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NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY

FINANCE AND RESOURCES COMMITTEE

Date: Friday, 17 January 2020 **Time:** 10.00 am

Venue: Nottinghamshire Fire and Rescue Service HQ, Bestwood Lodge Drive, 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. J. Cave". The signature is fluid and cursive.

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

AGENDA

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

FINANCE AND RESOURCES COMMITTEE

**MINUTES of the meeting held at Nottinghamshire Fire and Rescue Service HQ,
Bestwood Lodge Drive, Arnold, Nottingham, NG5 8PD on 11 October 2019 from
10:01am to 10:29am**

Membership

Present

Councillor John Clarke (Chair)
Councillor Toby Neal
Councillor Mike Quigley MBE
Councillor Nick Raine

Absent

Councillor Andrew Brown

Councillor Jonathan Wheeler
(Substitute for Councillor Andrew
Brown)

Colleagues, partners and others in attendance:

Leila Henry - Head of Corporate Support
Adrian Mann - Governance Officer
Ian Pritchard - Assistant Chief Officer
Becky Smeathers - Head of Finance

10 APOLOGIES FOR ABSENCE

Councillor Andrew Brown

11 DECLARATIONS OF INTERESTS

None.

12 MINUTES

The Committee confirmed the minutes of the meeting held on 28 June 2019 as a correct record and they were signed by the Chair.

13 REVENUE, CAPITAL AND PRUDENTIAL CODE MONITORING TO 31 AUGUST 2019

Becky Smeathers, Head of Finance, presented a report on the financial performance of the Service during the 2019/20 financial year, to the end of August 2019. The following points were discussed:

- (a) the current underspend remains at £1.1million. This is because the day-crewing project was delivered on time and did not require its £200,000 contingency; payments of £647,000 for the Joint Control Room merger and the planned closure of the Prince's Trust Programme were ultimately accounted for in the 2018/19 financial year (rather than in 2019/20, as initially anticipated); and the Service received £672,000 to compensate for loss of income from National Non-Domestic Rates caused by Government policy, which was £233,000 above the estimate figure used in the budget;
- (b) it is proposed to allocate the £200,000 day-crewing project contingency budget to cover over-time pay in whole-time roles, where additional cover has been required due to long-term sickness. In addition, some senior vacancies – which, traditionally, are uniformed roles – have been filled by non-uniformed members of staff on a temporary basis. As uniformed and non-uniformed staff roles are budgeted separately, it is proposed to re-balance the budgets to reflect the positions that they have been funding;
- (c) the overall on-call pay budget is expected to be underspent by £214,000. This is due to a reduction in the number of planned recruitment courses and a lower numbers of on-call staff than was included in the budget. It is proposed that £35,000 of the underspend is allocated to on-call pension provision, where an overspend is anticipated due to the new rates announced in March. A further allocation of £65,000 is proposed towards on-call community safety work, which was identified as a priority in the Strategic Plan and an area requiring improvement in the recent Service inspection;
- (d) the General Reserve is predicted to be £5.5million at the end of the financial year, with an anticipated spend from earmarked reserves of £429,000 towards planned expenditure. The reserves will remain above the required minimum level of £3.9million;
- (e) capital programme spending to date is £425,000. A number of small ICT schemes are progressing well, but a review of the Tri Service Project is necessary following the creation of the Joint Control Centre with Derbyshire Fire and Rescue Service. Expenditure may be delayed into 2020/21 for this project. The new hose and storage drums have been delivered and installation is underway. The upgraded breathing apparatus communication equipment has been delayed to allow more time for thorough testing. As such, it may be possible to bring forward the upcoming project to update fire helmets, to align the two projects. The installation of new CCTV in vehicles is ready to commence but, due to the £330,000 cost, a full European Union procurement exercise is required, which will delay expenditure until 2020/21;

- (f) the initial work for a new Worksop Fire Station is currently on hold as the East Midlands Ambulance Service has indicated that it may need to withdraw from the project due to a review of its operational model;
- (g) the cost of fuel remains a concern for the Service and a contingency sum is held within reserves in case of emergency;
- (h) in terms of Prudential Code Monitoring, total borrowing at the end of August 2019 was within the operational and authorised limits, at £25.6million. There has been no borrowing activity since the start of the financial year. All current loans are on fixed-interest terms.

RESOLVED to:

- (1) approve the reallocation of the unneeded £200,000 whole-time pay budget to cover overtime pay in whole-time roles, where additional cover has been required due to long-term sickness;**
- (2) approve the reallocation of £205,000 between the uniformed and non-uniformed staff budgets, where some senior vacancies have been filled on a temporary basis by non-uniformed members of staff;**
- (3) approve the reallocation of £35,000 from the underspend in the overall on-call drills and training budget to on-call pension provision, where an overspend is anticipated due to the new superannuation rates announced in March;**
- (4) approve the reallocation of £65,000 from the underspend in the on-call drills and training budget towards on-call community safety work, which has been identified as a priority in the Strategic Plan and an area requiring improvement in the recent Service inspection;**
- (5) reinstate the £22,000 budget for the conversion of hose reel equipment into the 2019/20 capital programme;**
- (6) approve the slippage of the £313,000 capital expenditure for new CCTV in vehicles to the 2020/21 budget.**

14 CORPORATE RISK MANAGEMENT

Leila Henry, Head of Corporate Support, presented a report on the corporate risk management process and the current version of the Corporate Risk Register. The following points were discussed:

- (a) the four highest risks in the Register are the use of vehicles on Service business; the mobilisation process; health, safety and welfare; and working at height;
- (b) mobilisation processes have been reviewed to take account of changes following the implementation of Joint Fire Control. Additional governance and oversight, together with the development and testing of business continuity arrangements, has been put in place to ensure that there is no overall change to the risk rating.

Due to a recent issue with ladders in the Service and a couple of serious incidents nationally, the risks relating to working at height are being managed closely and actively. All ladders on engines are serviced every twelve weeks. Where necessary, stations that have new risks in their areas, such as building sites with construction cranes, will assess these risks and ensure that firefighters are adequately trained to deal with them;

- (c) agency reporting and a multi-agency planning structure is in place through the Local Resilience Forum for the UK's exit from membership of the European Union. The Service has business continuity arrangements in place to deal with a range of eventualities but, given the high levels of uncertainty, an £800,000 contingency has been included in the General Fund Reserve.

15 MANAGEMENT OF OCCUPATIONAL ROAD RISK

Leila Henry, Head of Corporate Support, presented a report on the management of occupational road risk, which is a major risk area on the Corporate Risk Register. The following points were discussed:

- (a) the previous vehicle insurer declined to renew its policy with the Service due to a number of recent, high-cost claims. As a result, the 2019/20 Road Risk Action Plan has been updated with new actions following recommendations from the Fleet Risk Review Report 2019, which was completed by the Service's new vehicle insurers;
- (b) the focus of the Action Plan is on developing driver skills and behaviours, with the aim of reducing the frequency of slow-speed manoeuvring accidents. These actions are in addition to the Service's routine driver training and other fleet management activities. In addition to the work outlined in the Action Plan, Nottingham Trent University has provided the Service with four driver training packages to supplement the existing driver training in hazard perception. These have been incorporated in the Service's e-learning system. Where appropriate, knowledge and best-practice sharing arrangements are in place with Derbyshire and Leicestershire Fire and Rescue Services, and with Nottinghamshire Police;
- (c) it is anticipated that recruitment to a vacant post within the Service's Driver Training Team will be completed by January 2020, to provide the necessary resource to enable completion of the outstanding actions in the Action Plan;
- (d) the planned improvement to CCTV systems on fire engines will also improve driver safety and allow for remote access to the camera footage;
- (e) following the introduction of these measures, a full performance report will be brought to the next meeting of the Committee to set out the improvements made and to close the two outstanding items in the Road Risk Action Plan.

16 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard

to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

17 EXEMPT MINUTES

The Committee confirmed the exempt minutes of the meeting held on 28 June 2019 as a correct record and they were signed by the Chair.

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

REVENUE, CAPITAL AND PRUDENTIAL CODE MONITORING REPORT TO 30 NOVEMBER 2019

Report of the Chief Fire Officer

Date: 17 January 2020

Purpose of Report:

To report to Members on the financial performance of the Service in the year 2019/20 to the end of November 2019.

Recommendations:

It is recommended that Members:

- Note the contents of this report.
- Approve the transfer of £170k CCTV in vehicles project funding to fund the PPE helmets to enable them to be purchased in 2019/20 rather than 2020/21 as originally anticipated.
- Approve slippage of £160k for the CCTV in vehicles capital project.

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1. BACKGROUND

- 1.1 Budget monitoring is a key aspect of financial management for the Fire Authority. Regular reporting of spending against the revenue 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 For this report, 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. It is vital that an overview of the budgetary position during the year is maintained so that appropriate action can be taken in respect of significant variances and the budget is managed as a whole.
- 1.3 Monitoring against the prudential indicators set out by the Fire Authority in February 2019 is also included in this report, as required in the Prudential Code published by the Chartered Institute of Finance and Accountancy (CIPFA).

2 REPORT

REVENUE BUDGET

- 2.1 The revenue monitoring position is set out in Table 1 below. It shows a forecast outturn position of £42.028m, a £0.890m underspend against the revised budget of £42.918m. The revised budget reflects the planned use of £221k earmarked reserves (net of contributions to earmarked reserves). A summary position of expenditure and funding is shown in the table below:

Table 1 – Summary Expenditure and Funding Position

	2019/20 Budget £'000	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Expenditure	42,697	42,918	42,028	(890)
Income	(41,457)	(41,457)	(41,457)	0
General Fund Reserves	(1,240)	(1,240)	(350)	890
Earmarked Reserves	(0)	(221)	(221)	0
Total	0	0	0	0

- 2.2 A more detailed analysis of expenditure can be found at Appendix A.

- 2.3 The underspend position has changed significantly since that reported to September Fire Authority which reported an expected underspend position of £1.165m. The main reason for this change in anticipated levels of government grant. The revenue budget included a £163k refund of revenue support grant. However, this money was received earlier than expected (at the end of March 2019) and so was accounted for in the 2018/19 financial year.
- 2.4 Despite the reduction in underspend outlined in Section 2.3, the underspend of £0.89m remains significant. The monitoring report considered by the Finance and Resources Committee on 11 October 2019 provided details of significant one-off items causing the underspend. These are summarised below:
- The budgets contained a contingency of £200k to support the day crewing project should it be in a position that it was unable to go live in April 2019. The project was delivered on time and this was not needed.
 - Termination payments of £647k for the Joint Control Room merger and the planned closure of the Prince's Trust programme were accounted for in the 2018/19 financial year to comply with the relevant accounting standard relating to termination payments. This expenditure was originally expected to be met in 2019/20. This has been partially offset by additional costs of £72k for additional members of staff who requested redundancy following the move to Derby.
- 2.5 Major variances on specific budgets are shown below:
- 2.6 **WHOLETIME PAY:** after taking account of income to cover external secondments, wholetime pay is expected to underspend by £156k. This follows a virement to transfer £205k to the non-uniformed pay budget to cover senior wholetime vacancies which have been filled by non-uniformed staff. This variance of £156k is less than of 0.7% of the £23.2m budget.
- 2.7 **ON-CALL PAY:** this overall on-call pay budget is expected to underspend by £118k. The most significant area of underspend relates to drills and training, which is forecast to underspend by £243k. This is largely due to a reduction in the number of planned recruitment courses and lower than budgeted numbers of on-call staff. The budget for other work is expected to overspend by £37k. Much of this is due to on-call crews covering for wholetime colleagues while they attend fire protection training.
- 2.8 **NON-UNIFORMED PAY:** non-uniformed pay is expected to underspend by £293k. This is due to 12 full-time equivalent vacant posts which equate to a vacancy factor of 5.6% against the 1.5% included in the budget. Four vacancies have only recently been filled, meaning that there have been 16 vacancies for much of the year. There have been consistently high levels of underspend on non-uniformed pay for several years. This is being addressed in the 2020/21 budget process by increasing the vacancy factor to ensure that it more accurately aligns to levels experienced in previous years.

- 2.9 **TRAINING COSTS:** the forecasted underspend is £69k. £45k of this relates to training budgets set aside for ICT, procurement, corporate communications and general employee development. £30k relates to the Prince's Trust programme, which has been discontinued. More details about the Prince's Trust can be found in Paragraph 2.13.
- 2.10 **TRANSPORT COSTS:** the forecasted overspend is £57k. £60k of this relates to the backlog vehicle maintenance which was outsourced last financial year due to the former contractor being unable to fully fulfil the contractual terms and therefore delaying the works, plus the cost of repairing accidental damage to the water carrier. The majority of the cost of the accident repair work has been received from the Authority's insurers.
- 2.11 **SUPPLIES AND SERVICES COSTS:** the forecasted underspend is £130k. This is largely due to savings which have been made on the photocopier and fleet maintenance contracts (£40k and £60k respectively). This is an ongoing saving which will be reflected in the 2020/21 budgets.
- 2.12 **JOINT CONTROL ROOM COSTS:** the Authority's share of the salaries and running costs of the Joint Control Room is expected to be in the region of £100k more than originally anticipated. This is due to four additional staff being employed to cover long-term sickness along with additional charges that were not included in the original estimate of costs.
- 2.13 **PRINCE'S TRUST INCOME:** the overall forecast net deficit relating to the Prince's Trust programme is £47k in 2019/20, mostly caused by a deficit in backdated funding. The decision was made by the Policy and Strategy Committee in February 2019 to draw the programme to a close during 2019/20. The programme has now ceased.
- 2.14 A saving of £72k has been identified in minimum revenue provision (the amount required to pay back the debt costs for the capital programme).
- 2.15 **RECOVERED COSTS:** income of £72k has been received from neighbouring Fire Authorities through the Bellwin Scheme following attendances by Nottinghamshire staff at major flooding incidents. This has been used to offset additional costs incurred, mostly relating to on-call costs.

RESERVES

- 2.16 Details of the use of reserves during 2019/20 can be found in Appendix B.
- 2.17 Expected levels of reserves at 31 March 2020 are £9.769m as detailed in Table 2 below.

Table 2 – Anticipated Movement in Reserves 2019/20

Reserves	Balance 01/04/19 £'000	Anticipated Use 2019/20 £'000	Expected Balance 31/03/20 £'000
Use of earmarked reserves	4,645	(279)	4,542
Contributions to earmarked reserves		176	
General Fund	5,576	(350)	5,226
Total	10,221	(453)	9,768
ESMCP* Regional Reserve	118	(117)	1
Total	10,339	(570)	9,769

* Emergency Services Mobile Communications Programme

2.18 The general reserve is predicted to be £5.226m at the end of the financial year. This remains above the minimum level of £3.9m agreed by Fire Authority on 15 February 2019.

2.19 The Emergency Services Mobile Communications Programme (ESMCP) regional reserve has been shown separately to those reserves held by the Authority to reflect that the funds are to be allocated regionally and do not belong to Nottinghamshire Fire and Rescue Service (NFRS).

CAPITAL PROGRAMME

2.20 The current approved 2019/20 capital programme is £4.546m. The total spend to date is £630k, the forecast out-turn expenditure is £2,428m including slippage of £2.081m from 2018/19. The current capital programme is shown at Appendix C.

ICT

2.21 Business Systems Development (£50K) – this budget will be used to finance developments of key corporate systems such as CFRMIS and to procure a replacement rostering solution for the Service. Work has not yet commenced on this project, but is expected to be completed by the end of the year.

2.22 Cyber Security (£20K) – this budget will be used to finance ICT security developments, most notably small projects related to the implementation of improved security for the Service. The software purchase has been delayed and £10k is anticipated to slip into 2020/21.

2.23 Business Process Automation (£61K) – this budget has been used to finance ICT strategic developments, most notably small digital transformation projects

related to the implementation of the new Microsoft SharePoint workflows and other digitisation developments.

- 2.24 ICT SharePoint Internet/Intranet (£26K) – this budget will be used to finance the final phase of the ICT SharePoint Strategy, which will involve the implementation of a new Microsoft SharePoint document management solution and the digitisation of current manual business process using SharePoint workflows. Work is continuing with the project to implement department team sites. This is taking longer than initially expected due to the amount of work required from teams to transfer files across which needs to be undertake in addition to normal workloads.
- 2.25 Headquarters (HQ) Core Switch Upgrade (£30k) – this project has been under review to ensure the project meets the long-term needs of the Service at the new HQ. Work on the project has now been postponed due to the relocation of the HQ site to Sherwood Lodge.
- 2.26 Finance Agresso Upgrade (£45k) – this is a collaborative project with Derbyshire and Leicestershire Fire Services. The upgrade has been implemented in two of the three sites, with Leicestershire due to go live early January.
- 2.27 Performance Management (£10K) – the Performance Management Framework is a key project which pulls together management information from the various systems across the organisation to assist managers in monitoring performance. Work is progressing well and the system has been rolled out to managers to test and develop to ensure it meets the needs of the Service.
- 2.28 Mobile Computing – this budget is financing a variety of projects and equipment purchases relating to the growing use of mobile computing across the Service.
- 2.29 ICT Capital Programme – replacement equipment is being utilised to maintain the current ICT infrastructure throughout the financial year. Expenditure already been made on the procurement of new laptops for station personnel to support the collection of safe and well data. It is expected that £50k will be slipped into 2020/21.
- 2.30 Tri-Service Project – following the decision by Fire Authority to create a joint control room with Derbyshire Fire and Rescue Service, the Tri-Service contract with Systel is being reviewed to determine future requirements.

ESTATES

- 2.31 Planning approval has now been granted for the joint Headquarters new building at Sherwood Lodge. The project will go out to tender once the Limited Liability Partnership (LLP) has been set up. Both legal and accounting advice has been received and the LLP documentation is being updated to reflect this advice.
- 2.32 The initial work for a new Worksop fire station is currently on hold. The due diligence has been carried out for the purchase of the land for the new site

between the Service's solicitors and the appointed professional team. As part of the due diligence searches it has been identified that there are no rights to lay services (water, sewage, gas etc.) in the road to the site. The project has been temporarily paused due to ongoing negotiations for the rights to lay services to the site; these negotiations are being undertaken by the land owner and owner of the adjacent business park. It is anticipated that once the rights have been granted to the site, NFRS can then purchase the land and proceed with the project. This will change the profile of expected expenditure which will be reviewed once the access rights have been confirmed. It is anticipated that slippage of £2.6m will be slipped into 2020/21.

- 2.33 The old On-Call station in Hucknall was closed in November 2019 and the crew have now co-located with the East Midlands Ambulance Service station in Hucknall. This was a collaborative project which will benefit both Services and the local community.
- 2.34 The new Newark fire station is now complete and operational. The demolition of what is left of the old fire station has been completed. It was identified that the amount of notifiable asbestos was more than the original tender expectations, and this has therefore resulted in an increase in cost to remove it. This can be contained within the existing budget.
- 2.35 The disposal of the old fire station land is the subject of another report on this agenda.

EQUIPMENT

- 2.36 Conversion of hose reel equipment – the hose and storage drums have been delivered and work to install them onto fire appliances is about half way through.
- 2.37 Breathing apparatus communication equipment – this project has now been completed. This was a collaborative project with Derbyshire Fire and Rescue Service (DFRS) who operate with the same BA kits as Nottinghamshire.
- 2.38 The lightweight jacket project is being amalgamated with the structural personal protection equipment (PPE) project and will be delivered in collaboration with DFRS. There is a six-month lead time on purchase of light weight jackets which has caused the delay in the project. The order for the jackets has now been placed and the expected delivery of both the Structural PPE and lightweight jackets will be in March 2020. The PPE helmets were due to be replaced in 2020/21. However, it is intended to bring this project forward so that all the PPE equipment can be replaced at the same time. Approval is sought to use £170k of the 2019/20 funding for CCTV in vehicles which will now be delivered in 2020/21 (see Paragraph 2.39) to fund the helmets.
- 2.39 CCTV in vehicles (£330k) – this project is now ready to commence, but due to the value of the project, a full OJEU (Official Journal of the European Union) procurement exercise is required which will mean that expenditure will not be incurred until 2020/21. The total cost of the project is now expected to be in the region of £200k, which is less than originally thought. It is proposed to use £170k of the original £330k to fund new helmets (see 2.38) and slip the

remaining £160k into 2020/21. This will be supplemented with £40k from the helmet funding which was originally in 2020/21 to create a budget of £200k in 2020/21 for the CCTV project.

TRANSPORT

- 2.40 The Command Support Unit requires upgrading to allow it to perform in line with current operational procedures, the cost for this will be £70k.
- 2.41 NFRS and DFRS have also successfully collaborated on the use of the hazardous materials and environmental protection unit (HMEPU). After initial difficulties in securing a contract to build the body, it has now been secured, with completion of the new HMEPU expected in March 2020.
- 2.42 Initial orders for new electric vehicles were placed in September 2018, the Renault vans arrived in June 2019, the Renault Zoe have now been delivered. The slippage of £258k relates to the delay in the procurement of the Trading Company vehicles which were due to be replaced this year.

PRUDENTIAL CODE MONITORING

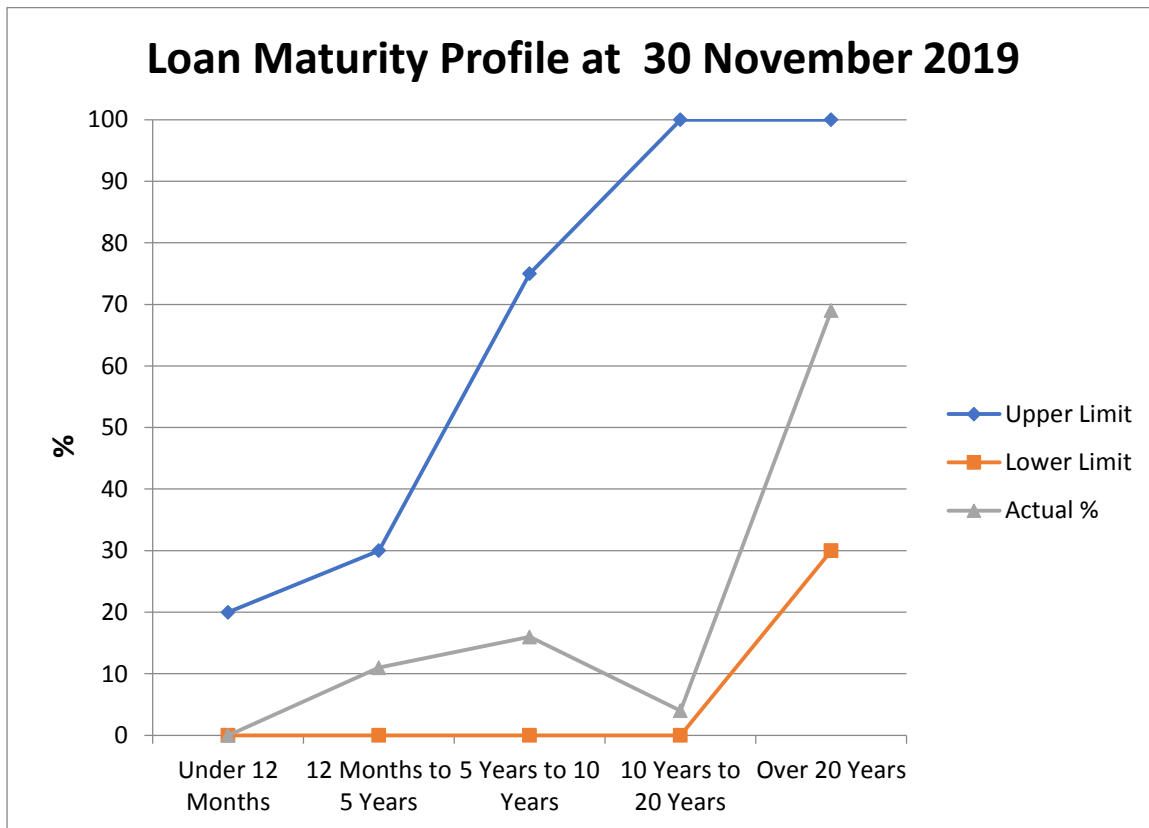
- 2.43 The Fire Authority approved the prudential indicators for 2019/20 at its meeting on 15 February 2019. The Prudential Code requires that performance against these indicators is reported to Members.
- 2.44 The approved indicators along with performance as at 31 August 2019 are shown in the table below. There are some indicators which cannot be calculated until the year end expenditure is known.

Table 3 – Prudential Code Monitoring

Prudential Indicator	Approved Indicator	As at 31 August 2019
Estimate of Ratio of Financing Costs to Net Revenue Stream	5.5%	Year End Only
Estimate of Total Capital Expenditure to be Incurred	£5,448,000	Year End Only
Actual Borrowing		£25,600,000
Estimate of Capital Financing Requirement	£30,098,000	£30,098,000
Operational Boundary	£30,600,000	£30,600,000
Authorised Limit	£33,660,000	£33,660,000
Upper limit for fixed rate interest exposures	100%	100%
Upper limit for variable rate interest exposures	30%	0%
Loan Maturity:	<u>Limits:</u>	
Under 12 months	Upper 20% Lower 0%	See Graph Below
12 months to 5 years	Upper 30% Lower 0%	See Graph Below
5 years to 10 years	Upper 75% Lower 0%	See Graph Below
Over 10 years	Upper 100% Lower 0%	See Graph Below
Over 20 years	Upper 100% Lower 30%	See Graph Below
Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000	0
Upper limit for internal borrowing as a % of the Capital Financing Requirement	20%	1.65%

2.45 Total borrowing at the end of November 2019 was £25.6m which is within the operational and authorised limits set out above. Borrowing activity has remained within these boundaries throughout the period covered by the report. There has been no borrowing activity since the start of the financial year.

2.46 The loan maturity profiles are all within the limits set. These are best demonstrated by graph.



2.47 Investments as at 30 November 2019 totalled £11.0m. Investment rates are monitored within the benchmarking group supported by Link Asset Services. There are seven councils and NFRS within the group, as at the end of September 2019, NFRS weighted average rate of return is 0.92%, the average of the group is 0.92%.

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. Some of the efficiency targets will have had staffing implications which were considered as part of the decision-making process at the time.

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. COLLABORATION IMPLICATIONS

This report identifies several areas where collaboration is taking place between NFRS, other fire authorities, East Midland Ambulance Service and Nottinghamshire Police. Opportunities for collaboration around asset use and ownership are continually being investigated.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Note the content of this report;
- 10.2 Approve the transfer of £170k CCTV in vehicles project funding to fund the PPE helmets to enable them to be purchased in 2019/20 rather than 2020/21 as originally anticipated (Paragraph 2.38).
- 10.3 Approve slippage of £160k for the CCTV in vehicles capital project (Paragraph 2.39).

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

None.

John Buckley
CHIEF FIRE OFFICER

**REVENUE BUDGET MONITORING POSITION
AS AT 30 NOVEMBER 2019**

Budget Area	Annual Budget £'000	Revised Budget £'000	Exp to Date £'000	Forecast Outturn £'000	(Under) / Over Spend Against Revised budget £'000
Employees	35,686	35,699	23,490	35,337	(361)
Premises	2,484	2,471	1,632	2,493	21
Transport	1,718	1,872	1,266	1,928	57
Supplies & Services	3,542	4,233	2,496	4,103	(130)
Third Party	58	703	15	804	101
Support Services	191	191	119	191	0
Capital Financing Costs	2,488	2,416	320	2,367	(48)
Fees and Charges	(198)	(448)	(255)	(525)	(77)
Other Income	(3,274)	(4,220)	(3,970)	(4,672)	(452)
Net Cost	42,697	42,918	25,113	42,028	(890)
Financed by:					
RSG	(5,335)	(5,335)	(3,072)	(5,335)	0
Non-Domestic Rates	(10,829)	(10,829)	(4,618)	(10,829)	0
Council Tax	(25,293)	(25,293)	(10,112)	(25,293)	0
Reserves	(1,240)	(1,240)	(0)	(350)	890
Earmarked Reserves	0	(221)	(221)	(221)	0
Funding Total	(42,697)	(42,918)	(18,023)	(42,028)	890
(Under) / Over Spend	0	(0)	7,090	(0)	0

ESTIMATED RESERVE POSITION AT 31 MARCH 2020

Reserve	Opening Balance 01/4/19 £'000	Movement During 2019/20 £'000	Closing Balance 31/3/20 £'000
Prevention, Protection and Partnership	374	(135)	239
Resilience	537	(39)	498
Capital	1,037	0	1,037
Transition	714	168	882
Information, Communication and Technology (ICT)	1,352	(201)	1,151
Operational	415	(13)	402
Pension	309	0	309
Other	24	0	24
Total Earmarked Reserves	4,763	(220)	4,543
General Reserve	5,576	(350)	5,226
Total Reserves	10,339	(570)	9,769

Budget Monitoring November 2019

APPENDIX C

CAPITAL PROGRAMME	Approved Budget 2019/20	Slippage from 2018/19	Revised Budget 2019/20	Expenditure	Remaining Budget	Estimated Outturn	Outturn Variance
ICT & COMMUNICATIONS							
Business System Development	50		50		-50	50	
HQ Project (Enabling Works - ICT)	50		50		-50	25	-25
Cyber Security	20		20		-20	10	-10
Business Process Automation	50	11	61	11	-50	61	
SharePoint Development		26	26		-26	26	
HQ Core Switch Upgrade		30	30		-30		-30
Finance Agresso Upgrade		45	45	6	-39	10	-35
Performance Management System		10	10		-10	10	
Mobile Computing	50		50	4	-46	50	
Replacement Equipment	100	67	167	65	-102	117	-50
	320	189	509	86	-423	359	-150
ESTATES							
Joint Headquarters Project	250		250		-250		-250
Workshop Fire, Police and Ambulance Station Project (capital – strategic new build project)	2,486	171	2,657		-2,657	50	-2,607
Refurbishment and Rebuilding Fire Stations		110	110		-110		-110
Hucknall Fire Station	200	361	561	337	-224	415	-146
Newark Fire Station	75	242	317	69	-248	139	-178
	3,011	884	3,895	405	-3,490	604	-3,291
EQUIPMENT							
Conversion of Hose Reel Equipment BA Project		113	113	22	22	22	22
Lightweight Fire Coat		180	180		-113	113	
Structural PPE	850		850		-180	180	
CCTV - vehicles	130	200	330		-850	850	
	980	493	1,473	22	-1,451	1,335	-138
TRANSPORT							
Special Appliances		150	150		-150		-150
Vans & Other Light Vehicles	235	153	388	116	-272	130	-258
	235	303	538	116	-422	130	-408
CONTROL							
Emergency Services Mobile Communications		41	41		-41		-41
Tri-Service Control & Mobilising System		171	171		-171		-171
		212	212		-212		-212
	4,546	2,081	6,627	630	-5,997	2,428	-4,199

TO BE FINANCED BY	Actual	Estimated Outturn
Capital Grant - General	0	0
Capital Grant - TriService Control	0	0
Emergency Services Mobile Communications -Earmarked Reserve	0	0
ICT SharePoint Internet/Intranet - Earmarked Reserve	0	0
Community Fire Safety - Innovation Fund	0	240
Capital Receipts - Property	0	0
Capital Receipts - Vehicles	0	0
New Borrowing	630	2,188
Internal Financing	0	0
Revenue contributions to capital		
Total	630	2428

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

BUDGET PROPOSALS FOR 2020/21 TO 2023/24 AND OPTIONS FOR COUNCIL TAX 2020/21

Report of the Chief Fire Officer

Date: 17 January 2020

Purpose of Report:

To allow Members to consider the options for Council Tax to recommend to Fire Authority for acceptance.

Recommendations:

That Members consider the contents of this report and make recommendations to the Fire Authority in respect of Council Tax increases between a Council Tax freeze and an increase in Council Tax, up to the maximum of 1.95%.

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1. BACKGROUND

- 1.1 The Finance and Resources Committee is charged with considering the financial position of the Authority and proposing revenue and capital budgets to the Fire Authority for approval. The Fire Authority will also decide upon levels of Council Tax for the coming year and will consider the recommendations of the Finance and Resources Committee in doing so.
- 1.2 The Provisional Finance Settlement for 2020/21 was released on 20 December 2019. 2019/20 funding levels have been increased by a 1.8% inflationary increase. The final settlement for 2020/21 will be laid before Parliament in February.
- 1.3 Fire Authority approved the Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 on 20 December 2019. The strategy considers the current financial position of the Authority and looks at the estimated budgetary position over the next three years against a backdrop of both the national and local financial position, including the levels of reserves that the Authority holds.
- 1.4 The process for the preparation of revenue and capital budgets is largely an incremental process. All new investment proposals have been evaluated against the Strategic Plan objectives and the action plans by the Strategic Leadership Team. There is positive involvement of business plan owners in the development of the budgets which has increased ownership around budget decisions.

2. REPORT

CAPITAL BUDGET PROPOSALS 2020/21 TO 2023/24

- 2.1 The Authority maintains a sustainable capital programme which reflects and supports the property, fleet and digital strategies. This programme seeks to replace appliances and vehicles when they are approaching the end of their useful life, maintains a rolling programme of ICT replacements and a property programme which will ensure that property remains fit for purpose, is appropriately located and can be contained within the internal capacity of the organisation to complete.
- 2.2 The proposed capital programme for 2020/21 to 2023/24 is as follows:

Table 1 – Proposed Capital Programme 2020/21 to 2023/24

Capital Programme Item	2020/21 Proposed* £'000	2021/22 Proposed £'000	2022/23 Proposed £'000	2023/24 Proposed £'000
Special Appliances	0	115	625	100
Pumping Appliance	95	700	1,060	1,325
Light Vehicle Replacement	226	184	478	228
Transport Total:	321	999	2,163	1,653
Breathing Apparatus sets	0	0	250	0
CCTV - Vehicles	40	0	0	0
Gas Tight Suits	0	0	0	50
Air bag replacements	70	0	0	0
Water Rescue Kit	0	100	0	0
Equipment Total:	110	100	250	50
Hucknall Fire Station	11	0	0	0
Worksop Fire Station	500	2,638	62	0
New Headquarters (HQ)	2,500	1,500	0	0
Eastwood Fire Station	0	750	713	38
Ashford Fire Station	0	0	0	488
Arnold Fire Station	0	0	0	25
Estates Total:	3,011	4,888	775	551
ICT Capital Programme	250	150	100	110
Mobile Computing	75	50	30	30
HQ Link ICT replacement	100	100	0	0
Business Process Automation	50	30	30	30
Cyber Security	20	20	20	20
One Off Projects			50	
ICT & Communications Total:	495	350	230	190
Agresso Upgrade (Finance)	0	30	0	30
HR System Upgrade	51	0	0	0
IT Systems Total:	51	30	0	30
Total Capital Programme:	3,988	6,367	3,418	2,474
Funding				
Grant	0	0	0	0
Capital Receipts	0	0	300	1,750
Revenue / Reserves	0	0	0	0
Borrowing	3,988	6,367	3,118	724
Total	3,988	6,367	3,418	2,474

* 2020/21 relates to new projects only and excludes slippage from 2019/20.

- 2.3 The fleet requirement has been reviewed and the replacement programme reflects current and future expected demand. Where possible, alternative fuel vehicles will form a major part of future light vehicle replacement strategy.
- 2.4 The property programme flows directly out of the property strategy. The programme covers the construction of a new fire station at Worksop which requires replacement. Planning permission for the new building at Joint Headquarters was approved early in December 2019. Much of the building work on this project will be undertaken during the 2020/21 financial year and early 2021/22.
- 2.5 The ICT programme has been developed from the digital strategy. It includes replacement equipment and software and specific schemes which underpin the strategy.
- 2.6 The capital programme can be funded from capital receipts, grant funding, contributions from revenue, reserves and borrowing.
- 2.7 **CAPITAL RECEIPTS** – these are received from the sale of assets and can be used to fund either the revenue cost of transformational projects, to fund capital expenditure or to reduce borrowing. The flexible use of capital receipts strategy was approved at Fire Authority on 20 December 2019. It is not proposed to fund any transformational projects using capital receipts during 2020/21.
- 2.8 **GRANT FUNDING** – there is no anticipated grant funding available at present to support the capital programme.
- 2.9 **REVENUE AND RESERVES** – it is not proposed to use any revenue or reserves to fund the capital programme between 2020/21 and 2022/23.
- 2.10 **BORROWING** – the proposed 2020/21 capital programme set out in Paragraph 2.2 will be largely funded from borrowing. The related costs will be tested for affordability as part of the prudential code for capital finance to be considered by Fire Authority on 28 February 2020. Estimated costs have been built into the revenue programme considered in this report.

REVENUE BUDGETS 2020/21 TO 2023/24

- 2.11 The medium term financial strategy and budget guidelines approved by Fire Authority on 20 December 2019 projected that a balanced budget could be set for 2020/21 assuming that there was a 2% increase in government grant and 1.95% rise in Council Tax.
- 2.12 Since the December report, more detailed expenditure budgets have been developed and income has been updated to reflect the provisional finance settlement. The main pressures on budgets and/or changes in assumptions are detailed below.

PENSIONS

- 2.13 The Service has received draft revised Local Government Pension Scheme (LGPS) superannuation rates following the triannual revaluation of the fund. These have increased from 14.8% to 18.4%. This will increase costs by approximately £200k per year from 2020/21.
- 2.14 In December 2018, the Court of Appeal found that the transitional protections in the 2015 Fire Pension Scheme (FPS) (which provide protections based on age allowing older members to remain in their former final salary scheme) are unlawfully discriminatory on the grounds of age. The case was therefore returned to the Employment Tribunal to determine remedy.
- 2.15 The Employment Tribunal held a preliminary hearing on 18 December 2019 and has released a draft interim order. This, in effect, provides that members who transferred into the new scheme are entitled to be treated as if they remained in the 1992 FPS. However, this remains a draft agreement at present and the final determination is not expected to be resolved until around mid-July 2020. The remedy may require further legislation which will further delay implementation.
- 2.16 There is likely to be a significant increase in the cost of the firefighters' pension scheme resulting from the case. These are expected to be largely funded by Central Government, but additional costs falling to the Fire Authority cannot be ruled out. This has been added to the general fund reserves risk register.
- 2.17 Another risk area is that of ill-health retirements. All the costs from such retirements now fall directly on to Authority budgets and costs per early retiree could be as high as £120,000. With firefighters now expected to work longer before retirement, there may be an increase in ill-health retirements if staff are unable to meet fitness standards. The Authority continues to maintain a budget for ill-health retirements based on historical data, but any spikes in payment levels will need to be met from the general reserve if no other funding can be identified.
- 2.18 **FIREFIGHTER PAY INCREASE** – a pay award of 2% has been assumed for all years to 2022/23. If an agreement is settled at a higher rate than 2%, there will be a further pressure on firefighter pay related budgets in total of £270k per 1% increase.
- 2.19 **WHOLETIME PAY** – the pay budget has been budgeted on full establishment. The impact of recent firefighter recruitment will be that there will be periods where the ridership will be over-established as courses finish and newly trained firefighters gain competency. These additional costs have been built into the budget for 2020/21.
- 2.20 **OVERTIME** – this budget has been under significant pressure during 2019/20 and has consistently overspent due to some under-establishment of wholetime crews and high sickness levels. The overtime budget has been increased from £300k to £500k.

- 2.21 **ON CALL PAY** – following significant underspends in 2019/20, the on-call budgets have been reduced to reflect the planned three recruitment courses and a reduction in the drills and training budget, which has also consistently underspent in recent years. Budgets have been increased to allow an increase in community fire safety work in line with the Safer Communities Strategy and HMICFRS (Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services) inspection action plan (see Paragraph 2.23).
- 2.22 **ADMINISTRATIVE AND SUPPORT PAY** – these budgets include a vacancy factor of 3% and a pay increase of 2%. The vacancy factor has increased from 1.5% used for 2019/20 budgets to reflect vacancy levels in previous years more accurately. This has reduced administrative and support pay by approximately £100k.
- 2.23 **HMI INSPECTION** – the Authority was inspected by HMICFRS in January 2019. The Service received an overall grading of ‘Requires Improvement’. An action plan was endorsed by Fire Authority in September 2019 to address the specific areas requiring improvement. Much of this work was already included in the Service’s Strategic Plan and associated annual action plans. Costs associated with this work have been included in the budgets, with specific one-off projects being funded from the transformation and collaboration reserve created as part of the reserves strategy approved by Fire Authority on 20 December 2020.
- 2.24 **ICT LICENCING COSTS** – the increasing reliance on technology and the advancement in ICT capability have enabled the Service to work in an increasingly more efficient way. Systems have become more integrated, reducing the need for paperwork and dual input. However, the increasing use of technology has resulted in an increase in software licencing costs. These have been increased in the 2020/21 budget by £100k.
- 2.25 **MINIMUM REVENUE PROVISION (MRP)** – MRP is the amount charged to revenue for the repayment of debt required to fund prior years’ capital expenditure. The revenue impact of the capital programme included in Paragraph 2.2 has been built into the MRP. The MRP is £139k less than originally anticipated due to slippage in the 2019/20 capital programme.
- 2.26 **JOINT CONTROL ROOM** – the Nottinghamshire and Derbyshire Fire Services joint control room project was opened in June 2020. This was expected to result in savings in the region of £350k per year once implementation is complete. However, due to high levels of sickness and staff absence, additional temporary staff have been employed, resulting in additional one-off costs in the region of £80k for 2020/21. These are being funded from earmarked reserves. There are expected ongoing additional costs in the region of £30k to cover other recharged costs from Derbyshire Fire and Rescue Service. These are built into revenue budgets for 2020/21 and future years.

- 2.27 **BUDGET MANAGER REDUCTIONS** – miscellaneous reductions in excess of £200k have been identified by careful scrutiny of existing budgets by finance staff and budget managers as part of the budget process.

RESERVES AND BALANCES

- 2.28 Taking account of the underspend position reported in the budget monitoring report elsewhere on this agenda, total reserve levels held at 1 April 2020 are expected to be £9.8m. This consists of £5.2m general fund reserves and £4.6m earmarked reserves.
- 2.29 The general fund reserve is expected to be in the region of £5.2m by 31 March 2020. This is £1.3m above the minimum level agreed by Fire Authority in December 2020. This represents the maximum level of available reserves to support future years' budget deficits.
- 2.30 The general fund reserve is adequate to support the Authority's budgets going forward providing that the Authority is able to set a balanced budget.
- 2.31 The earmarked reserves are expected to be in the region of £4.6m by 31 March 2020. These reserves are earmarked for known projects or items of one-off expenditure. They include a £1.4m transformation and collaboration reserve which was created as part of the reserves strategy approved by Fire Authority on 20 December 2019. £273k of earmarked reserves has been allocated to specific projects during the budget process. These projects are mostly supporting the Strategic Plan, ongoing work from the Sustainability Strategy 2020 and/or addressing issues raised as part of the HMICFRS inspection. They include:
- Temporary Organisation, Development and Inclusion Officer to support the HMICFRS team on the human resources strand - £30k;
 - Improvement and development work to the Community Fire Risk Management Information System (CFRMIS), to address issues in the HMICFRS inspection - £24k;
 - One off remedial work across the estate resulting from the fire risk assessment recently undertaken - £30k;
 - Funding to cover NHS Occupational Therapist Secondment into prevention team - £54k;
 - Additional one-off staffing costs for Joint Control which formed part of the Sustainability Strategy 2020 - £80k.
- 2.32 A transformation and efficiency strategy will be presented to Fire Authority in February 2020. This will outline areas of change in the organisation required to deliver the key objectives of the Strategic Plan and HMICFRS Action Plan. It will also enable the Service to consider the outcomes of the Grenfell Tower inquiry and the Hackitt inquiry (review of building regulations). Any additional

funding required is likely to be project based with one-off funding being potentially required from the transformation and collaboration reserve.

FUTURE YEARS

- 2.33 Detailed budgets have been prepared for the four years 2020/21 to 2023/24, which can be found in Appendix A. The budget for 2020/21 will not be finalised until February 2020, when the surplus or deficit on collection fund and the tax base are confirmed by the billing authorities and the final finance settlement is approved.
- 2.34 The detail of the budget requirements for 2020/21 to 2022/23 will be set out in the budget paper to be presented to the Fire Authority in February. The estimated budget requirements for these years as at 31 December 2019 are:

Year	£'000
2019/20	45,037
2020/21	45,060
2021/22	45,870
2022/23	47,044
2023/24	48,251

FINANCING THE BUDGET

- 2.35 The Authority primarily receives income from Central Government, Business Rates and Council Tax. The Government announced the provisional finance settlement on 20 December 2019 for 2020/21. The settlement provided a total figure for Central Government funding rather than a split between Revenue Support Grant and Business Rates Top up Grant. These figures are being used for planning purposes with the final settlement for 2020/21 expected in February 2020. Experience shows that there is likely to be little change from the provisional figures.
- 2.36 The Authority was awarded £2.3m grant in 2019/20 to cover the increased costs of firefighter pension employer contribution. The Home Office has indicated that the grant will remain flat in cash terms for the fire sector as a whole and will be redistributed according to updated data.
- 2.37 Funding for 2021/22 and beyond will be determined as part of the Spending Review which will not be announced until the autumn of 2020. A 2% inflationary increase has been assumed for the three years 2021/22 to 2023/24.
- 2.38 A reformed business rates retention scheme is due to be introduced in April 2021. The final details of the scheme are still to be determined, but it is anticipated that the level of business rates being retained by local government will increase from the current 50% to the equivalent of 75% in April 2020. It is still to be determined whether Fire will continue to receive funding from business rates or whether this will be replaced with a fire grant in a similar way to the police.

2.39 The fire funding formula which determines the breakdown of government funding between Fire Authorities is also currently under review with a view to implement a revised formula from the start of 2021/22. Temporary arrangements will be put in place to protect fire authorities from significant changes in their funding levels.

2.40 In making predictions about budget financing some other assumptions have been made. These are:

2.40.1 That business rates collected by the billing authorities will increase by 1% per year in 2020/21 and beyond.

Growth rates have exceeded those assumed in the financial settlement in recent years. A modest growth of 1% has been assumed, but this may need to be revisited if Brexit has a significant negative result on the local business economy. Business rates funding estimates will be confirmed by billing authorities at the end of January 2020.

2.40.2 That the tax base will increase in line with forecasts provided by the billing authorities (an average of 1.3%)

This again is unknown until the end of January 2020, but it is unlikely that the actual tax base will be significantly different from forecasts.

2.40.3 That the actual settlement is the same as the provisional.

This is a reasonably safe assumption, given that changes in these figures is unusual.

2.40.4 That there will be a surplus on the collection fund of £50k.

This is a difficult area to predict as it can change significantly year on year. At the end of 2018/19, the last available figures, there was a surplus of £37k. Most billing authorities will not declare their position until the very end of January and the actual amounts declared as uncollectable will vary from one authority to another.

2.41 Clearly there are many uncertainties around levels of government funding for 2021/22 and beyond. If government funding increases by inflation, pension grant levels remain at expected 2020/21 levels and there is no increase in Council Tax in each of the four years 2020/21 to 2023/24, the impact on the Authority is set out in Table 2.

Table 2 – Budget Deficit with Nil Council Tax Rise

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24
Government Funding / NNDR	16,163	16,323	16,537	16,812	17,091
Pension Grant	2,340	2,340	2,340	2,340	2,340
Budget Requirement	(45,037)	(45,059)	(45,870)	(47,044)	(48,251)
Balance to be met locally	26,534	26,396	26,993	27,892	28,820
Projects funded from Earmarked Reserve	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 0% increase per year	25,293	25,622	25,968	26,318	26,674
Budget Surplus / (Deficit)	0	(500)	(1,025)	(1,574)	(2,146)

- 2.42 Table 2 shows that with no increases in Council Tax levels there will be a deficit of £0.5m in 2020/21. This will rise to £2.1M by 2023/24.
- 2.43 The Government has confirmed within the provisional finance settlement, that the Council Tax increase threshold, above which a referendum would be triggered, would be 2% for 2020/21 and beyond.
- 2.44 The following table brings together the budget requirement and the finance settlement figures and presents the position for the Authority if:
- Government grant is increased by inflation for 2021/22 to 2023/24;
 - Pension grant remains flat at £2.3m throughout;
 - Council Tax is increased at 1.95% for each year.
- 2.45 This scenario would result in a break-even position for the Authority as detailed in the table below:

Table 3 – 1.95% Council Tax Increase and level Grant Funding

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24
Government Funding / NNDR	16,163	16,323	16,537	16,812	17,091
Pension Grant	2,340	2,340	2,340	2,340	2,340
Budget Requirement	(45,037)	(45,059)	(45,870)	(47,044)	(48,251)
Balance to be met locally	26,534	26,396	26,993	27,892	28,820
Projects Funded from Earmarked Reserves	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 1.95% increase per year	25,293	26,122	26,993	27,892	28,820
Budget Surplus /(Deficit)	0	0	0	0	0

- 2.46 The above figures show that a balanced budget is possible with a 1.95% increase in Council Tax for each year and a flat pension grant.
- 2.47 A Council Tax increase of 1.95% would generate additional funding of £0.5m in 2020/21. For a Band D household, a 1.95% increase would see rises in council tax to £81.36 per annum (an increase of £1.56 per annum, which is approximately 3 pence per week additional cost). The impact of increases on other bands is given in the table below:

Table 4 – Impact of 1.95% increase in Council Tax

Band	Annual Council Tax Current £	Annual Council Tax 1.95% Increase £
A	53.20	54.24
B	62.07	63.28
C	70.93	72.31
D	79.80	81.36
E	97.53	99.43
F	115.27	117.52
G	133.00	135.59
H	159.60	162.71

BUDGET OPTIONS

2.48 The Fire Authority. at the meeting on 20 December 2019, recommended that the Finance and Resources Committee work within the following guidelines in making its recommendations to the Fire Authority in February:

- The options for Council Tax to be recommended to the Fire Authority will be limited to either a Council Tax freeze or an increase in Council Tax within the referendum limit;
- Options for addressing any budget deficit to enable the Fire Authority to approve a balanced budget as required by law.

2.49 The effect of a zero increase in Council Tax is set out in Paragraph 2.41 above and shows a significant deficit for the three years.

2.50 A comparison of the deficit if Council Tax is increased by 0% and 1.95% in each of the four years of the budget strategy is shown in the table below:

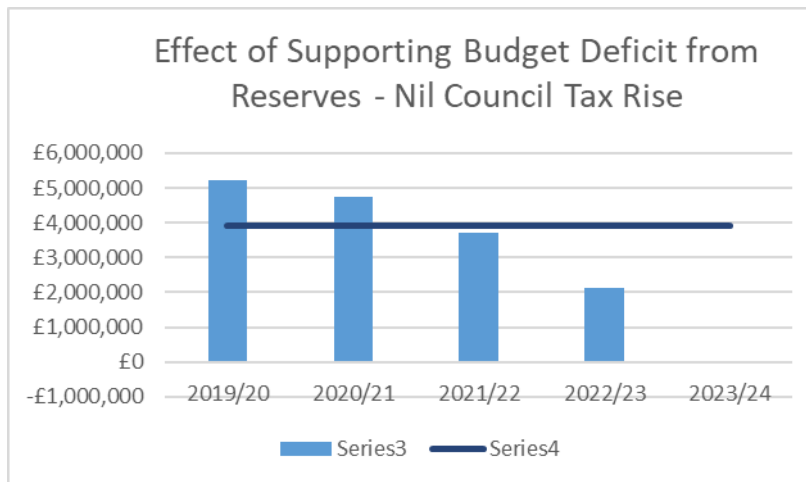
Table 5 – Comparison Between Council Tax Options

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total External Funding	18,663	18,877	19,152	19,432
Budget Requirement	45,059	45,870	47,044	48,251
Balance to be met locally	26,396	26,993	27,892	28,820
Earmarked Reserves	274			
Council Tax Yield (0%)	25,622	25,968	26,318	26,674
Council Tax Yield (1.95%)	26,122	26,993	27,892	28,820
Budget Shortfall (0%)	(500)	(1,025)	(1,574)	(2,146)
Budget Shortfall (1.95%)	0	0	0	0

2.51 Without the use of reserves, it is only possible to set a balanced budget for 2020/21 if a 1.95% Council Tax increase is set. An increase would also add funding permanently into the base budget in future years. This will help protect the Authority from any reductions in income, specifically the pension grant which is not assured in future years.

2.52 If the Authority does not approve an increase in Council Tax at its meeting in February 2020, there will be a deficit of £0.5m which will need to be funded from general fund reserves. This will reduce the general fund reserve to £4.7m, which is just £900k above the £3.9m minimum level set for this reserve. If there were also no Council Tax increases 2021/22 to 2023/24, this

will take the general fund reserve to below its minimum level in 2021/22 and would be completely used up by 2023/24 as demonstrated in the graph below.



3. FINANCIAL IMPLICATIONS

The financial implications are set out in full 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, although the achievement of budgetary savings in future years will undoubtedly have an impact.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

The Authority must set a balanced budget for 2020/21 but may acknowledge potential budget shortfalls for future years.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 Risks associated with budget setting are always significant. Budgets are by their very nature estimates of future activity and these estimates can sometimes be incorrect. Changes involving contraction of activities may not be made on the envisaged timescales, public consultation may vary policy and external issues such as national pay awards may not align with the assumptions.
- 8.2 Council Tax base figures used for this report are only estimates at present and the grant settlement details are only provisional. It is possible that both or either of these could change.
- 8.3 There can be no control over external issues however the Authority has sufficient reserves to cope with any in year changes which alter these budget assumptions significantly.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members consider the contents of this report and make recommendations to the Fire Authority in respect of Council Tax increases between a Council Tax freeze and an increase in Council Tax, up to the maximum of 1.95%.

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

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

CASH LIMIT				
	Revised Budget 2019/20 £'000	Budget Requirement 2020/21 £000	Budget Requirement 2021/22 £000	Budget Requirement 2022/23 £000
<u>Employees</u>				
Direct Employee Expenses	34,019	34,308	34,908	35,863
Indirect Employee Expenses	493	501	501	501
Pension	957	918	990	982
	35,469	35,727	36,399	3,7346
<u>Premises-Related Expenditure</u>				
Repairs Alterations and Maintenance of Buildings	572	609	620	631
Energy Costs	410	458	512	574
Rents	1	1	27	27
Rates	996	1009	1029	1050
Water	81	83	85	87
Fixture and Fittings	1	1	1	1
Cleaning and Domestic Supplies	316	316	316	316
Grounds Maintenance Costs	30	30	30	30
Premises Insurance	16	16	16	16
Refuse Collection	39	39	39	39
	2462	2562	2675	2771
<u>Transport-Related Expenditure</u>				
Direct Transport Cost	1224	1045	1007	969
Recharges	47	45	45	45
Public Transport	44	37	37	37
Transport Insurance	188	188	188	188
Car Allowances	361	321	321	321
	1864	1636	1598	1560
<u>Supplies & Services</u>				
Equipment Furniture and Materials	616	570	606	596
Catering	72	68	68	68
Clothes Uniforms and Laundry	303	289	289	289
Printing Stationery and General Office Expenses	41	45	45	45
Services	536	548	549	549
Communications and Computing	1557	1653	1696	1707
Expenses	45	44	44	44
Grants and Subscriptions	52	54	54	54
Miscellaneous Expenses	358	18	20	20
	3580	3289	3371	3372
<u>Third Party Payments</u>				
Other Local Authorities	703	783	803	803
Private Contractors	0	0	0	0
	703	783	803	803

	Revised Budget 2019/20 £'000	Budget Requirement 2020/21 £000	Budget Requirement 2021/22 £000	Budget Requirement 2022/23 £000
<u>Support Services</u>				
Finance	147	147	151	151
Corporate Services	45	45	46	46
	192	192	197	197
<u>Depreciation and Impairment Losses</u>				
Depreciation	0	0	0	0
Amortisation of Intangible Fixed Assets	0	0	0	0
	0	0	0	0
<u>Sales Fees & Charges</u>				
Customer and Client Receipts	-448	-405	-405	-405
	-448	-405	-405	-405
<u>Other Income</u>				
Government Grants	-3219	-875	-875	-875
Other Grants/Reimbursements and Contributions	-329	-287	-437	-437
Interest	-66	-100	-100	-100
	-3614	-1262	-1412	-1412
<u>Capital Financing Costs</u>				
Interest Payments	875	785	900	922
Debt Management Expenses	1613	1752	1744	1890
	2488	2537	2644	2812
Total Budget	42,696	45,059	45,870	47,044



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

DIGITAL STRATEGY 2019-2022 (INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) DEPARTMENT)

Report of the Chief Fire Officer

Date: 17 January 2020

Purpose of Report:

To provide members with an update on the progress of the Information and Communications Technology (ICT) Strategy 2016 and seek approval for the new Digital (ICT) Strategy 2019-2022.

Recommendations:

That Members approve the proposed Digital (ICT) Strategy 2019-2022 attached at Appendix B.

CONTACT OFFICER

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1. BACKGROUND

- 1.1 In April 2016, the Finance and Resources Committee were provided with a report from the Head of ICT proposing an Information and Communications Technology (ICT) Strategy.
- 1.2 That report provided a clear strategic direction for the ICT infrastructure of Nottinghamshire Fire and Rescue Service (NFRS) and supported the operational and strategic goals of the Service. The detailed report provides information on how the 2016 Strategy focussed on three connected work streams:
 - Unified collaboration;
 - Unified communications;
 - Connected workforce (including Emergency Services Network).
- 1.3 The ICT Strategy document summarised both the state of ICT within the Service, in the form of a gap analysis, highlighted risks in ICT and provided a clear direction for improvement in ICT provision.
- 1.4 The overall aim of the NFRS ICT Strategy 2016 was 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.”
- 1.5 In December 2018, the Fire Authority was provided with a report from the Chief Fire Officer proposing amendments to the permanent establishment of NFRS. This report set out how the ICT Department would address findings from a previous strategic review of ICT, to enable the continued progress towards delivering the ICT Strategy 2016 and to reflect the permanent increase in demand for ICT services and skills.

PROGRESS REPORT – NFRS ICT STRATEGY 2016

- 1.6 Work has progressed well in delivering the strategic objectives of the NFRS ICT Strategy 2016 and moving the culture of the ICT department towards the principles of IT as a Service (ITaaS), as characterised in the following areas:
 - Making a positive contribution to drive through transformational change to improve NFRS;
 - Customer focused and striving to deliver excellence to meet the needs of the Service and empower staff to make best use of their ICT facilities;
 - Embracing appropriate innovation with demonstrable value for money;
 - Increasing the resilience of the ICT infrastructure.

- 1.7 Several development projects were aligned to the organisational development agenda to support the three connected work streams detailed above and managed within the ICT Departmental Business Plan.
- 1.8 In summary, the review of the progress of the ICT Strategy 2016 (available in Appendix A) shows that seven (58%) projects are now complete and five (42%) projects are still work in progress. Of the projects that are still underway, four will be completed by the end of the current financial year. The remaining project is linked to the national Emergency Services Network programme and delivery is managed centrally by the Home Office and the East Midlands Regional project team.
- 1.9 After reviewing the progress already made, it is recommended that the ICT Strategy developed in 2016 is closed-off. Furthermore, it is recommended to the Finance and Resources Committee that the Fire Authority adopts a new strategic plan for the period 2019-2022, that will leverage the technological developments that have been established, with greater focus on digitization.

2. REPORT

- 2.1 As with all modern organisations, the Service utilises an extensive ICT infrastructure, which provides digital solutions to its staff. The new Digital Strategy will be focussed on building on the foundations of new technology which have been established since 2016 using a clear, simple and focused vision:
- “We want our people to have access to the right information, on the right device, at the right time and have the right skills to use them effectively.”*
- 2.2 The NFRS Digital Strategy 2019-2022 (attached at Appendix B) aims to deliver an adaptable working environment that will progress the aims of the previous connected workforce work stream, to deliver a ‘digital culture’ which can be characterised as:
- **Agile** – staff can work securely across multiple devices and locations;
 - **Flexible** – collaboration between colleagues, other emergency services and partner agencies is effortless;
 - **User-centric** – staff have appropriate digital tools and data to enable them to deliver within their role.
- 2.3 The ICT Department will strive to use mobile technology to its maximum potential to ensure that information is available through resilient and secure means to staff on the ground and to those who need to work flexibly.
- 2.4 The new ‘digital landscape’ established by the Digital Strategy will reduce organisational risk by creating a foundation of user-centric solutions which are standardised, secure, resilient and integrated to support simplified and efficient business processes. This strategic vision will create a truly ‘digital culture’ where work is delivered in an efficient ‘paperless’ format.

2.5 The priorities of the Service may change during the life-span of the new Digital Strategy, but the principles which will guide the work done by the ICT Department will allow ICT staff to address the technical and organisational challenges they will face going forward. These principles are as follows:

- **Access from anywhere with any device** – all digital solutions and systems are device independent and should work from any location;
- **Innovation and responsiveness built in** – all corporate processes will be simplified to prevent the duplication of data. Mobile applications will be responsive to ensure that staff can complete their tasks efficiently;
- **User-centric solutions** – digital solutions will aspire to be intuitive, straightforward and require minimal user training;
- **Digital skills development** – the ICT Department will work with the learning and development team to create ICT training courses which are user-led and delivered in plain English, not technical jargon;
- **Digital-first** – NFRS will enable the Nottinghamshire public to access our services online. Internally, business processes will be transformed so that paper-based systems can be retired;
- **Microsoft-first** – NFRS will utilise Microsoft technology for as many digital solutions as possible to maximise the cost efficiency of licensing;
- **Cyber Security is essential** – the ICT infrastructure will remain safe and secure from hackers and other cyber criminals and compliant with Emergency Services Network standards.

2.6 The previous ICT Strategies have laid the groundwork to enable the NFRS Digital Strategy 2019-2022 to deliver the digital vision outlined above.

3. FINANCIAL IMPLICATIONS

3.1 The existing ICT Capital Programme will continue to be utilised to finance developments within the NFRS Digital Strategy 2019-2022. Applications for additional funding will be made to the Strategic Leadership Team as appropriate and when required by a comprehensive business case.

3.2 There are no other financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

4.1 This strategy cannot be delivered in isolation and it will require a whole range of activities to support the successful implementation of the plans detailed within it. It is therefore inevitable that the structure of the ICT Department will

need to evolve to meet the needs of the Service, but the new strategy will guide any human resource changes that take place.

- 4.2 A review of the resources and structure of the ICT Department will be undertaken by the Head of Digital Transformation before the end of the current financial year. Any proposals to change the existing structure will be presented to the Strategic Leadership Team for consideration.

5. EQUALITY IMPLICATIONS

An equality impact assessment has not been undertaken as this does not represent a change to policy or service delivery.

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

The proposals detailed in this report will also be an enabler for the Service to manage risk which will be presented from the transformation and development of the organisation as it seeks to operate within its financial context and continue to deliver its integrated risk management plan.

9. RECOMMENDATIONS

That Members approve the proposed Digital (ICT) Strategy 2019-2022 attached at Appendix B.

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

None.

John Buckley
CHIEF FIRE OFFICER

REVIEW OF NFRS ICT STRATEGY 2016

Strategic initiative / project	Progress Report	Progress %
Unified Collaboration - a personalised intranet page for all users displaying information, data and documents that is relevant to them	Intranet upgrade completed in 2017.	100%
Unified Collaboration - a 'single source of truth' for all NFRS documentation and information	Implementation of <i>SharePoint Team Sites</i> is progressing and scheduled to be completed by end of February 2020.	50%
Unified Collaboration - increased collaboration, reduced task and document duplication and better project working amongst teams and departments		50%
Unified Collaboration - find documents and information easily using Enterprise Search		50%
Unified Collaboration - automated work flows that enable processes to be more efficient		75%
Unified Communications – all calls within NFRS are internal and therefore free of charge	<i>Microsoft Skype for Business Server</i> implemented across NFRS during FY 2016-17. The system is federated to enable access by external partners using similar telephony solutions	100%
Unified Communications – reduced travel for meetings through instant messaging, desktop sharing, conference calls and video conferencing		100%
Unified Communications – a single person directory across all desk phones, PCs and mobiles		100%
Unified Communications – greater collaboration between NFRS staff and with external partners through internet-based communications, i.e. Skype		100%
Connected Workforce – provide tools that allow the user to work across multiple devices, enabling NFRS staff to collect critical risk data using tablet devices while they are remote from their Fire Station.	Safe & Well tablets have been deployed and upgraded to <i>Microsoft Surface Go</i> tablets.	100%
Connected Workforce – increasing collaboration with other emergency services through voice / data services delivered by the Emergency Services Network (ESN)	The national programme for the transition to ESN has slipped and work continues within the East Midlands.	25%
Connected Workforce – enable applications and data to follow NFRS users across devices using secure Microsoft cloud technologies, i.e. Office 365	<i>Microsoft Office 365</i> migration completed in FY 2017-18.	100%



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Digital Strategy

2019-2022



Introduction

Nottinghamshire Fire and Rescue Service (NFRS) uses digital technology, or information and communication technology (ICT), in a huge variety of ways to support its mission of *Creating Safer Communities*. Whether it's mobilising resources to operational incidents and making sure that our front-line staff have all the data and intelligence they need or using business systems to manage and control our resources, technology touches every part of our Service.

Simply, without digital technology our Service could not work effectively or do the job it does for communities across Nottinghamshire. For example, each day the members of the ICT Department will:

- **look after and manage IT equipment across all Service locations**
- **develop and implement the systems that enable the Service to operate**
- **ensure that the ICT network is secure and resilient, enabling efficient communication across the Service**
- **work with the Derbyshire FRS and Leicestershire FRS IT teams to maintain critical operational communications via Fire Control and the Airwave radio system**

The term digital technology is used to describe the use of digital resources to effectively find, analyse, create, communicate and use information in a digital context including the use of web tools, digital media tools, programming tools and software applications.

Any system is said to be using digital technology if it uses parts which contain or make use of binary or digital logic. This can be in hardware or software. What was always known as computer systems, IT or ICT, is now encompassed by the description 'digital technology'.

The ICT industry is a fast-moving, ever-changing environment - the pace of change in technology has accelerated significantly in recent years leading to a widespread increase in the use of personal devices to access data, information and services in the workplace. NFRS needs to embrace and exploit this technical revolution which has evolved - and will continue to evolve - to ensure our Service makes best use of available data and information to improve our services to the public and to aid our joint working with public sector partners.

This strategy will paint a vision of how the Service aims to use technology in the future. It will describe a set of principles that will be worked to in order to ensure that the vision becomes reality, it will detail the activities the ICT teams will undertake to work towards the vision, and it will outline how the Service can use digital technology to help the service achieve the aims of its Strategic Plan.

The Challenge

In April 2019, NFRS launched its latest Strategic Plan, highlighting how it intends to meet the Fire and Rescue National Framework for England, which sets out the Government's expectations and responsibilities for fire and rescue services.

The Plan is underpinned by three strategic aims that underpin everything that the Service does for the people of Nottinghamshire. They are: -

1. **High quality services;**
2. **An engaged and motivated workforce;**
3. **Strong governance and financial sustainability.**

The ICT Department contributes to these aims by reducing organisational risk through the creation 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 the Service.

The first ICT Strategy 2013-2015 was focussed on modernising the ICT infrastructure. In short, NFRS had an ageing, unsuitable and insecure IT architecture, with inconsistent support mechanisms that would not support the future needs of the Service.

The ICT Strategy 2016 aimed to implement evolving digital technologies to allow staff to embrace new ways of working whilst maintaining strong cyber security activities. To achieve this, four connected work streams were delivered:

1. Unified collaboration;
2. Unified communications;
3. Connected workforce;
4. Emergency Services Network (ESN).

The two previous strategies have laid the groundwork to ensure that NFRS has a solid foundation of modern, fit for purpose systems and technologies that would be up to the task of delivering against the strategic aims of the NFRS Strategic Plan 2019-2022.

The challenge for the ICT Department is to ensure that the digital solutions provided to the

Service continue to be appropriate, reliable and useful, to enable all staff to reduce risk to the communities of Nottinghamshire.



In order to meet this challenge, the ICT Department will ensure that the people who use technology are at the heart of the digital transformation of the Service. Our staff should be digitally literate and be equipped to embrace new ways of working. NFRS internal processes should evolve to adopt digital best practice and the Service should be prepared to change them radically to foster efficiency.

The forward plans that are outlined in this Digital Strategy have been developed in collaboration with all departments of the Service to support the overall objectives of the [NFRS Strategic Plan 2019-2022](#) and deliver against the goals of the annual action plan and various departmental business plans.

Our Vision – Digitization

The process of Digital Transformation (or **digitization**) is defined as: -

“The reworking of the products, processes and strategies within an organisation by leveraging current technologies.”

The ICT Department will embrace this definition and work collaboratively with all areas of the Service and our partners to deliver an efficient digitally enabled workforce.

The NFRS Digital Strategy 2019-2022 aims to deliver an adaptable working environment that will facilitate a connected workforce, that can be characterised as:

- **Agile** – our staff can work securely across multiple devices and locations;
- **Flexible** – collaboration between colleagues, other emergency services and partner agencies is effortless;
- **User-centric** – our people have appropriate digital tools and data to enable them to deliver within their role.



The new digital landscape within NFRS aims to reduce organisational risk by creating a foundation of **user-centric solutions** that are

standardised, secure, resilient and **integrated** to support simplified and efficient business processes.

To deliver this, the ICT Department has a clear, simple and focused vision:

We want our people to have access to the right information, on the right device, at the right time and have the right skills to use them effectively.

The workforce needs access to useful data to do their jobs. From there, they can turn that data into information which helps develop the knowledge to deliver our services and contribute towards better outcomes for the people of Nottinghamshire.

The ICT teams will work across every department within NFRS to ensure that staff have access to the right data in a secure manner. We will develop and implement digital solutions to ensure that data and information is accurate, comprehensive and easy to access.

Our Vision – Digital Culture

The ICT Department will strive to use mobile technology to its maximum potential to ensure that information is available through resilient and secure means to our people on the ground and to those who need to work flexibly. This will help to reduce organisational risk and enable more efficient risk prevention for the people of Nottinghamshire.

The working world has changed, and staff are no longer reliant on a desk to do their work. Many roles within the Service are already performed on the go, but station-based staff are not necessarily fully benefiting from digital technologies.

NFRS Service Delivery staff need data to help remain safe at incidents and be able to capture information to aid in learning valuable lessons. Key risk data needs to be fed directly into systems which can be accessed remotely, without the need to be at a NFRS location.

The rise of mobile technology has seen a shift in user expectations, which increases with every generation of this technology.



Generally, people want to access the applications and data that they need to fulfil their role, from any location.



They also want to use efficient processes that are not reliant on lengthy paper forms, or paperwork that has been converted into *Microsoft Word* forms (this is not *digitization* in its truest form).

The ICT Department will work in partnership with the organisation to develop efficient business processes using electronic forms and applications that can be used from any location, on any device.

This vision will establish a truly *'digital culture'* where work is delivered in an efficient manner, in a *'paperless'* format.

Benefits of Digitization

Delivering this strategy will lead to several benefits being realised for NFRS. Having access to **accurate, timely and relevant data from any location** will further improve decision making in the Service as all staff will have better information at their fingertips.

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Successful delivery of this strategy can also have an impact as NFRS works to improve community safety. With access to key systems remotely staff engaged in prevention activities will be able to collect valuable risk information about businesses and properties within the communities of Nottinghamshire.



Operational crews will be able to conduct Safe & Well visits efficiently and gather valuable data from incidents whilst returning to their station. Furthermore, processes improved by automation and a reduction in duplication will help NFRS deliver a more efficient service and reduce the time wasted on the completion of manual tasks and lengthy paper-based forms.

Key benefits:

- Improved **communication** across the organisation and with external partners.
- Enhanced **collaboration**, team working and information governance, both internally and externally.
- **Integrated** systems, facilitating enhanced productivity, reduced task duplication and enabling mandatory processes.
- Projects and Programmes are delivered to the required **quality**, on **time** and in **budget** across the Service.
- Strong ICT **Governance** that will encourage planning and enable a service-oriented management culture.
- **Standardised** technology reducing duplication, complexity and failures.
- Management information and data analysis that **drives informed decision making**.
- Cost effective digitized infrastructure, that is a **platform for innovation**.
- **Microsoft based**, maintainable and supportable systems, with established, low effort upgrade paths.

Our Digital Principles

The priorities of the Service may change during the life-span of this strategy, but the principles that will guide the work done by the ICT Department will allow ICT staff to address the technical and organisational challenges they will face going forward as NFRS develops and changes in the future.

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Access from anywhere with any device

The ICT Department will ensure that all digital solutions and systems are device independent. Regardless of whether staff are sitting at a desk in an office, using a tablet while working from home or on a smartphone while out and about, systems should work for them.

Innovation and responsiveness built in

The ICT Department will look to challenge the status quo when delivering digital solutions. All corporate processes across NFRS will be examined from start to finish to determine how they can be simplified, and the duplication of data can be prevented. Mobile applications will be responsive and effortless to use, to ensure that staff can complete their tasks efficiently.

Digital-first

'Digital first' or 'Digital by default' is a commitment from the UK government to provide as many public services as possible through electronic means. NFRS will enable the Nottinghamshire public to access our services online. Internally, the ICT Department will work to transform all business processes so that they can be completed digitally and phase out paper-based systems.

User-centric solutions

Digital solutions will aspire to be intuitive, straightforward and require minimal training. Users will be consulted when designing solutions to ensure that the finished product meets their needs. Agile techniques will be employed to embed continuous improvement of all systems.

Digital skills development

The ICT Department will work with the NFRS Learning & Development team to narrow any skills gaps identified by users and provide up-to-date support via the ICT Service Desk and *MyNet*. All ICT training will be user-led and delivered in plain English, not technical jargon.

Microsoft-first

NFRS will utilise Microsoft technology for as many digital solutions as possible. Other software vendors will be used if their offering is considered to be more suited to the needs of the Service, but only after all Microsoft solutions are eliminated.

Cyber Security is essential

The ICT Department will ensure that the ICT infrastructure remains safe and secure from hackers and other cyber criminals and compliant with [Emergency Services Network](#) (ESN) security standards and processes.

Our Strategy

2019-2020

The next section outlines the general activities which the NFRS ICT Department will undertake to deliver the digital strategy between 2019-2020.

More specific detail will be documented in the ICT Departmental Business Plan in each year.

Objectives

- Implement collaboration 'Team sites' for all NFRS departments and teams.
- Deploy a new electronic document management system.
- Deliver a digital 'Project & Programme Management System' to improve project delivery across NFRS.
- Ensure that all ICT systems are secure and licenced appropriately.
- Review the structure and resources deployed within the ICT Department to ensure they are fit for purpose.
- Implement a Management Information reporting solution across the Service.
- Develop a print strategy to achieve best value and delivering savings for printing services and maintenance for NFRS.
- Facilitate a secure 'Bring Your Own Device' solution for the Service, to help staff work remotely and improve business continuity.
- Improve the support of ICT tools used by front-line staff, such as MDTs, Pagers etc.

Expected Outcomes

- Internal communication and collaboration across NFRS has improved using *Microsoft SharePoint*.
- All corporate documentation has been migrated from the legacy *Windows* file servers on to *Microsoft SharePoint*.
- The management of all NFRS projects is conducted using *Microsoft SharePoint*.
- The *Sophos* anti-virus solution and firewalls have hardened cyber-security.
- National Cyber Security Centre (NCSC) *Cyber Essentials Plus* certification has been retained.
- An ICT Business Analysis and an ICT Security Manager are recruited into the ICT Department.
- *Microsoft PowerBI Server* is implemented, and management reports are distributed.
- Modern 'follow-me' printers are deployed across the Service at a reduced cost.
- NFRS staff can securely access their email, contacts and calendar from any device.
- The ICT Service Desk provides first-line triage support for all Systal devices.

Our Strategy

The next section outlines the general activities which the NFRS ICT Department will undertake to deliver the digital strategy between 2020-2021.

More specific detail will be documented in the ICT Departmental Business Plan in each year.

Projects

2020-2021

Objectives

- Deliver projects that will rationalise and integrate NFRS applications.
- Enable electronic protective marking of all email and documentation.
- Ensure that the Service has appropriate licences for all software.
- Re-architect the ICT infrastructure to facilitate the move of HQ site to the new Joint Headquarters site.
- Improve end user experience of technology through better training.
- Embed the use of Management Information and Business Intelligence across NFRS.
- Service Delivery staff are provided with appropriate digital tools.
- Rationalise the NFRS telephone network to increase resilience.
- Migrate the Joint Fire Control Integrated Command & Control System (ICCS) to Airwave DCS (Despatch Communications Server) with our Tri-Service partners.
- Decommission the legacy Tri-Service Control infrastructure at Bestwood Lodge.

Expected Outcomes

- The Service shift scheduling system and competency management solution will have been reviewed and upgraded.
- Implement *Microsoft Azure Information Protection* to enable protective marking of all email and documentation.
- The NFRS *Microsoft* Agreement is renewed on 31 March 2020.
- NFRS staff can work effectively and efficiently from the Joint HQ site.
- All staff are confident in using technology and are aware of their responsibilities for its appropriate use.
- *Microsoft PowerBI* is used by all staff.
- Front-line staff can work more effectively when away from their base
- NFRS telephony is delivered via modern internet-enabled technology to increase resilience (replacing analogue telephony).
- The Tri-Service ICCS utilises DCS for all critical operational communications.
- All *Systel* ICT equipment is removed from NFRS HQ with no negative impacts on the Tri-Service Control system.

Our Strategy

The next section outlines the general activities which the NFRS ICT Department will undertake to deliver the digital strategy between 2021-2022.

More specific detail will be documented in the ICT Departmental Business Plan in each year.

090662

2021-2022

Objectives

- The NFRS ICT infrastructure will be further developed to enhance core services using 'cloud' solutions and Software as a Service.
- Maintain an ICT asset upgrade and replacement programme, taking into account changes within the Service.
- NFRS will transition from the *Airwave* communications network to the *Emergency Services Network (ESN)*, in line with the East Midlands regional programme plan.
- The ICT Department will establish the mechanisms and resources needed to manage the support of all NFRS telecommunications systems (fixed and mobile telephony, *ESN* devices, radios and mobile data terminals).
- Continue to develop ICT projects that enhance and renew NFRS business applications, in line with Service priorities.
- The NFRS ICT Department will positively collaborate with the Nottinghamshire Police Information Services Department.
- Ensure that ICT provision continues to support the strategic plans of the Service.

Expected Outcomes

- All NFRS applications, systems and data will be delivered by appropriate *Microsoft* 'cloud' solutions, such as *Office 365*, *Azure*, *PowerBI*, and other vendor SaaS solutions.
- All NFRS ICT endpoints, server and network infrastructure will be replaced for modern equipment, as appropriate.
- NFRS critical mobile communications and operational data will be delivered using ESN compatible mobile devices over the Emergency Services Network.
- The support of all NFRS critical communications devices and systems are managed by the ICT Department.
- NFRS business applications are provided using the most modern and secure technology, preferably using the 'cloud'.
- NFRS and Notts Police technical teams work in collaboration to deliver an efficient, effective and economical ICT infrastructure.
- The ICT Department and technical infrastructure is an enabler for organisational efficiency and is fully consulted during the development of the NFRS Strategic Plan 2023-26.

Our Key Enablers

This strategy cannot be delivered in isolation and it will require a whole range of activities to support the successful implementation of the plans herein. The previous ICT Strategies have laid the groundwork to enable this plan and deliver the digital vision for the Service.

ICT Department

The structure of the ICT Department has developed since 2013 and the restructure of 2019 has further enhanced the skills and resources of the technical teams. As digital technology evolves, the skills and resources required to support it will need to match the pace of change. It is therefore inevitable that the department will change over time to meet the needs of the Service, and this strategy will guide any changes that take place.

The ICT department has worked hard to ensure that the right supplier partnerships are in place to make sure the ICT department can deliver. Strategic suppliers and collaborative partners, are aware of the digital strategy and will work with the ICT Department to make the digital vision a reality.

Project Methodology

With so much change taking place in the Service we have implemented a robust ICT project management methodology based on [Prince2](#) and are using a development methodology known as [Agile](#). The *Agile* development approach involves users at every stage of the development process and delivers small pieces of the system at a time to get feedback from users and to make sure the system is meeting their needs. The ICT department will apply *Agile* project management principles to our software development projects to make sure that they are delivered on time, on budget and meeting user requirements effectively.

Organisational Engagement

The ICT Service Transformation team will work closely with the organisation and key stakeholders to make sure that ICT is meeting service requirements. Customer service mechanisms, including service levels and standards, will enable continuous improvement in the ICT services and this will help the ICT Department to deliver the exact services that NFRS needs.

Quality and Standards

Quality should be at the heart of everything that happens in NFRS and ICT embraces that approach. ICT will use the principles of continuous improvement to ensure NFRS digital developments will always be fit-for-purpose and compliant with the appropriate cyber-security standards. The mandating of specific industry open standards will make our ICT solutions fully interoperable and able to be shared and scaled across organisational boundaries. Using industry standards will allow NFRS systems to more effectively interface with other systems and technologies.

Building upon the success of other standards-based initiatives the ICT department will seek to adopt the principles of the International Standard for Information Security ([ISO27001](#)) as a means to ensuring that the confidentiality, integrity and availability of services and systems we commission are managed, maintained and assured to the highest possible level.

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NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

UPDATE ON THE SERVICE RESPONSE TO HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES INSPECTION

Report of the Chief Fire Officer

Date: 17 January 2020

Purpose of Report:

To present Members with an update on the Service's response to the outcomes regarding the recent inspection of Nottinghamshire Fire and Rescue Service by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services.

Recommendations:

That Members note the progress made against the agreed action plan.

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1. BACKGROUND

- 1.1 At the meeting of the Fire Authority in July 2019 Members were presented the report from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) following the recent inspection of Nottinghamshire Fire and Rescue Service (NFRS).
- 1.2 At the meeting of the Fire Authority in September 2019, Members were presented with an action plan detailing the 'areas for improvement' that had been highlighted by HMICFRS and capturing the actions to address these areas.
- 1.3 It was agreed that Fire Authority scrutiny would be conducted through the committee structure with regular progress reports being presented to Members.

2. REPORT

- 2.1 Each of the 25 areas for improvement within the report, has been allocated to a lead officer, with clear milestones and expected outcomes. Of the 25 areas, two were aligned to the Finance and Resources Committee for scrutiny.
- 2.2 During the first two years of HMICFRS being established, NFRS seconded an officer to work as a Service Liaison Lead. This officer has now returned to NFRS and has been able to offer greater insight and depth of information relating to the areas for improvement, and the wider HMICFRS inspection process.
- 2.3 This knowledge and understanding has enabled a review of the 'areas for improvement' to establish the narrative detail which underpins each area and, therefore, has allowed the Service to refine the actions being taken to improve these areas of performance.
- 2.4 The updated action plan is presented at Appendix A to this report.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING & DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because the information contained in this report does not relate to a change in policy or procedure.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

- 7.1 The Fire and Rescue Services Act 2004 places a duty on NFRS in respect of the delivery of its services to communities.
- 7.2 The Local Government Act 1999 places a statutory duty on NFRS to '*secure continuous improvement in the way in which its functions are exercised*'. The reporting of Service Delivery's performance ensures that the Service is focusing on key objectives as set by the Fire and Rescue Authority and continuous improvement. This ensures that Members can apply effective scrutiny to be satisfied that statutory obligations are being met.
- 7.3 The Police and Crime Act (2017) Chapter 4 Section 11 outlines that the English inspectors must inspect, and report on the efficiency and effectiveness of, fire and rescue authorities in England.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report, however discussions with Nottinghamshire Police continue in relation to their experience of HMIC inspections and how NFRS can learn from that in preparation for future inspections.

10. RECOMMENDATIONS

That Members note the progress made against the action plan.

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

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

HMICFRS Areas for Improvement



Making the fire and rescue service affordable now and in the future

Ref	Areas for Improvement	Timescales	Responsible Officer	Committee	Commentary
15	The service needs to accelerate its plans to improve ICT so that it makes best use of available technology to support operational effectiveness and efficiency.	March 2020 & March 2021 (one activity, item number 4, is due March 2021)	Ian Pritchard	Finance and Resources	<ol style="list-style-type: none"> 1. Implement SharePoint 2013 Teams Sites across the organisation before the end of FY 2019-20. 2. Migrate all team data (files etc.) from existing legacy file server storage onto SharePoint before the end of FY 2019-20. 3. Migrate all existing electronic forms and automated business processes from legacy SharePoint farm to the SharePoint 2013 farm before the end of FY 2019-20. 4. Commence an organisation wide analysis of all business processes to determine how to improve efficiency through digitisation (using existing business applications and/or SharePoint 2013) during FY 2020-21. 5. Upgrade all legacy Windows Tablet devices to Microsoft Surface Go devices, to facilitate better data collection by Operational Crews using CFRMIS Mobile before October 2019. 6. Undertake a feasibility study to analyse the potential use of Microsoft Surface Go-SIM devices equipped with mobile data cards by Operational Watch Managers and Crew Managers before the end of FY 2019-20. <p>December 2019 Update</p> <ol style="list-style-type: none"> 1. The SharePoint Teams Project is progressing well with 15 sites underway and 5 remaining to be created. The project completion deadline is Feb-Mar 2020. 2. The migration of files and data from legacy file storage is progressing, however due to the scale of the task it is unlikely that

					<p>the work will be completed by the end of FY2019-20. Additional resources have been identified to assist key departments to design their team sites and transfer their data.</p> <ol style="list-style-type: none"> 3. Of the 22 electronic forms to build, a total of 20 have been created in the new SharePoint environment and are available to be tested. The EP1 form is now live and the DB1 is built and is being tested in readiness for launch. 4. A project team has been established to investigate how to improve mobile working for front-line personnel using Microsoft Surface Go Tablets and existing mobile-capable business applications. 5. Complete - Microsoft Surface Go Tablets have been deployed to all NFRS Fire Stations as a replacement for the legacy Windows 10 tablets and are being utilised to collect Safe & Well data. 6. A project team has been established to investigate how to improve mobile working for front-line personnel using Microsoft Surface Go Tablets. A business case and project plan is being created and additional tablets and mobile data cards are being sourced.
16	The service should ensure it has sufficiently robust plans in place which fully consider the medium-term financial challenges beyond 2020 so it can prepare to secure the right level of savings.	March 2020	John Buckley	Finance and Resources	<p>The medium-term financial strategy (MTFS) will set out how finances will be used over the next 3 years with an expectation that a balanced budget will be delivered without reliance on reserves. This is based on a number of working assumptions regarding government grant and precept flexibility.</p> <p>December 2019 Update</p> <p>The MTFS was approved by Fire Authority on 20 December. The strategy considers the financial challenges beyond 2020. Whilst there remains uncertainty regarding funding levels, indications are that base line funding will be protected in real terms for 2020/21. It is expected that a 2% inflationary increase in funding would enable the Authority to set a balanced budget over the next four years. General Fund Reserves remain at £5.5m which is £1.6m above the approved minimum level.</p>

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