning	292,498	-25,000	0	-25,000
Premises	4501	Office Equipment	24,316	-15,000	0	-15,000
Premises	9203	Sales - Income	-11,672	-23,000	-5,000	-18,000
Occupational Health & Fitness	4511	Fitness Equipment Maintenance	5,000	-2,500	0	-2,500
Occupational Health & Fitness	4552	Occupational Health Costs	46,780	-880	0	-880
Hydrant Maintenance	4541	Hydrant Maintenance	60000	-20,000	0	-20,000

Cost Centre	Account	Account Description	Base Budget 2013/14	Changes Identified in BBR Meeting	Previously agreed reduction 2014/15	New Savings 2014/15
Communications	4301	Phones - Landline	106,220	-10,000	0	-10,000
Transport	3202	Tyres	53,000	-15,000	0	-15,000
Transport	4005	Ladders	23,000	-17,000	0	-17,000
Engineering	4000	Operational Equipment Purchase	287,007	-10,000	-83,000	0
Engineering	4002	Breathing Apparatus	91,346	-20,000	0	-20,000
Engineering	4400	Clothing and Uniform	73,344	-3,344	-25,000	0
Engineering	4401	Protective Clothing	202,276	-20,000	0	-20,000
Headquarters Administration Department	4532	Stationery	18,500	-8,000	0	-8,000
Command Suite	4581	Subscriptions	11,281	-1,000	0	-1,000
				-671,207		-608,930