



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

FINANCE AND RESOURCES COMMITTEE

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge,
Arnold Nottingham NG5 8PD on 16 January 2015 from 10.00am to 11.42am**

Membership

Present

Councillor Malcolm Wood (Chair)
Councillor John Allin
Councillor Chris Barnfather
Councillor John Clarke
Councillor Gordon Wheeler

Absent

Colleagues, partners and others in attendance:

| | |
|--------------------------|---|
| Councillor Brian Grocock | - Observer |
| Peter Hurford | - Treasurer |
| Neil Timms | - Strategic Director of Finance and Resources |
| Catherine Ziane-Pryor | - Governance Officer |

20 DECLARATIONS OF INTERESTS

None.

21 MINUTES

It is noted that with regard to minute 18, 'Occupational Road Risk' the Road Risk Group Action Plan will be submitted to a future meeting.

RESOLVED for the minutes of the last meeting held on 10 October 2014, to be confirmed and signed by the Chair.

22 APOLOGIES FOR ABSENCE

Apologies for lateness were received from Councillors John Clarke (10.06am) and John Allin (10.07am).

23 REVENUE AND CAPITAL MONITORING REPORT TO NOVEMBER 2014

Neil Timms, Strategic Director of Finance and Resources, presented the report which details the financial performance of the Service between 31 March 2014 and 30 November 2014, highlighting key areas where outturn variances are most likely to occur.

The following points are highlighted in the report with a brief explanation of the predicted figures:

- (a) the Revenue Budget is £42.9million with an estimated overall variance of 0.67% totalling £290,000;
- (b) the net cost of industrial action during 2014/15 is estimated to be £442,000;
- (c) the whole time variance to date is £365,000 under spend with an estimated outturn under spend of £245,000;
- (d) retained pay is predicted to have an under spend of £244,000;
- (e) administrative and support staff pay, £344,000 under spend;
- (f) pension strain, has an outturn of £158,000 over spend;
- (g) Prince's Trust, £86,000 deficit with an under spend of £33,000;
- (h) fleet maintenance has £40,000 of additional maintenance charges to pay;
- (i) premises under spend of £37,000;
- (j) insurance overspend of £22,000;
- (k) supplies and services, £50,000;
- (l) support services, overspend of £100,000;
- (m) earmarked reserves of £280,000;
- (n) depreciation and impairments of £6,000;
- (o) capital financing costs under spend of £239,000.

It is noted that the cost of the cost of industrial action is now predicted to be £373,000.

An explanation of the Capital Programme is provided in the report.

RESOLVED to approve the following earmarked reserves:

- (i) £200,000 potential costs arising from developments in communications;**
- (ii) £ 80,000 future ill health charges (top up to pensions reserve);**
- (iii) £200,000 to support the transition to a joint control room.**

24 PRUDENTIAL CODE MONITORING REPORT TO 30 NOVEMBER 2014

Peter Hurford, Treasurer, presented the report which outlines the performance to the Prudential Indicators for Capital Accounting and Treasury Management, for the two-month period ending 30th November 2014.

One small technical breach had occurred on the upper limit of loans between 12 months and 5 years. This was due to a reduction in total borrowing and is not considered a significant risk.

RESOLVED to note the report.

25 BUDGET PROPOSALS FOR 2015/2016 TO 2017/2018 AND OPTIONS FOR COUNCIL TAX

Neil Timms, Strategic Director of Finance and Resources, presented the report which provides options for the recommendation to Full Fire Authority for a balanced revenue budget over the next 3 years including implications for Council Tax.

The following responses were given to Councillor's questions:

- (a) the outline budget was set last February and now needs to be updated to include further potential savings identified by a Panel consisting of Councillor Wood as Chair of the Finance and Resources Committee, Peter Hurford, as Treasurer, and Neil Timms as Strategic Director of Finance and Resources;
- (b) Members have been concerned regarding the underspend of capital programme, but this has often been due to delays, including the time between ordering fire appliances and receiving them which can be 14 months. Due to this, plans need to be in place at least a year before equipment is required;
- (c) construction of the new Fire Station at Gresham is taking longer than predicted due to unforeseen delays in purchasing land. This this will result in the Fire Service not being able to perform to the programme as although some flexibility is built-in, it will not be sufficient in this instance so the programme will be reduced by 20% to allow for this slippage;
- (d) more detailed information will be available for the full Fire Authority meeting regarding the implications on council tax options;
- (e) In 2008 the Service assessed all Fire and Rescue Service estate and considered sustainability of the capital programme. The cost of refurbishment and new build were considered and it was found that refurbishment of fire stations was not feasible as better value for money could be achieved by building new properties. If building programmes were 'slowed down', there would only be a short term benefit with a greater long-term impact;
- (f) the capital spend on appliances and their expected working life has been considered but could be revisited. Lifespan varies for different equipment with pumping appliances currently active for 12 years but built with a 15 year life span. If members requested, this could be reconsidered but would need to include consideration of maintenance costs and again, a short term benefit could have a longer term negative impact;
- (g) a Fire Cover Review is taking place at the moment to ensure that all Fire Stations are sited appropriately. Land has not yet been identified for the new stations although several options are available.

RESOLVED

- (1) to note:**

- (i) **the Capital and Revenue Budgets for 2015/2016**
 - (ii) **the outline Capital and Revenue Budgets for 2016/2017 and 2017/2018;**
- (2) **to recommend that the full Fire Authority, subject to more in-depth, complete and longer term information being available, including from Central Government, consider the following two funding options for the Service;**
- (i) **a zero increase in Council Tax;**
 - (ii) **an increase in Council Tax below the referendum ceiling.**

26 TREASURY MANAGEMENT MID-YEAR REVIEW 2014/15

Peter Hurford, Treasurer, presented an update on treasury management activity during the first half of the 2014/15 financial year.

RESOLVED to note the report.

27 CORPORATE RISK MANAGEMENT

Neil Timms, Strategic Director of Finance and Resources, presented the report which updates the Committee on the Corporate and Strategic Risk Registers.

Members questions were responded to as follows;

- (a) cyber terrorism is a heightened threat but the Fire and Rescue Service system security is very robust and the service is unlikely to be an attractive target;
- (b) there are financial risks as Council Tax grants are reduced significantly. In addition, there may be a move from Central Government for business rates to be collected by the Local Authority. This may result in lower incomes.

RESOLVED

- (1) **to note and endorse:**
 - (i) **the Strategic Risk Register;**
 - (ii) **the Corporate Risk Register;**
- (2) **to note the most significant risks facing the Authority;**
- (3) **for the Strategic Director of Finance and Resources to request that the Risk Manager provide a response to members of the Committee regarding the level of protection considered against risks.**

28 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining agenda items, in accordance with section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

29 PROPOSED DISPOSAL OF LAND AT MANSFIELD

Neil Timms, Strategic Director of Finance and Resources, presented the report which seeks authority for the disposal of a strip of land owned by the Fire Service, at Mansfield. Several options were suggested to the Committee.

RESOLVED to approve Option 4.

30 PURCHASE OF LAND AT THE FORMER GRESHAM WORKS

Neil Timms, Strategic Director of Finance and Resources, presented the report which seeks authority for arrangements to be put in place for the acquisition of the former Gresham Works.

RESOLVED for approval to be given for officers to make an offer to purchase the land in line with the terms set out in paragraph 2.6 of the report.