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NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY - FINANCE AND RESOURCES

Date: Friday, 11 July 2014

Time: 10.00 am

Venue: Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham NG5 8PD

Members are requested to attend the above meeting to be held at the time, place and date mentioned to transact the following business

A handwritten signature in black ink, appearing to read "M. P. Lane". The signature is fluid and cursive.

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

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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

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ABOVE, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ON THIS AGENDA, IF POSSIBLE BEFORE THE DAY OF THE MEETING.

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**NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY -
FINANCE AND RESOURCES COMMITTEE**

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood
Lodge, Arnold Nottingham NG5 8PD on 4 April 2014 from 10.00 am to 11.16 am**

- ✓ Councillor Malcolm Wood (Chair)
- ✓ Councillor Chris Barnfather
- ✓ Councillor John Clarke
- ✓ Councillor Jon Collins
- ✓ Councillor Gordon Wheeler

✓ indicates present at meeting

Colleagues, partners and others in attendance:

Neil Timms	Strategic Director of Finance and Resources
Peter Hurford	Treasurer to the Nottinghamshire and City of Nottingham Fire and Rescue Authority
Noel McMenemy	Constitutional Services, Nottingham City Council

27 APOLOGIES FOR ABSENCE

None

28 DECLARATIONS OF INTERESTS

None

29 MINUTES

The Committee confirmed the minutes of the meeting held on 17 January 2014 as a correct record and they were signed by the Chair.

30 CAPITAL BUDGET MONITORING REPORT TO 28 FEBRUARY 2014

Neil Timms, the Strategic Director of Finance and Resources, presented the Chief Fire Officer's report on Capital Programme progress in the year 2013/14, and analysing the significant variances against the original programme.

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The capital budget monitoring statement is showing an underspend to date of £5,794,000 against the budget for the year of £8,339,000. Mr Timms reported that that Transport and Information and Communications Technology budgets were mostly on track, The main reason for the underspend lies with the Property portfolio, particularly in finalising the joint Central Fire Station and City Council Emergency Planning Hub. Mr Timms undertook to submit a revised capital programme to a future meeting.

RESOLVED

- (1) to note the content of the report;**
- (2) to request the Chief Fire Officer to arrange a property tour for Committee members, to improve their understanding of the property portfolio;**
- (3) to request the Strategic Director of Finance and Resources to submit a revised Sustainable Capital Programme to a future Committee meeting.**

31 REVENUE BUDGET MONITORING TO 28 FEBRUARY 2014

Neil Timms, the Strategic Director of Finance and Resources, presented the Chief Fire Officer's report setting out the financial performance of the Service in the year 2013/14 and analysing significant variations against the original budget.

The revenue budget monitoring statement for February 2014 is showing an underspend to date of £222,000 against a budget for the year of £43,899,000. The projected out-turn variance for the year is an underspend of £884,000.

RESOLVED

- (1) to note the contents of the report;**
- (2) to request the Strategic Director of Finance and Resources to provide a brief training session on Service insurance issues at the rising of the Committee's next meeting.**

32 PRUDENTIAL CODE MONITORING REPORT TO 28 FEBRUARY 2014

Peter Hurford, Treasurer to the Nottinghamshire and City of Nottingham Fire and Rescue Authority, presented his report informing the Committee of performance to end February 2014 relating to the prudential indicators for capital accounting and treasury management.

RESOLVED to note the contents of the report.

33 REPORT ON CURRENT PROJECT PROGRESS

Neil Timms, the Strategic Director of Finance and Resources, presented the Chief Fire Officer's report on the progress of various projects across the Service. The Strategic Director was assisted by Ian Pritchard, Head of Procurement and Estates, Gavin Harris, ICT Manager and Graham Bosworth, Transport Manager.

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The Strategic Director highlighted the following points:

- The construction of the new Retford Fire Station is proceeding well, but the sale of Central Fire Station and its replacement by a new building is progressing more slowly. Work on the SDC Fire House will cost more than originally programmed;
- Projects to deliver a new aerial ladder platform, Water Carrier, Pumping Appliances and Flood Response Unit are all on track or completed. Delivery of the Environmental Protection Unit, Breathing Apparatus Unit and Command Support Vehicle have been delayed;
- The Service ICT Strategy is being completely reassessed by the new ICT Manager to prioritise projects going forward.

RESOLVED to note the contents of the report.

34 VALUE FOR MONEY

Neil Timms, the Strategic Director of Finance and Resources, presented the Chief Fire Officer's report outlining the proposed programme for achieving and demonstrating Value for Money in 2014/15 and to report progress against the Value for Money Programme in 2013/14.

The Strategic Director highlighted audits of gas, electricity, water and telephone charges, further joint procurement arrangements and reducing printing costs as priorities in 2014/15.

RESOLVED to note the contents of the report.

35 INTERNAL AUDIT REPORT - CARDIFF CHECKS

Neil Timms, the Strategic Director of Finance and Resources, presented the Chief Fire Officer's report providing the results of internal audit work undertaken in relation to Cardiff checks. The checks did not identify any specific issues.

RESOLVED to note the contents of the report.

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

REVENUE AND CAPITAL MONITORING REPORT TO MAY 2014

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To report to members on the financial performance of the Service in the year 2014/15 to the end of May 2014. This report focuses on those key areas where outturn variances are likely to occur.

CONTACT OFFICER

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1. BACKGROUND

- 1.1 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 is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities.
- 1.2 It is difficult to provide meaningful forecast outturns against both the revenue budget and the capital programme at this early stage in the year, however where outturn variances are known with a degree of confidence, these have been reported.
- 1.3 For this report therefore, only those key areas with a higher risk of significant variance are reported on. An assessment of this risk has been made in the light of the size of the budgets selected and / or previous experience of variances, as well as the emergence of actual variances.
- 1.4 In this new financial year, the overall revenue budget is at its lowest level since 2007/08 and it is more important than ever that this Committee maintains an overview of the budgetary position during the year so that members can seek assurance that appropriate action can be taken in respect of significant variances and the budget is managed as a whole.

2. REPORT

REVENUE BUDGET

- 2.1 **Headlines:** The total revenue budget for 2014/2015 is £42.9m, and the forecast outturn variance at this stage in the year is for an underspend of £424k, which represents an overall variance of 1%. It is important to emphasise that this is the position as at the end of May, with 10 months of the year still to go, during which a lot of factors could influence the final outturn. There is a net overspend to date as at the end of May, and this has been largely affected by the Prince's Trust income due for 2013/14, which has been accrued for and is awaiting receipt in 2014/15 (see paragraph 2.8).
- 2.2 **Wholetime Pay:** the variance to date after two months is an £11k underspend, which translates to a **£124k** outturn underspend. However this outturn variance assumes that pre-planned overtime does not exceed £30k per month throughout the whole year and that a consistent number of employees remain on development rates of pay throughout the year. Towards the end of 2013/14, pre-planned overtime was costing around £40k per month but it is not anticipated that this level of overtime will continue. Actual staff numbers in April and May were 2.91 FTEs above the budgeted establishment of 530. It is clear that the key to managing the wholetime pay budget is going to be managing pre-planned overtime and balancing this against vacancies arising in the year.

- 2.3 An assumed pay award of 1% has been built into the forecast outturn and it is assumed that there will be no new trainees this year, with any retirements or resignations replaced with transfers in or retained migration. The main reasons for the projected outturn underspend are:
- The budget includes the equivalent of 4 fire-fighter posts to cover pre-planned overtime but the assumption has been made that pre-planned overtime will amount to some £200k more than this.
 - The budget assumes that all wholetime employees are in a pension scheme, whereas there are actually 16 employees who have opted out. The budget assumes that the proportion of wholetime employees in the 1992 pension scheme is 77%, whereas the actual proportion is 65%. As the employer contributions are 21.3% for the 1992 scheme compared to 11% for the 2006 scheme, this has also resulted in an underspend. The total forecast underspend on pension contributions is £160k.
 - The budget assumes that all wholetime employees are paid at competent rates, whereas there are currently 27 people paid at development rates. This would equate to a forecast underspend of £148k
- 2.4 **Retained Pay:** In 2013/14, the Retained pay budget underspent by a total of £395k. The 2014/15 budget has been reduced by £200k, but it is likely that a further underspend will occur this year. The current position is an underspend to date of £34k, and this is projected to be an outturn underspend of around **£214k** at this stage.
- 2.5 **Non-Uniformed Pay:** the variance to date after two months is a £48k underspend, which is forecast to be a £234k underspend by the end of the year (including the £15k Princes Trust forecast underspend referred to below). Around £3k of this underspend to date is due to the job evaluation contingency, which has not yet been used. The remainder is due either to a few instances where employees are working fewer hours than their established FTE or to establishment vacancies which are assumed to be continuing throughout the year due to the current recruitment freeze.
- 2.6 **Prince's Trust:** the budget for Prince's Trust activity was calculated last year at the time when Central College was providing funding for students and the activity was expected to break even. Since then there has been changes to the funding process which saw a significant fall in funding per student and a move away from Central College to West Nottinghamshire College. The budget was recalculated and presented in summary to the Policy and Strategy Committee in April, showing an annual deficit of £92k. The Princes' Trust Manager has already sought to make further savings and it is felt that the activity could run in its present format at a deficit of £86k per annum. CMB has approved virements to correct the budget in line with Members' decision to continue running the activity at a deficit for the time being.
- 2.7 The Princes' Trust expenditure budgets are showing an underspend to the end of May of around £12k. Most of this (£10k) relates to pay, which is

underspending because one Team Leader is on maternity leave and, whilst her post is backfilled by a Support Worker, the Support Worker post has not been backfilled. This situation is likely to continue until July, so the estimated outturn underspend on pay is £15k.

- 2.8 A substantial amount of Princes' Trust income due for the 2013/14 financial year had not been received as at 31st March 2014. This income, amounting to £338k, has been accrued for in 2013/14 in anticipation of the income being received in 2014/15. So far £139k has been received in the current year with another £84k due to be received shortly. Both of these sums relate to 2013/14, so a further £115k is also due from the Colleges in respect of last year's teams. The Princes' Trust Manager is progressing the documentation required to trigger the payments.
- 2.9 The 5 teams which ran from January / February through to April / May have all completed. The income relating to these teams has been apportioned over the 2013/14 and 2014/15 financial years and it is now clear that there will be a shortfall in budgeted income for 2014/15 amounting to around £29k. This is for two reasons: Firstly, the number of students recruited to the 5 teams in total was 60, whereas 70 students (14 per team) are budgeted for. Secondly, the proportion of 16-18 year old students recruited was 18%, whereas 24% was assumed when the budget was set (this age group attracts the higher level of funding). The budgeted retention rate of 83% was achieved, with 50 students completing the courses out of the 60 students who started.
- 2.10 The net variances explained above will increase the budgeted deficit of £86k, resulting in a forecast total deficit for the activity of £100k. This forecast will be updated as the year progresses, and assumes that all other budgeted assumptions for the remainder of the year remain valid.
- 2.11 **Fleet Maintenance:** it has emerged that some of the appliances in the fleet have suffered metal erosion of the flow meter and pump casings. The causes of this are being investigated but it is thought to be due to the way bulk foam is being used. Initial indications are that repairs and labour will amount to around £40k, which cannot be contained within the fleet maintenance budget for planned and ad-hoc works to the fleet. This expenditure will initially be charged to fleet maintenance and the position reviewed later in the year.
- 2.12 **Business Rates:** The Service benefited from some successful rateable value appeals last year, with rebates received during 2013/14. The budget was set prior to these appeals being concluded, so a further underspend is anticipated for the current year of around £50k. This variance will be reviewed later in the year as and when a new rateable value for the rebuilt Retford Fire Station becomes apparent.
- 2.13 **Insurance:** Overall, the insurance premium budget is expected to overspend this year by £24k, following the insurance tender earlier this year. The premiums paid include a low claim rebate, so there is a possibility that this position may worsen if more claims are processed than expected by the insurers.

2.14 **Industrial Action:** there were no periods of industrial action in April, but there were 3 strike periods at the start of May with a further two announced for June. Expenditure to the end of May was £20k with not all costs yet reported. There is no budget for industrial action therefore all net expenditure will be an overspend against the budget however the total costs will be met from reserves if necessary.

2.15 The table below shows the position of the revenue budget as at the end of May 2014.

REVENUE BUDGET Expenditure Category	Annual Budget £000's	Budget Profile to May 2014 £000's	Actual including Commitments to May 2014 £000's	Variance to May 2014 £000's	Forecast Outturn £000's	Outturn to Budget Variance £000's	Outturn to Budget Variance %
Employees	34,011	5,445	5,382	-63	33,452	-559	-2%
Premises-Related Expenditure	2,158	345	270	-75	2,117	-41	-2%
Transport-Related Expenditure	1,935	606	578	-28	1,975	40	2%
Supplies & Services	3,620	736	706	-30	3,641	21	1%
Third Party Payments	125	17	19	2	125	0	0%
Support Services	194	0	46	46	194	0	0%
Sales Fees & Charges	-122	-18	-13	6	-122	0	0%
Other Income	-1,333	-165	150	314	-1,218	115	-9%
Capital Financing Costs	2,304	160	76	-84	2,304	0	0%
Total Net Revenue Expenditure	42,892	7,126	7,214	88	42,468	-424	-1%

CAPITAL PROGRAMME

2.16 A capital programme for 2014/15 of £4,364k was approved by Members and to this has been added a budget of £1,091k for the remaining expenditure expected on the Tri-Service Control and Mobilising system for which a capital grant was received in 2012/13. This brings the total capital programme budget for the year to £5,455k.

2.17 There was a significant amount of slippage in the 2013/14 capital programme and the budget for this will be carried forward and added to the 2014/15 capital programme. The amount of slippage has not been finalised and approved by Members at the time of writing this report so it is described as "estimated slippage 2013/14" and amounts to around £5,758k. In total this then gives an estimated available capital budget of £11,213k for the year.

2.18 At this early stage in the year, very little has been spent so far – some £359k. Detailed estimates of capital expenditure on estates projects expected during

this year have been provided by the Head of Estates and Procurement and this work is reflected in the estimated outturns. The same exercise will take place with the remaining capital budget holders and estimated outturns will be reported in due course, with the current working assumption being that projects will spend in line with the budget.

- 2.19 Two capital grants have already been received: the grant for the Tri-Service Control and Mobilising system (£1,091k remaining) and the general capital grant of £1,087k. In addition, the capital receipts reserve holds some £2,135k arising from the sale of assets over the past two years. These monies will be used first to finance the capital programme, with remaining expenditure to be financed by a combination of unused borrowing, cash generated by the minimum revenue provision charge and new borrowing if required of up to £5,250k as approved within the Authority's Prudential limits.
- 2.20 **Transport:** In addition to completing the appliance building started in 2013/14, procurement will commence for three new rescue pumps and associated equipment this year as well as a number of light vehicles.
- 2.21 **Equipment:** The radios currently in use on the incident ground are now many years old and are planned to be replaced this year.
- 2.22 **Estates:** The rebuilt Retford Fire Station will be completed and occupied this year and it is hoped that land can be purchased on which to build a replacement for Central Fire Station. This land purchase has been subject to delays outside of the Authority's control and has impacted on the ability to commence the station rebuild project. Some expenditure will take place on professional fees this year leading up to the letting of the contract to build the replacement for Central. In addition, a number of feasibility studies will take place to look at options for rebuilding or refurbishing some of the older fire stations – for now the cost of these studies is shown in the outturn, although whether or not the costs will be capitalisable depends upon whether or not the studies contribute directly to a capital project. If the costs are treated as revenue costs, then they will be financed from the capital earmarked reserve. The outcome of the studies will be reported in due course for decisions on future major property projects.
- 2.23 **ICT:** In addition to the usual equipment replacement programme, there are three key projects due to take place in 2014/15: the purchase of a Microsoft Enterprise licence (which is now likely to be treated as a revenue expense, as indicated to Members in the February Budget report); the replacement of the telephone system; the replacement of the storage area network.
- 2.24 **Human Resources:** the project to implement a replacement HR system went live in May for core aspects of the system. Phase two of the project is now underway.
- 2.25 **Control:** the project to implement a regional Control and mobilising system has suffered some delays but is expected to go live in September 2014.

2.26 **Finance:** a project to replace the current payroll system is planned to start later this year, with most costs falling into 2015/16.

2.27 The table below shows the position of the capital programme as at the end of May 2014.

CAPITAL PROGRAMME	2014/15 Approved Budget	Estimated 2013/14 Slippage	2014/15 Virements	2014/15 Revised Budget	Actual to Date	Remaining Budget to be Spent	Estimated Outturn	Estimated Outturn Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
TRANSPORT								
Rescue Pump Replacement	910			910	7	903	910	
Special Appliances		1,301		1,301		1,301	1,301	
Appliance Equipment	36			36		36	36	
Light Vehicle Replacement	138	306		443		443	443	
	1,084	1,607	0	2,691	7	2,684	2,690	-1
EQUIPMENT								
Radio Replacement	250			250		250	250	
	250	0	0	250	0	250	250	0
ESTATES								
Retford Fire Station Rebuild	0	800	996	1,796	261	1,535	1,796	
Central Fire Station Rebuild			232	232	55	177	232	
Central Fire Land Purchase		411	189	600		600	600	
Refurbishment and Rebuilding	2,310	2,200	-1,567	2,943		2,943		
Feasibility Studies			150	150		150	150	
Retention Payments:								
- Blidworth FS		25		25		25		
- Edwinstowe FS		31		31		31	20	
- Sustainable Technology Project		15		15	1	14		
	2,310	3,483	0	5,793	318	5,475	2,798	-2,995
I.T. & COMMUNICATIONS								
Business Continuity & Disaster Recovery	30			30		30	30	
Business Expansion	25	6		31	9	22	31	
Replacement Equipment	85			85		85	85	
Microsoft Software Licences	200			200		200	200	
Telephone PABX Replacement	250			250		250	250	
SAN & Back Up Replacement	100			100		100	100	
Microsoft Infrastructure			7	7	7	0	7	
Business Process Automation		345	-7	339		339	339	
CFRMIS Ops Intel Database		47		47		47	47	
	690	398	0	1,088	16	1,073	1,089	1
HUMAN RESOURCES								
HR System Replacement		270		270	18	252	270	
	0	270	0	270	18	252	270	0
CONTROL								
Tri-Service Control & Mobilising System	1,091			1,091			1,091	
	1,091	0	0	1,091	0	1,091	1,091	0
FINANCE								
Payroll System Replacement	30			30		30	30	
	30	0	0	30	0	30	30	0
Grand Total	5,455	5,758	0	11,213	359	10,854	8,218	-2,995

To Be Financed By :

Capital Grant - General	-1,088		-1,088	-1,088
Capital Grant - TriService Control	-1,091		-1,091	-1,091
Capital Receipts	-2,385		-2,385	-2,135
Unused Borrowing b/f		-910	-910	
New Borrowing		-3,009	-3,009	
Internal Financing	-891	-1,839	-2,730	
Total	-5,455	-5,758	-11,213	-4,314

3. FINANCIAL IMPLICATIONS

The financial implications are set out in 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 directly 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.

9. RECOMMENDATIONS

That Members note the contents of this report

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

None.

John Buckley
CHIEF FIRE OFFICER

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

PRUDENTIAL CODE MONITORING REPORT TO 31 MAY 2014

Report of the Treasurer to the Fire Authority

Date: 11 July 2014

Purpose of Report:

To inform Members of performance for the two month period to 31 May 2014 relating to the prudential indicators for capital accounting and treasury management.

CONTACT OFFICER

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Head of Finance and Resources

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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 2014/15 at its meeting on 28 February 2014.
- 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 2014/15 after the end of the financial year. These indicators are:
 - Ratio of financing costs to net revenue stream 2014/15 (affordability);
 - Incremental impact of capital investment decisions on Council Tax 2014/15 (affordability);
 - Total capital expenditure 2014/15;
 - Capital Financing Requirement as at 31 March 2015.
- 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 2014 is £22.667m. During the period 1 April 2014 to 31 May 2014 the gross indebtedness of the Authority, calculated at the start of each month, did not exceed £22.476m including any requirements for temporary overdrafts. As at 31 May 2014, the gross debt of the Authority was £22.476m, which is below the current CFR.
- 2.3 The Authority set an operational boundary for 2014/15 of £26.346m and an authorised limit of £28.981m. 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 for the 12 months up to the end of May 2014.

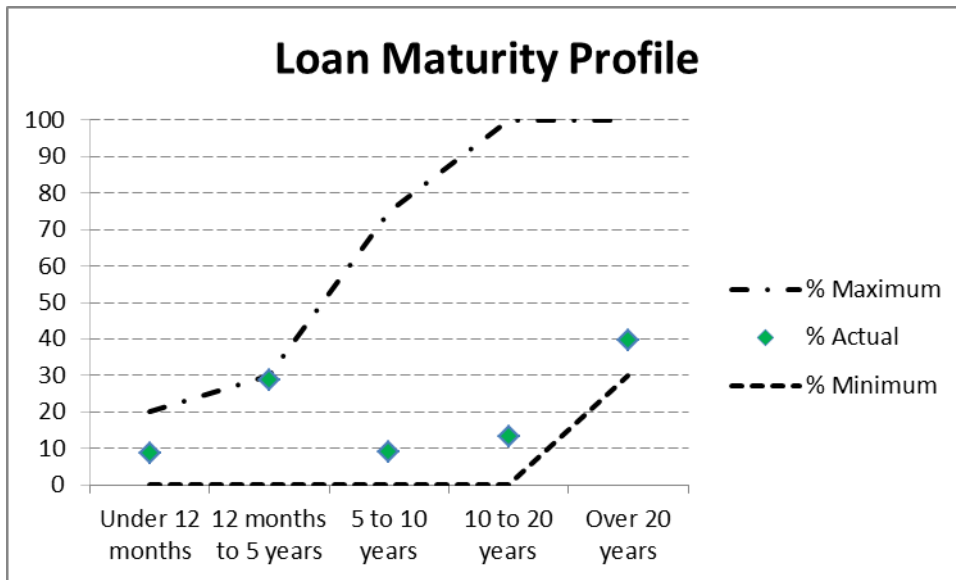
TREASURY MANAGEMENT INDICATORS

- 2.4 An interest earnings budget of £86k was set for 2014/15 and as at 31 May 2014 £3k had been received (after deducting interest relating to the 2013/14 financial year which was accrued for). It is expected that the budget target will be achieved by the year end, as there are significant sums of interest earned on investments which have not yet matured.
- 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 May 2014, 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 £200,000. During the part of the 2014/15 financial year up to 31 May 2014 the account was not overdrawn. A graph of cash balances for the 12 months up to 31 May 2014 is shown in Appendix A.

Treasury management limits relating to loan maturity are shown below:

Loan Maturity		
	Upper Limit	Lower Limit
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 at 31 May 2014 is shown in the following graphs and demonstrates that the limits have not been breached. A small breach of the 12 month to 5 year upper limit is expected by the end of 2014/15, as a result of reduced total borrowing.



2.7 The upper limit for sums invested for longer than 364 days is £2m. During the part of the 2014/15 financial year up to 31 May 2014, 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

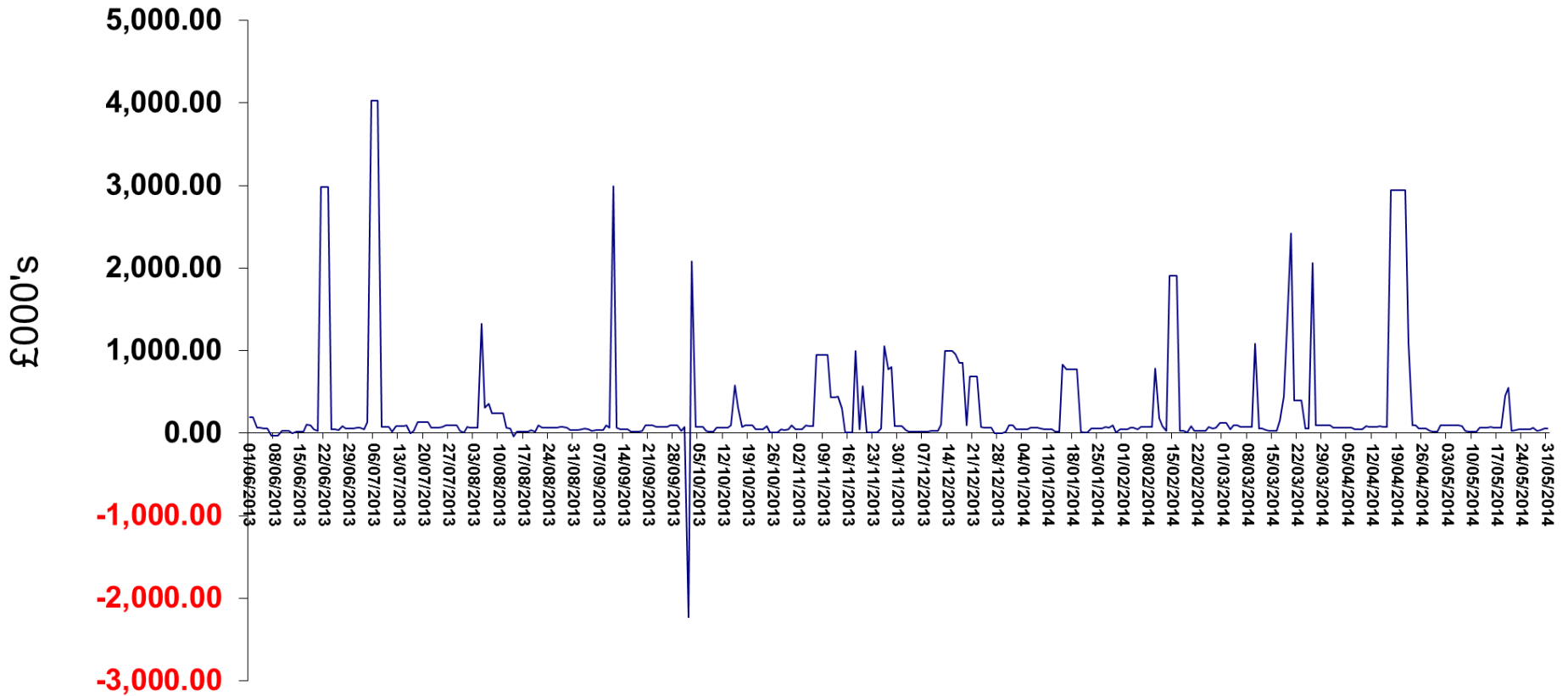
It is recommended that Members note the contents of this report.

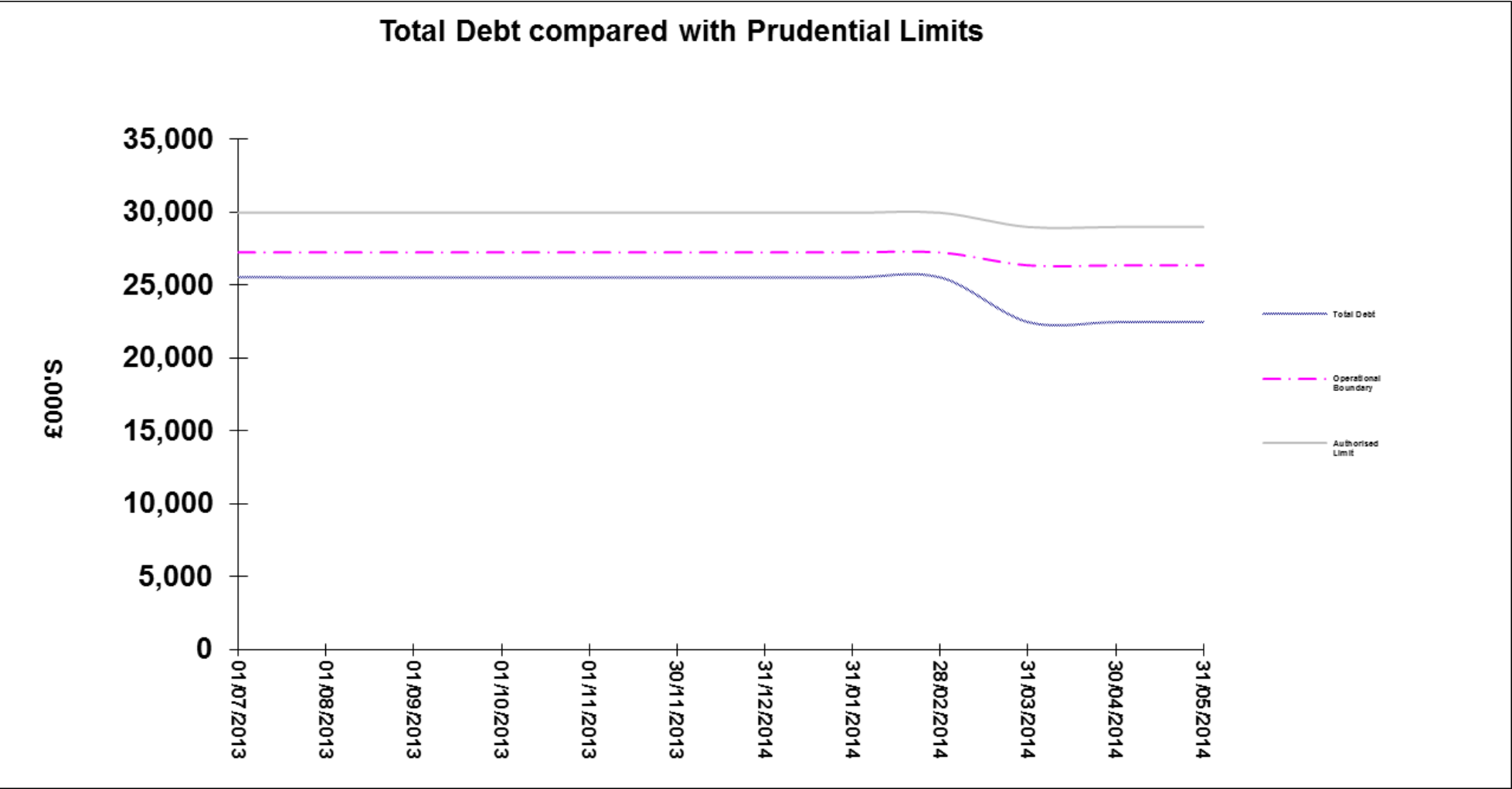
10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Peter Hurford
TREASURER TO THE FIRE AUTHORITY

Cash Balances July 2013 - May 2014





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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

INTERNAL AUDIT ANNUAL REPORT 2013/14

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To bring to the attention of Members the annual report prepared by the Authority's Internal Auditors.

CONTACT OFFICER

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Strategic Director of Finance and Resources

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1. BACKGROUND

- 1.1 Nottinghamshire County Council have provided an Internal Audit service to the Fire and Rescue Authority since its formation in 1998. It has been agreed that in the interests of good governance, the Internal Auditors annual report should be presented directly to the Finance and Resources Committee.
- 1.2 The annual report for 2013/14 is attached in full as Appendix A to this report.
- 1.3 Under the provisions of the Statement of Recommended Practice, the Authority is required to annually review its arrangements for the provision of Internal Audit and comment on that review. This report sets out the basis of that review and a draft statement on Internal Audit is attached.

2. REPORT

AUDITORS REPORT

- 2.1 The Auditors report is divided up into five sections:
 - A A narrative summary to 31 March 2014.
 - B Summary of reports issued to date
 - C Detailed analysis of progress against plan for 2013/2014
 - D Internal Audit Plan for 2014/15
- 2.2 The Auditors again comment in their narrative summary that overall the audit reports issued during the year confirmed that satisfactory control procedures are in operation and that areas previously considered to be unsatisfactory had improved.
- 2.3 The narrative section also shows the amount of audit time spent during 2013/14 and the level at which this was provided – ie: over 60% provided by senior and/or qualified staff.
- 2.4 The Auditors have also provided a view on the internal control environment and conclude that:

“From the work carried out during the 2013/14 financial year, we have been able to satisfy ourselves that the overall level of internal control is satisfactory and provides a good basis for effective financial and resource management.”

This statement will form part of the Annual Governance Statement to be reported to the full Fire Authority.
- 2.5 Section B of the audit report gives a summary of the reports issued up to 31st March 2014 and gives a brief description of each.
- 2.6 Section C shows the Auditors actual performance against planned activity for the year 2012/13. This shows that they completed 81 audit days from the planned delivery of 92 days in 2013/14.

- 2.7 Section D shows the internal audit plan for 2013/2014. Members will note that this plans for 103 days activity which equates to the 92 days charged for 2014/2015 plus the 11 days brought forward from 2013/2014.

REVIEW OF INTERNAL AUDIT

- 2.8 The requirement for an Authority to maintain an Internal Audit function is derived from the local government legislation, including Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 amended in 2006, in that a relevant body must:
- “maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.
- 2.9 The responsibility for ensuring an effective internal audit function rests with the Authority Treasurer as part of his Section 151 obligations.
- 2.10 The Authority views Internal Audit as an integral part of the corporate governance framework, particularly in so far as it relates to the system of Internal Control. Whilst it is acknowledged that Internal Control is a managerial responsibility, it is considered that Internal Audit can provide managers with independent assurance that the system is working effectively and draw any deficiencies in the system to the attention of managers and elected members.
- 2.11 These assurances, however, can only be relied upon providing the internal audit service is adequate to meet the needs of the organisation and is provided professionally.
- 2.12 The Internal Audit Service of the Authority is provided under a Service Level Agreement with Nottinghamshire County Council and under a set of conditions which require them to operate within the guidelines set down by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the Internal Audit of Local Government. This is known as the CIPFA Code of Practice.
- 2.13 Operating within this Code and to the standards set out therein will ensure that the Authority meets its obligations under statute.
- 2.14 There are regular reviews of audit plans and progress by senior managers and the audit team to monitor the work being carried out.
- 2.15 The External Auditors, in their general review of controls and as part of their specific annual audit, are required to comment on the adequacy or otherwise of Internal Audit. To date they have always been satisfied that the work of Internal Audit is sufficient for them to rely on their audit work and that the service is effective.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4. HUMAN RESOURCES AND LERANING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

There are no implications for equalities arising from this report.

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

Internal Audit forms part of the wider system of internal control which deals entirely with the Authority's exposure to financial, and to some extent non-financial risk. Presenting the annual report to the Authority enables Members to see the work of internal audit and the contribution that they make to the overall system of internal control.

9. RECOMMENDATIONS

That Members note the contents of this report.

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

None.

John Buckley
CHIEF FIRE OFFICER

INTERNAL AUDIT ANNUAL REPORT 2013/14
TO THE CHIEF FIRE OFFICER

<u>SECTION</u>	<u>CONTENTS</u>
A	Narrative Summary to 31st March 2014
B	Summary of Reports Issued to Date
C	Detailed Analysis of Progress against Plan for 2013/14
D	Internal Audit Plan for 2014/15

INTERNAL AUDIT ANNUAL REPORT 2013/14**SUMMARY****1 Audit coverage for the twelve months to the end of March 2014**

- 1.1 Eight audits were planned for 2013/14.
- 1.2 Eight final reports have been issued in 2013/14. The two audits from 2012/13 were completed, together with six of the eight audits planned for 2013/14. The Capital Grant for 2012/13 has also been audited and signed off.
- 1.3 Draft reports have been issued in respect of three audits (Cardiff Checks, Capital and Trading Activities) and these should be finalised in April 2014. The Payroll audit and Risk Management audits have been commenced and will be completed in 2014/15. The audit of Corporate Governance is substantially complete. The allocation for IT audit has not been utilised.
- 1.4 All of the areas reviewed to date in 2013/14 have been either satisfactory or better. Areas followed up from previously unsatisfactory audit opinions have improved.
- 1.5 The Cardiff Checks audits identified a number of relatively minor issues where control could be further improved.
- 1.6 Overall, the audit reports issued during the year confirmed that satisfactory control procedures are in operation.
- 1.7 A summary of reports issued in the 2013/14 financial year, together with main findings, is attached (Section B).
- 1.8 Over 60% of the audit work carried out in the year was undertaken by senior and/or qualified staff.

2 Audit Strategy

- 2.1 This is the first year of the risk based Internal Audit strategy for 2013/14 to 2015/16 approved at the Finance and Resources Committee meeting on 4 April 2013. A revised risk analysis and strategy will be presented to the Committee for consideration in early 2014/15.

3 Annual Governance Statement

- 3.1 The Accounts and Audit Regulations 2011 require the Authority to review the effectiveness of its system of internal control and publish an Annual Governance Statement to cover the effectiveness of the Authority's systems for governance and internal control. The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) issue guidance to Local Authorities from time to time to assist with compliance.

- 3.2 In order to satisfy the principles of effective risk management and internal control, the Authority needs to have in place effective risk management systems, including sound systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes and regulations and other relevant statements of best practice, and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively.
- 3.3 Internal Audit is appointed by the Chief Fire Officer and Treasurer (who is the Section 151 officer for the Fire Authority), and provides management with an independent appraisal of these matters.
- 3.4 The scope and cyclical frequency of work carried out by Internal Audit during each financial year is mainly based on an assessment of (predominately) financial risk on all activities that form the responsibility of the Combined Fire Authority. Annual reviews of key control areas for the main financial systems are also conducted following discussions with external audit.
- 3.5 The objective of the audits is to form an opinion on the adequacy of the systems of internal control put in place by management; to review efficiency, effectiveness and best value issues and to ensure that the assets of the authority are properly safeguarded. Formal audit reporting procedures are in place to provide assurance to management where effective controls are being operated, and to make recommendations for change and improvement where control weaknesses are identified.
- 3.6 From the work carried out during the 2013/14 financial year, we have been able to satisfy ourselves that the overall level of internal control is satisfactory and provides a good basis for effective financial and resource management.
- 3.7 The Chief Fire Officer and his managers have responded positively to all recommendations made in the reports that have been finalised.

4 Conclusion

- 4.1 Based on the Internal Audit work completed during the year, we have concluded that the overall level of internal control is satisfactory.

John Bailey
Head of Internal Audit
31 March 2014

**SUMMARY OF REPORTS ISSUED TO THE FIRE AND RESCUE SERVICE
FOR THE FINANCIAL YEAR 2013/2014 AS AT 31st MARCH 2014**

1. FRS 1401 – Purchasing and Creditor Payments

The arrangements in place were sound and no recommendations were required for improved control. The in-built controls in Agresso, the financial management system, ensures that new supplier details are documented, orders are raised, receipt of goods is confirmed and outstanding purchase orders can be followed up.

2. FRS 1310 – Debtors and Income

The controls in place were considered to be satisfactory. However, a number of recommendations were made, including more timely posting of BACS income to Sales Ledger, documenting action taken to pursue outstanding debt and updating access rights in the Agresso system. These actions have been agreed for implementation.

3. Cardiff Checks 2012/13

A sample of payments made during the year was selected for detailed checking, to confirm compliance with ordering, goods receipt, payment and other Fire and Rescue Service procedures. The payments were in respect of an ICT cabinet upgrade, thermal imaging cameras and a travel expenses claim.

4. FRS 1402 – Capital Grant

The capital grant claim form for 2012/13 was signed off satisfactorily.

5. FRS 1403 – Financial Management - Agresso

Controls over the financial management system were generally found to be satisfactory. Recommendations were made, and agreed, to improve control over the System Administrators activity and prevention of unauthorised access.

6. FRS 1404 – Trading Activities – follow up – Still in Draft

The follow up review confirmed that significant improvements had been made in response to the audit recommendations made. Eight of the ten recommendations had been implemented, and the other recommendations had been progressed. Further recommendations were made to improve stock records and ensure formal, documented, monitoring of financial performance.

7. FRS 1405 - Capital

This audit opinion was that there was satisfactory control. Although there were a number of High Risk recommendations, they related to a relatively old capital project. The Service recognised the short-comings and systems have since changed to improve overall control.

8. Cardiff Checks 2013/14

A sample of payments made during the year was selected for detailed checking, to confirm compliance with ordering, goods receipt, payment and other Fire and Rescue Service procedures. The payments were in respect a

travel expenses claim, maintenance of a fire hydrant and a charge in respect of the Airwave project.

2013/14 AUDITS STILL IN PROGRESS

9. **Corporate Governance review.** Delays have occurred in getting access to the required information.
10. **Payroll** – this audit has now commenced and will be completed in 2014/15.

INTERNAL AUDIT ANNUAL PLAN AND ACTUAL DAYS 2013/2014

Area of Service Activity	Planned Audit Days	Actual Days	Report Ref:	Comments
Payroll	14	4		Audit commenced and will be completed in 2014/15
Financial Management	10	10	FRS 1403	
Notts FRS Trading (Follow-up)	5	5	FRS 1404	Report in draft - significant improvement confirmed
ICT work	10	4		Work commenced on ICT Strategy review - to be completed in 2014/15
Capital	10	11	FRS 1405	Report in draft - reasonable assurance provided
Cardiff Checks 2012/13 and 2013/14	10	14		Reported to management - needs to be reported to Committee?
Corporate Governance	10	11		Substantially complete but awaiting further information
Risk Management (Follow-up)	5	2		Audit commenced and will be completed in 2014/15
Income & Debtors	-	1	FRS 1310	Carried over from 2012/13.
Purchasing and Creditor Payments	-	7	FRS 1401	Carried over from 2012/13.
Contingency	10	3		Provision on advice over pensions issue identified during the year
Capital Grant Certification (2012/13)	1	2	FRS1402	Annual certification of Capital Grant Claim.
Client Management	7	7	N/A	
Total Audit Days for the Year	92	81		

D

COMBINED FIRE AUTHORITY - INTERNAL AUDIT PLAN FOR 2014 / 2015

SERVICE AREA	Assessed Risk	Audit Frequency (Years)	Year Last Audited	2014 – 2015 Planned
Contingency	To be agreed			10
Payroll - completion of 2013/14 audit	Medium	3	2011/12	10
Records matching		Requested		9
Pensions	Medium	3	2012/13	10
Assets	Low	4	2010/11	5
Premises	Medium	3	2012/13	
Purchasing & Creditor Payments	Medium	3	2012/13	10
Transport	Low	4	2011/12	
Financial Management	High	2	2011/12	10
Treasury Management	Medium	3	2011/12	5
Income & Debtors	Medium	3	2012/13	
Notts FRS Trading Ltd	Medium	3	2012/13	
ICT	High	Annual	2013/14	16
Capital	Medium	3	2013/14	
Cardiff Checks		Annual	2013/14	10
Corp Governance - completion of 2013/14 audit	High	2	2013/14	
Risk Management	Medium	3	2010/11	
Partnerships	Medium	3	2012/13	
Capital Grant Claim Certification			2012/13	1
Client Management				7
Total planned days for the year				103

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

CORPORATE RISK MANAGEMENT

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To present the Committee with updated Strategic and Corporate Risk Registers and associated commentary.

CONTACT OFFICER

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Strategic Director of Finance & Resources

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**Media Enquiries
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(0115) 967 0880 bridget.aherne@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Members of the Finance and Resources Committee have requested a report twice a year that provides evidence of the Authority's risk management activity, including up-to-date versions of the Strategic and Corporate Risk Registers and a list of the top ten corporate risks.
- 1.2 The reporting of risk management activity to Members via the Finance and Resources Committee forms part of the Authority's planned and systemic approach to the management of risk. The purpose of this is both to aid strategic decision-making and provide assurance.

2. REPORT

- 2.1 The Strategic Risk Register, which is used to ensure that the Authority has the flexibility to respond to factors that may affect long-term strategic vision or aims, has been reviewed and presented to Corporate Management Board. The Strategic Risk Register is attached at Appendix A for information, although it should be noted that on this occasion, it was felt that no revision was necessary.
- 2.2 The Corporate Risk Register, which identifies significant operational risks that require the attention of, or monitoring by the Corporate Management Board has been updated following consultation with the risk owners; consultation with Service Managers, allowing an opportunity for significant departmental risks to be escalated; and debate at Corporate Management Board.
- 2.3 The most visible change to the corporate risk register on this occasion is that it has been restructured to accommodate the new 'Service Priorities'. As a result of this, avoidable environmental impact is now a separate risk, having previously been included alongside health and safety. Other changes to the Corporate Risk Register are:
 - Risk: Health, Safety and Welfare – completion of the review of the 7.2D process has now moved to March 2015;
 - Risk: Workforce sustainability – a number of different processes relating to competence are, or will be reviewed, and there will be a need to consider the training implications that may arise from redundancy situations;
 - Risk: The use of vehicles on Authority business – the Service's insurers have recently spent time with Driving School as a follow-on to their initial review report and the Business Risk Manager has used these outputs as the basis of a report which has been considered by CMB and a report has also been prepared for consideration by this committee;

- Risk: ICT major systems – this is a new risk that concerns the requirement for the on-going development of software post implementation, that is often not considered at the procurement/project initiation stage and therefore not budgeted for;
- Risk: - Avoidable environmental impact – this has been separated from the health, safety and welfare risk as environmental matters are considered as a specific Service Priority. The further controls required are based on commitments made in the IRMP and feedback from the Service Assistant Health and Safety Advisor.

2.4 The following risks are those that have a ‘high’ or ‘very high’ risk score (note: maximum risk score =25) following the implementation of control measures (shown in parentheses):

- Use of vehicles on Authority business (15)
- Major ICT Systems (15)
- Major, multi-agency incident (12)
- Workforce issues (12)
- Legal compliance (10)
- Preventable deaths (10)
- Health, safety and welfare (10)
- Environment (10)
- Budget performance (9)
- Workforce sustainability (9)
- Availability of assets (9)

These are the key risks on which CMB will continue to focus, as they have the greatest potential of stopping the Authority from achieving its strategic aims and objectives.

2.5 For information, the Authority’s current risk management policy, which has been reviewed and consulted upon, can be found at Appendix C, and the risk management strategy, which has recently been reviewed may be found at Appendix D.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

An initial equality impact assessment has been completed and there are no equality implications arising directly from this report.

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 failure of the Authority to effectively manage the risks to which it is exposed in itself poses a risk. Risk management is a key element of the corporate governance framework and it is imperative that progress is made in adopting a strategy and policy, embedding risk management in the business culture of the Authority and in reporting to Members and providing assurance on this matter.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Note and endorse the Strategic Risk Register
- 9.2 Note and endorse the Corporate Risk Register
- 9.3 Note the most significant risks facing the Authority
- 9.4 Note and endorse the revised Corporate Risk Management Policy and Strategy

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

None.

John Buckley
CHIEF FIRE OFFICER

Strategic Risk Register

Strategic Risk	Action	Potential Impact
Change in UK government	Keep informed of political intentions at a national level to establish whether a future government may change the emphasis of fire and rescue service activity, i.e. localism, greater national resilience roles, shifts in the balance of prevention/response/enforcement. Monitor possibility of any national decisions following Knight review.	High
Change in local balance of power	Keep informed of political intentions at local level to ascertain possible future intentions in terms of budget setting and significant shifts in local priorities.	Medium
Interest rates: currently low	Consider implications as part of annual Treasury Management Strategy with reference to BoE forward guidance. May choose to undertake capital projects on basis of low borrowing rates, but remain aware of potential future refinancing costs when interest rates rise.	Medium
Inflation	Monitor economic situation and forecasting data as any significant or sustained rise in the inflation rate may put pressure on interest rates and on cost base.	High
Recession/growth and the burden of taxation	Recession and associated decreases in tax receipts, in particular local retained NDR could be susceptible to more rapid variation .Develop means of effectively utilising increased funding once sustained growth is achieved in order to minimise future risk of recession Treasury management to shield investments' exposure to institutions which are not well prepared to cope with future economic downturn.	High
Increased levels of poverty	Question assumptions in IRMP with regard to the identification of vulnerable groups.	High
Stakeholder expectations increased in periods of strong funding	Focus corporate objectives on statutory responsibilities. Consider potential impact of future funding restrictions prior to committing to work not covered by statute and have an exit strategy planned. Manage public expectation to a level that is consistently attainable, rather than to short-term levels of funding.	High

Strategic Risk	Action	Potential Impact
National or local demographics, migration and age profiles	<p>Ensure that corporate objectives and long-term planning prepares the Service for serving an ageing population, not just a future elderly population.</p> <p>Question how the Service can attract and retain good quality employees in a situation of decreasing supply.</p> <p>Be aware that cultural migration has the potential to influence the cultural balance of a whole community. Individual cultures should not be viewed in isolation.</p>	High
Social media	<p>Be aware that the communities we serve are engaging with public services via different methods, putting pressure on political and management decisions in new / different ways .</p> <p>Develop approaches, policies and procedures to utilising modern communications methods and ensure consistency of message across all communications and media platforms.</p>	High
Technology: Delivery of services Management of delivery Back-office support	<p>Look to use technology to do better things, not simply the same things better.</p> <p>Take a balanced view – be aware of the capabilities of new technologies, but ensure that the use of technology is driven by the corporate objectives and not the other way around.</p>	Medium
Weather extremes	<p>Assess whether the corporate objectives provide sufficient flexibility in terms of people, equipment and finance to respond to extreme weather events.</p> <p>Consider the influence of NFRS on planning, with reference to flooding risk in particular.</p>	High
Green technologies	<p>Increasingly mandated through legislation, or encouraged by taxation policy and social pressure, the corporate objectives should reflect, or be developed in the context of the increasing importance of green technologies. Security of supply may become an issue.</p>	High

Strategic Risk	Action	Potential Impact
Statutory obligations: <ul style="list-style-type: none"> • What you deliver • How you deliver it 	Ensure clarity over which elements of current service provision are underpinned by statute and what is delivered under 'moral obligation'. Acknowledge that any elements of the current service delivered under moral obligation and not likely to become a statutory obligation constitute a low priority and may have to cease. Remain informed, across all professions, of variations in legislative requirements.	Medium

Strategic Risk	Action	Potential Impact
Competition law: Deregulation of sector	Consider how the Service would respond to partial or total deregulation of fire service provision, for example, an increase in the number of private fire and rescue services serving large commercial organisations, or the contracting out of non-statutory or specialist functions.	High
Employment law	Be alert to changes in societal norms and expectations that may result in the need to more clearly reflect equalities, diversity and human rights in corporate objectives.	High
Legal precedents	Maintain an awareness of live litigation that relates to operational activity or organisational management and act as appropriate on any outcomes.	Medium
The wider public sector	Consider implications of a local government or frontline public body encountering financial stress, particularly where shared services exist, and cross-border arrangements.	High

Corporate Risk Register

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Corporate Objective: Diversity and Workforce										
Health, Safety, Welfare and Environment	The risk arising from the hazards associated with the Service's activities which may cause injury, ill-health or death to employees and/or non-employees and could result in both criminal and civil sanctions, reputational damage and negative effects on service delivery and employee morale	4	5	20 VH	The availability of 'competent persons' to advise the Service of its duties and necessary risk controls which are then translated in to safe systems of work	2	5	10 H	Review of 7.2D procedure by Corporate Services Support to ensure it is fit for purpose – to be reported back to SMF	ACFO Corporate Support
Workforce sustainability	Inability to maintain sufficient or adequate workforce to meet service requirements. Issues around competency of staff, loss of corporate memory and single points of failure or critical persons in specific roles	3	4	12 VH	HR function with advisory capacity and suite of policies. Workforce planning, providing overview of workforce. L&D function, operational training against role maps and PDR process to identify training needs. Maintenance of competence policy	3	3	9 H		ACFO Corporate Support

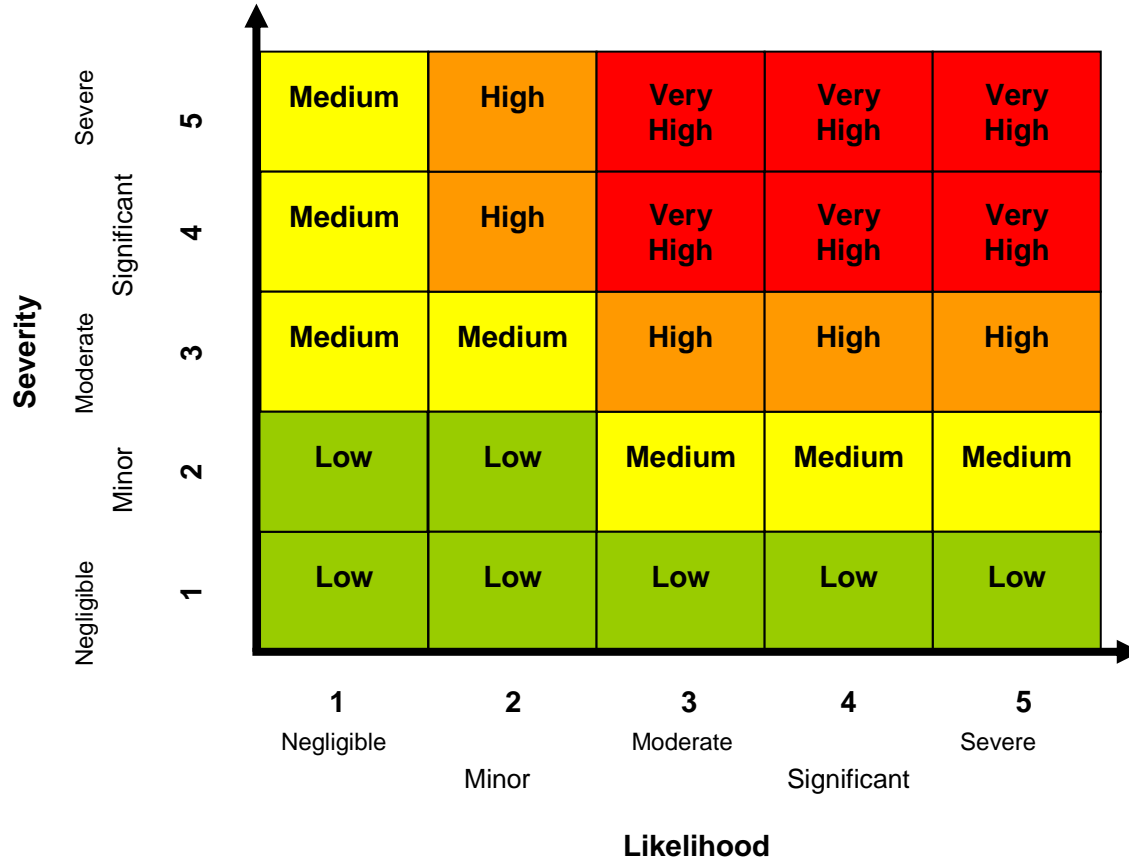
Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
The use of vehicle on Authority business	The risk of accidents or other events arising from vehicle defects or by the driving of employees	4	5	20 VH	Road Risk Group Transport function to manage vehicle assets Driver training by L&D function Insurance cover to mitigate financial losses Driving safety policy Generic blue-light risk assessment Generic non-emergency driving risk assessment External review completed by insurers	3	5	15 VH	Road Risk Group to consider outcomes arising from insurer review Engagement with Nottingham Trent University research group	ACO Finance & Resources
Corporate Objective: Response										
Operational equipment	Inadequacy of operational equipment or personal protective equipment	3	4	12 VH	Appropriate specification and selection of equipment, process for commissioning and procuring equipment Robust maintenance procedures in place	2	3	6 M		ACO Finance & Resources
Mobilising	Loss of mobilising capability Risks around replacement of Airwave system (ESMCP) – financial details not yet known	3	5	15 VH	Secondary and tertiary mobilising arrangements in place. Maintenance contract in place for current system. New mobilising system includes cover arrangements Engagement with relevant CFOA and ESMCP groups	2	3	6 M		ACO Finance & Resources

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Corporate Objective: Resilience										
Availability of assets	The risk that the Service will lose widespread access to key assets – this may include premises, equipment, ICT systems and data or employees	3	5	15 VH	Business continuity management plan and process in place Asset maintenance plans supported by Redkite asset management system Planned replacement and upgrade programmes Defect reporting in place Competent operational managers	3	3	9 H		ACO Finance & Resources
Major, multi-agency incident	The risk that the Service will fail to work effectively in such an incident	4	4	16 VH	Multi-agency exercises to practice response Partnership working on the development of protocols	4	3	12 H	Joint training resulting from Joint Emergency Services Interoperability Programme in respect of major incident operations and comms, but concerns over attendance from other blue-light services	DCFO
Workforce issues	Increasing potential for poor industrial relations arising from local decision making due to financial constraints and national political/macro-economic factors resulting in a loss of morale or workforce availability	5	5	25 VH	Formal negotiation and consultation channels with representative bodies through industrial relations officer	4	5	20 VH	CMB revisit contingency plans for strike action due to reducing availability of non-union employees to provide cover (note: already undertaken)	DCFO

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Corporate Objective: Prevention										
Preventable fire deaths	The risk that a person will die in a fire, where the Service failed to put in place an intervention which would have reduced the risk, or where an intervention was ineffective	4	5	20 VH	Operational response Work with partner agencies to identify and target high risk individuals with community safety interventions Fire investigations can identify instances where interventions were not made, or were ineffective	2	5	10 H	Critical incident review process planned for 'near miss' situations Evaluation Officer to present review of effectiveness of risk reduction measures to SMF	DCFO
Corporate Objective: Governance and Improvement										
Budget performance	The risk that revenue or capital budgets will significantly overspend or underspend	4	4	16 VH	Medium-term financial strategy. Annual review of budget planning assumptions. Finance staff work with budget managers to develop realistic budgets. Regular budget monitoring reported to CMB and F&R Committee	3	3	9 H		ACO Finance & Resources
Employee and Member conduct	Any or all of the following risks: the Service will suffer a major irregularity or fraud unethical behaviour or misconduct on the part of employees or members	3	4	12 VH	Finance and Business Risk Management function Effectiveness of financial internal controls assessed by internal audit function Scheme of financial management Counter-fraud policy Indemnity insurance (does not cover fraud)	2	3	6 M	Specific code of conduct for Employees to be developed by HR Code of conduct for Members will need to be reviewed	ACO Finance & Resources

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Legal compliance	The risk that the service will fail to comply with legal requirements	4	5	20 VH	Professional experts employed in areas such as HR, finance, procurement, health & safety Monitoring Officer Business Risk Manager helps to identify vulnerabilities Use of external lawyers to advise on compliance in areas not covered by in-house expertise	2	5	10 H		DCFO

Risk Scoring Matrix





NOTTINGHAMSHIRE

Fire & Rescue Service

Creating Safer Communities

Corporate Risk Management Policy

Policy No: POL 1009

Scope:

This policy is mandatory.

Summary:

This policy defines the scope of, and processes to be used to manage corporate risk within the Service. This is to ensure that the Service considers risk as an integral part of its management activity in order to achieve its strategic aims and priorities, and in order to identify strategic risks and their potential impact on the Service

Version Control: Department:

<i>Person Responsible</i>	<i>Version</i>	<i>Date</i>
Business Risk Manager	3.2	07.05.14
Business Risk Manager	3.1	24.03.14
Business Risk Manager	3.0	01.06.12

Review Date:

31.01.15

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1. Definition

1.1. Risk is: The effect of uncertainty on objectives

1.1.1. Strategic risks – these are external factors that may impact on the strategic direction and long-term viability of the Service. They can be broadly categorised as political, economic, social, technological, legal and environmental.

1.1.2. Corporate risks

1.1.2.1. risks that arise from the Service's priorities

1.1.2.2. significant operational risks, or risks with multiple occurrences across the organisation that when aggregated, may have an impact at an organisational level.

1.1.2.3. the day-to-day business-related departmental issues that the organisation is confronted with as it strives to deliver its strategic objectives. Corporate risks include the risk inherent in the structure of the organisation; the distribution of risk and risk activities within the organisation; and financial risks of income, expenditure and debt

1.2. **Corporate Risk Management** is: a central part of any organisation's strategic management. It is a methodical process addressing the risks attaching to the management of the organisation with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

1.3. **Risk Assessment** is: the overall process of risk analysis and risk evaluation.

1.4. **Risk Controls** are: measures taken to eliminate or mitigate a risk.

1.5. **Risk Appetite** is: an organisation's unique attitude towards risk taking, which in turn dictates the amount of risk that it wishes to take.

1.6. **Risk Tolerance** is: a level of risk that is greater than the risk appetite, but which the organisation is prepared to tolerate when balancing risk and reward – or where it is not possible to contain the level of risk within the appetite.

2. General Principles

2.1. This policy outlines Nottinghamshire Fire and Rescue Service's (NFRS) commitment to the systemic management of corporate risk in order assist in the achievement of its organisational aims and objectives.

2.2. As part of its overall governance arrangements, the Service is expected to demonstrate the highest levels of accountability for its use of publicly funded resources. A robust framework of corporate risk management will satisfy that requirement.

- 2.3. The Service will conduct its corporate risk management activities with reference to international risk management standards together with professional and best practice guidance including (but not limited to): ISO31000; Alarm's¹ core competencies and performance model; the Institute of Risk Management's professional conduct guidelines; and the Office of Government Commerce's Management of Risk.
- 2.4. This Corporate Risk Management Policy encompasses the following risk areas:
- Strategic Risk
 - Corporate Risk
- 2.5 Compliance and operational risk is not covered by this policy as separate policies exist for specific compliance-based functions such as health and safety, human resources, and environmental. However, the risk management system does provide a mechanism for escalating such risks if they are significant enough to warrant senior management attention.
- 2.6 The Service will take an enterprise-wide, co-ordinated and consistent approach to the management of corporate risk. The approach to the management of corporate risk outlined in this Policy is derived from the Corporate Risk Management Strategy Statement which is developed and maintained by the Business Risk Manager. This Corporate Risk Management Policy, and future amendments to it, shall be subject to the Service's prevailing consultation process before being approved by Corporate Management Board (CMB) and the Finance and Resources Committee on behalf of the Fire Authority.
- 2.7 The Risk Appetite is the level of risk that the Fire Authority, through the Finance and Resources Committee is willing to accept in the discharge of its functions and is both determined and monitored on the basis of an annual report from the Business Risk Manager. The Service shall have regard for the Risk Appetite when determining its risk response.

3. Application

- 3.1 NFRS is committed to the effective management of corporate risk. The expectations of the Service are contained within the Corporate Risk Management Strategy Statement, this policy and Corporate Risk Management Guidance documents.
- 3.2 The Service is committed to the continual development and improvement of corporate risk management practice and capabilities in line with developing standards, knowledge and best practice.
- 3.3 The strategic risks which may have an impact on the long-term viability and objective-setting of the Service will be identified and analysed by the Director of Finance and Resources in conjunction with the Business Risk Manager and

¹ Alarm is the public risk management association

presented to the Fire Authority and CMB in accordance with the requirements of those groups. The presentation of strategic risks will be by way of a Strategic Risk Register which, once formally adopted by the Finance and resources Committee on behalf of the Fire Authority, will be published on the Service intranet.

- 3.4 The corporate risks to which the Service is exposed shall be identified, analysed, and monitored by CMB who own and are responsible for managing the risks. This will be achieved through consultation with risk owners and the Service Managers' Forum (SMF). These corporate risks will be presented in the form of a Corporate Risk Register, which will be updated quarterly, formally adopted by CMB and published to the Service intranet.
- 3.5 Strategic, corporate and operational risk management activity shall be conducted in line with Alarm's risk management performance model.
- 3.6 Alarm's Core Competencies in Public Service Risk Management shall be used to inform the qualifications, skills, knowledge, and experience requirements of all employees having an involvement in the corporate risk management process.

4. Role & Responsibilities

- 4.1 **The Chief Fire Officer** is ultimately responsible for the management of corporate risk in the Service, discharged through the Director of Finance and Resources with the benefit of professional advice from the Business Risk Manager.
- 4.2 **All employees** are responsible for conducting corporate risk management activity in accordance with the Services corporate risk management policy and associated framework of procedures and guidance.
- 4.3 **The Director of Finance and Resources** is responsible for championing corporate risk management at CMB and the Fire Authority via the Finance and Resources Committee and for setting the Service's corporate risk management strategy.
- 4.4 **Directors** are responsible for ensuring the implementation of control measures for corporate risks by departments in their respective directorates.
- 4.5 **The Principal Accountant** is responsible for ensuring the provision of professional risk management support to the Service.
- 4.6 **Departmental managers** are responsible for the management of business risk in their department and for escalating significant risks for consideration in the corporate risk register via SMF.
- 4.7 **Fire Authority Members**, through the Finance and Resources Committee are responsible for agreeing (and challenging where necessary) the corporate risk appetite and the management of risk in the Service.

- 4.8 **The Business Risk Manager** is charged by the Principal Accountant with providing corporate risk management support to the Service, including but not limited to: the development and maintenance of a Corporate Risk Management Policy and supporting framework, and providing professional business risk management advice. The Business Risk Manager is also responsible for providing CMB and SMF with corporate risk management reports as required and reporting on significant corporate risk issues. The Business Risk Manager is the Service's representative at the national and fire groups of Alarm, the public risk management association.
- 4.9 **CMB** are responsible for managing risks detailed in the corporate risk register and for using the strategic risk register to inform the development of organisational strategy

5. Monitoring - Audit & Review

- 5.1 This Policy shall be reviewed annually, or at any such time as it is reasonable to suspect that the policy may no longer be effective, by the Business Risk Manager in conjunction with the Principal Accountant and/or Director of Finance and Resources. The outcome of any such review shall be reported to CMB and the Finance and Resources Committee.
- 5.2 An internal audit of the corporate risk management function, including this Policy, shall be undertaken by the authority's appointed internal auditors at a frequency determined as part of the Service's overall audit programme as agreed by internal audit and the Director, Finance and Resources.

6. Related Documents.

- 6.1 Corporate Risk Management Guidance.
- 6.2 National Performance Model for Risk Management in the Public Services (Alarm).
- 6.3 Core Competencies in Public Service Risk Management (Alarm).
- 6.4 An Equalities Impact Assessment has been completed, and is attached at appendix A.
- 6.5 A Social, Economic and Environmental Assessment has been completed and is attached at Appendix B.

INITIAL EQUALITY IMPACT ASSESSMENT

Directorate Corporate Services		Department/Section Corporate Risk Management		Manager Mark Jarman		Telephone No. 329 e-mail mark.jarman@notts-fire.gov.uk	
Name of Policy/Service to be assessed	Corporate Risk Management		Date of Assessment	1 June 2012	Is this a new or existing policy?	Existing	
1. Briefly describe the aims, objectives and purpose of the policy/service.			This policy defines the approach of the Authority and Service towards the management of corporate risk. This is to ensure that a risk management ethos is embedded throughout the Authority and Service.				
2. Who is intended to benefit from this policy/service, and in what way?			Strategic, Senior and Middle Managers will benefit as the effective management of corporate risk will increase the likelihood of achievement of objectives and aims.				
3. What outcomes are wanted from this policy/service?			The definition of the approach of the Authority and Service towards the management of corporate risk. The clear description of roles and responsibilities pertaining to corporate risk management.				
4. Who are the main stakeholders in relation to the policy/service?			Business Risk Manager Principal Accountant Director, Finance and Resources		5. Who implements the policy/service, and who is responsible?		Business Risk Manager Strategic Managers Senior Managers
6. Are there concerns that the policy/service has/could have a differential impact on the following groups and what existing evidence (either presumed or otherwise) do you have for this?			Please explain				
Race			¥		N		
Gender			¥		N		
Disability			¥		N		

Religion or Belief	Y	N	
Sexuality	Y	N	
Age	Y	N	
7. Could the differential impact identified in 6 amount to there being the potential for adverse Impact in this policy/service?	Y	N	Please explain Not applicable
8. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Have you consulted those who are likely to be affected by the policy/service?	Y	N	Please explain for each equality heading (questions 6) on a separate piece of paper. Not applicable
9. Should the policy/service proceed to a full impact assessment?	Y	N	10. Date on which Full assessment to be completed by. Not applicable
			Date

I am satisfied that this policy has been successfully impact assessed.

I understand the Impact assessment of this policy is a statutory obligation and that, as owners of this policy, we take responsibility for the completion and quality of this process.

Signed (completing officer) Mark Jarman..... Date 1 June 2012

Signed (Head of Section) Sue Maycock..... Date

PLEASE NOTE – THIS IMPACT ASSESSMENT WILL BE SCRUTINISED BY THE EQUALITY AND FAIRNESS OFFICER WHO REPORTS TO THE HEAD OF HUMAN RESOURCES.

Social, Economic and Environmental Assessment

This Corporate Risk Management policy provides a tool for Nottinghamshire Fire and Rescue Service to:

- Deliver services that effectively meet the needs of the community
- Run the organisation on a sound economic footing
- Identify and manage corporate risks arising from service delivery

The implementation of this policy does not give rise to any social risks.

The implementation of this policy does not give rise to any economic risks.

The implementation of this policy does not give rise to any environmental risks.

Corporate Risk Management Strategy Statement

Nottinghamshire Fire and Rescue Service is a risk aware organisation. It recognises that the structure and management of the 'business' gives rise to risks that need to be managed at the corporate level.

These 'corporate risks' are different to community risk, which is identified through IRMP and statutory duties, and informs the nature of the services to be delivered; and operational risk, such as the day-to-day health, safety and welfare of employees that arises through the delivery of those services.

The Service will seek to manage its corporate risks using proven, internationally-recognised techniques and standards and strives to achieve excellence in corporate risk management activity when assessed against both recognised standards and peer organisations. It will effect this excellence in corporate risk management through a Principal Officer 'Champion', the employment of a professionally qualified and experienced Business Risk Manager, and the engagement of Elected Members in an assurance role via the Finance and Resources Committee. Corporate Management Board shall have the overall responsibility for ensuring that the Service's corporate risks are effectively managed.

Individual corporate risk management responsibilities will be detailed in a corporate risk management policy, with tools and techniques for effecting corporate risk management made available via associated procedures and/or guidance documents.

The Service recognises that it is not always possible, nor desirable to completely eliminate risk, and that this may result in different levels of risk being acceptable for different work streams or elements of business activity. This appetite and tolerance for risk will be established through debate and consensus, and reports concerning performance against those appetites and tolerances will be scrutinised by management and Elected Members. Managers will be encouraged to embrace projects and work that involve well-managed risk as part of an overall low risk approach.

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NOTTINGHAMSHIRE

Fire & Rescue Service

Creating Safer Communities

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

OCCUPATIONAL ROAD RISK

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To advise Members of the work being undertaken to address the risks associated with at-work driving.

CONTACT OFFICER

Name : Neil Timms
Strategic Director of Finance & Resources

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Media Enquiries Contact : Bridget Aherne
(0115) 967 0880 bridget.aherne@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Members of the Finance and Resources Committee requested at the 4 April 2014 meeting that they receive a report on the work being undertaken by the Authority's Road Risk Group.
- 1.2 The Road Risk Group has been convened with varying degrees of regularity over at least ten years. Chairmanship of the group now sits with the Business Risk Manager, who has been tasked by the Director of Finance and Resources with addressing the 'Use of Vehicle on Authority Business' risk on the Corporate Risk Register.
- 1.3 Due to increasing motor insurance costs (both insured and uninsured) and a number of large claims in close proximity to one another, the Business Risk Manager used an insurance tender exercise in 2013 to seek assistance with the management of the Authority's road risk. The successful insurer proposed an independent 'fleet and driver' review and provided a small number of 'risk management days' to help implement the recommendations. The work of the Road Risk Group has been shaped by this independent review.

2. REPORT

- 2.1 Following the independent fleet and driver review, and a visit by the insurers' representative to Service Driving School, the Business Risk Manager prepared a report for Corporate Management Board (CMB), which was considered at their meeting on 19 May 2014. The outcomes of that debate are summarised below:
- 2.2 CMB requested a statistical analysis of accidents in order to establish if and where any changes to the current driver training regime are required. The Business Risk Manager is undertaking this work in conjunction with the Evaluations Officer and will report back to a future CMB meeting.
- 2.3 A business case is to be presented to CMB in respect of the delivery of an on-line presentation by a barrister and part-time judge covering the topic area of emergency services driver's responsibilities. This follows a viewing of the presentation by the Business Risk Manager, Transport Manager and Deputy Transport Manager at a recent Alarm road risk management seminar. The aim of this presentation will be to reinforce a positive organisational culture towards operational driving.
- 2.4 CMB agreed to the development and delivery of a 'Driver and Driving Management' course. The lack of any formal training of this nature for junior and middle managers became apparent during discussions with the insurers' representative. The Business Risk Manager and Training Delivery Manager have had positive discussions on the likely format of such training and advice will be sought from the insurers' representative, driver trainers, service

delivery and the transport department to determine the content of the courses.

- 2.5 Questions were raised in the insurers' representative's review about the robustness of the Service's motor accident investigation. Differing opinions as to the accuracy of this finding were expressed at CMB and the Road Risk Group has been tasked with reviewing the current motor accident investigation arrangements.
- 2.6 An aspect of road risk management that the Service could address immediately is the provision of general driving information covering all types of driving activity (operational, non-operational and private) to all employees, in order to refresh driving knowledge and ensure that any driving activity remains safe and legal. In order to communicate this type of information effectively, CMB gave the go-ahead for a driving 'micro-site' as part of the Service's intranet. The Business Risk Manager will meet with the Head of Corporate Communications and Admin to discuss how this can be delivered, and various stakeholders concerning the content to be delivered.
- 2.7 Overall, the insurer's review has demonstrated that there is no one single significant deficiency in the Service's current approach to work-related driving. Rather, there are a number of small changes that can cumulatively deliver a significant improvement in the risk profile of the Service and, ultimately, a reduction in insured and uninsured losses. The key changes are those covered in paragraphs 2.3, 2.4 and 2.6, which all seek to improve both the organisational culture, and individual attitudes towards driving activity.
- 2.8 The Business Risk Manager is seeking to implement these measures within the next six to nine months in order that they, and their effect, can be reported in the next invitation to tender for motor insurance, which will be written around August 2015 and sent out to the market for an April 2016 renewal.

3. FINANCIAL IMPLICATIONS

Some of the recommendations and work streams emanating from the insurers' report will require modest expenditure. However, it is felt that this expenditure can be largely contained within existing budgets. The exception to this may arise if it is felt necessary to alter the format of the EFAD refresher training. An improvement in the risk profile and claims experience of the Authority has the potential to deliver consistent insurance premium savings and a reduction in the cost of uninsured losses.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

Learning and Development will be involved in a significant portion of the work outlined above. While most of the work will be containable within existing budgets, if there is a need to significantly alter the format of the EFAD refresher training, this

may have an impact on the workload of Service Driving School and Service Delivery due to the need to commit additional person hours.

5. EQUALITIES IMPLICATIONS

An initial equality impact assessment has been completed and there are no equality implications arising directly from this report.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

The measures outlined in this report reduce the risk of the Service being exposed to civil and/or criminal litigation resulting from at-work motor accidents.

8. RISK MANAGEMENT IMPLICATIONS

The risk arising from the use of vehicle on Authority business is one of the two highest risks on the corporate risk register. The insurers' review has been a significant initial control measure that has allowed for areas of improvement to be identified. Implementation of the recommendations made in the review will help to lower the level of risk to which the authority is exposed. The attention afforded to road risk management by both CMB and Elected Members is also demonstrable of the Authority's risk management process being effectively employed.

9. RECOMMENDATIONS

That Members note the measures being taken to reduce the Authority's exposure to the risks associated with at-work driving

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

None.

John Buckley
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

INFORMATION COMMUNICATIONS TECHNOLOGY STRATEGY

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To present the current strategy for ICT to this committee to inform thinking around such areas as capital planning etc.

CONTACT OFFICER

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Strategic Director of Finance & Resources

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**Media Enquiries
Contact :** Bridget Aherne
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1. BACKGROUND

At the Finance and Resources Committee meeting in April 2014 Members requested that the Head of ICT attend a future meeting of the committee to present his strategy for ICT for discussion.

2. REPORT

2.1 The ICT Strategy was approved by the Fire Authority in December 2013 and therefore this presentation provides an update to progress on the strategy as well as allowing members to hear a presentation from the Head of ICT.

2.2 For reference a copy of the written strategy is included as Appendix A to this report.

2.3 The presentation covers a number of key areas within the strategy. These are:

- The aims of the strategy;
- What needs to be done;
- Aspirations for ICT;
- High priority projects.

In addition there is some discussion around the new telephones project which to a large extent encompasses many of the aspirations of the strategy.

2.4 The Head of ICT will be available to answer any questions Members may have.

3. FINANCIAL IMPLICATIONS

There are no financial implications in this report beyond those implications which arise from the individual projects which are provided for within the Authority's budgets.

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 directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

9. RECOMMENDATIONS

That Members note the contents of this report

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

None.

John Buckley
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

INFORMATION AND COMMUNICATIONS TECHNOLOGY STRATEGY

Report of the Chief Fire Officer

Agenda Item No:

Date: 13 December 2013

Purpose of Report:

To seek the approval of the Fire Authority to the proposed Information and Communications Technology Strategy.

CONTACT OFFICER

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**Media
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1. BACKGROUND

- 1.1 The Information and Communications Technology (ICT) Strategy for Nottinghamshire Fire and Rescue Service (NFRS) has been produced in response to the Strategic Review of ICT and the Information and Communications Technology (ICT) Strategy Report produced by Cronins, on behalf of NFRS.
- 1.2 The document is intended to provide a clear and deliverable strategic direction for the Service's ICT infrastructure and support, determined by the operational and strategic goals of NFRS, the Strategic Business Requirements (SBRs) provided by Cronins and in line with the key imperatives and principles for ICT provision that will be followed.
- 1.3 The document summarises both the current state of ICT within NFRS in the form of a gap analysis, highlights the current risks in ICT and provides a suggested approach to improve ICT provision.
- 1.4 From the strategy will flow the detailed ICT Departmental Plan and associated business cases and budgets, which will drive the specific ICT projects and initiatives that will be pursued to support the Service in achieving its organisational strategy and goals, as detailed in the Service Plan 2010-2013.
- 1.5 This strategy has already been reviewed and accepted by the Corporate Management Board.

2. REPORT

- 2.1 The overall aim of the ICT Strategy for NFRS is to achieve a balance of organisational efficiency and new innovations:

To reduce organisational risk by creating a foundation of *standardised*, *resilient* and *integrated* systems with *simplified* processes; delivered by cost-effective ICT services and solutions that are focussed on the needs and objectives of NFRS.
- 2.2 To deliver the ICT Strategy 30 high-priority ICT projects have been identified for delivery by 31 March 2015. These projects break down into 6 broad work areas as set out below:
 - Upgrading the ICT infrastructure;
 - Implementing unified communications;
 - Modernising applications;
 - Improving ICT governance;
 - Providing professional ICT management;
 - Improving the User Experience.

2.3 It is recognised that the successful delivery of ICT services across NFRS demands more than the implementation of technology. The approach and attitude of ICT staff is key to ensuring a professional service and as a consequence the NFRS ICT Department will endeavour to embrace the principles of 'IT as a Service':

"IT as a service (ITaaS) is an operational model where the IT organisation of an enterprise is run much like a business, acting and operating as an internal service provider.

In this model, IT simplifies and encourages service consumption, provides improved financial transparency for IT services, and partners more closely with lines of business.

This type of IT transformation is business focused rather than cost focused, leading directly to improved levels of business agility."

2.4 ICT staff within NFRS are striving to embrace the principles of IT as a Service (ITaaS) and have set themselves the task of delivering a service that is seen to be:

- Making a positive contribution to running and transforming NFRS;
- Customer focused and striving to deliver excellence to meet the needs of staff and the service;
- Highly available and resilient so that the ICT infrastructure becomes invisible;
- Embracing appropriate innovation;
- Demonstrably value for money;
- Helping to drive through transformational change to improve NFRS;
- Outward looking, owning problems, proactive and communicating well;
- Empowering staff to make best use of their ICT facilities.

2.5 The successful delivery of the portfolio of ICT projects will therefore generate a number of benefits to NFRS, the chief amongst them being:

- Improved communication between ICT and the organisation, aligned to strategic requirements.
- Enhanced business collaboration, through the use of a unified Communications system.
- Integrated enterprise applications, facilitating enhanced productivity and the removal of task duplication.
- Strong ICT Governance that will encourage planning and resource management and enable a service-oriented project / change management culture.
- Single database technology with reduced complexity and improved supportability.
- Automated management information on the ICT infrastructure that is useful and meaningful.
- Reduced cost to maintain and support the ICT infrastructure and users;

- Maintainable and supportable ICT infrastructure, with established, low effort upgrade path.

2.6 The full ICT Strategy is given as Appendix A to this report.

3. FINANCIAL IMPLICATIONS

All the initiatives set out within this strategy are covered by existing budgets, with the exception of £450,000 required to meet the costs of the new PABX telephony system and Microsoft Enterprise wide licencing. These items will require approval as part of the capital budget to be presented to the next Fire Authority meeting.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources and learning and development implications arising directly from this report. However the Authority remains committed to the development of staff as set out in the IRMP and this requires that staff are appropriately trained in order to get the best out of ICT systems.

5. EQUALITIES IMPLCATIONS

Whilst there are no equalities implications arising from this report, the Authority will continue with existing policies for maintaining access to ICT systems as well as showing a continuing commitment to the procurement and development of accessible systems.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

7.1 The review of the needs for a Microsoft Enterprise Volume License Agreement and current Microsoft licensing arrangements within NFRS may expose that the service is under-licensed with regards to some enterprise applications. This issue will be dealt with through the purchase of the appropriate level of licenses required using the most cost-effective software purchasing method available.

7.2 There are no other legal implications arising directly from this report.

8. RISK MANAGEMENT IMPLICATIONS

8.1 The ICT strategy as well as seeking to improve and develop services also seeks to minimise risks which arise due to technical obsolescence and

changing software versions. There are no particularly new risks identified but the expiry of various software support arrangements and licences creates an opportunity to upgrade various systems.

8.2 The risk of obsolescence continues to be met by existing budgets and rolling renewals programmes already in place.

8.2 The two areas of risk which have not been included in previous plans are the replacement of the PABX system which is now 15 years old and needs to be replaced to maintain a service and the purchase of Microsoft Enterprise licences which will enable the implementation of wider initiatives such as Business Process Automation.

9. RECOMMENDATIONS

That Members note the contents of this report and agree to adopt the ICT Strategy.

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

None.

Frank Swann
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire Fire and Rescue Service
ICT Strategy



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Information & Communications Technology (ICT) Strategy

August 2013



Document Control Sheet

Project Title Enabling Nottinghamshire Fire & Rescue Service to deliver its ICT vision, to deliver higher performing and more effective ICT

Report Title Information & Communications Technology (ICT) Strategy

Revision V3.0

Status Draft following discussions with members of ICT, SMT & CMB between May and July 2013

Control Date 20/08/2013

Record of Issue

Issue	Status	Author	Date	Changes	Checked/ Authorised	Date
V0.1	Draft for review	Gavin Harris	12/07/13	Draft following discussions with members of ICT, SMT & CMB between May and July 2013	N Timms	15/07/13
V1.0	First issue	Gavin Harris	17/07/13	First issue	N Timms	08/07/13
V2.0	Second issue	Gavin Harris	25/07/13	Updated Executive Summary and addition of Appendix D	N Timms	25/07/13
V3.0	Third issue	Gavin Harris	20/08/13	Minor spelling and grammar corrections	CMB Members	

Distribution

Organisation	Contacts	Copies
Nottinghamshire FRS	Neil Timms, Assistant Chief Officer and Director of Finance and Resources	CMB members



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Executive Summary

The overall aim of this Information and Communications Technology (ICT) Strategy for Nottinghamshire Fire and Rescue Service (NFRS) ICT Strategy is to achieve a balance of organisational efficiency and new innovations:

To reduce organisational risk by creating a foundation of **standardised**, **resilient** and **integrated** systems with **simplified** processes; delivered by cost-effective ICT services and solutions that are focussed on the needs and objectives of Nottinghamshire Fire and Rescue Service.

To deliver this strategy 30 high-priority ICT projects have been identified for delivery by 31st March 2015:

Upgrade the ICT Infrastructure

- 1) Migrate to a new PSN-compliant Wide Area Network (WAN)ⁱ by December 2013
- 2) Migrate all desktop and laptop PCs to Windows 7 / Office 2010 by 31st March 2014
- 3) Complete the migration from Microsoft Exchange 2003 to [Exchange 2010](#) by 31st March 2014
- 4) Implement a SharePoint back-up server and test environment, to improve resilience
- 5) Conduct a review of the existing Wi-Fiⁱⁱ provision across the NFRS estate
- 6) Implement a new two-factor authenticationⁱⁱⁱ system for remote access by 31st March 2014

Implement Unified Communications

- 7) Negotiate a new contract for the provision and support of mobile telephony with [EE \(Orange\)](#)
- 8) Undertake a mobile telephone signal coverage audit of the HQ buildings with [EE \(Orange\)](#)
- 9) Implement [Microsoft Lync 2010](#) across NFRS, to increase collaboration and communication
- 10) Review the options for upgrading or replacing the Telephony System (PABX)^{iv} with a modern system that will leverage Unified Communications technology

Modernise the Applications

- 11) Implement [Microsoft Project Server](#) within the ICT Department, to improve Project Delivery
- 12) Introduce widespread use of [SharePoint 2010](#) Team Sites and Document Management
- 13) Complete a review of [CITRIX](#)^v applications / systems by 31st March 2014

Improving ICT Governance

- 14) Publish monthly ICT performance metrics on SharePoint
- 15) Agree an Operational Level Agreement^{vi} for all ICT Services
- 16) Implement the [ISO 27001](#)^{vii} information security management framework, to become GSI ready
- 17) Initiate a programme of documenting all ICT Standard Operating Procedures to create a comprehensive Service Knowledge Management System (SKMS)^{viii}
- 18) Implement PRINCE2^{ix} fundamentals through targeted training within ICT
- 19) Review requirements for file, data and laptop encryption systems
- 20) Implement [Microsoft System Center 2012](#) to embed the [Microsoft Operational Framework](#)^x within ICT and replace the existing system before Microsoft end support on 8th July 2014
- 21) Agree an official ICT Department 'Out of Hours Support' policy / process



Professional ICT Management

- 22) Review current contract with [Danwood Group](#) for the provision and maintenance of printers
- 23) Assess the needs for a [Microsoft Enterprise Volume License Agreement](#) to leverage cost-effective software purchasing, efficient software upgrades and additional benefits
- 24) Assess the existing skill-set of the ICT Department and look for partners who can offer cost-effective managed services to fill the skills gaps, as required.
- 25) Undertake Data Protection Act training for the ICT Department
- 26) Implement an ICT training and skills matrix, with a programme of training to improve skills

Improving the User Experience

- 27) Implement a user education program of the ICT 'Self Service' portal
- 28) Introduce a schedule of 'Surgery Visits' and training sessions to all remote sites and fire stations to bring the NFRS user-community closer to the ICT Department
- 29) Roll-out [Microsoft OneNote 2010](#) on laptops and [iPad tablet](#) devices
- 30) Consider options for organisation-wide training on ICT applications and systems for users

The successful delivery of ICT services across NFRS demands more than merely the implementation of technology. ICT staff within NFRS are striving to embrace the principles of IT as a Service (ITaaS)^{xi} and have set themselves the task of delivering a service that is known as:

- 1) Making a positive contribution to running and transforming NFRS ;
- 2) Customer focused and striving to deliver excellence to meet the needs of staff and the service;
- 3) Highly available and resilient so that the ICT infrastructure becomes invisible;
- 4) Embracing appropriate innovation;
- 5) Demonstrably value for money;
- 6) Helping to drive through transformational change to improve NFRS;
- 7) Outward looking, owning problems, proactive and communicating well;
- 8) Empowering staff to make best use of their ICT facilities.

The successful delivery of the portfolio of ICT strategy projects will therefore generate a number of benefits to NFRS, the chief amongst them being:

- 1) Improved communication between ICT and the organisation, aligned to strategic requirements;
- 2) Enhanced business collaboration, through the use of an Unified Communications^{xii} system;
- 3) Integrated enterprise applications, facilitating enhanced productivity, the removal of task duplication and enabling mandatory process adoption;
- 4) Strong ICT Governance employing ITaaS, ITIL, MOF, IEC/ISO 20000, IEC/ISO 27000 and PRINCE 2 as appropriate, that will encourage planning and resource management and enable a service-oriented project / change management culture;
- 5) Single Microsoft SQL database technology with reduced complexity and improved supportability;
- 6) Automated management information on the ICT infrastructure that is useful and meaningful;
- 7) Reduced cost to maintain and support the ICT infrastructure and users;
- 8) Maintainable and supportable ICT infrastructure, with established, low effort upgrade path.



1. Introduction

1.1 Background

- 1.1.2 This Information and Communications Technology (ICT) Strategy for Nottinghamshire Fire and Rescue Service (NFRS) has been produced in response to the Strategic Review of ICT (V3.0, dated 12/10/2012) and the Information and Communications Technology (ICT) Strategy Report (V1.0, dated 08/02/2013) produced by Cronins, on behalf of NFRS.
- 1.1.3 This document is intended to provide a clear and deliverable strategic direction for the Service's ICT infrastructure and support, determined by the Operational and Strategic goals of NFRS (see Appendix A), the Strategic Business Requirements (SBRs) provided by Cronins (see Appendix B) and in line with the key imperatives and principles for ICT provision that will be followed.
- 1.1.4 It summarises both the current state of ICT within NFRS in the form of a gap analysis, highlights the current risks in ICT and provides a suggested approach to improve ICT provision.
- 1.1.5 From this strategy will flow the detailed ICT Departmental Plan and associated business cases, which will drive the specific ICT projects and initiatives that will be pursued to support the Service in achieving its organisational strategy and goals, as detailed in the Service Plan 2010-2013.

1.2 Status of this ICT Strategy

- 1.2.1 This version of the ICT Strategy has been derived from the Strategic Review of ICT (V3.0, dated 12/10/2012) and the Information and Communications Technology (ICT) Strategy Report (V1.0, dated 08/02/2013) produced by Cronins and discussions conducted by the NFRS Head of ICT with NFRS senior staff, users and members of the ICT Department.
- 1.2.2 Following a review by the Assistant Chief Officer and Director of Finance and Resources, the document will be amended as necessary and tabled to the Corporate Management Board for formal endorsement.
- 1.2.3 Thereafter the approved ICT Strategy will be actively implemented, whilst being viewed as a dynamic document.
- 1.2.4 It will formally be reviewed and updated on an annual basis.



2. Business Needs

2.1 Organisational Strategy and Goals

2.1.1 The Service Plan 2010-2013 (see Appendix A) identifies six organisational objectives:

- 1) Prevention
- 2) Protection
- 3) Response
- 4) Resilience
- 5) Diversity and Workforce
- 6) Governance and Improvement

2.1.2 This Strategy recognises that ICT as a whole, and the ICT departmental activities underpin all these objectives whether it be the provision of computer systems or the provision of various technology, information, data and communications systems.

2.1.3 Whilst the most significant contribution from the ICT department is in the support of objective 3 - Response, increasingly the department is required to support objective 6 – Governance and Improvement; particularly in respect of improvement.

2.1.4 The ICT department will play an increasingly important role in the selection and provision of computing and communications technology. With significant changes in operations and structure being planned, ICT as a whole is seen as a key component in the development of the information and support services required to support the sixth objective.

2.2 Key Drivers for Change in ICT

The IT Industry is being transformed by various trends, which are driving down cost, delivering significant efficiencies and increasing flexibility to businesses and organisations. This strategy seeks to respond positively to these key trends and also consider appropriate drivers within Local Government and UK Fire Services. The most significant of these being:

- 2.2.1 **Business Processes Re-engineering** – ICT can be used as a powerful lever to automate and help transform business processes within the NFRS. As standard, ICT implementations must include process transformations in order to realise the business benefits from these investments.
- 2.2.2 **BYOD^{xiii}, Mobility & Flexible Working** – The revolution in mobile computing continues and with it a growing expectation that one can access ICT systems and information from anywhere. The move towards the ‘Consumerisation of IT’ and the wish to seamlessly use a single device (often owned by the user) to perform multiple (if not all) business tasks are all parts of this trend.
- 2.2.3 **Changing Expectations of Users** – As users utilise more sophisticated and ‘intuitive’ devices in the personal lives, their expectations are that all computing equipment will require very little training. Users also expect ICT staff to be highly knowledgeable when it comes to advances in technology and be able to offer advice on how these can be utilised within the organisation. The gap between user expectations and the ability of ICT to deliver against them needs to be bridged.



- 2.2.4 **Data-centre Consolidation & Virtualization^{xiv}** – The development of desktop and server virtualization brings opportunities in terms of speed of deployment and economies of scale, as well as challenges in terms of the flexibility and the different management skills required.
- 2.2.5 **Alternative ICT Delivery Models** – Increasingly ICT services and systems are being hosted from the ‘Cloud’^{xv} using a variety of delivery models such as Infrastructure as a Service (IAAS)^{xvi}, Software as a Service (SAAS)^{xvii} and Platform as a Service (PAAS)^{xviii}. The influence of ‘Cloud’ services has also opened up new opportunities to provide flexible and cost-effective solutions using a ‘Pay As You Go’ model.
- 2.2.6 **Outsourcing & Managed Services** – Outsourcing is increasingly the means by which services, infrastructure and expertise are being delivered. The role of a central ICT department is increasingly becoming one of management of third parties and integration of third party systems, as well as developing solution requirements for external consultants to deliver.
- 2.2.7 **‘Big Data’ Storage demands** – As information becomes increasingly rich and diverse in structure the demand for managed and organised storage of this data is increasing significantly. Furthermore, there is growing pressure for NFRS documents, data and information to be managed professionally in a secure manner.
- 2.2.8 **Network Connectivity & Bandwidth** – The same factors that are pushing the growth in demand for storage are also driving the growth in demand for network bandwidth and these are amplified by the need to use the same network to provide resilience, disaster recovery, audio and video communications services. Trends within the industry are pushing significant advances in networking connectivity through the use of MPLS^{xix} and fibre-optic solutions. This increased capacity provides an opportunity to review the existing telephony systems to leverage solutions such as Voice Over Internet Protocol (VOIP)^{xx}, SIP Trunking^{xxi} and Video Conferencing.
- 2.2.9 **Information & Data Security** – There remains a significant and growing threat from malicious external agencies which would seek to compromise NFRS ICT systems and seek to access our sensitive data. As NFRS staff become more mobile in their computing practices the means by which data and ICT systems are secured becomes more complex, resulting in the need for more sophisticated management systems and frameworks being employed.
- 2.2.10 **Business Continuity & Disaster Recovery** – The maintenance of ICT systems and services that are reliable and highly available is increasingly seen as a prerequisite to the continuing business of NFRS. ICT service continuity will continue to be an important factor in the delivery of ICT services and systems will be designed to be resilient, regularly backed-up and with appropriate duplication and redundancy.
- 2.2.11 **Governance & Service Management Principles** – Industry-standard service management processes and frameworks, in particular ITIL, ISO20000^{xxii}, ISO27001, Microsoft Operational Framework (MOF) and PRINCE2, have been widely adopted across the industry to ensure professional working practices underpin the delivery, support and security of ICT systems.
- 2.2.12 **Tightening fiscal environment** – With the world-wide financial crisis forcing Local Government to review spending, it is important to identify and focus upon priority areas for investment. This will drive the requirement to demonstrate value for money and sound business cases for investments, making decision from a strategic, rather than tactical perspective.



3. Principles for the delivery of ICT

In developing this strategy a number of underpinning imperatives and principles have been identified that will guide the decision making and investments in ICT over the coming years. These are:

3.1 Vision and Mission

- 3.1.1 To reduce organisational risk by creating a foundation of **standardised, resilient** and **integrated** systems with **simplified** processes; delivered by cost-effective ICT services and solutions that are focussed on the needs and objectives of Nottinghamshire Fire and Rescue Service.

3.2 Imperatives & Principles

- 3.2.1 Embed a culture of IT as a Service (ITaaS) within the ICT Department to align the needs of the organisation with the delivery of technology services and solutions;
- 3.2.2 Move towards greater user empowerment through self-service and process automation systems;
- 3.2.3 Endeavour to develop ICT staff so they are seen as knowledgeable and trusted professionals;
- 3.2.4 Enhance organisational collaboration through the use of technology solutions, leveraging mobile telephony, mobile computing and distance-working solutions as appropriate;
- 3.2.5 Move towards greater standardisation of NFRS ICT software, hardware and services wherever possible, to drive up quality of service whilst driving down the cost of delivering this service;
- 3.2.6 Utilise affordable, integrated and resilient architecture to facilitate productivity and efficiency;
- 3.2.7 Strive for single vendor technology using a Microsoft-based architecture, deploying COTS (Commercial Off The Shelf)^{xxiii} solutions to reduce complexity and improve systems management;
- 3.2.8 Strive for the ICT Infrastructure and systems to be periodically refreshed to ensure it continues to be capable of delivering to our users requirements;
- 3.2.9 Ensure ICT projects are professionally scoped and planned up-front using best-practice methodology to determine scale, cost and relevance in-line with our users requirements;
- 3.2.10 Consider value-for-money, whole life costs, dynamism and flexibility to all procurement decisions;
- 3.2.11 Employ cost-effective business continuity solutions, to ensure continued service operation;
- 3.2.12 Ensure that all services are maintainable and supportable, with reliable upgrade paths;
- 3.2.13 Embed the Microsoft Operational Framework and PRINCE2 methodology into ICT standard operating procedures to ensure that industry best practice is leveraged as much as possible;
- 3.2.14 Leverage 'Cloud' based, out-sourced or managed service solutions where appropriate to improve functionality, business continuity and reduce on-going support costs.



3. Gaps in ICT Support

This section will discuss where gaps exist between the current state of ICT within NFRS and the desired state of ICT, guided by the following strategic imperatives of:

- 1) Standardisation
- 2) Resilience
- 3) Integration
- 4) Simplification

The section is divided into analyses of the Application Direction, Infrastructure Direction, and IT Organisation Direction programs.

3.1 Application Gap Analysis

Using the guiding principles outlined above, the following gaps have been identified in the current suite of applications used within NFRS:

- 3.1.1 **Windows 7** – the roll-out of the replacement desktop operating system is only partially complete (40% of the estate), meaning that the ICT Department are forced to support both Windows 7 and Windows XP. Support from Microsoft ends for Windows XP and Office 2003 on [8th April 2014](#), so this project needs to be completed before this date to ensure we are still able to obtain support from the vendor. Completing this project would have the benefit of a simplified and consistent desktop across the service which would be much easier to support moving forwards;
- 3.1.2 **Exchange 2010** – the migration to Exchange 2010 from 2003 has been partially completed and needs to be implemented as soon as possible. Microsoft end support of Exchange 2003 Enterprise on [8th April 2014](#), so this project needs to be completed before this date to ensure we are still able to obtain support from the vendor. Once complete, many more functions within MS-Outlook 2010 can be enabled and other Microsoft enterprise applications such as Lync and SharePoint can be connected with the system to create an integrated application architecture;
- 3.1.3 **ICCM e-Service Desk** – the current ICT Service Management System (ICCM e-Service Desk) is at least four versions behind the vendors' current offering and although it aligns strictly to ITIL principles it does not integrate easily with other management tools used by ICT. The user-portal is functional, but is based strictly on the principles of Incident Management and Request Fulfilment which are not easily understood by the NFRS user-community;
- 3.1.4 **System Centre 2007 R2** – both System Centre Configuration Manager (SCCM) and System Centre Operations Manager (SCOM) are used by the ICT Department to manage the current assets and infrastructure, but these could be deployed in a more integrated way using System Centre Service Manager (SCSM). Microsoft end support of the System Center 2007 R2 suite on [8th July 2014](#), so this application needs to be upgraded which will achieve significant efficiencies;
- 3.1.5 **SharePoint** – the NFRS SharePoint implementation has been focussed on the provision of an intranet system for the service and does not utilise the many other enterprise features of the solution. Team sites are used in a very limited way and not by all departments. Fewer than ten workflows have been created to enhance business process automation. Document Management has been introduced in a very limited way and meta-data has not been extensively collected. Business Intelligence and reporting services are not utilised at all;



- 3.1.6 **Track** – the current project management tool is not well regarded by management and is not used by ICT, although MS Project is used to some extent to manage projects. The implementation of a solution such as Project Server could embed PRINCE2 project management best-practise initially within ICT and then across NFRS;
- 3.1.7 **Application Integration** – the landscape of applications is extremely diverse and there is very little application integration; resulting in silo working practices under-pinned by departments having ‘their own system’. A more structured and ‘joined up’ approach to the purchase and implementation of applications must be adopted moving forwards.

3.2 Infrastructure Gap Analysis

Using the guiding principles outlined above, the following gaps have been identified in the current ICT infrastructure of NFRS:

- 3.2.1 **Wide Area Network (WAN)** – the current WAN configuration is slow and has been based on the premise that a solution should be cheap; resulting in a technically innovative system that does not provide adequate bandwidth at HQ or a number of station sites. There is extensive use of multiple ADSL providers for internet connectivity at HQ, which offers resilience but without download speeds that would be expected for a site with over 100 administration staff;
- 3.2.2 **Telephone System (PABX)** – the existing telephone system was supplied by BT in 1998, but is stable and has a BT maintenance contract. The architecture is based on the use of a PSTN network and ISDN, provided by Daisy. The implementation of a VOIP / SIP system with the capability to integrate with Microsoft Active Directory, Exchange and Lync would provide an up-to-date Unified Communications solution generating significant cost-savings and process efficiencies through the reduction of travel, telephone call charges and e-mail storage costs.
- 3.2.3 **Mobile Telephony** – the support contract with EE (Orange) has now expired, resulting in old and damaged mobile devices being ‘recycled’ beyond their intended operational lifespan. The network coverage within NFRS HQ is also poor, meaning staff often have to go outside to make calls on their mobile phones. Apple iPads (wi-fi only) have been provided to a number of staff without any real business case, project plan or agreed configuration;
- 3.2.4 **Video Conferencing** – there is no video conferencing system utilised within the Service, which means that meetings are held via telephone or in person (thus requiring travel). There is currently a trial of Microsoft Lync (using Office 365 licences) underway, but there is no project plan or scope of work. The implementation of an up-to-date Unified Communications solution, such as Lync, would offer significant operational efficiencies and save money in terms of travel;
- 3.2.5 **Wi-Fi Network** – the current HQ Wi-Fi networks are good and offer acceptable security levels. Elsewhere in the estate Wi-Fi coverage is not as good; particularly within fire station appliance bays. The Red Kite asset tracking system relies upon a Wi-Fi connection to the internet to function and in many stations coverage is a real issue;
- 3.2.6 **Disaster Recovery (DR)** – there is no viable single solution for DR and the multiple solutions that are currently in-place need to be streamlined, to increase efficiency. No IT Recovery Plan has been written and it is not clear in what set of circumstances DR systems would be invoked;
- 3.2.7 **SQL Database Servers** – the Service have already taken the decision to utilise a single database technology in the form of Microsoft SQL Server, which is sensible. The current system is based on SQL 2003, which is solid but is now two versions behind the current offering from Microsoft; the new HR System requires SQL 2010 as a minimum to operate. Back-up routines



and log-shipping are in place, but could be improved. In-house skills to provide support of the system need to be improved and diversified;

- 3.2.8 **Storage Area Network (SAN)** – the SAN is getting old and the application software that controls replication does not work very well. Archiving of data has been considered and a plan is in place to reduce the use of network drives within NFRS, to remove the reliance on SAN storage.

3.3 ICT Capability Gaps

Using the guiding principles outlined above, the following gaps have been identified in the capabilities of the NFRS ICT department:

- 3.3.1 **Project Management** – the ICT team have had no exposure to PRINCE 2 project management principles and there is currently no formal project management processes in place. Although NFRS does have a document on the management of projects within the service, ICT does not appear to follow these guidelines. Projects are managed and delivered in an ad-hoc way by individuals with no single methodology or reporting structure, meaning that it is very difficult to understand progress against targets and milestones;
- 3.3.2 **Out of Hours Support** – there is no official ICT Support outside of standard office hours, leaving the Service exposed. Two individuals within the team undertake support outside of normal hours, but this is done in an unstructured manner;
- 3.3.3 **Knowledge Diversification** – Enterprise-level technical knowledge is currently provided by Andy Burns of Protologic and Gareth Harrison of Motion IT, meaning that there is no in-house expert on many of the enterprise-level systems deployed within NFRS. In-house skills to provide support of key systems, such as SQL Server and Exchange need to be improved and diversified through the team. There is a culture of the ‘in house expert’ resulting in ‘suspension of service’ when staff are unavailable;
- 3.3.4 **Resource Composition & Culture** – the ICT Service Desk has only one member of staff, the Service Desk Manager, resulting in the first-line response technicians having to provide cover when the Service Desk Manager is unavailable. There is a reactive culture within the department as a result of ‘just enough’ resourcing, meaning the staff do not feel they have enough capacity to be proactive or creative in the service they provide. Decision-making is made under the pressures of being ‘too busy’ and as a consequence a reactive and tactical service provision methodology is the norm;
- 3.3.5 **Department Training** – the provision and maintenance of training is almost non-existent within the ICT Department. Team members have previously received training but this has not been reviewed and so the skills that were learned have become outdated and in some cases irrelevant. The Department needs to implement a skills matrix supported by a training and development plan to ensure that the skills within the team remain appropriate to the systems that are being supported;
- 3.3.6 **Organisational Training** – there has been some training on new systems for users, most notably during the rollout of Office 2010, but there is little evidence of a coordinated and centralised programme of IT user training. There will be a need to provide a significant amount of training to users on systems such as SharePoint, Lync, Outlook and i-Trent over the coming years and a structured method of furnishing this knowledge throughout the service needs to be found and agreed.



3.4 ICT Organisational Gaps

Using the guiding principles outlined above, the following gaps have been identified in the organisational structure of the NFRS ICT department:

- 3.4.1 **ICT Strategy** – there is no coherent ICT vision, policy or strategy. This has meant that the ICT function has become largely focused on reactive technical support, ignoring the need for proactive development of the ICT function as a professional service provider to NFRS;
- 3.4.2 **Alignment with the Service** – there appears to be a ‘disconnect’ between the Service and ICT, in terms of service provision, understanding business requirements and the establishment of any terms of reference. This unstructured environment results in the same level of service being seen as either ‘excellent’ or ‘unsatisfactory’; depending upon the point of view of the recipient. Consistency in service delivery is difficult to achieve, or measure, as no guidance as to what should be provided has been established;
- 3.4.3 **ITIL implementation** – the implementation of an ICT Service Desk and a supporting software system has introduced some elements of ITIL best-practice (Incident Management and Request Fulfilment), but no other element of the framework has been considered;
- 3.4.4 **Measures & Targets** – there are currently over 180 different services provided by ICT to NFRS and none of these services have any form of target or measure against them. There are no targets set, no service appointed owner, service agreed availability windows and so on, meaning that ICT have no way of planning resource and skills requirements;
- 3.4.5 **Change Management** – NFRS ICT do not follow any form of structured change management and there is not agreement with the Service on maintenance windows. This creates a large amount of risk to NFRS as there is no assessment or prioritisation of changes from a business or technical perspective and no consideration as to the most appropriate time to perform system maintenance or implement changes;
- 3.4.6 **Information Security** – there needs to be a complete review of the processes and procedures that are in place to manage both data security and system access, to ensure that NFRS are prepared for Government Secure Intranet (GSI) and Public Sector Network (PSN);
- 3.4.7 **Document Management** – there is not enough documentation of the current systems and procedures and there are very few policies in place. The Service have invested in an expensive Microsoft SharePoint solution, however it is principally used as an intranet;
- 3.4.8 **Service Knowledge Management System** – there is no SKMS deployed within ICT, meaning that system knowledge and standard operating procedures are retained within a staff ‘neural network’. There is not enough sharing of information within the team and this does not permeate down to the user-community in the form of systems training and user guides;
- 3.4.9 **Department Structure** – there has been some work to re-organise the department structure, as a result of a more general restructure of the Service. This has resulted in a reduction of morale within the ICT Team and a loss of focus in key areas of support;
- 3.4.10 **Contract & Supplier Management** – with the retirement of the Communications Manager the management and administration of ICT support contracts, licence agreements and suppliers has been passed to the Service Desk Manager.



3.5 ICT Risks

The most significant ICT-related risks that have been identified as part of the strategy review are:

- 3.5.1 The BT Telephone System (PABX) is 15 years old (installed in 1998)
- 3.5.2 There is no Microsoft Enterprise Licensing Agreement in place, which could restrict NFRS in implementing significant change to the current application and server architecture in a cost-effective manner
- 3.5.3 Microsoft will end support of both Windows XP and Office 2003 on [8th April 2014](#)
- 3.5.4 Microsoft will end support of Exchange 2003 Enterprise on [8th April 2014](#)
- 3.5.5 Microsoft will end support of System Center Configuration Manager 2007 R2 on [8th July 2014](#)
- 3.5.6 Microsoft will end support of System Center Operations Manager 2007 R2 on [8th July 2014](#)
- 3.5.7 ICCM e-Service Desk support and licensing agreement expires on 30th September 2013
- 3.5.8 No official 'Out of Hours' ICT Support is in place for a 24/7/365 Fire Service
- 3.5.9 Disaster Recovery systems still need to be fully implemented and tested
- 3.5.10 SAN Replication software is not working properly
- 3.5.11 Back-up of the SharePoint solution is untested
- 3.5.12 There is no test environment for the SharePoint system
- 3.5.13 Lack of detailed ICT documentation and standard operating procedures
- 3.5.14 No structured contract management or supplier management in place
- 3.5.15 Lack of an Information Security Policy
- 3.5.16 The mobile telephone contract with EE (Orange) has expired
- 3.5.17 There is no physical copy of the printer support contract with Danwood Group
- 3.5.18 The provision of user-dedicated system and application training needs to be coordinated by ICT

These risks will be prioritised and dealt with by the implementation of initiatives and projects.



4. Suggested Approach

Having identified the key trends and challenges for NFRS, this strategy proposes the following initiatives and projects are prioritised and implemented by 31st March 2015.

4.1 ICT Initiatives

4.1.1 Business Processes Re-engineering

- 1) Leverage Microsoft integration functionality by placing SharePoint 2010 at the heart of NFRS enterprise application architecture, underpinned by SQL Server Reporting Services
- 2) Introduce widespread use of SharePoint 2010 Team Sites and Document Management
- 3) Implement Microsoft Project Server within the ICT Department, to improve Project Delivery
- 4) Review all NFRS forms to determine if they can be automated using SharePoint workflows
- 5) Roll-out [Microsoft OneNote 2010](#) and provide basic user training

4.1.2 BYOD, Mobility & Flexible Working

- 1) Undertake a mobile telephone signal coverage audit of the HQ buildings, with EE (Orange)
- 2) Review the provision of mobile telephony and determine the viability of BYOD for users
- 3) Review the provision of laptops and tablets to ensure they meet with the needs of NFRS
- 4) Encourage the use of Exchange 2010 'Outlook Web App' for remote access to e-mail
- 5) Implement Microsoft Lync 2010 across NFRS and federate with LFRS and DFRS
- 6) Roll-out Microsoft OneNote 2010 on laptops and [iPad tablet](#) devices
- 7) Evaluate Windows 8 Surface Pro devices in comparison to Apple i-Pad devices

4.1.3 Changing Expectations of Users

- 1) Agree an official 'Out of Hours Support' policy / process
- 2) Agree an Operational Level Agreement for all ICT Services provided to NFRS
- 3) Publish monthly ICT performance metrics on SharePoint
- 4) Implement an ICT training and skills matrix, with a programme of training to improve skills
- 5) Introduce a schedule of 'Surgery Visits' and training sessions to all remote sites and fire stations to bring the NFRS user-community closer to the ICT Department
- 6) Implement a user education program of the ICT 'Self Service' portal
- 7) Consider options for organisation-wide training on ICT applications and systems for users

4.1.4 Data-centre Consolidation & Virtualization

- 1) Upgrade Desktop / Laptop PC operating system to Windows 7, by 31st March 2014
- 2) Upgrade the existing CITRIX system, in line with the upgrade to Windows 7
- 3) Upgrade the NFRS virtualised server environment
- 4) Upgrade to MS System Centre 2012 suite to improve ICT infrastructure management

4.1.5 Alternative ICT Delivery Models

- 1) Consider and evaluate 'Cloud' solutions for new or refreshed services
- 2) Assess the viability of Office 365 for e-mail, Lync and SharePoint (Intranet & 'My Site' docs)
- 3) Rationalise NFRS hosted services, through virtualisation and 'Cloud' hosting



4.1.6 Outsourcing & Managed Services

- 1) Rationalise the existing IT Supplier base to drive down cost and improve performance
- 2) Assess the existing skill-set of the ICT Department and look for partners who can offer cost-effective managed services to fill the skills gaps, as required.

4.1.7 'Big Data' Storage demands

- 1) Upgrade the current SAN to improve performance, efficiency and storage capacity
- 2) Look at 'Cloud' solutions for archiving, back-up and data storage solutions.

4.1.8 Network Connectivity & Bandwidth

- 1) Implement the new PSN-compliant WAN Design to improve bandwidth and connectivity
- 2) Continue to review the bandwidth and Internet connectivity requirements at fire station sites
- 3) Conduct a review of the existing Wi-Fi provision across the NFRS estate
- 4) Develop a Unified Communications Strategy and review options for upgrading or replacing the Telephony System (PABX) and lines to enable VOIP functionality and SIP Trunking; to improve functionality and drive-down costs

4.1.9 Information & Data Security

- 1) Implement the ISO 27001 information security management framework, to become GSI ready
- 2) Implement a new two-factor authentication system for remote access
- 3) Review requirements for laptop encryption and data encryption systems
- 4) Undertake data Protection Act training for the ICT Department

4.1.10 Business Continuity & Disaster Recovery

- 1) Implement a 'Sand pit' test environment for the safe development of SharePoint 2010
- 2) Implement a fully operational back-up solution for SharePoint 2010
- 3) Review the current SQL Server environment and implement a SQL 2012 instance
- 4) Complete the migration to a resilient Exchange 2010 infrastructure, by 31st March 2014

4.1.11 Governance & Service Management Principles

- 1) Implement a new ICT Department structure that cultivates 'IT as a Service'
- 2) Develop an ICT Service Catalogue with individual Service Level Agreements (SLA)
- 3) Introduce a formalised approach to Change and Projects, replacing the 'ICT Steering Group' with an 'ICT Change Advisory Board' to provide structured ICT-Business engagement
- 4) Implement PRINCE2 fundamentals through targeted training within the ICT department
- 5) Implement MS System Centre 2012 Service Manager, to replace the current ICCM e-Service Desk system by 1st September 2013, when the current contract expires

4.1.12 Tightening fiscal environment

- 1) Assess the needs for a Microsoft Enterprise Volume License Agreement to leverage cost-effective software purchasing, efficient software upgrades and additional benefits
- 2) Negotiate a new contract for the provision and support of mobile telephony with EE (Orange)
- 3) Review the current contract with Danwood Group for the provision and maintenance of printers and photocopiers



4.2 Strategy Roadmap & Prioritised Projects

The following 30 high-priority ICT projects will be filtered down into the ICT Departmental Plan for delivery by 31st March 2015 and a business case created as appropriate:

- 1) Migrate to a new PSN-compliant Wide Area Network (WAN)^{xxiv} by December 2013
- 2) Migrate all desktop and laptop PCs to Windows 7 / Office 2010 by 31st March 2014
- 3) Complete the migration from Microsoft Exchange 2003 to [Exchange 2010](#) by 31st March 2014
- 4) Implement a SharePoint back-up server and test environment, to improve resilience
- 5) Conduct a review of the existing Wi-Fi^{xxv} provision across the NFRS estate
- 6) Implement a new two-factor authentication^{xxvi} system for remote access by 31st March 2014
- 7) Negotiate a new contract for the provision and support of mobile telephony with [EE \(Orange\)](#)
- 8) Undertake a mobile telephone signal coverage audit of the HQ buildings with [EE \(Orange\)](#)
- 9) Implement [Microsoft Lync 2010](#) across NFRS, to increase collaboration and communication
- 10) Review the options for upgrading or replacing the Telephony System (PABX)^{xxvii} with a modern system that will leverage Unified Communications technology
- 11) Implement [Microsoft Project Server](#) within the ICT Department, to improve Project Delivery
- 12) Introduce widespread use of [SharePoint 2010](#) Team Sites and Document Management
- 13) Complete a review of [CITRIX](#)^{xxviii} applications / systems by 31st March 2014
- 14) Publish monthly ICT performance metrics on SharePoint
- 15) Agree an Operational Level Agreement^{xxix} for all ICT Services
- 16) Implement the [ISO 27001](#)^{xxx} information security management framework, to become GSI ready
- 17) Initiate a programme of documenting all ICT Standard Operating Procedures to create a comprehensive Service Knowledge Management System (SKMS)^{xxxi}
- 18) Implement PRINCE2^{xxxii} fundamentals through targeted training within ICT
- 19) Review requirements for file, data and laptop encryption systems
- 20) Implement [Microsoft System Center 2012](#) to embed the [Microsoft Operational Framework](#)^{xxxiii} within ICT and replace the existing system before Microsoft end support on 8th July 2014
- 21) Agree an official ICT Department 'Out of Hours Support' policy / process
- 22) Review current contract with [Danwood Group](#) for the provision and maintenance of printers
- 23) Assess the needs for a [Microsoft Enterprise Volume License Agreement](#) to leverage cost-effective software purchasing, efficient software upgrades and additional benefits
- 24) Assess the existing skill-set of the ICT Department and look for partners who can offer cost-effective managed services to fill the skills gaps, as required.
- 25) Undertake Data Protection Act training for the ICT Department
- 26) Implement an ICT training and skills matrix, with a programme of training to improve skills
- 27) Implement a user education program of the ICT 'Self Service' portal
- 28) Introduce a schedule of 'Surgery Visits' and training sessions to all remote sites and fire stations to bring the NFRS user-community closer to the ICT Department
- 29) Roll-out Microsoft OneNote 2010 on laptops and [iPad tablet](#) devices
- 30) Consider options for organisation-wide training on ICT applications and systems for users



5. Benefit Realisation

5.1 Operational Benefits

The successful delivery of the portfolio of ICT strategy projects will therefore generate a number of benefits to NFRS, the chief amongst them being:

- 1) Improved communication between ICT and the organisation, aligned to strategic requirements
- 2) Enhanced business collaboration, through the use of an Unified Communications system
- 3) Integrated enterprise applications, facilitating enhanced productivity, the removal of task duplication and enabling mandatory process adoption
- 4) Strong ICT Governance employing ITaaS, ITIL, MOF, IEC/ISO 20000, IEC/ISO 27000 and PRINCE 2 as appropriate, that will encourage planning and resource management and enable a service-oriented project / change management culture
- 5) Single Microsoft SQL database technology with reduced complexity and improved supportability
- 6) Automated management information on the ICT infrastructure that is useful and meaningful
- 7) Reduced cost to maintain and support the ICT infrastructure and users
- 8) Maintainable and supportable ICT infrastructure, with established, low effort upgrade path

5.2 The Aspirations of ICT Support

The successful delivery of ICT services across NFRS demands more than merely the implementation of technology. The approach and attitude of ICT staff is key to ensuring a professional service and as a consequence the NFRS ICT Department will endeavour to embrace the principles of 'IT as a Service':

"IT as a service (ITaaS) is an operational model where the IT organisation of an enterprise is **run much like business**, acting and operating as an **internal service provider**.

In this model, IT **simplifies** and **encourages service consumption**, provides improved financial transparency for IT services, and **partners more closely** with lines of business.

This type of IT transformation is **business focused** rather than cost focused, leading directly to improved levels of business agility."

NFRS ICT staff are striving to embrace the principles of ITaaS and have set themselves the task of delivering a service that is known as:

- 1) Making a positive contribution to running and transforming NFRS
- 2) Customer focused and striving to deliver excellence to meet the needs of staff and the service
- 3) Highly available and resilient so that the ICT infrastructure becomes invisible
- 4) Embracing appropriate innovation
- 5) Demonstrably value for money
- 6) Helping to drive through transformational change to improve NFRS
- 7) Outward looking, owning problems, proactive and communicating well
- 8) Empowering staff to make best use of their ICT facilities
- 9) An exemplar to other Fire & Rescue Services
- 10) Delivered by trusted ICT professionals who win your confidence



Appendix A: NFRS Plan 2010-2013

Our Aims and Objectives

Our vision

'A safer Nottinghamshire by putting safety at the heart of the community.'

Nottinghamshire Fire and Rescue Service has one very clear and simple aim – to make Nottinghamshire a safer place to live and work. This may sound straight-forward, but achieving this aim relies on a great many people and organisations working together with the same goal in mind.

Fortunately, our colleagues in the councils, Police, health, education and other local services are also striving to achieve similar improvements, and we are working in close partnership with them to pool our efforts and, between us, make a greater difference than we could possibly achieve by working alone.

This overall aim is supported by six objectives, which highlight the work we need to do in order to achieve our aim.

Our objectives

The following six objectives will underpin all our activities during the life of this Plan, over the next three years. We have identified the areas of work we believe will help us to achieve our aim and make a positive difference to people's lives, which gives us a very clear focus on our priorities for the future.

Everything we do over the next three years must link into one or more of these objectives, so that our efforts are strengthened and we maximise our opportunities to make improvements.

Objective 1: Prevention

We will:

- work with young people to reduce arson, accidental fires and road traffic collisions (RTCs).
- focus on those most at risk from fires and other avoidable injuries.
- work with partners to make our communities safer.
- use and share data to identify those most at risk.

Objective 2: Protection

We will:

- maintain a risk-based approach to enforce our statutory responsibilities.
- assist and support those responsible for fire safety within business.
- work to reduce the economic cost of fire.

Objective 3: Response

We will:

- use our resources to meet the risks within our community.
- gather and use risk-based information to inform our response.
- provide the highest standards of training, PPE, appliances and equipment that we can, to keep our employees safe.



Objective 4: Resilience

We will:

- respond to growing risks from the environment.
- work with our partners to ensure an effective response and recovery to major events.

Objective 5: Diversity and Workforce

We will:

- recruit a workforce that reflects our community.
- recruit and develop our employees to the highest standards to maintain and
- promote high standards of health, safety and wellbeing for all our employees.

Objective 6: Governance and Improvement

We will:

- strive to become an excellent Authority.
- use our resources efficiently and effectively to provide value-for-money.



Appendix B: Cronins Strategic Business Requirements

B1. Introduction

B1.1 This appendix supports Section 5, and summarises the Strategic Business Requirements, which provide a robust statement of the target future state towards which the Service is heading.

B2. Strategic Business Requirements

B2.1 The Strategic Business Requirements endorsed by the Senior Management Team and Corporate Management Board now follow.

B2.2 They relate to the ICT function as a whole within the organisation, regardless of which teams or individuals may provide the particular services within it.

B2.3 These Strategic Business Requirements are marshalled against a common set of headings - Strategy, Customers, People, Process and Technology – which were used throughout the Strategic Review of ICT.

Area		STRATEGIC BUSINESS REQUIREMENTS
Strategy		
S1	There is a clear policy and direction for ICT from the Senior Management Team and Corporate Management Board, and an up-to-date, comprehensive, coherent ICT Strategy for the organisation.	
S2	ICT governance is effective, in the best interests of the Service, and at a level that is unrestrictive to the business, whilst ensuring compliance and preventing malpractice.	
S3	The ICT function has “a voice at the table” at the appropriate level of seniority.	
S4	The ICT function integrates with corporate priorities on value for money and continuous improvement.	
S5	The business needs of the organisation are supported in a proactive and positive manner, with business and ICT managers taking the Fire Service Plan, and interpreting what it mean for ICT.	
S6	The ICT function is provided through the most economic, efficient and effective sourcing routes, with a clear position on insourcing, outsourcing, and shared services, as well as specific technologies.	
S7	The ICT function is the centre of excellence that translates the strategy and policy into an action plan and helps to deliver it.	
S8	All necessary functionality is provided simply, speedily, and with mobility fully supported, thus enabling a flexible work force.	



Customers	
C1	ICT governance is simple and effective, e.g. the organisation does not invest in new technology until a conscious decision is made that: <ul style="list-style-type: none"> a) the Service needs it; b) the Service does not currently have it; c) there is a sound business and financial case to support it; d) the organisation has the resources to implement it; e) any new technology, wherever possible, integrates with and supports existing technologies;
C2	Communication methods and tools are developed and maintained.
C3	The 24/7/365 demands of Service Delivery are appreciated and supported, using priorities based on risk management.
C4	The outcome-based needs of the customers are identified, articulated, understood, delivered and monitored in a way that is flexible, future proof, and in line with the Corporate and ICT Strategies and Business Plans.
C5	The right balance is struck between usability and control of ICT systems, in which necessary controls are in place and ICT users understand their responsibilities to use the systems effectively and to value the ICT function and systems (e.g. ICT system usage, security, data protection, and freedom of information).
C6	Operational risk information is current, of high quality and available whilst responding to incidents, and management information more generally enables timely and sound decisions by managers.
People	
P1	The ICT function is robustly supported by senior management, who help to develop solutions with the assistance of super users.
P2	The ICT function has the right organisational structure, and is well-managed, motivated and recognised, with high calibre leadership and management, as well as high calibre and flexible technologists.
P3	ICT access is appropriate to managerial responsibility and/or role requirements.
P4	The ICT function is appropriately resourced, professional in its experience, credible in the eyes of its customers, and with the capacity to provide all necessary support and development.
P5	The ICT function provides a check and balance mechanism, by examining any proposed ICT solutions for compliance with the ICT Strategy and advising accordingly.
P6	The ICT function takes responsibility for the Service being able to do its work, and provides solutions.
P7	The ICT function challenges and offers potential solutions to Senior Management Team, Corporate Management Board and areas of the Service where it believes that the organisation is not maximising its potential.
P8	The ICT function is routinely up-skilled as requirements change and new technologies are identified.
P9	The ICT function is customer-centric, supportive, approachable, enabling, and “can do”.



Process	
Pr1	Activities and contracts not aligned with SBRs are stopped.
Pr2	The Service has a reliable, robust and integrated solution for disaster recovery and business continuity.
Pr3	A clear process is developed and maintained for articulating the business needs and business processes in a form that can be translated into agreed and endorsed ICT developments.
Pr4	ICT systems and processes are so good that they are invisible, joined-up as appropriate, and support the needs of the organisation in a user-friendly, fast, reliable, and interactive manner.
Pr5	Contracts are proactively managed to ensure that what is agreed, is delivered.
Pr6	Project, programme and portfolio management are established and robust.
Pr7	All procurements of ICT products and services are driven by organisational needs, achieve value for money in terms of whole-life-costs, and meet business priorities.
Pr8	Service Desk is evolved to cover whole Service.
Technology	
T1	Architectures are developed, documented and maintained for information, systems, networks, processes, data and applications, to record the ICT environment, and guide its ongoing development.
T2	Access to operational information is available in all endorsed modes.
T3	The ICT function is proactive in providing technology to take away the low value activities, and in doing so delivers better value for money.
T4	The Service has a reliable and robust infrastructure.
T5	Re-keying of information is eliminated by automated processes and interfacing ICT systems, ensuring that data are accurate, reliable, consistent and current, and enabling the provision of timely reports and performance information.
T6	ICT systems and configurations interface electronically in a seamless manner, enabling the organisation to be joined up and standardised.
T7	Access (as evaluated by customers) to all ICT applications within the organisation and between agencies is fast, simple, intuitive, reliable, responsive and secure.
T8	A high level of performance is available at all locations and patchy coverage is eliminated.



D3. SBR Status and Positioning

- D3.1 The endorsed Strategic Business Requirements clearly show the ambition of the Service to underpin its operational services with transformed ICT functions.
- B3.2 Through the Strategic Business Requirements, NFRS is committed to:
- 1) Enhanced operational effectiveness, to be achieved in large part through fast, reliable and joined-up ICT systems and infrastructure;
 - 2) The three e's - economy, efficiency and effectiveness;
 - 3) Developing governance mechanisms that will provide a framework for developing the necessary policy and strategy, and for translating this policy and strategy into tactical implementation within the ICT function;
 - 4) Management structures that work efficiently and effectively across the business silos.
- B3.3 NFRS personnel have asked: "What sits behind the SBRs?" The SBRs will need to be translated into tactical actions with time, resource and success measures by those who are empowered to deliver them – e.g. the ICT team itself in agreement with the business. See also Section 9, where the proposed delivery work streams are discussed.
- B3.4 The Strategic Business Requirements should be seen as a process of continuous development, informed by the evolving policy and strategy of the Service and of the ICT Department.



Appendix C: Cronins Information & Communications Technology (ICT) Strategy Report Conclusions

6. How will the Service get there?

6.1 Introduction

6.1.1 This section considers the following:

- 1) The ICT Strategy in Context;
- 2) The ICT Departmental Plan.

6.2 ICT Strategy in Context

6.2.1 Figure 6.1 shows the ICT Strategy in the context of the Service as a whole, its management levels and its risk levels.

6.2.2 The figure also indicates that the ICT Strategy will be implemented through the development of an ICT Departmental Plan, which itself will be set within the context of Departmental Plans for all of the other Departments

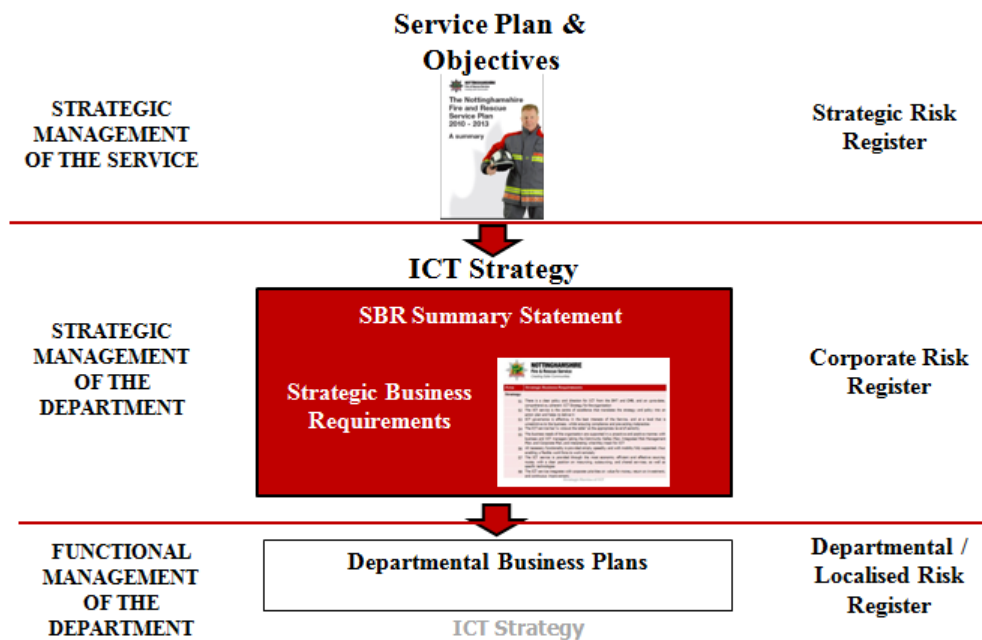


Figure 6.1: ICT Strategy in Context



6.3 ICT Departmental Plan

6.3.1 With regard to the ICT Strategy, the Departmental Plan will identify how to move from the current state (as expressed by the key issues and effectiveness scorecard) to the target future state (as expressed by the Strategic Business Requirements) using the Strategic Principles identified in Section 3.

6.3.2 Key components will be:

- 1) *Outcomes Map* - to identify the outcomes that will need to be delivered to meet the SBRs and their timing;
- 2) *A Projects Portfolio* – to identify and detail the projects necessary to deliver the Outcomes;
- 3) *A Road Map or Gantt Chart* – to distribute and prioritise the Projects along the timeline;
- 4) *Governance* – to ensure that the relationship between the Providers and Users is efficient, effective and harmonious, and the Change Programme inherent in the ICT Strategy is carried forward in a controlled manner;
- 5) *Portfolio and Project Management Mechanisms* - to run the projects, and the overall portfolio of projects, in a sound manner;
- 6) *Financial management* – to ensure that the implementation of the ICT Strategy proceeds within available budgets;
- 7) *Organisational Design* – to reflect whatever structures may be required to deliver the ICT Strategy;
- 8) *Change Management* – to handle the changes that may be required to deliver the ICT Strategy.

6.4 In Summary ...

6.7.1 This section sets the ICT Strategy within the context of the Service as a whole, its management levels and its risk levels. It specifies that the ICT Strategy will be implemented through the development of an ICT Departmental Plan, which itself will be set within the context of the Departmental Plans for all of the other Departments.

6.7.2 The ICT Departmental Plan will need to contain, amongst other things, an Outcomes Map, a Projects Portfolio, and a Road Map. It will also need to identify the framework that will be required to implement the ICT Strategy – namely, mechanisms for governance, portfolio and project management, financial management, organisation design, and change management.



Appendix D: Unified Communications with Microsoft Lync

Key Features of Microsoft Lync

Microsoft Lync is a single solution that sits on your PC, laptop or other mobile device and allows you all encompassing access to the tools which make communicating with your colleagues an empowering experience. Offering instant messaging, presence, voice/video conferencing and web collaboration all through a familiar Microsoft graphical user interface, ensures greater user-adoption, genuine cost reductions and overall operational efficiency.

What can Lync offer to NFRS?

- Reduce travel for meetings
- Lower conference call and video conferencing charges
- Reduce the need for telephone calls and reduce costs
- Increased productivity and faster resolution of operational issues through instant communication
- Lower real estate costs for offices
- Single integrated corporate person directory (using Microsoft Active Directory)
- Reduced ICT support and training costs, using the remote desktop control features
- Integration with Microsoft applications (Outlook, SharePoint and Office) and Windows Phones
- Meeting the Green Agenda

Feature	Description
Instant Messaging	Allows you to communicate with internal colleagues, external partners and even enter chat rooms for multiple-person conversations, all without needing to leave your desk. Ideal for when you are on the phone and need a quick decision from another colleague.
Presence	Ideal for organisations with multiple sites and remote workers allowing colleagues to identify the best way to communicate with someone in faster and more intuitive ways.
Telephony	Enterprise grade, feature rich telephony is embedded in the desktop applications (Outlook, SharePoint and Office) with a common corporate person directory. A Windows Phone application is available, to increase productivity for users who require the ability to work remotely or in a flexible manner.
Voice and Video Conferencing	Having this functionality available at the desktop empowers staff to collaborate and resolve business issues quickly and efficiently.
Web Conferencing	Lync will allow organisation-wide web conferences whenever required. They can be utilised for training, company-wide announcements and even virtual customer events. This can dramatically reduce expenses and travel costs.
Voicemail and Security	Microsoft Lync and Microsoft Exchange were both built with security in mind from the start. Introducing VoIP infrastructure with Unified Messaging and Exchange 2007, allows voicemail to be housed in Microsoft Exchange server, and protection policies for that data can be implemented. Both Microsoft Exchange and Microsoft Lync can encrypt traffic, communications will be better protected than with a conventional PBX system.



Glossary of Terms

- i A wide area network (WAN) is a network that covers a broad area (i.e., any telecommunications network that links across metropolitan, regional, or national boundaries) using private or public network transports.
- ii Wi-Fi is a popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves
- iii Multi-factor authentication (also MFA, Two-factor authentication, TFA, T-FA or 2FA) is an approach to authentication which requires the presentation of two or more of the three authentication factors: a knowledge factor ("something the user knows"), a possession factor ("something the user has"), and an inherence factor ("something the user is").
- iv A private automatic branch exchange (PABX) is a telephone exchange that serves a particular business or office, as opposed to one that a common carrier or telephone company operates for many businesses or for the general public.
- v Citrix Systems, Inc. is an American multinational software company founded in 1989, that provides server and desktop virtualization, networking, software-as-a-service (SaaS), and cloud computing technologies, including Xen open source products.
- vi An operational-level agreement (OLA) defines the interdependent relationships among the internal support groups of an organisation working to support a service-level agreement (SLA).
- vii ISO/IEC 27001:2005 – Information technology – Security techniques – Information security management systems – Requirements. ISO/IEC 27001:2005 formally specifies a management system that is intended to bring information security under explicit management control. Being a formal specification means that it mandates specific requirements.
- viii A Service Knowledge Management System (SKMS) (ITILv3 - Service Transition) is a set of tools and databases that are used to manage knowledge and information. The SKMS includes the Configuration Management System, as well as other tools and database. The SKMS stores, manages, updates, and presents all information that an IT Service Provider needs to manage the full Lifecycle of IT Services
- ix PRINCE2 (an acronym for projects in controlled environments, version 2) is a project management methodology.
- x Microsoft Operations Framework (MOF) 4.0 is a series of guides aimed at helping information technology (IT) professionals establish and implement reliable, cost-effective services. The guidance in the Microsoft Operations Framework encompasses all of the activities and processes involved in managing an IT service: its conception, development, operation, maintenance, and—ultimately—its retirement.
- xi IT as a service (ITaaS) is an operational model where the IT organisation of an enterprise is run much like business, acting and operating as an internal service provider. In this model, IT simplifies and encourages service consumption, provides improved financial transparency for IT services, and partners more closely with lines of business. This type of IT transformation is business focused rather than cost focused, leading directly to improved levels of business agility.



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- xii Unified communications (UC) is the integration of real-time communication services such as instant messaging (chat), presence information, telephony (including IP telephony), video conferencing, data sharing (including web connected electronic whiteboards), call control and speech recognition with non-real-time communication services such as unified messaging (integrated voicemail, e-mail, SMS and fax).
UC is not necessarily a single product, but a set of products that provides a consistent unified user interface and user experience across multiple devices and media types. There have been attempts at creating a single product solution; however, the most popular solution is dependent on multiple products.
- xiii Bring your own device (BYOD) means the policy of permitting employees to bring personally owned mobile devices (laptops, tablets, and smart phones) to their workplace, and use those devices to access privileged company information and applications.
- xiv Technology that allows servers and storage devices to be shared and utilisation be increased. Applications can be easily migrated from one physical server to another
- xv Cloud computing is a colloquial expression used to describe a variety of different types of computing concepts that involve a large number of computers that are connected through a real-time communication network (typically the Internet). Cloud computing is a jargon term without a commonly accepted non-ambiguous scientific or technical definition.
- xvi In the most basic cloud-service model, providers of IaaS offer computers - physical or (more often) virtual machines - and other resources.
- xvii In the business model using software as a service (SaaS), users are provided access to application software and databases. Cloud providers manage the infrastructure and platforms that run the applications. SaaS is sometimes referred to as "on-demand software" and is usually priced on a pay-per-use basis. SaaS providers generally price applications using a subscription fee
- xviii In the PaaS model, cloud providers deliver a computing platform, typically including operating system, programming language execution environment, database, and web server.
- xix Multiprotocol Label Switching (MPLS) is a mechanism in high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses, avoiding complex lookups in a routing table.
- xx Voice over IP (voice over Internet Protocol, VoIP) is a methodology and group of technologies for the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the Internet. Other terms commonly associated with VoIP are IP telephony, Internet telephony, voice over broadband (VoBB), broadband telephony, IP communications, and broadband phone service.
- xxi The Session Initiation Protocol (SIP) is a signaling communications protocol, widely used for controlling multimedia communication sessions such as voice and video calls over Internet Protocol (IP) networks.
- xxii ISO/IEC 20000 is the first international standard for IT service management. ISO/IEC 20000-1:2011 ('part 1') includes "the design, transition, delivery and improvement of services that fulfill service requirements and provide value for both the customer and the service provider. This part of ISO/IEC 20000 requires an integrated process approach when the service provider plans, establishes, implements, operates, monitors, reviews, maintains and improves a service management system (SMS)."



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- xxiii Commercial-Off-The-Shelf Software (COTS) is pre-built software usually from a 3rd party vendor. COTS can be purchased, leased or even licensed to the general public.
 - xxiv A wide area network (WAN) is a network that covers a broad area (i.e., any telecommunications network that links across metropolitan, regional, or national boundaries) using private or public network transports.
 - xxv Wi-Fi is a popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves
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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

EASTWOOD FIRE STATION

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To inform Members of a joint capital scheme involving Eastwood Fire Station, that may require some acceleration of the Capital Programme.

CONTACT OFFICER

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1. BACKGROUND

- 1.1 Members may be aware that as part of the annual settlement the Department for Communities and Local Government (DCLG) set aside £75m of funding for capital schemes for which Fire and Rescue Services were invited to bid. The criteria for bids were quite narrow and centred around the implementation of types of initiatives set out in the Sir Ken Knight report.
- 1.2 Bids needed to be submitted by 4 June 2014 for consideration by DCLG and Nottinghamshire have submitted two bids, one for the new Central Fire Station and one in respect of a development at Eastwood.
- 1.3 As members have already approved the Central scheme there is no requirement for further approval but the Eastwood scheme is new and therefore does require Member approval. Should Members not wish to pursue the Eastwood scheme then the bid can be withdrawn.

2. REPORT

- 2.1 One of the bidding criteria for the government's transitional funding capital grant is that schemes should seek out collaboration with other emergency services, especially but not exclusively the Police.
- 2.2 Nottinghamshire Fire and Rescue Service (NFRS) owns a retained fire station in Eastwood which is a shared premises with the East Midlands Ambulance Service for which they pay an annual rental. NFRS also rent a small piece of land to the NHS for use as a car park for their adjacent health centre.
- 2.3 Recently Nottinghamshire Police have acquired a piece of land in front of the health centre and adjacent to the fire station for their own use, and the NHS and the Police have approached NFRS to see if there is any possibility of a joint development of the whole site.
- 2.4 The idea is to create a single "campus" style development which includes buildings for Police, Fire, EMAS and the NHS and to share common areas such as canteen facilities, reception desk, gym etc. as well as a number of community and meeting rooms.
- 2.5 Eastwood Fire Station is not in the best state of repair however it is not envisaged that it would be scheduled for redevelopment until about 2017, however this opportunity to create a joint service hub in Eastwood seems a logical thing to do. It also fits into the criteria for attracting government grant.
- 2.6 There are very few details available at present about this development as at present there is only an agreement in principle from all four services. Nevertheless funding is to be made available from both the Police and the

NHS to finance their element of this. It is envisaged that EMAS will continue to rent their portion of the building from NFRS.

- 2.7 This project will match the bidding criteria quite closely and therefore a capital grant bid has been submitted for £1.575m for the Fire Service element of this scheme. The overall cost is just over £5m but Police and NHS have committed to fund the balance. Ordinarily a refurbishment or rebuild of Eastwood might be expected to cost approximately £1.5m so a successful bid of this nature would represent a significant saving.
- 2.8 Further reports will be brought back to Members when the bidding process is completed and there is more detail around the specifics of the scheme.
- 2.9 Members are therefore asked to approve this joint scheme and agree to this project being accelerated forward in the Capital Plan.

3. FINANCIAL IMPLICATIONS

The financial implications are set out in Paragraph 2.7 above.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

An initial equality impact assessment has been completed and there are no equality implications arising directly from this report.

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

There is always a risk that comes from operating with partners but these chiefly relate to governance and project management. Both of these issues will be given proper attention before the scheme goes ahead

9. RECOMMENDATIONS

That Members approve this joint scheme and agree to this project being accelerated forward in the Capital Programme.

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

None.

John Buckley
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

PROGRESS REPORT ON THE PROPOSED NEW STATION 18

Report of the Chief Fire Officer

Date: 11 July 2014

Purpose of Report:

To update Members on the progress, costs and programme of the new Station 18 project.

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1. BACKGROUND

- 1.1 The authorisation to proceed with the sale of the existing Central Fire Station site, the relocation and building of a new Station 18 was covered in the original Fire Cover Review (FCR) presented and agreed by the Fire Authority (the sale and relocation of Central element) in February 2011.
- 1.2 Once the sale and relocation of Central Fire Station was agreed a site search and feasibility study was carried out and a short list of suitable sites were identified; the preferred location being a former petrol filling station located on London Road.
- 1.3 Between early 2012 to late 2012 negotiations with the vendor of the preferred site were conducted; however these were eventually abandoned as it became clear that the likelihood of completing the sale was becoming remote.
- 1.4 From late 2012 discussions with the owner (Nottingham City Council) of the second favoured site at the former Gresham Works site, London Road began with an early agreement that the site would be sold to NFRS.
- 1.5 The site was occupied by a number of City Council tenants all of whom were offered the opportunity to relocate to other Council properties or provided with assistance to move elsewhere. This process has taken some time with considerable effort on the part of the City Council where all but one of the tenants has now moved off the site.
- 1.6 As part of the new station development the City Council's Emergency Planning Team (EPT) will relocate from Central Fire Station to the new station with NFRS; this will be under a long term lease arrangement.
- 1.7 Site surveys and site investigations have been on-going from early this year and the project design teams have been working on the scheme since the beginning of 2013. The design is now agreed and has been submitted for planning approval with the City Council.

2. REPORT

THE CURRENT SITUATION

- 2.1 Final Heads of Terms for the sale of the site and the subsequent lease agreement for the accommodation for the Emergency Planning Team are now with the City Council awaiting their agreement. Once these documents have been agreed the formal contracts can be drafted by the relevant legal representatives.
- 2.2 At the time of writing the Council were still working through the legal proceedings with the last remaining tenant at the former Gresham Works site;

once this process is complete the site should be available as vacant possession.

- 2.3 As part of the due diligence being carried out for the purchase of the site a full intrusive site investigation (SI) was carried out week commencing 9 June 2014. Access to the site to carry out this SI had been delayed thus far due to the sitting tenant.
- 2.4 The purchase of the site by NFRS is conditional on (amongst other things) the site being taken on vacant possession, the granting of planning permission and that the site is clear of contamination.

THE PROGRAMME

- 2.5 The outline project programme is as follows:
 - 2.5.1 Site investigation – w/c 9 June 2014
 - 2.5.2 Site investigation laboratory test results – by mid-August 2014
 - 2.5.3 Competitive tender the project works – September to mid-October 2014
 - 2.5.4 Tender assessment period – mid-October to mid-November 2014
 - 2.5.5 Appointment of the works contractor – mid to late November 2014
 - 2.5.6 Contractor mobilisation period – December 2014 through to January 2015
 - 2.5.7 Site purchase and completion of land sale – by December 2014
 - 2.5.8 Contractor start on site – January 2015
 - 2.5.9 Completion of a new fire station – March 2016
 - 2.5.10 Decant from existing Central Station to new fire station – March / April 2016
- 2.6 The above is conditional on any outstanding risks that may delay the programme (see Risk Management Implications below).

THE PROJECT BUDGET AND COST

- 2.7 The detail of the design for the new station has now been developed to a stage where more accurate costs can be assessed; the estimated project costs are detailed in the following paragraphs.
- 2.8 The overall estimated cost of the new station and the decant costs are circa £4.95M made up as follows:

- Contract sum for the demolition and new build – £3.625M
- Professional fees, surveys, investigations, planning and other fees – £300k
- Legal fees, decanting and moving costs, dilapidations costs – £125k
- Direct fit-out costs not included in the contract sum – £100k
- Overall project contingency – £200k
- Land cost – £600k

2.9 The contract sum figure above includes an estimated cost for a number of potential risk items (see also Risk Management Implications below) of circa £300k. As the project proceeds these risks will be managed and should be contained within this £300k (the risk sum element). The risk sum element will be monitored and reported to CMB through the project timeline.

2.10 Of the £3.625 estimate for the contract sum, circa £430k to £450k of this will be the cost to provide the Emergency Planning Team with their accommodation and funded by the City Council. How this is funded (as rent or a capital receipt) is still to be determined and this is being actively negotiated with the Council.

2.11 A Value Engineering (VE) exercise was carried out in March 2014 in order to identify any potential savings from either omitting or re-engineering elements of the project. Some modest savings were made (in the region of £45k), however, the opportunity for VE is now becoming less as the design for the new Station 18 includes lessons learnt from the designs of Carlton and Retford Fire Stations.

2.12 The Architect has prepared some concept drawings for the initial planning application a selection of which are given as Appendix A to this report.

2.13 NRFS' appointed consultants on this project are Turner & Townsend who have recently carried out a benchmarking exercise against their own estimates for the new station and have concluded that:

“...the capital expenditure estimate for the Station 18 project suggests that funds required to develop this scheme are proportionally lower than Carlton and Retford upon adjustment of historical costs to present day. However, in some areas the economies of scale that would usually be gained through the construction of a larger facility are negated by project specific factors outlined above. In addition, the project budget currently includes a significant risk allowance allocation to cover unmitigated risk. As the project's design phase progresses, a number of these items can be investigated which will assist in providing greater cost certainty”.

This benchmark review is attached in full as Appendix B to this report however it should be noted that the figures from Carlton and Retford fire

stations relate to tendered figures whereas those for the new station 18 are estimates at this stage.

- 2.14 As NFRS are to share the station with the City Councils' Emergency Planning Team, a funding bid has been submitted to the Department for Communities and Local Government under the efficiencies grant funding scheme. The bid is for £2.5M of capital funding; the results of this bid will not be known until autumn 2014.

3. FINANCIAL IMPLICATIONS

- 3.1 The Capital Programme for property totals approximately £2.3m for 2014/2015 plus slippage of £3.3m from 2013/2014. The majority of the slippage relates to this project. There is therefore adequate budget cover for this project going forward.
- 3.2 The business case for the relocation/rebuild remains sound both in terms of the operational issues covered by the fire cover review and financially when taking into account the running costs of the existing old and inefficient station. The costs of bringing a building such as the existing Central Fire Station up to a modern standard would be prohibitive and maintenance costs would continue to escalate.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

A new building will have equalities considerations designed in as standard such that issues around access, facilities etc. can be assessed as part of the design process.

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

All Capital Projects of this scale carry an element of risk however adequate contingency sums have been set aside and proper professional project management will be employed to mitigate these risks.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Note the contents of this report
- 9.2 Approve the latest cost estimate of £4.95m notwithstanding that this will be offset by £2.5m of capital receipts and any subsequent rental agreement with the City Council.

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

None.

John Buckley
CHIEF FIRE OFFICER

Architects Concept Drawings – New City Station



View down London Road towards Station Street



View down London Road towards Trent Bridge



Front Elevation

Nottinghamshire Fire & Rescue Service

Station 18

Benchmarking Review

Further to recent Stage D Cost Monitoring, the current cost estimate sits the project above previously benchmarked estimations. This paper evaluates the project specific cost drivers influencing the project at this stage. These drivers are evaluated against recent similar Fire Station projects completed by the Nottinghamshire Fire & Rescue Service at both the Carlton and Retford sites.

1.1 Carlton and Retford Benchmark

	Carlton	Retford	Station 18 Estimate
GIFA (m2)	1,169	794	1,376
Total Construction Cost (Base Cost)	£2.51m	£1.94m	Circa £3.67m (inc risk allowance of £325k)
£/m2 (Base Cost)	£2,149/m2	£2,438/m2	£2,424/m2 (£2,664/m2 inc risk allowance)
Total Construction Cost (Current Day)	£3.01m	£2.09m	As above
£/m2 (Current Day)	£2,574/m2	£2,634/m2	As above
Abnormals	<ul style="list-style-type: none"> Contaminated Land BREEAM Excellent Demolition Works 	<ul style="list-style-type: none"> Demolition Works 	<ul style="list-style-type: none"> Various - See below,

(Note: The above calculations are exclusive of fees, client directs and VAT. Carlton and Retford costs are adjusted to offer a comparable like-for-like analysis. As such, costs associated with the vehicle pits, enhanced training facility, and temporary accommodation are excluded).

In the construction of a larger facility, the economies of scale demonstrated above on a re-based cost per m² basis are expected. However, there are a significant number of project specific factors which contribute to explaining why the project cannot take further advantage of these economies.

1.2 Station 18 Abnormals

The Station 18 scheme has a number of site and project specific impacts which contribute to its costs. Whilst the building specifications are largely similar, there are a number of significant costs drivers, specific to this scheme, that are highlighted below.

1.2.1 Demolition

Due to the brownfield site location, significant costs are to be incurred through the planned extension, demolition, decommissioning and removal of the existing structures. Having market tested the demolition package, costs stand at circa £130k for the demolition of the existing building in addition to a provisional allowance of £20K for the removal of asbestos. As highlighted above, the Retford and Carlton schemes also required Demolition works to a lesser extent.

1.2.2 Service Diversions

The existing site has a number of telecoms diversions required. These will carry significant costs in addition to prolonging the construction programme. Both BT and Virgin Media cables are in the area, in addition to works required for water, gas and electricity.

1.2.3 Planning Requirements

The restrictions imposed by the Planning Authority have enforced certain site surveys to be completed in two visits. This has inflated costs of the surveys.

1.2.4 Emergency Planning Team Requirements

The emergency planning team area stands at around 191m². Having undertaken a cost analysis of these works, around £423k of the total project costs can be attributable to the provision of space for the Emergency Planning Team. Whilst we understand funds will be adjusted internally within NFRS, providing this space incurs associated additional costs.

1.2.5 Inflation

The current estimate includes a market inflation rate of 3.8% to the mid point of construction. Market rates have begun to increase over the last 6-12 months and are projected to further escalate over the coming year. This will be monitored and adjusted accordingly as the design progresses. Market fluctuations remains a significant risk to the project budgeting.

1.2.6 Building Form

Following discussions with the Planning Authority, the design has developed to ensure sufficient frontage is retained to keep in with the existing street scene. However, this has produced a relatively long and slim building which does not prove to be as cost effective as the design of other stations in terms of building form and layout.

1.2.7 Sustainable Technologies

The sustainability options to be incorporated by the NFRS go beyond that provided at either Carlton or Retford. The scheme is to incorporate photovoltaic panels in addition to the use of District Heating due to its local availability. The increased cost of providing both instead of just photovoltaic panels is in the region of £40k.

1.2.8 Risk

Given the number of unmitigated and unknown risk factors at present caused by being unable to investigate the entire site, the risk allowance included within current cost estimate is greater than would otherwise be forecast at this stage of project design. Following resolution and confirmation of a number of these factors, firming up of the anticipated costs will be possible in order to provide greater cost certainty.

1.3 Summary

Despite the reasons outlined above, the capital expenditure estimate for the Station 18 project suggests that funds required to develop this scheme are proportionally lower than Carlton and Retford upon adjustment of historical costs to present day. However, in some areas the economies of scale that would usually be gained through the construction of a larger facility are negated by project specific factors outlined above. In addition, the project budget currently includes a significant risk allowance allocation to cover unmitigated risk. As the project's design phase progresses, a number of these items can be investigated which will assist in providing greater cost certainty.