



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

**FINANCE AND RESOURCES COMMITTEE**

**Date: Friday 11 October 2013**

**Time: 10.00 am**

**Venue: Fire and Rescue Service Headquarters, Bestwood Lodge, Arnold,  
Nottingham**

**Councillors are requested to attend the above meeting to be held at the time,  
place and date mentioned for the purpose of transacting the following business.**

**Clerk to the Nottinghamshire and City of Nottingham Fire and Rescue Authority**

**AGENDA**

**1 APOLOGIES FOR ABSENCE**

**2 DECLARATIONS OF INTERESTS**

Councillors, colleagues or other participants in meetings are requested to declare any personal or personal and prejudicial interest in any matter(s) on the agenda

**3 MINUTES**

Last meeting held on 12 July 2013 (for confirmation)

Attached

**4 CAPITAL BUDGET MONITORING REPORT TO 31 AUGUST 2013** Attached

Report of the Chief Fire Officer

**5 REVENUE BUDGET MONITORING REPORT TO 31 AUGUST 2013** Attached

Report of the Chief Fire Officer

**6 PRUDENTIAL CODE MONITORING REPORT TO 31 AUGUST 2013** Attached

Report of the Treasurer to the Fire Authority

- |          |  |          |
|----------|--|----------|
| <b>7</b> | <b>SCRUTINY OF BUDGETS</b><br>Report of the Chief Fire Officer                                 | Attached |
| <b>8</b> | <b>VIREMENT REQUEST FOR REPAIR WORKS TO SDC FIRE HOUSE</b><br>Report of the Chief Fire Officer | Attached |

If you are unsure whether or not you should declare an interest in a particular matter, please contact the Constitutional Services Officer shown on this agenda, if possible before the day of the meeting, who will provide advice in the first instance.

Any Councillor who is unable to attend the meeting and wishes to submit apologies should do so via the Personal Assistant to the Chief Fire Officer at Fire Services Headquarters on 0115 967 0880

**Constitutional Services Officer – Carol Jackson 0115 8764297**  
[carol.jackson@nottinghamcity.gov.uk](mailto:carol.jackson@nottinghamcity.gov.uk)



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

**FINANCE AND RESOURCES COMMITTEE**

**MINUTES** of the meeting held on **12 JULY 2013** at Fire and Rescue Service Headquarters, Bestwood Lodge, Arnold, Nottingham from 10.00 am to 10.50 am

**Membership**

- Councillor Malcolm Wood (Chair)
- Councillor Chris Barnfather
- ^ Councillor John Clarke
- ^ Councillor Jon Collins
- Councillor Brian Grocock (as substitute for Councillor Jon Collins)
- Councillor Darrell Pulk (as substitute for Councillor John Clarke)
- Councillor Gordon Wheeler

Members absent are marked ^

**Officers in Attendance**

- Neil Timms Strategic Director of Finance and Resources
- Mark Jarman Business Risk Manager NFRS
- Peter Hurford Treasurer to the Nottinghamshire and City of Nottingham Fire and Rescue Authority
- Rav Kalsi Constitutional Service Officer, Nottingham City Council

**1 APOLOGIES FOR ABSENCE**

- Councillor John Clarke
- Councillor Jon Collins

**2 DECLARATIONS OF INTERESTS**

None.

### **3 MINUTES**

The Committee confirmed the minutes of the meeting held on 5 April 2013 as a correct record and they were signed by the Chair

### **4 CAPITAL BUDGET MONITORING REPORT TO 31 MAY 2013**

Neil Timms, Strategic Director of Finance and Resources, presented the report of the Chief Fire Officer, reporting progress to members on the Capital Programme in 2013/14 to the end of May 2013.

The following key issues were highlighted to members:

- Orders for the Euro 5 chassis are to be placed upon receipt of the final quotations. This will be completed before the requirement to go Euro 6 chassis which will incur additional costs;
- The programme for acquiring new chassis is flexible;
- The Strategic Director for Finance and Resources assured members that he will circulate a briefing note on the vehicles that are in use to all members in due course;
- There has been a stumble in the property programme following the Fire Cover Review (FCR). However, a contract for the relocation of Retford Fire Station has been agreed. Work on the rebuild of the site is anticipated to start in early September 2013;
- Alternative sites in Nottingham are being looked at for the relocation of Central Fire Station. The current site has been advertised in the national press with 24 parties registering interest.

**RESOLVED to note the report.**

### **5 REVENUE BUDGET MONITORING TO 31 MAY 2013**

Neil Timms, Strategic Director of Finance and Resources, presented the report of the Chief Fire Officer, reporting progress to members on the financial performance of the Service in the year 2013/14 to the end of May 2013.

The following key issues were highlighted to members:

- The revenue budget for May 2013 is showing an underspend of £443k against the budget for the year of £43,899k;
- There are currently 25 vacancies within Administrative and Support staff pay which represents an underspend of £250k. Appointments to this area are progressing slowly;
- Fuel is overspent to date by £49k, However, some of this is accounted for by fuel tank balances to be used over the next month. A bulk fuel dispenser was recently acquired and placed at Bestwood Lodge and the Authority's savings will see a return on this investment in 2.5 years;



- Fuel is currently jointly procured with Nottinghamshire County Council.

**RESOLVED to note the report.**

## **6 PRUDENTIAL CODE MONITORING REPORT TO 31 MAY 2013**

Peter Hurford, Treasurer to the Fire Authority, presented the report of the Treasurer to the Fire Authority, informing members of the prudential indicators for capital accounting and treasury management for the period March 2013 up to 31 May 2013. There has been no borrowing this year and the level of interest is in line with expectations.

**RESOLVED to note the report.**

## **7 CORPORATE RISK REGISTER**

Mark Jarman, Business Risk Manager, presented the report of the Chief Fire Officer, providing officers with an updated Strategic Risk Register, a Corporate Risk Register and with a Risk Management Strategy Statement. The report highlighted to members the 10 most significant corporate risks for the authority.

The following key issues were highlighted to members:

- The statement of the most significant risks does not include potential striking action. The Fire Brigade Union are currently contemplating whether to ballot its members on strike action relating to a pensions issue;
- The statement of significant risks is a living document which can be added to if and when new risks emerge. The aim is to keep the register manageable;
- In the event of a strike, a full degradation plan would be implemented to mitigate its impact;
- Although it was agreed at the previous meeting to perform training for members on this date, it was felt appropriate to allow members sight of the Corporate Risk Register before any training takes place;
- Members would welcome the opportunity to receive training on the Corporate Risk Register. The offer of training will be made to all Fire Authority members, not just those at Finance and Resources Committee and a training session will take place before or after the next meeting of Finance and Resources Committee.

**RESOLVED to**

- (1) note and endorse the Strategic Risk Register;**
- (2) note and endorse the Corporate Risk Register;**
- (3) receive a twice-yearly report from the Business Risk Manager providing members with assurances on the management of risks identified in the Corporate Risk Register, and a commentary on any issues arising from the Strategic Risk Register;**

- (4) note the following top ten most significant risks facing the authority:
- (i) Use of vehicles on Authority business;
  - (ii) Major, multi-agency incident;
  - (iii) Legal compliance;
  - (iv) Preventable fire deaths;
  - (v) Health, safety, welfare and environment;
  - (vi) Budget performance;
  - (vii) Workforce issues;
  - (viii) Major projects;
  - (ix) Availability of assets;
  - (x) Mobilising and operational communications.
- (5) note and endorse the risk management strategy statement.
- (6) provide training for all members of the Fire Authority on the Corporate Risk Register at the before or after the next meeting of the Finance and Resources Committee.

## **8 SCRUTINY OF BUDGETS**

Neil Timms, Strategic Director of Finance and Resources, presented the report of the Chief Fire Officer, reporting the work to be undertaken in response to the Medium Term Financial Strategy, previously circulated to the Fire Authority on 28 June 2013.

The following key issues were highlighted to members:

- The figures noted in section 2 of the report were identified ahead of the FCR therefore the shortfall for the Authority budget for 2014/15 is in fact £2m, not £1.8m. In addition, it is now clear that a budget problem in excess of £5m may occur if steps are not taken to reduce costs, not £4.6m;
- The purpose of the report is to allow members to challenge the officers more coherently and to inform officers where they could use the budget more efficiently.

**RESOLVED to support the proposals to carry out a base budget review and the strategy for doing so.**



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

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

# **CAPITAL BUDGET MONITORING REPORT TO 31 AUGUST 2013**

Report of the Chief Fire Officer

Agenda Item No:

4.

Date:

11 October 2013

**Purpose of Report:**

To report to Members on Capital Programme progress in the year 2013/14 to the end of August 2013. This report analyses significant variances against the original programme.

## **CONTACT OFFICER**

**Name :** Neil Timms, Strategic Director of Finance & Resources

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## **1. BACKGROUND**

Budget monitoring is a key aspect of financial management for the Fire & Rescue Authority. Regular reporting of spending against both the revenue and capital budgets is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities. The capital monitoring statement is shown as Appendix A to this report.

## **2. REPORT**

### **SUMMARY**

- 2.1 The capital budget monitoring statement is showing an underspend to date of £7,347k, against the budget for the year of £8,339k. The budget for the year includes slippage of £3,142k brought forward from 2012/13, which was approved by Members of the Fire Authority on 28 June 2013. Overall, capital expenditure is likely to reach £6,190k by the end of the year but the outturn will be continually reviewed and reported throughout the year.
- 2.2 The Authority has received a capital grant of £1,088k this year; this will be used to finance an element of the capital programme. In addition, revenue contributions to finance capital have been budgeted for, amounting to £2,000k. This will keep the need to borrow to finance the programme to a minimum, thereby reducing revenue costs in future years. The Authority has received a capital receipt of £2,000k from Nottingham City Council and this represents the Authority's share of the proceeds of selling Dunkirk Fire Station. As this was received in September it is not yet showing on the statement in Appendix A. The capital receipt will be used to repay a loan which matures in September.

### **SIGNIFICANT VARIANCES**

#### **TRANSPORT:**

- 2.3. Work to evaluate chassis manufacturer options for new Rescue Pumpshas been carried out and the final chassis quotations from three suppliers have been received so that orders can be placed for Euro 5 chassis before the need to go to Euro 6 and incur the additional costs that Euro 6 engine vehicles will bring. Work to review the equipment inventory and refreshing the Rescue Pump Technical Specification Requirement is underway and a consultation questionnaire has been circulated to station personnel for their feedback to aid this process. When this work has been completed the process of the mini-competition for bodywork and fire engineering can be undertaken to select a bodybuilder and put in place another multi-year contract.
- 2.4. The body-build of the new Aerial Ladder Platform has commenced but delivery has slipped due to delays with vehicles ahead of the Nottinghamshire

ALP. Delivery to the Service of the completed vehicle is now forecast to have slipped from the end of June to the end of August/early September.

- 2.5 The Special Appliances budget for 2013/14 is £2,038k, in addition £180k was slipped from 2012/13. The original Fire Cover Review recommendation was to reduce the number of pumping appliances from forty-six to forty-one, however the agreed outcome resulted in a reduction to forty-four pumping appliances requiring the replacement programme to be increased to four vehicles from three in 2013/14 & 2015/16. It is likely that the replacement programme will need to change again as the Service seeks to make the necessary budget savings required in forthcoming years.
- 2.6 The award of a contract for a Water/Foam Unit was made during May and the build work has already commenced with delivery anticipated to be the end of September.
- 2.7 A chassis cab is on order for a new Flood Response Unit and the specification for the bodywork and associated equipment is being drawn up to meet the user requirement prior to obtaining quotations for the vehicle body-build.
- 2.8 Initial designs to re-use other existing vehicles for Special appliances are also being drawn up or explored to reduce expenditure. Some of the Special appliances will also require an interim MDT solution and work is underway with the ICT department to facilitate this whilst awaiting the new MDT solution from the Tri-Service project.
- 2.9 Light vehicle replacement for 2013/14 has been examined carefully and reduced where possible on the basis of increased vehicle life assumptions. As yet the re-structure has not thrown up any surplus vehicles to enable fleet reduction. Although some previously planned procurement of new light vehicles has taken place further work is to be carried out to identify if the light vehicle fleet can be reduced to make cost savings.

#### **PROPERTY:**

- 2.10 The Property programme for the year is currently showing an underspend to date of £4,136k. The main reason for the underspend is the measured slowdown of the capital programme following the final outcomes of the Fire Cover Review (FCR). Capital planning has now started for future projects across the Service's property portfolio and this process will address the programme schedule through feasibility studies of individual fire stations.

The New Retford Fire Station Project. Works to the temporary fire station site are complete; the operational and station staff moved into the temporary fire station 17 September 2013. The tenders for the demolition of the old fire station and the rebuilding of a new fire station have been received and the successful contractor appointed. Work relating to the demolition phase of the project is due to start mid to late October 2013. Completion of the new Retford Fire Station is anticipated by September 2014. The estimated project expenditure in financial year 2013/14 is anticipated to be £1.2m and a further

£1.3m in 2014/15. The balance of the project expenditure in the form of retentions will become due 2015/16. The total project budget is still estimated to be in the region of £2.64m as stated in the last capital monitoring report.

- 2.11 The New Central Fire Station Project. The Authority is currently negotiating the sale of land on London Road for the planned relocation of Central Fire Station. The Heads of Terms including the firm asking price for the land sale / purchase are being prepared by the City Council (the vendors). It is possible that the land purchase could complete in this financial year. The budget estimate for the project (excluding the land purchase) is yet to be confirmed as this will be reliant on the final operational requirements of the new station.
- 2.12 Edwinstowe Fire Station Conversion Project. One of the projects arising from the FCR was the conversion of Edwinstowe Fire Station from a retained duty section (RDS) station to a wholetime station. The conversion works are now complete and the station is operating as a whole-time fire station. The overall project cost is expected to be within the £790k stated in the last capital finance report.
- 2.13 Sustainable energy project: this project was largely completed in 2011/12. The final project costs are within the project budget and the retentions and outstanding fees are circa £15k to £25k, due in 2013/14.

#### **INFORMATION & COMMUNICATIONS TECHNOLOGY:**

- 2.14 The Information and Communications Technology budget is currently under spending by £821k to date against the annual budget of £1,110k. Some projects were delayed in 2012/13 and have been slipped into 2013/14 – these include the projects for Business Process Automation and the Human Resources replacement system. The project to upgrade to Microsoft Office 2010 was completed in 2011/12, but £93k was brought forward from last year's programme to pay for licences which started in 2013/14.
- 2.15 Following an assessment of the impact of both the Tri-Service Control project and the organisational re-structure a detailed specification is being prepared for the Business Process Automation project. The Business Process Automation project is now expected to commence in 2013/14 with budget provision of £195k having been slipped accordingly.
- 2.16 Phase one of the HR system project and phase two (Procurement) have been completed. The Tender has been awarded and Phase 3 (implementation) has now commenced, with completion expected early in 2014/15.
- 2.17 The Microsoft Infrastructure Upgrade project is currently at the planning stage; this will consider its inter-dependencies and impact on other systems to produce the implementation plan. At present slippage cannot be anticipated into the 2014/154 financial year, however this may require review when the implementation plan and procurement mechanisms are further developed.

- 2.18 Earlier phases of the Mobile Computing project have been completed and appropriate hardware trials are currently in progress. Once the trials are completed a decision will be taken about rolling the project out.
- 2.19 The CFRMIS budget of £47k is for the Operational Intelligence project which involves the electronic collection of operational data and transfer into the CFRMIS system. It is proposed that the funds are rolled forward into the 2014/15 budget because it has been necessary to extend the pilot before a decision to implement this method of information capture is made. The reason for the extension of the pilot is because the Tri-Service Control project may or may not include a data capture solution and this decision is expected early this year. There has also been a change of project staff following the service-wide restructure and it was important for new staff to gain an understanding of where the project is currently. This assessment has been made and improvements to project management are in hand. A new cost-free software upgrade is also under review and this has influenced the decision to extend the pilot.

### **3. FINANCIAL IMPLICATIONS**

The forecasted level of capital expenditure for this year is set out within the body of the report. Decisions on the financing of capital expenditure will be taken towards the end of the year, and will be in the context of actual levels of capital expenditure and the overall financial position of the Authority.

### **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. Its purpose is to explain variances to the approved budget, which reflects existing policies.

### **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 from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

### **FINANCIAL RISK**

8.1 Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure as are the management actions which are stimulated by such reporting.

Specific risks inherent within this report are:

- Risk of overspending on any given project
- Risk of overspending against the whole capital programme
- Risk of significant underspends.

8.2 The property programme is where the highest risk of overspends against individual projects will lie, due to unforeseen problems encountered when building works start. To counteract this it is possible to slip other projects forward to ensure that the programme in any one year is affordable.

8.3 The ICT budget only presents a high risk of overspending where there are major projects in progress e.g. the replacement HR System. It is essential therefore to engage high quality project managers to mitigate this risk. There is also a concern that the ICT Department may not have the capacity to deliver against the £1,110k programme due to the high level of commitment required for the Tri-Service Control project. The business plans of the ICT Department reflect the level of project work taking place and are monitored regularly. If it becomes clear that projects will have to be delayed due to capacity problems, this will be reported and managed.

8.4 Close liaison between finance staff and budget holders will seek to monitor, evaluate and report on the financial risk of overspends and underspends.

### **CORPORATE RISK**

8.5 The risk of not completing a given Capital Project either on time, or at all, and the impact that may have on the organisation and its corporate objectives.

8.6 An examination of the Capital Programme shows that there are a number of projects which are key to the achievement of corporate objectives. That is not to imply that other projects are not important in supporting those objectives.

8.7 These key projects are:

- Retford Fire Station refurbishment
- Relocation of Central Fire Station
- Replacement Aerial Ladder Appliance
- Replacement IT equipment
- HR System replacement



- 8.8 Although the project to replace Central Fire Station is in its early stages, with land being sought, there is no corporate risk at present due to the overall underspending on the Capital Programme and the potential to slip budget for the project into 2014/2015.
- 8.9 The replacement of the Aerial Ladder Platform appliance is slightly delayed, but not posing a corporate risk at present.
- 8.10 Replacement of IT Equipment carries a low risk as there is little work involved in this beyond the preparation and installation of replacement equipment. There is therefore little or no technical risk as all hardware is for known and tested applications.
- 8.11 The replacement HR system is not due to be fully installed and in use for several months and the organisation is able to continue to use the existing HR system to meet its key objectives in the meantime, although a new system will undoubtedly result in significant improvement to processes and management reporting.
- 8.12 The Tri-Service Control project is not covered within the capital programme, as the purchase of the system is being managed by Derbyshire Fire and Rescue Service on behalf of the three Services. For information, it is confirmed that the project is on track with the contract awarded and the implementation phase started. The Authority has received a capital grant of £1,800k to fund its share of the total project.

## **9. RECOMMENDATIONS**

It is recommended that Members note the content of this report.

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

None.

**FRANK SWANN**  
**CHIEF FIRE OFFICER**

Capital Budget Monitoring report as at 31 August 2013

Appendix A

	2013/14 Approved Budget £000's	2012/13 Slippage £000's	2013/14 Revised Budget £000's	Actual to Date £000's	Variance to Date (Under) / Over £000's	Estimated Outturn £000's	Estimated Outturn Variance £000's	2014/15 Provisional Budget £000's
<b>TRANSPORT</b>								
Rescue Pump replacement programme								1,263
Special Appliances	2,038	180	2,218	225	-1,993	2,218		
Small vehicle replacement programme	445		445	47	-397	445		351
	<b>2,482</b>	<b>180</b>	<b>2,662</b>	<b>272</b>	<b>-2,390</b>	<b>2,662</b>		<b>1,614</b>
<b>PROPERTY</b>								
<b>Station Improvements</b>								
Edwinstowe Fire Station Conversion Project		424	424	347	-77	465	41	
Blidworth Fire Station		25	25	-5	-30	20	-5	
Central Fire Station - Land Purchase		466	466	11	-455	146	-320	
Retford Fire Station		1,426	1,426	67	-1,359	1,262	-164	
Station Refurbishment								2,310
Tuxford Fire Station								
Carlton Fire Station								
Refurbishment of Control Room and Incident Support Room				124				
Sustainable Technology Project Phase 1 - 2011		26	26	11	-15	25	-1	
Purchase of Land for New Fire Station	2,200		2,200		-2,200	500	-1,700	
Service Development Centre Shower Block								
	<b>2,200</b>	<b>2,367</b>	<b>4,567</b>	<b>554</b>	<b>-4,136</b>	<b>2,418</b>	<b>-2,149</b>	<b>2,310</b>
<b>I.T. &amp; COMMUNICATIONS</b>								
Business Continuity & Disaster Recovery	30	11	41	15	-26	41		30
Business Process Automation	150	195	345		-345	345		
Mobile Computing		20	20	8	-12	20		
HR System Upgrade	150	228	378	26	-352	378		
Microsoft Infrastructure Upgrade		93	93		-93	93		
Office 2010 Windows 7 Upgrade				8	8			
Business Expansion	25		25	6	-19	25		25
Replacement Equipment	85	1	86	151	65	86		85
CFRMIS Ops Intel Database		47	47		-47	47		
Tri Service Central Project	75		75	10		75		
Information Systems Development				4				100
	<b>515</b>	<b>595</b>	<b>1,110</b>	<b>224</b>	<b>-821</b>	<b>1,110</b>	<b>0</b>	<b>240</b>
<b>Grand Total</b>	<b>5,197</b>	<b>3,142</b>	<b>8,339</b>	<b>1,051</b>	<b>-7,347</b>	<b>6,190</b>	<b>-2,149</b>	<b>4,164</b>
<b>To Be Financed By :</b>								
Sale of Principal Officers Cars				-33	-33			
Sale of Rescue Pumps								
Revenue Contribution	-2,000		-2,000		2,000	-2,000		0
Capital Grant	-1,088		-1,088	-1,088		-1,088		-1,088
<b>Total</b>	<b>-3,088</b>	<b>0</b>	<b>-3,088</b>	<b>-1,121</b>	<b>1,967</b>	<b>-3,088</b>	<b>0</b>	<b>-1,088</b>



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

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

# REVENUE BUDGET MONITORING TO 31 AUGUST 2013

Report of the Chief Fire Officer

Agenda Item No:

5

Date:

11 October 2013

**Purpose of Report:**

To report to Members on the financial performance of the service in the year 2013/14 to the end of August 2013. This report analyses significant variances against the original budget.

## CONTACT OFFICER

**Name :** Neil Timms, Strategic Director of Finance and Resources

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**Media Enquiries Contact :** Vicky Brown  
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## 1. BACKGROUND

Budget monitoring is a key aspect of financial management for the Fire and Rescue Authority. Regular reporting of spending against both the revenue and capital budgets to Members is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities. At this early stage in the year, estimates of projected outturn are quite liable to change due to the relatively small amount of data available.

## 2. REPORT

### SUMMARY

- 2.1 The revenue budget monitoring statement for August 2013 is showing an underspend to date of £610k against a budget for the year of £43,899k. The projected outturn variance for the year is an underspend of £1,220k.
- 2.2 The underspend to date of £610k and the projected underspend of £1,220k comprise several key variances which are explained in the following paragraphs.
- 2.3 The full Revenue Budget Monitoring Statement is given as Appendix A to this report.
- 2.4 The 2013/14 budget assumes that a contribution of £2,065k will be made from general reserves to support the budget. This transfer from reserves will be made at the end of the financial year and is disregarded for the purposes of providing Members with a picture of performance against the revenue budget. The £2,065k comprises £2,000k to fund a revenue contribution to capital expenditure and £65k to fund the shortfall between the budget requirement and the resources available to finance the budget.
- 2.5 Key issues to note are: expenditure within wholetime pay to maintain crewing now stands at £338k to the end of July (paid one month in arrears).

### SIGNIFICANT VARIANCES

- 2.6 **WHOLETIME PAY:** (annual budget £23,344k). The wholetime establishment has been slightly below strength during the period reported, against an establishment of 540. A cohort of 15 trainee fire fighters will start in September 2013 and in addition 3 Retained Fire fighters are to be transferred to the wholetime duty system. In relation to front line fire and rescue services, the self rostering system ensures that deficiencies are covered as far as possible, with voluntary overtime used to deal with the shortfall. The crewing of the West Bridgford second appliance is contributing to a net overspend to date of £131k. Following the Fire Authority decision of 27 September 2013 this will cease. **The forecast outturn overspend on wholetime pay is £34k.**

- 2.7 **RETAINED PAY:** (annual budget £2,777k).The retained pay budget continues to underspend, despite the number of mobilisations being higher for April to August compared to the same period last year (1498 2013 / 1269 2012).The underspend to date is £91k. The projected outturn includes the pay award but is based on assumptions about future expenditure and will be revised as the year progresses. **The forecast outturn underspend on retained pay is £235k.**
- 2.8 **ADMINISTRATIVE AND SUPPORT STAFF PAY:** (annual budget £5,694k). There are currently 21 vacancies in the establishment, which are causing the budget to underspend to date by £91k. It is assumed that most of these vacancies will be filled during the year and the agreed pay award has been taken into account in the projected outturn. **The forecast outturn underspend on administrative and support pay is £511k.**
- 2.9 **CONTROL PAY:** (annual budget £1,043k). The control budget is based on an establishment of 26; however the actual establishment for August is 27, which has resulted in an overspend to date of £41k. This over-establishment will be resolved in January 2014, when one employee is expected to leave under the voluntary redundancy scheme. The reason for retaining this employee until then is to deal with the additional workload arising from the Tri-Service Control project. The outturn figure is based on the actual establishment and includes the pay award. **The forecast outturn overspend on control staff is £84k.**
- 2.10 **INDIRECT EMPLOYEE EXPENSES:** (annual budget £503k). Recruitment advertising is underspending to date by £4k and the forecast underspend is £10k.The training budgets are currently underspending to date by £56k, although this underspend will be corrected as the year progresses; **The forecast outturn underspend on Indirect Employee Expenses is £17k.**
- 2.11 **PENSIONS:** (annual budget £775k).The pensions budget is under spending by £38kwhich is mainly due to injury allowances and based on current information. **The forecast outturn on pensions will be reported as the year progresses.**
- 2.12 **ENERGY COSTS:** (annual budget £373). The over spending to date on energy costs is £3k.**The forecast outturn on energy costs is expected to within the budget at this stage.**
- 2.13 **DIRECT TRANSPORT COSTS:** (Annual budget £1,082k.)Fuel is overspending to date by £5k, although some of this expenditure is represented by fuel tank balances to be used over the next month. The risk-based budget contingency will be used to cover any overspend caused by excessive price inflation so the outturn is assumed to be able to be contained within the overall budget. **The forecast outturn underspend on direct transport costs is £4k.**
- 2.14 **CAR ALLOWANCES:**(annual budget £420k).Despite budgetary savings having been implemented for 2013/14, car allowances continue to underspend as they did in 2012/13.This may be partly due to vacancies, but this area of the budget will be further examined in detail during the forthcoming budget process. **The forecast outturn underspend on car allowances is £18k.**

- 2.15 **OTHER TRANSPORT:** (annual budget £422k). The Authority's motor insurance has been re-tendered and, due to the worsened claims history and current insurance market conditions, the insurance premium has increased by £58k beyond the level budgeted for. The finance lease extensions and terminations - forecast outturn underspend £35k - this budget is difficult to forecast as it is affected by the timings of appliance procurement, but based on the current level of expenditure to date it is assumed that there will be an underspend at year end. **The forecast outturn overspend on other transport is £24k.**
- 2.16 **EQUIPMENT:** (annual budget £925k). The organisation restructure has resulted in significant changes to how community safety activity is structured and delivered. It will take some time for new responsibilities to be taken up and for projects to get underway, and there is already an underspend to date of £127k. Operational equipment is currently under spending by £23k but this is not expected to continue throughout the year. **The forecast outturn underspend on equipment is £59k.**
- 2.17 **COMMUNICATIONS AND COMPUTING:** (annual budget £1,714k). The contracts for computer software maintenance and non-contracted services have been either reviewed or renegotiated for 2013/14 and this is expected to result in an estimated outturn underspend of £49k. **The forecast outturn underspend on communications and computing is £49k.**
- 2.18 **SERVICES:** (annual budget £484k). Marketing and publicity - forecast outturn underspend of £20k is due to changed requirements following increased use of technology and reductions in spending. External audit fees - forecast outturn underspend £5k is for the sum that was held back as a contingency in case the audit process incurred any additional costs. We now know that this is not the case. Professional fees - forecast outturn underspend £5k which was set aside to procure consultants to assist with re-tendering the Service's health cash-back scheme. This is no longer required as the tender will be done in-house. CRB checks - forecast outturn underspend £5k due to change in regulations which means that a lower quantity of checks need to be carried out. **The forecast outturn underspend on services is £37k.**
- 2.19 **MISCELLANEOUS EXPENSES:** (annual budget £664k). The risk based budget of £311k was set aside for any expenditure that was unforeseen and not budgeted for, this budget has not been used this year to date. **The forecast outturn underspend on miscellaneous expenses is £300k.**
- 2.20 **CAPITAL FINANCING COSTS:** (annual budget £4,345). Interest charges - forecast outturn underspend is £60k due to repayment of PWLB loan which will only partially be replaced. This variance may be amended if further borrowing takes place. Minimum revenue provision - forecast outturn underspend of £23k is due to underspends in the 2012/13 capital programme which resulted in all capital expenditure being financed by either capital grant or revenue contributions. At budget time it was assumed that some would be subject to the minimum revenue provision charge. **The forecast outturn underspend on capital financing costs is £83k.**

2.21 **INCOME:** (annual budget £3,225). The forecast underspend of £150k relates to income of £18k for the FEU conference which is offset by expenditure elsewhere, and a DCLG grant of £85k for council tax transition which was not known at budget time. It is recommended that F&R Committee members are requested to approve the transfer of this grant to an earmarked reserve at year end, to be used to fund any future budget shortfall created by a reduction in the tax-base caused by council tax Reform. In addition the authority has received insurance settlements totalling £45k. **The forecast outturn underspend on income is £150k.**

### **3. FINANCIAL IMPLICATIONS**

The financial implications are set out 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. Its purpose is to explain variances to the approved budget, which reflects existing policies.

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

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

### **8. RISK MANAGEMENT IMPLICATIONS**

Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure as are the management actions which are stimulated by such reporting. Throughout the year, finance department staff work collaboratively with budget holders towards keeping expenditure within budget and improving financial performance.

**9. RECOMMENDATIONS**

It is recommended that Members note the contents of this report.

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

None.

Frank Swann  
**CHIEF FIRE OFFICER**



## Revenue Budget Monitoring to 31 August 2013

Appendix A

	Annual Budget £000	Budget Profile at Aug £000	Actual to Aug £000	Variance to Aug (Under) / Overspent £000	Forecast Outturn £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
<b>Employees</b>							
Wholetime	23,344	9,727	9,744	17	23,378	34	0%
Retained	2,777	926	835	(91)	2,542	(235)	-8%
Non-Uniformed	5,694	2,372	2,125	(247)	5,183	(511)	-9%
Control	1,043	432	473	41	1,127	84	8%
Allowances	67	28	61	33	113	46	69%
Indirect Employee Expenses	503	209	145	(64)	486	(17)	-3%
Pension	775	375	337	(38)	795	20	3%
<b>Total Employees</b>	<b>34,203</b>	<b>14,069</b>	<b>13,720</b>	<b>(349)</b>	<b>33,624</b>	<b>(579)</b>	<b>-2%</b>
<b>Premises</b>							
Repairs/Alterations/Maintenance	488	203	272	69	488	0	0%
Energy Costs	373	114	117	3	373	0	0%
Rent/Rates/Water	813	294	285	(9)	813	0	0%
Other Premises Costs	379	122	138	16	385	6	2%
<b>Total Premises</b>	<b>2,053</b>	<b>733</b>	<b>812</b>	<b>79</b>	<b>2,059</b>	<b>6</b>	<b>0%</b>
<b>Transport</b>							
Direct Transport Costs	1,082	451	433	(18)	1,086	4	0%
Car Allowances	420	138	136	(2)	402	(18)	-4%
Other Transport	422	268	303	35	446	24	6%
<b>Total Transport</b>	<b>1,924</b>	<b>857</b>	<b>872</b>	<b>15</b>	<b>1,934</b>	<b>10</b>	<b>1%</b>
<b>Supplies &amp; Services</b>							
Equipment	925	385	258	(127)	866	(59)	-6%
Clothing Uniform/Printing/Stationery/Catering	471	196	202	6	491	20	4%
Services	484	339	318	(21)	447	(37)	-8%
Communications and Computing	1,714	662	591	(71)	1,665	(49)	-3%
Miscellaneous Expenses	664	147	179	32	364	(300)	-45%
Recharge Expenditure - Company/Trading Accounts	24	6	6	0	24	0	0%
<b>Total Supplies &amp; Services</b>	<b>4,282</b>	<b>1,735</b>	<b>1,554</b>	<b>(181)</b>	<b>3,857</b>	<b>(425)</b>	<b>-10%</b>
<b>Support Services</b>							
Treasury & Committee Services	217	16	16	0	218	1	0%
Legal Services	100	42	28	(14)	100	0	0%
<b>Total Support Services</b>	<b>317</b>	<b>58</b>	<b>44</b>	<b>(14)</b>	<b>318</b>	<b>1</b>	<b>0%</b>
<b>Capital Financing Costs</b>							
Interest Payments	1,059	119	121	2	999	(60)	-6%
Debt Management Expenses	3,286	0	0	0	3,263	(23)	-1%
<b>Total Capital Financing Costs</b>	<b>4,345</b>	<b>119</b>	<b>121</b>	<b>2</b>	<b>4,262</b>	<b>(83)</b>	<b>-2%</b>
<b>Income</b>							
Government Grants	(222)	(222)	(235)	(13)	(307)	(85)	38%
Other Grants/Reimbursements/Contributions	(2,209)	(5)	(139)	(134)	(2,273)	(64)	3%
Customer and Client Receipts	(669)	(36)	(61)	(25)	(670)	(1)	0%
Interest	(125)	(52)	(42)	10	(125)	0	0%
<b>Total Income</b>	<b>(3,225)</b>	<b>(315)</b>	<b>(477)</b>	<b>(162)</b>	<b>(3,375)</b>	<b>(150)</b>	<b>5%</b>
<b>Net Expenditure</b>	<b>43,899</b>	<b>17,256</b>	<b>16,646</b>	<b>(610)</b>	<b>42,679</b>	<b>(1,220)</b>	<b>-3%</b>
<b>Financed By</b>							
Revenue Support Grant	(427)						
Precept Income	(23,351)						
National Non-Domestic Rates	(22,716)						
<b>Total Financing</b>	<b>(46,494)</b>						





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Fire and Rescue Authority  
Finance and Resources Committee

# **PRUDENTIAL CODE MONITORING REPORT TO 31 AUGUST 2013**

Report of the Treasurer to the Fire Authority

**Agenda Item No:**

6

**Date:**

11 October 2013

**Purpose of Report:**

To inform Members of performance for the period March 2013 up to 31 August 2013 relating to the prudential indicators for capital accounting and treasury management. This period covers the last month of the 2012/13 financial year and the first five months of the 2013/14 financial year.

## **CONTACT OFFICER**

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(0115) 967 5889 [matt.sismey@notts-fire.gov.uk](mailto:matt.sismey@notts-fire.gov.uk)

## **1. BACKGROUND**

- 1.1 The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code, which CIPFA updated in 2011.
- 1.2 The objectives of the Prudential Code are to ensure that the capital investment plans of authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. The Prudential Code sets out a number of indicators which authorities must use to support decision making. These are not designed to be comparative performance indicators.
- 1.3 The Fire Authority approved these prudential indicators for 2013/14 at its meeting on 22 February 2013.
- 1.4 The Prudential Code requires that local authorities report performance against prudential targets to Members.

## **2. REPORT**

### **PRUDENTIAL INDICATORS**

- 2.1 Some of the prudential indicators set cannot easily be measured during the year and will be reported on in the Treasury Management Annual Report for 2013/14 after the end of the financial year. These indicators are:
- ratio of financing costs to net revenue stream 2013/14 (affordability);
  - incremental impact of capital investment decisions on Council Tax 2013/14 (affordability);
  - total capital expenditure 2013/14;
  - Capital Financing Requirement as at 31 March 2014.
- 2.1 In terms of borrowing, the indicator "gross borrowing and the capital financing requirement (CFR)" (a prudence indicator) requires that gross external borrowing does not, except in the short term, exceed the CFR. The CFR at 1 April 2013 is £25.004m and estimated to be £26.032m by the year end. During the period 1 April 2013 to 31 August 2013 the gross indebtedness of the Authority, calculated at the start of each month, did not exceed £25.539m including any requirements for temporary overdrafts. As at 31 August 2013, the gross debt of the Authority was £25.539m, which is below the estimated CFR for the end of the year.

- 2.3 The Authority set an operational boundary for 2013/14 of £27,233m and an authorised limit of £29,956m. Although these limits are year-end targets, the Authority is required to demonstrate that it has not exceeded them at any time during the financial year. Again, the maximum indebtedness of the Authority during the period, as shown in the paragraph above, is within the limits set.

The graph given as Appendix B illustrates the levels of borrowing during the period up to the end of August 2013.

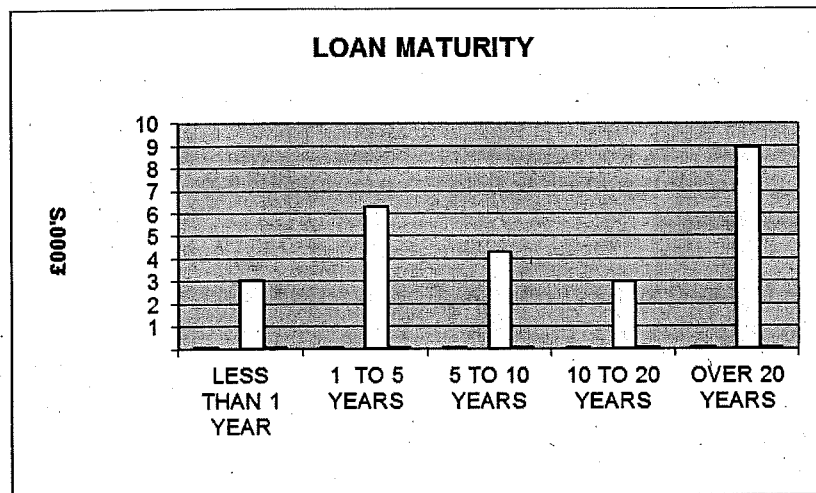
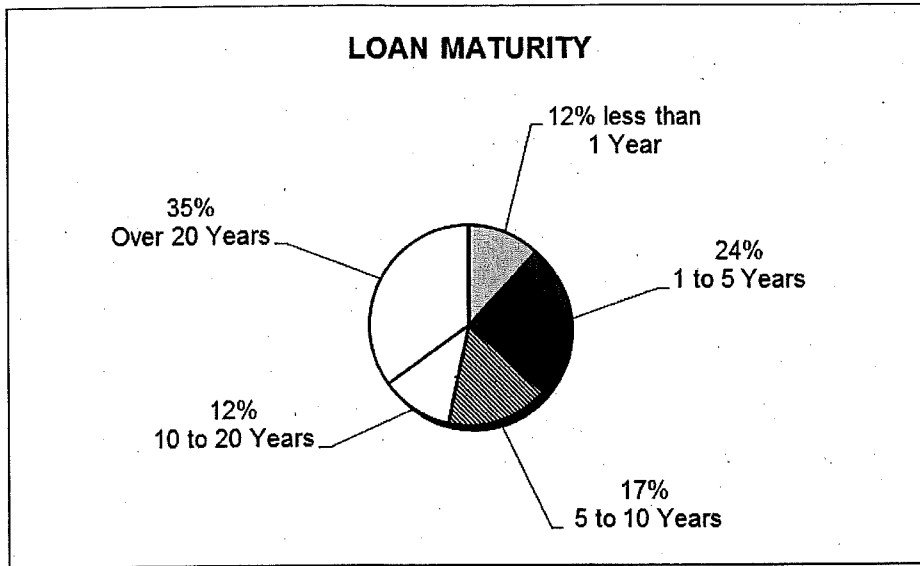
## TREASURY MANAGEMENT INDICATORS

- 2.4 A graph of cumulative interest received is shown on Appendix C. An interest earnings budget of £125k was set for 2013/14 and as at 31 August 2013 £130k had been received although the current forecast for investment income for the year is £125k, which reflects the fact that interest due at the end of the year is accrued for. Cumulative interest earned for 2012/13 up to the end of March 2013 was £143k. The amount of cash invested is relatively high due to the Authority's current level of reserves and this is resulting in additional investment income.
- 2.5 The treasury management target relating to interest rate exposure is that fixed interest rate exposures should be between 0% and 100% of total lending and that variable interest rate exposures should be between 0% and 30%. During the period up to 31 August 2013, 100% of lending was at fixed interest rates.
- 2.6 The treasury management target in respect of cash management is that the Authority's bank overdraft should not exceed £500,000. During the two month period up to 31 August 2013 the account has been overdrawn on one occasion by £45k. A graph of cash balances for the period up to 31 August 2013 is shown on Appendix A.

Treasury management limits relating to loan maturity are shown below:

Loan Maturity		
	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	20%	0%
12 months to 5 years	30%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	0%
Over 20 years	100%	30%

Actual performance against these targets in the period to 31 August 2013 is shown in the following graphs and demonstrates that the limits have not been breached.



2.7 The upper limit for sums invested for longer than 364 days is £2m. During the period to 31 August 2013, no sums were invested for longer than 364 days.

**3. FINANCIAL IMPLICATIONS**

The financial implications are set out in full within this report.

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

There are no human resources and learning and development implications arising directly from this report.

## **5. EQUALITIES IMPLICATIONS**

An Equality Impact Assessment has not been undertaken because this report gives detail of performance against the approved Treasury Management Strategy and Prudential Code. These are financial policies and do not directly impact on employees or members of the public.

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

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

## **7. LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

The Prudential Code is a framework which sets out to quantify and minimise financial risk arising from the financing of capital, the investment of surplus funds and the maintenance of operating cash balances for the Authority. The favourable performance against the prudential targets demonstrates that these areas of operation are being managed effectively.

## **9. RECOMMENDATIONS**

That Members note the contents of this report.

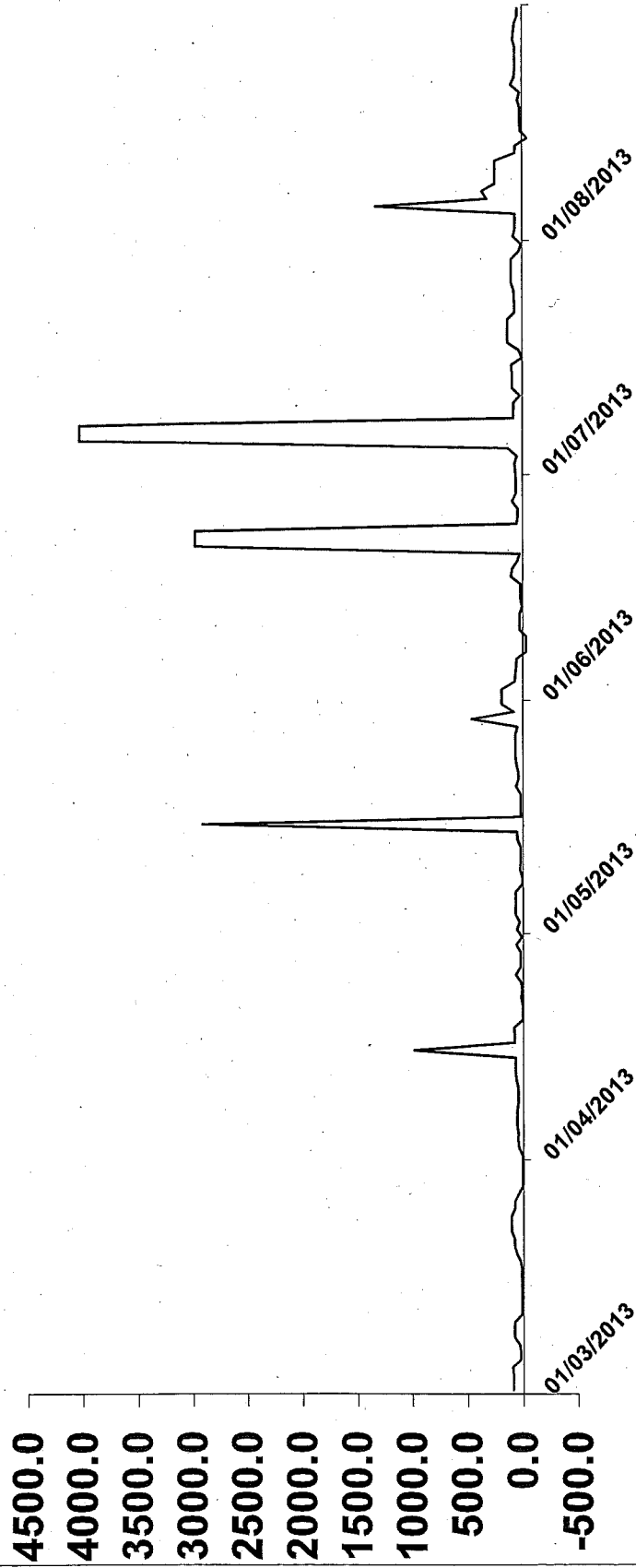
## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

Peter Hurford  
**TREASURER TO THE FIRE AUTHORITY**

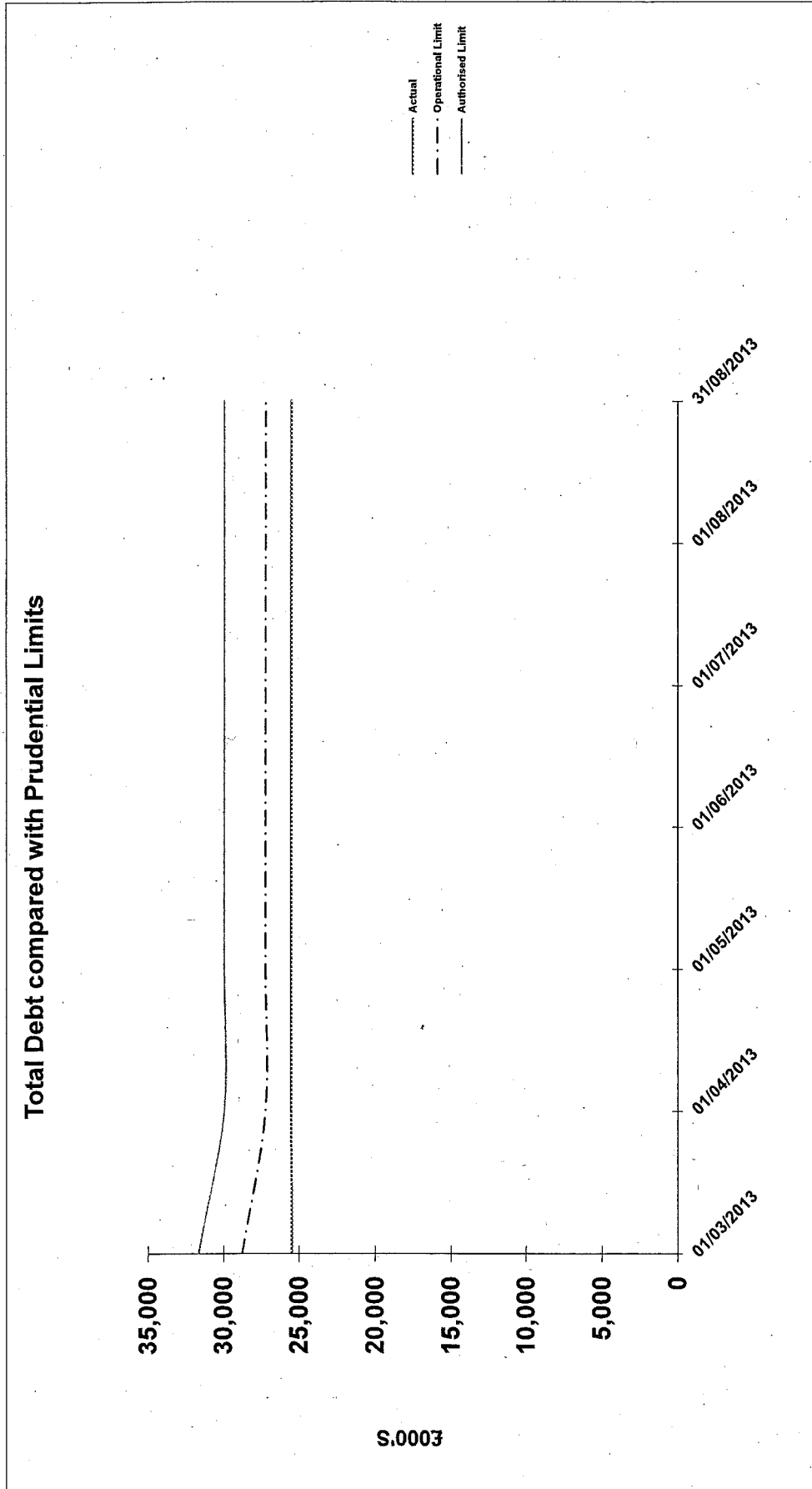
# CASH BALANCES MARCH 2013 - AUGUST 2013

£000's

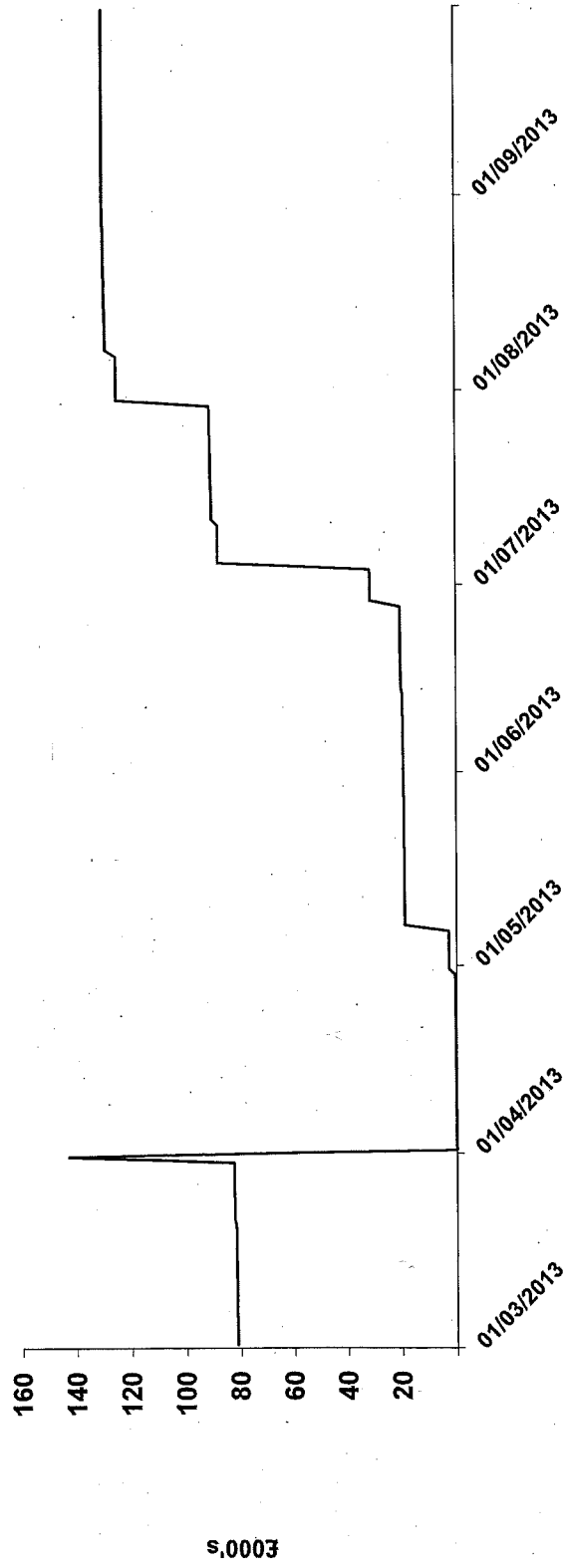




### Total Debt compared with Prudential Limits



TOTAL INTEREST (CUMULATIVE) FOR MARCH 31ST 2013 - AUGUST 2013





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# SCRUTINY OF BUDGETS

Report of the Chief Fire Officer

**Agenda Item No:**

7

**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.

## CONTACT OFFICER

**Name :** Neil Timms  
Strategic Director of Finance and Resources

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**Media Enquiries** Matt Sismey

**Media Contact :** (0115) 967 5889 [matt.sismey@notts-fire.gov.uk](mailto:matt.sismey@notts-fire.gov.uk)

## **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	60,000	-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
				<u>-671,207</u>		<u>-608,930</u>





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# VIREMENT REQUEST FOR REPAIR WORKS TO SDC FIRE HOUSE

8

Report of the Chief Fire Officer

**Agenda Item No:**

**Date:** 11 October 2013

**Purpose of Report:**

To seek the approval of Members to a virement to enable repair works to be carried out at the Service Development Centre, specifically to the fire house.

Informal approval to these works being carried out was previously given by the Chair of Finance & Resources Committee and therefore this report seeks ratification of that decision.

## CONTACT OFFICER

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**Media Enquiries Contact :** Vicky Brown  
[vicky.brown@notts-fire.gov.uk](mailto:vicky.brown@notts-fire.gov.uk)

## **1. BACKGROUND**

- 1.1 The Fire House Training Facility (the Fire House) located at the Service Development Centre (SDC) in Ollerton was built circa 1992. The Fire House is used to simulate live fire and hot smoke conditions where heat and flame are produced directly inside the building itself through the burning of combustible materials.
- 1.2 Due to the combustion and subsequent rapid cooling through dowsing with water, the fabric and elements of the building are subject to extremely harsh conditions.
- 1.3 Over the past 3 years the Fire House has been subject to a planned maintenance and inspection regime as part of the Multi Activity Contract and, prior to this period, the repair and maintenance was carried out on a reactive basis.
- 1.4 The Fire House was partially renovated in 2007 where substantial maintenance works were carried out.
- 1.5 It is now becoming apparent (through recent inspections) that some elements of the building are beginning to fail or show excessive degradation to the point where if not addressed could potentially fail. This came to light earlier this year when consultants carried out a survey of the building and a structural assessment revealing works that are required. A copy of the structural report is at Appendix A.
- 1.6 The estimated costs for these repair works are relatively high compared with existing planned and reactive maintenance expenditure budget for the NFRS estate.
- 1.7 The repairs are required as a matter of urgency to allow the Fire House to continue to be fit for purpose.

## **2. REPORT**

### **THE COSTS**

- 2.1 The full estimated cost for the repairs to the Fire House is shown at Appendix B. These prices have, where applicable, been subject to competition through the Multi Activity Contract. The exceptions to this are some of the specialist works in relation to the refractory lining and extraction plant. All of the costs in the attached have been independently validated by a Quantity Surveyor (Faithful & Gould). This quote includes optional works, which are covered in paragraph 2.3 below.
- 2.2 The cost of these works is estimated to be £98,554.

- 2.3 The detailed breakdown and explanation as to the requirement of these individual work items is at Appendix C.

### **THE ESTATES MAINTENANCE BUDGET**

- 2.4 The estates planned maintenance budget includes for cyclic maintenance of the Fire House; these are the works that need to be carried out each year and include the maintenance of plant and ancillary equipment, the budget for this is £7,686.
- 2.5 The maintenance of plant and ancillary equipment is carried out throughout the year and isn't included as part of the costs at paragraph 2.2 above.
- 2.6 The reactive maintenance budget is used for the repair of defects, damage, breakdowns and the like across the NFRS estate; this is primarily to cater for the unexpected repairs. Within the current financial year £19,700 has already been expended on the Fire House from this budget; a major part of this cost was the replacement of the smoke extraction fan.
- 2.7 The reactive maintenance budget cannot sustain the impact of an £98.5k reduction this early in the financial year (from a total annual budget of £175k).
- 2.8 The money within the planned maintenance budget has already been set aside for the in-year cyclic maintenance works across the NFRS estate.
- 2.9 This work is regarded as both essential and urgent due to the deteriorating condition of the building and the requirement to continue this type of training in the autumn. It is proposed, therefore, that a virement be made available from the Capital Earmarked Reserve to cover this cost.

### **3. FINANCIAL IMPLICATIONS**

The main financial implications are covered within the body of the report. However, Members will need to consider the impact of this decision on the Capital Reserve. This reserve currently stands at just over £1.8m and will reduce to £1.7m if this virement is agreed. The reserve was created to enable revenue financing of capital and whilst this item of expenditure is not strictly capital it would fall within the general intention of the reserve funds.

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

There are no human resources or learning and development implications arising from this report.

### **5. EQUALITY IMPLICATIONS**

An equality impact assessment has not been undertaken because there are no equality implications arising from this report.

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

There are no known crime and disorder implications relating to crime and disorder arising from this report.

## **7. LEGAL IMPLICATIONS**

There are no known legal implications arising directly from this report other than those mentioned in the main body of the report.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 The urgent repairs required to the Fire House are needed to allow its continued use in the training of operational fire crews. The closure of the Fire House could impact on the training capability of NFRS.
- 8.2 In October 2010, the consolidated HSE report on the Fire & Rescue Service identified that effective BA and Compartment Fire Behaviour Training is provided to all firefighters and officers. The in-house facility is part of NFRS's compliance system to meet this obligation.
- 8.3 In order to ensure the continued operational use of the Fire House the repairs will need to be carried out as a matter of urgency. If these repairs are to be funded from the reactive maintenance budget then there is a high probability that there will be insufficient money left to carry out repairs needed to the remainder of the estate in the current year.

## **9. RECOMMENDATIONS**

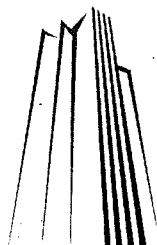
It is recommended that the decision of the Chair of Finance and Resources Committee to approve this expenditure is ratified by this committee and that the costs are met from the Capital Reserve.

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

None.

Frank Swann  
**CHIEF FIRE OFFICER**

Ollerton Fire Station  
Structural Appraisal Report  
Concrete Floor Slab Remedial Works



**TUNSTALL**  
**CONSULTANTS**

Civil & Structural Engineering Consultants  
15 Grasmere Road, Beeston,  
Nottinghamshire, NG9 3AQ  
T: 07813 650464

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Director - Garry Tunstall BEng(Hons) CEngMIStructE  
Tunstall Consultants is a limited company registered in England & Wales no. 7 4 1 2 0 4 8  
Registered Office: 129a Middleton Boulevard, Wollaton Park, Nottingham NG8 1FW

## CONTENTS

1.0 Introduction

2.0 Observations

3.0 Conclusions

4.0 Recommendations

5.0 Summary

Appendix A - Photographs

Appendix B - Floor Cracking Layout

## 1.0 Introduction

The following report has been undertaken to assess the structural integrity of the existing concrete floor slab within the fire training room at the Ollerton Fire Station. The primary reason for the inspection was that the concrete first floor over the control room has several cracks which can be seen on both the underside and top of the concrete floor slab, see photographs 1 – 4 within appendix A. Water was found to be penetrating through the slab during wash down after a training session and leaking onto the electrical equipment below in the control room. The objective of the report was to assess the structural integrity of the slab whilst ascertaining the necessary remedial works to repair the slab and prevent further water ingress.

## 2.0 Observations

A visual survey was carried out of the slab and cracking was found to be on both the underside and on top of the slab. Shown within appendix B is a sketch illustrating the random cracking on top of the slab at the first floor level. It is important to note that the control room under the training room is approximately a third of the size. The floor slab under question continues over another training room; however we do not have access to the soffit of the slab within this area as there are steel plates attached to the ceiling preventing a visual inspection. A portion of the floor slab directly above the control room was inaccessible as the staircase going between the first and second floor had the soffit blocked up. Consequently a hole was broken through the wall and therefore a second visual inspection was carried out, see photograph 5. From our observations temporary timber shuttering was still intact to the soffit of the concrete stair flight, however this showed signs of heavy decay due to the water ingress incurred during the wash down after training. Once the water entered this area there was no opportunity for egress, therefore causing the timber to rot. On viewing the area under the concrete staircase a build up of debris had collated and therefore it was recommended that a further survey was carried out after the floor had been professionally cleaned throughout. A third visual inspection was carried out which highlighted that numerous random cracks had occurred throughout the surface of the concrete.

Along with a visual inspection, 2 concrete cores were taken and tested for micro cracking by the use of a microscope. In addition the concrete could be checked for discolouration which in turn indicates the temperature to which the concrete was subjected.

### 3.0 Conclusions

The separate report carried out by CMT highlighted that the concrete had not sustained any significant damage and therefore retains its structural integrity. The top layer of concrete has been subjected to around 300 degrees centigrade, with the surface cracks migrating to around 40 – 50 mm deep. The objective is to repair the slab by preventing the water ingress through the top, whilst repairing the cracks from the underside. The existing concrete floor slab is around 200mm thick, the steel reinforcement in the top of the slab has been set around 70mm from the top surface. Typically reinforcement within buildings is approximately 30mm below the concrete surface. In this particular instance the reinforcement has been lowered ensuring the top section of concrete can be sacrificial and therefore not affect the structural integrity of the slab. However, as a consequence the lowering of the reinforcement increases the possibility of cracking.

Traditional concrete repair products are limited with regard to their use as they operate satisfactorily up to temperatures of around 60 degrees centigrade. Therefore the cracks can only be treated from the underside, which will be carried out by pressure injection. The objective is to fill the cracks from the underside up to around 70mm below the top surface, which will ensure that the concrete repair product will not be damaged by the increase in temperature. In addition to this a concrete repair sealant is to be applied to the soffit of the concrete slab throughout the extent of the control room.

The top of the concrete slab is to be covered with a 13mm thick fire heat proof screed, which is to be applied throughout the extent of the fire training room. This particular product is used for repairing refractories and is capable of resisting temperatures of up



to 1400 degrees centigrade. The perimeter of the floor including around the base of the staircase is to be sealed with a flexible sealant which is capable of resisting temperatures of up to 300 degrees centigrade.

#### 4.0 Recommendations

1. Remove decaying timber from the underside of the existing concrete stair soffit.
2. Clean the existing floor slab including within the stair void ensuring the slab is free from all deleterious material to enable the relevant compounds to bind to the slab.
3. Pressure inject concrete repair product from the underside of the existing concrete slab within the control room into all visible cracks. Concrete repair product to be installed in accordance with the manufacturer's instructions.
4. Apply concrete repair sealant throughout the underside of the concrete slab within the control room. Concrete repair product to be installed in accordance with the manufacturer's instructions.
5. Apply 13mm coating of heat proof screed throughout the full extent of the training room above on top of the existing concrete floor in accordance with the manufacturer's requirements. The existing floor slab is to be recessed 12mm over the extent of the existing door opening to ensure a flush finish at the door thresholds, whilst enabling the door to open and close.
6. Provide heat proof sealant around the perimeter of the first floor concrete slab & at the junction between the masonry walls and the flight of the concrete stairs.
7. Introduce a fire proof door to enable access to the underside of the existing concrete stairs between the first and second floor.

## 5.0 Summary

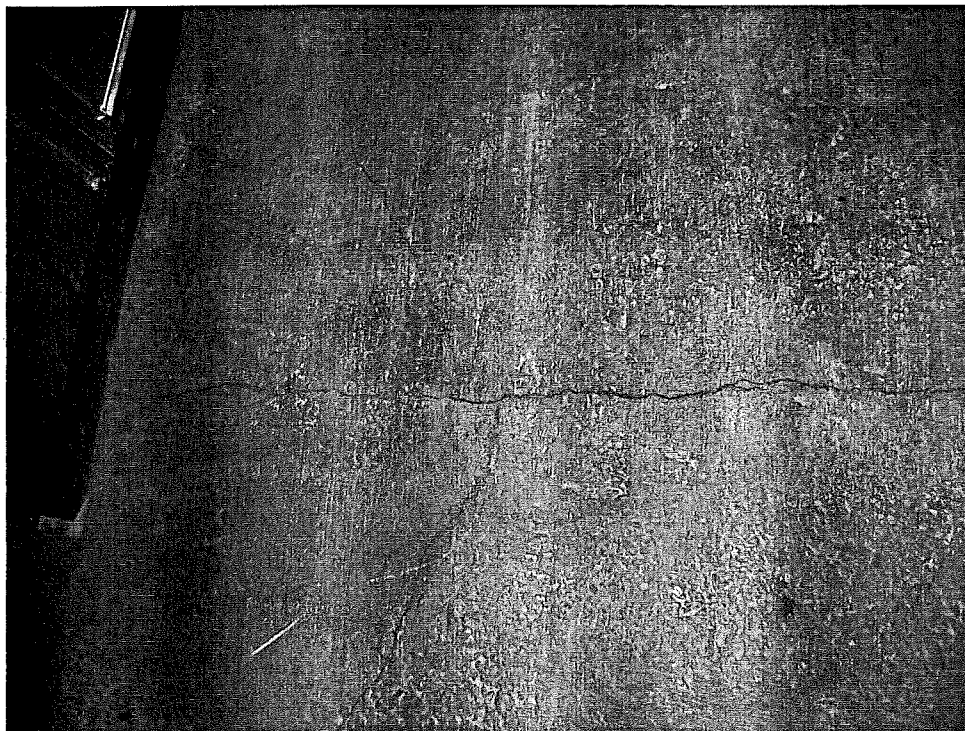
Should these works be carried out this should overcome the issues with the water leaking through the ceiling. However cracking was noted throughout the extent of the floor slab and assessment has only been undertaken within the control room from the underside. It is important to note that the soffit of the concrete slab in the adjacent room has not been assessed due to restricted access as previously discussed. In view of the fact that cracks have appeared throughout the full depth of the slab we feel that it would be prudent to assess the existing slab within the adjacent room with regard to cracking. Consequently this would involve the existing metal ceiling plates being removed to assess the condition. Evidently cracking has occurred in the top of the slab, therefore it would be advisable to check if any of these cracks have migrated through to the underside.

Consideration should be given for further inspection throughout the building. It is important to note that this problem has only arisen due to water seeping through the cracks in the floor slab. Other areas such as the second floor concrete slabs will be subjected to greater temperatures than the first floor currently in question. Any cracking within the soffit of the second floor will not be visible due to the heavy sooting created when carrying out training exercises.

APPENDIX A



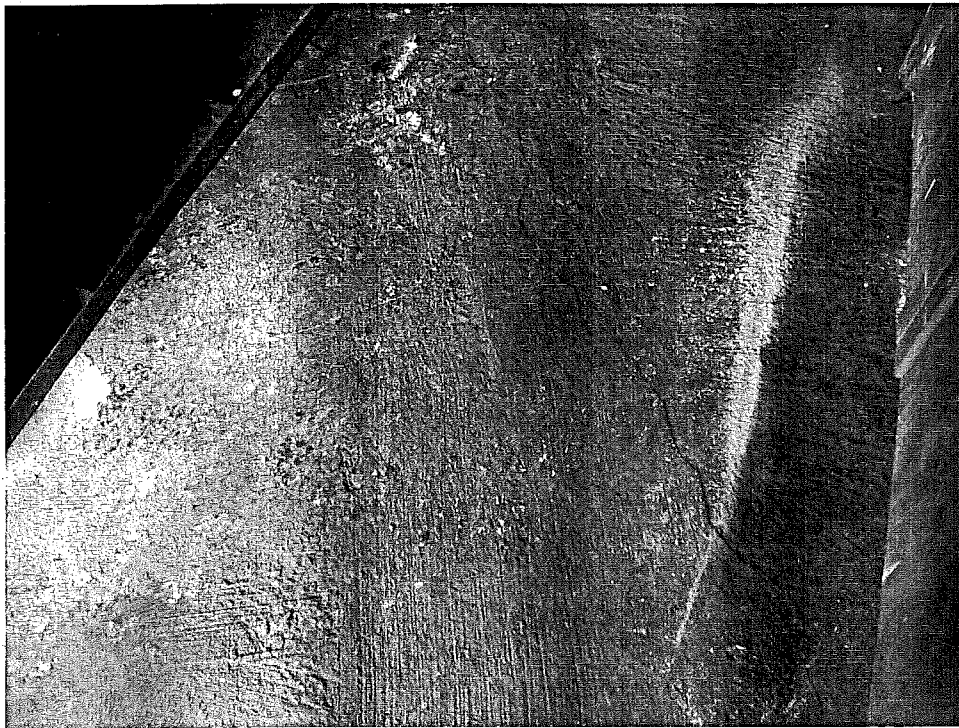
Photograph 1



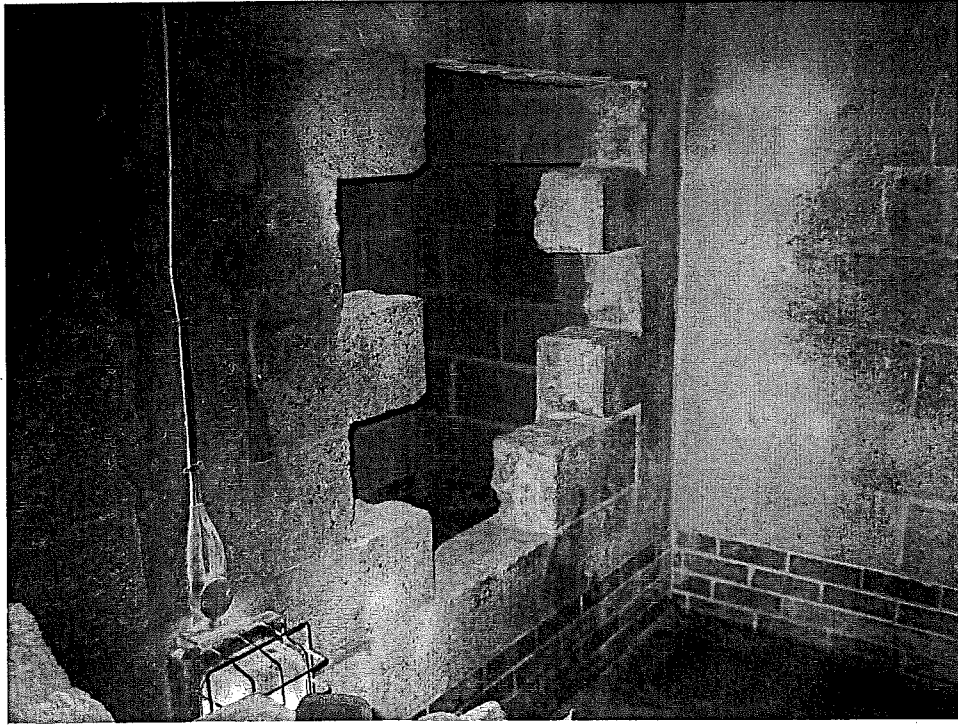
Photograph 2



Photograph 3



Photograph 4



Photograph 5

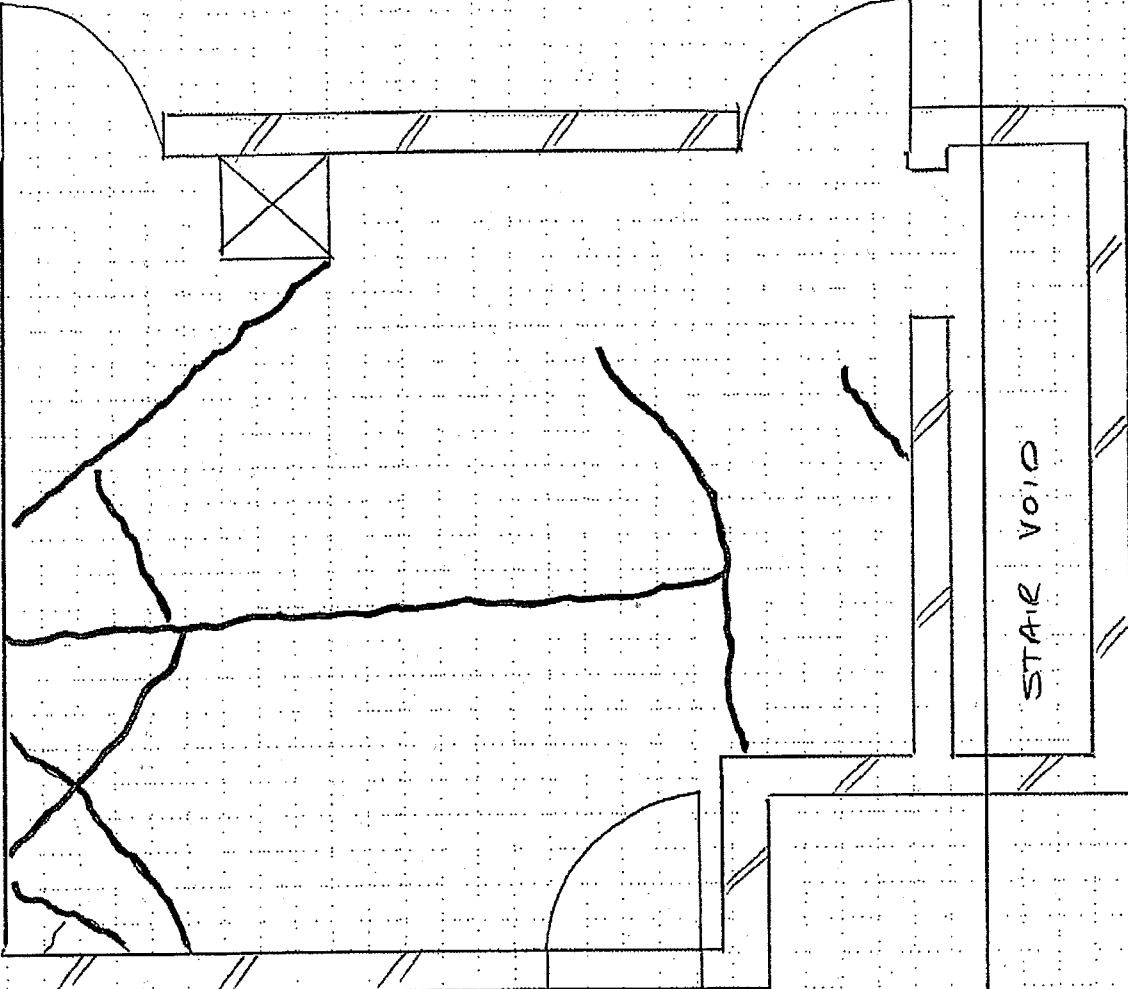
APPENDIX B

# TUNSTALL

## CONSULTANTS

Civil & Structural Engineering Consultants  
15 Grasmere Road,  
Beeston,  
Nottinghamshire T : 07813 650464

Project:	OLLERTON FIRE STAT	
Project No:	212063	
Sheet No:	SK01	Rev:
Date:	OCT 12	
Section of Project:	FIRST FLOOR PLAN	

Ref	Calculations	Output
	 <p data-bbox="375 1601 885 1646"><u>FIRST FLOOR LAYOUT</u></p> <p data-bbox="375 1680 885 1713"><u>SHOWING CRACKING</u></p> <p data-bbox="375 1747 726 1780"><u>SCALE 1:50</u></p>	

Checked:	Approved:
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**FIRE ALARM CCTV DOOR ACCESS AUDIO VISUAL VOICE & DATA SOLUTIONS INTRUDER ALARM  
AIR CONDITIONING VENTILATION SYSTEMS MECHANICAL SERVICES FACILITIES MANAGEMENT**

FAO: Roger Ward  
Nottinghamshire Fire and Rescue Service  
The Dukeries  
Boughton Road  
Ollerton  
Nottinghamshire  
NG22 9JE

Our Ref: Q17611

Date: 18/04/2013

Dear Roger,

**Re: SDC- Fire House**

Further to your recent enquiry, we have pleasure in submitting our quotation for the above project.

**Please refer to the specification for more details.**

All materials and workmanship are guaranteed for twelve months from the date of completion.

This quotation is based on current rates for labour and materials, is open for acceptance up to 30 days.

We shall be pleased to carry out work upon receipt of your official order.

This quotation is based on the information supplied within the specification and drawings.

All work to be carried out during normal working hours (Monday – Friday 8am – 5pm), subject to availability of the site access.

V.A.T. will be added at the time of invoicing.

For the sum of.....£ See breakdown

If you have any queries at all, please do not hesitate to contact the sender of this quote at the above address.

Yours faithfully,

**Simon Huntbach**  
Electrical Estimator



**Specification for Q17611 SDC Fire House.**

**Item One-Initial Clean.**

To undertake an initial full clean of the fire house, this will enable other works to be undertaken. Scrapers, pressure washers and chemical are to be used.

ART Cleaning Price .....	<b>£5650.00</b>
Amptron Mark-up @ 7.5%.....	<b>£423.75</b>
For the sum of.....	<b>£6073.75</b>

**Item Two-Secondary Clean.**

To undertake a secondary clean after the gas bed, louvre's and pipework has been removed. Scrapers, pressure washers and chemicals are to be used.

ART Cleaning Price .....	<b>£2750.00</b>
Amptron Mark-up @ 7.5%.....	<b>£206.25</b>
For the sum of.....	<b>£2956.25</b>

**Item Three-Refractory Coating and Dry Out.**

To remove the existing tiled ceiling within the fire room. Drill and fix stainless steel threaded V anchors at 200mm centres. Form construction joints. Guniting Spray a 1400c gunmix into panels at a thickness of 75mm.

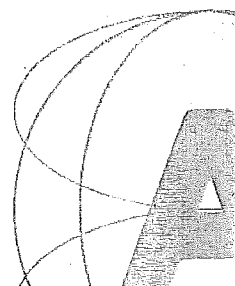
Price includes a 360cfm compressor and a dry out price to prolong the lifespan of the installation.

S.H.L. Refractories Price.....	<b>£21659.00</b>
Amptron Mark-up @ 7.5%.....	<b>£1624.43</b>
For the sum of.....	<b>£23283.43</b>

**Item Four-Replacement of 6no Louvre's.**

To remove and replace 6no louvre's, remove and replace air control pipework and remove and replace air dump system-Modified to 3no control circuits by floor.

Kidde Fire Price.....	<b>£18,536.67</b>
Amptron Mark-up @ 7.5%.....	<b>£ 1390.25</b>
For the sum of.....	<b>£ 19926.92</b>





**Item Five-Replacement of 15no Louvre's.**

To remove and replace 15no louvre's, remove and replace air control pipework and remove and replace air dump system-Modified to 3no control circuits by floor.

Kidde Fire Price.....	£27,000.00
Amptron Mark-up @ 7.5%.....	£ 2025.00
For the sum of.....	£29025

**Item Six-Installation of Gantry for Fan Maintenance.**

Manufacturer and install an aluminium walkaway and galvanised handrail-complete with steel access ladder to provide access to all four sides of the fan tower.  
Existing steel tower and platform is to be removed prior to install.

TVR Group Price.....	£6350.00
Amptron Mark-up @ 5%.....	£317.50
For the sum of.....	£6667.50

**Item Seven-Decommission of Gas Bed and Reinstall.**

Remove first floor gas bed and GMS sensors to allow the concrete floor to be re-screeded.  
Reinstall all once floor work is complete.

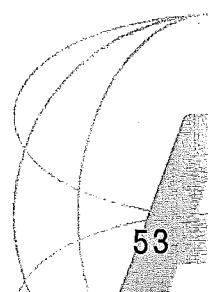
Kidde Fire Price.....	£1931.67
Amptron Mark-up @ 7.5%.....	£144.87
For the sum of.....	£2076.54

**Item Eight-Glazed Window.**

Replace the Louvre in the control room (this is to be removed by others) and replace with 1no brown (wood grain) UPVC window c/w stub cill, toughened glass, trickle vent, 1no top opener and brown UPVC board internally.

We have allowed for this to be secured with 18mm ply until the window is ready for install to maintain the security of the building site.

Vaughandale Fire Price .....	£625.00
Amptron Mark-up @ 5%.....	£ 31.25
For the sum of.....	£ 656.25





**Item Nine-Concrete Repairs.**

To repair concrete flooring as per Tunstall Consultants Appraisal Report and Structural specification report.

Data-Contracts Price.....	£2780.00
Amptron Mark-up @ 7.5%.....	£ 208.50
For the sum of.....	£ 2988.50

**Item Ten-Replacement of Defective Control Panel.**

To attend site and replace the lighting/power control panel and the defective fan control panel in the old control room.

Kidde Fire Price.....	£15414.67
Amptron Mark-up @ 7.5%.....	£ 1156.10
For the sum of.....	£ 16570.77

**Item Eleven-Rewire of Final Circuits.**

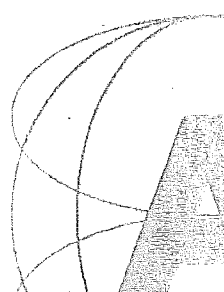
To attend site and replace all out going cables from the control panel throughout the building. All light fittings and socket outlets are to be replaced. Cable is MICC and therefore has a high labour time to install. Light fittings within the fire house are to be ATEX approved, intrinsically safe as existing. Kidde are required to make final connections within the control panel.

For the sum of.....	£ 30120.80
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**Item Twelve-Periodic Inspection.**

To undertake a periodic inspection and test of the fire house. Allowing a presumed 10% of defective equipment to be replaced (cabling and accessories).

Inspection for the sum of.....	£ 1867.50
Assumed defects for the sum of .....	£ 3012.08





**Item Thirteen-Building Works.**

Associated building works required for this project.

This includes fire seals to all 48no door frames, re-rendering the external walls where trunking needs to be removed and re-instating the door way previously taken out.

Vaughandale Price.....£1960.00  
Amptron Mark-up @ 5%.....£ 98.00  
For the sum of.....£ 2058.00

**Item Fourteen-Locksmiths.**

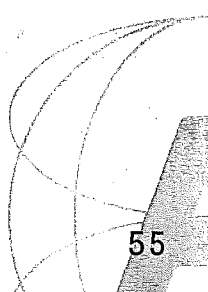
To replace the locks and mechanisms on 39no doors as per the recent site visit made by Stapletons.

Stapletons Price .....£6139.91  
Amptron Mark-up @ 5%.....£ 306.99  
For the sum of.....£ 6446.90

**Preliminaries and Contract Management.**

For site management and temporary supplies/lighting of the above project.

For the sum of.....£ 1540.00



### Schedule – Detailed Breakdown and Explanation

Note: The Price column in the table below is a result of the Estimate and the need (or for expediency) to carry out these individual items, the Comments provide an explanation where necessary and indicate if the work is required as a matter of urgency.

Item	Work Description	Estimate	Comments and Explanation	Price
1	Initial Clean	£6,073.75	Works required.	£6,073.75
2	Secondary Clean	£2,956.25	Works required.	£2,956.25
3	Refractory Coating and Dry Out	£23,283.43	This is the replacement of elements of the refractory fire lining where large areas of degradation have occurred.	£23,283.43
4	Replacement of 6 No Louvre's	£19,926.92	There are 15 fire louvres within the Fire House; 6 louvres require replacement as they have now become defective. This leaves the remaining 9 louvres which although working will require replacement over the next few years	
5	Replacement of 15 No Louvre's	£29,025.00	This is the price for the replacement of all 15 louvres. The overall price for the replacement of all louvres is lower than if carried out on an ad-hoc basis ie as they become defective over the next few years.	£29,025.00
6	Installation of Gantry for Fan Maintenance	£6,667.50	This is to provide a working platform for access to the fan housing and although will be of assistance for future maintenance it is not essential it is carried out at this point in time. This item can be added to the Back-Log maintenance schedule.	
7	Decommission of Gas Bed and Reinstate	£2,076.54	Works required.	£2,076.54
8	Glazed Window	£656.25	Works required.	£656.25
9	Concrete Repairs	£2,988.50	Works required (see structural report).	£2,988.50
10	Replacement of Defective Control Panel	£16,570.77	Works required.	£16,570.77

Appendix C

Item	Work Description	Estimate	Comments and Explanation	Price
11	Rewire of Final Circuits	£30,120.80	From further discussions with the electrical contractor and although initially highlighted as a potential requirement this item can be discounted.	
12	Periodic Inspection & Circuit Replacement	£4,879.58	This item is to allow the testing of all electrical circuits with an assumption that only an estimated 10% will require replacement or rectification.	£4,879.58
13	Building Works	£2,058.00	Works required.	£2,058.00
14	Locksmiths	£6,446.90	Works required as all door locking furniture required replacement.	£6,446.90
15	Preliminaries and Contract Management	£1,540.00	Works required as main contractor management of specialist sub-contractors.	£1,540.00
			<b>Total</b>	<b>£98,554.97</b>

