

# Public Document Pack



## NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AND RESCUE AUTHORITY

### MEETING OF THE AUTHORITY

**Date:** Friday 27 September 2019      **Time:** 10:30am

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

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

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

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

<b><u>AGENDA</u></b>	<b><u>Pages</u></b>
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<b>14</b>	<b>COMMITTEE OUTCOMES</b> Report of the Chief Fire Officer	155 - 176
<b>15</b>	<b>EXCLUSION OF THE PUBLIC</b> To consider excluding the public from the meeting during consideration of the remaining items 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.	
<b>16</b>	<b>RESILIENCE AND BUSINESS CONTINUITY UPDATE</b> Report of the Chief Fire Officer	177 - 186
<b>17</b>	<b>TRADING COMPANY REVIEW</b> Report of the Directors of Nottinghamshire Fire Safety Limited	To Be Tabled

**ANY COUNCILLOR WHO IS UNABLE TO ATTEND THE MEETING AND WISHES TO SUBMIT APOLOGIES SHOULD DO SO VIA THE PERSONAL ASSISTANT TO THE CHIEF FIRE OFFICER AT FIRE SERVICES HEADQUARTERS ON 0115 8388900.**

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

**Constitutional Services Officer: Cath Ziane-Pryor  
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Agenda, reports and minutes for all public meetings can be viewed online at:  
<https://committee.nottinghamcity.gov.uk/ielistmeetings.aspx?XXR=0&Year=2019&CIId=224&MD=ielistmeetings>

If you would like to book British Sign Language interpretation at the meeting, please contact the Fire and Rescue Service at least two weeks in advance, either by emailing [enquiries@notts-fire.gov.uk](mailto:enquiries@notts-fire.gov.uk) or by text on SMS: 0115 824 0400

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

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham, NG5 8PD on Friday 26 July 2019 from 10:30am to 11:10am**

**Membership**

Present

Councillor Michael Payne (Chair)  
Councillor Toby Neal (Vice Chair)  
Councillor Andrew Brown  
Councillor John Clarke  
Councillor Sybil Fielding  
Councillor Vaughan Hopewell  
Councillor Jawaid Khalil  
Councillor John Longdon  
Councillor Salma Mumtaz  
Councillor Shuguftah Quddoos  
Councillor Mike Quigley MBE  
Councillor Nick Raine  
Councillor Parry Tsimbirdis  
Councillor Stuart Wallace  
Councillor Jonathan Wheeler  
Councillor Jason Zadrozny

Absent

Councillor Gul Nawaz Khan  
Councillor Sue Saddington

Also in attendance

Paddy Tipping, Nottinghamshire Police and Crime Commissioner

**Colleagues, partners and others in attendance:**

Connie Green - Solicitor  
Craig Parkin - Deputy Chief Fire Officer  
Ian Pritchard - Assistant Chief Officer  
Charlotte Radford - Treasurer to the Authority  
Catherine Ziane-Pryor - Governance Officer

**11 APOLOGIES FOR ABSENCE**

Councillor Sue Saddington - leave  
Councillor Gul Nawaz Khan - personal  
John Buckley (Chief Fire Officer)  
Becky Smeathers (Head of Finance)  
Malcolm Townroe (Clerk and Monitoring Officer)

## **12 DECLARATIONS OF INTERESTS**

None.

## **13 MINUTES**

The Authority Members confirmed the minutes of the meeting held on 7 June 2019 as a correct record and they were signed by the Chair.

## **14 CHAIR'S ANNOUNCEMENTS**

Councillor Michael Payne informed the Authority that whilst John Buckley, Chief Fire Officer, was recovering from a minor operation, he continues to maintain contact and Craig Parkin will deputise in his absence.

With regard to collaboration, the planning application for the Joint Police and Fire Service Headquarters has been submitted to Gedling Borough Council.

The Joint Derbyshire and Nottinghamshire Control Centre went live at the beginning of July. Councillors have requested that members are able to visit the Centre so this will be arranged for September.

The Audit of the Authority's Accounts has been delayed due to the capacity of the Auditors, Ernst and Young. This is not an isolated issue and has impacted many Local Government organisations. The Chair has already written to Ernst and Young to express the disappointment of the Authority at how the Service has been let down. The issue has also been raised with Central Government and a request made that Ernst and Young are penalised for tendering for a contract that they could not meet. It is hoped that Central Government will intervene and ensure that nothing like this happens again.

On 15 July 2019, the Deputy Chief Officer attended a meeting in London with the National Joint Council (NJC) employers as part of the consultation and negotiations relating to the annual pay award for firefighters and broadening the role. There was a consensus that a pay award be made of 2%, as budgeted for by this Authority and that the negotiations on broadening the role of firefighters should be restarted to maintain an active dialogue with the employees' representatives. It is noted that the pay settlement will be at a local cost but that Central Government does have a role.

The Fire Brigade's Union won its case regarding the 2015 pension scheme on the basis that implementation discriminated on age. The dispute will now go to tribunal for remedy and members of the Authority will be kept informed.

Councillor Andrew Brown supported the Chair's action with regard to the External Auditors of Ernst and Young, and that the company must not be allowed to continue without penalty.

## **15 ANNUAL GOVERNANCE STATEMENT 2018/19**

Charlotte Radford, Treasurer to the Authority, presented the report that is submitted annually to the Authority.

The report updates members on all forms of internal and external assurance and how issues previously identified have been addressed.

Craig Parkin, Deputy Chief Fire Officer, informed the Authority that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) will be consulting on an approach to governance inspections of Authorities where these have been identified as Services meeting a certain criteria. Members will receive more information when it is available.

**RESOLVED to approve the Annual Governance Statement 2018/19.**

## **16 FINAL ACCOUNTS 2018/19**

Charlotte Radford, Treasurer to the Authority, introduced the report that presents the unaudited Final Accounts for 2018/19 and thanked the members of the Finance Team for their very hard work.

It is noted that following the outcome of the firefighter's pension court case, there will be financial ramifications that will affect the Service, but also the Local Government Pension Scheme.

Paddy Tipping, Police and Crime Commissioner, suggested that in future years the accounts could be presented in a more condensed format.

Once audited, the accounts will be submitted to the Authority for final approval.

**RESOLVED to:**

- (1) approve the unaudited Statement of Accounts for 2018/19, as attached to the report at Appendix A;**
- (2) note the financial results for the 2018/19 year for Nottinghamshire Fire Safety Limited, as attached to the report at Appendix B.**

## **17 PAY POLICY**

Craig Parkin, Deputy Chief Fire Officer, presented the Pay Policy Statement for approval by the Authority, in line with the requirements of the Localism Act 2011. Once approved, the Policy will be published on the Service website.

The HMICFRS inspection acknowledged the pressure on the on-call system nationally, including pay remuneration. Consideration of the on-call system is an ongoing piece of national work through the National Fire Chief's Council and will include consideration of availability issues.

**RESOLVED to approve the Statement of Pay Policy attached as Appendix A to the report.**

## **18 HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES FINDINGS**

Representatives of the Fire Brigades Union (FBU) submitted a question that was considered and responded to following the presentation of the report and prior to questions from Authority members.

Craig Parkin, Deputy Chief Fire Officer, introduced the report that presents the outcomes from the recent inspection by HMICFRS. A further report detailing how the Service is responding to the inspection report will be presented to the Authority at the September meeting.

Overall, the Service was assessed as 'requires improvement' with the following 'good' areas:

- protecting the public through fire regulation;
- responding to national risks.

Assessment findings in several areas reiterated the information that the Service had provided to inspectors, this is an acknowledgement that the Service has a good level of self-awareness.

The 'requires improvement' assessment of the people strand is disappointing as the Service placed great emphasis on developing the right culture, values and wellbeing within the workforce. It was stressed that the Service is not complacent and is already undertaking activities in order to strive for service improvements.

Representatives of the FBU asked the following question:

"The HMIC report highlighted several areas for improvement, one area is that the service should ensure staff are appropriately trained in safety-critical skills.

Currently Approved to Ride trainees are being used on retained appliances, these trainees have had very little training and are not trained for all types of incidents. Approved to Ride trainees are currently supernumerary on a normally crewed appliance.

The service has now been trailing the use of alternatively crewed appliances for over 6 months, crews of less than 4 are being mobilised to incidents with approved to ride trainees form part of these crews. In light of the HMIC report, does the Fire authority feel that is appropriate to be mobilising crews with Firefighters that have not completed any training for certain incident types?"

The Chair of the Authority welcomed the engagement by the FBU and responded to the question. It was stated that the arrangements had been thorough consultation with representative bodies prior to implementation of the alternative crewing trial, and that policies are subject to periodic review to ensure they are achieving the desired outcomes by appropriately serving communities. Officers welcomed continued discussion and engagement with the FBU.

Comments from members of the Authority included:

- (a) the reference within the inspection report to the monitoring of working hours, where whole-time firefighters also work at on-call fire stations and its impact on the team and public safety;
- (b) a need for an action plan to address the issues raised from the inspection which prevented the Service achieving good or outstanding. It is disappointing that such an action plan has not been submitted to this meeting, particularly as senior officers were aware of the embargoed content of the inspection report prior to its publication;

- (c) the comment of the inspectors that reliance on reserves to keep the Service financially afloat is not sustainable, has been raised by members of the Authority to be addressed;
- (d) reference to the need for further savings to be identified to prevent the future draw on reserves, pending future spending settlement announcements. It is vital that all elements of the Service and Authority work together to find the required savings;
- (e) the financial implications stated within the covering report as 'none'. It was queried as to whether this applies only to the presenting of the inspectors findings presented within this current report, as opposed to the financial impact likely to result from action required to improve assessment ratings;
- (f) whilst the new government has prioritised the Police force and provided funding for 20,000 additional officers, it is hoped that this will not be at the cost to the Fire Service, and that the value of all emergency services is recognised by Central Government.

Questions from members of the Authority were responded to as follows:

- (g) a more detailed response to the inspector's findings and an action plan will be presented to the members of the Authority in September. While the draft report was made available to Service Management by the HMICFRS at an earlier date, this was done so on the basis that the report remained embargoed and that it was for the checking of accuracy only. In consultation with the Chair, it was considered appropriate to present this report to members of the Authority at the earliest opportunity but then to submit a more considered detailed response in September which would enable time for thorough consideration of the inspectors findings alongside other streams of work required from the wider reform agenda;
- (h) With regards to the observation made by members that the financial implications within the covering report are stated as 'none', this is reference to the presentation of the inspectors findings, as opposed to any financial implications that will result from improvement activity required in response to those findings;
- (i) the use of reserves not being a sustainable practice is supported and is already reflected within the budget strategy. However, reserves have been used to implement the long-term changes necessary to achieve the required savings as implementing changes to staffing cannot be done immediately. There appears to be a conflict between HMICFRS saying that reserves should not be relied upon, whilst Central Government is advising that Local Government Authorities should draw on reserves to deliver change. There needs to be further clarity on this point. Significant savings have been made including a reduction of six appliances and a substantial reduction in workforce, with the main cost to the budget being salary. Central Government, through the Framework document suggest that reserves should be 5% of the budget. This is a very challenging area and one which will be the subject of a forthcoming comprehensive spending review;
- (j) with regards to the hours worked by on-call staff, this does not specifically differentiate between those full-time firefighters with on-call roles, and on-call firefighters who have other full-time employment. There needs to be a balance of hours being monitored and care taken to ensure on-call appliance availability;
- (k) the 10 minute response time was originally only applied to fires within domestic properties but this was broadened to include all incidents. There is an ongoing debate nationally as to

what response times should be. Opinions vary particularly when budget shortfalls are taken into consideration.

**RESOLVED to:**

**(1) note the report;**

**(2) agree to receive a report to the September Fire Authority meeting demonstrating the progress against the identified areas for improvement.**

**19 EXCLUSION OF THE PUBLIC**

**RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Paragraphs 1 and 3 of Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

**20 REDUNDANCY PAYMENTS: PRINCE'S TRUST**

Craig Parkin, Deputy Chief Fire Officer, presented the report.

Members of the Authority expressed their sadness at the current and unavoidable position and acknowledged with thanks, the excellent work undertaken by loyal and dedicated employees.

**RESOLVED to approve the recommendations as set out in the exempt report.**



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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# TREASURY MANAGEMENT ANNUAL REPORT 2018/19

Report of the Treasurer to the Fire Authority

**Date:** 27 September 2019

**Purpose of Report:**

To provide Members with an update on treasury management activity during the 2018/19 financial year.

## CONTACT OFFICER

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## 1. BACKGROUND

1.1 Treasury management is defined as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with those risks.”

1.2 The Fire Authority is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised in 2017) was adopted by the Fire Authority on 9 April 2010.

1.3 The primary requirements of the Code are as follows:

1. The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority’s treasury management activities.
2. The creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.
3. Receipt by the Fire Authority of an annual Treasury Management Strategy Statement for the year ahead, a mid-year review report and an annual report covering activities during the previous year.
4. Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority, the delegated body is the Finance and Resources Committee.

1.4 This annual report has been prepared in compliance with CIPFA’s Code of Practice, and covers the following:

- An economic review of 2018/19;
- A review of Capital Activity during 2018/19 and the impact of this on the Authority’s Capital Financing Requirement;
- A review of the Investment and Cash Management Strategy during 2018/19;

- Investment and cash activity during 2018/19;
  - A review of the year end Investments and cash position and usable reserves;
  - A review of the Borrowing Strategy and borrowing activity during 2018/19;
  - A summary of compliance with treasury and prudential limits for 2018/19.
- 1.5 The Authority has appointed Link Asset Services (formerly Capita) as its external treasury management adviser.

## 2. REPORT

### ECONOMIC REVIEW

- 2.1 After weak economic growth of 0.2% in quarter 1 of 2018, growth picked up to 0.4% in quarter 2, and strengthened to 0.7% in quarter 3 before cooling off to 0.2% in the final quarter. This reduction in quarter 4 was to be expected given the uncertainties caused by Brexit. The annual growth at quarter 4 came in at 1.4% year on year, confirming that the UK was the third fastest growing country in the G7 in quarter 4.
- 2.2 The Monetary Policy Committee (MPC) raised bank rate from 0.5% to 0.75% in August 2018. There is unlikely to be any further action from the MPC until the uncertainties over Brexit clear. If there is a disorderly exit, it is likely that the bank rate would be cut to support growth. However, the MPC has been concerned over trends in wage inflation, which peaked to a post-financial crisis high of 3.5% in the three months to December 2018. British employers hired people at the fastest pace in more than three years in the three months to January 2019, helping to push the unemployment rate to 3.9%, its lowest rate since 1975.
- 2.3 CPI inflation has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.
- 2.4 The rise in wage inflation and fall in Consumer Price Index (CPI) inflation means that there has been a real terms' increase in consumer spending power. Given that the UK economy is largely driven by the services sector, an increase in household spending power will help to support the overall rate of economic growth.
- 2.5 Equity markets showed concern about the synchronised general weakening of growth in the major world economies. There were even some fears of a possible recession looming in the US. US Treasury yields and UK gilt yields have therefore fallen sharply. This has also caused Public Works Loans

Board (PWLB) borrowing rates to fall from a peak during October 2018 to the lowest rates seen in 2018/19 during March 2019.

## REVIEW OF CAPITAL ACTIVITY IN 2018/19

2.6 The Authority undertakes capital expenditure on long term assets. These activities may either be:

- Financed immediately by way of capital or revenue resources (capital receipts, capital grants, revenue contributions), which does not give rise to a requirement to borrow; or
- If insufficient financing is available, or if a decision is taken not to apply resources, the capital expenditure will need to be financed by borrowing.

2.7 Actual capital expenditure forms one of the required prudential indicators. The table below shows actual capital expenditure in the year and how this was financed.

	2017/18 Actual	2018/19 Revised Budget	2018/19 Actual
	£000's	£000's	£000's
<b>Capital Expenditure</b>	<b>4,060</b>	<b>3,277</b>	<b>1,075</b>
<b>Resourced By:</b>			
- Capital Grants	25		0
- Capital Receipts	630		115
- Revenue Contributions			62
- Borrowing	3,405		898
<b>Total Financed Capital Expenditure</b>	<b>4,060</b>		<b>1,075</b>

2.8 The 2018/19 capital programme has been smaller than in previous years as the service is between building projects. As at 31 March 2019, the Authority's capital financing requirement was £25.738m, which was within the prudential indicator set of £27,306k. The Capital Financing Requirement (CFR) figure represents the Authority's underlying need to borrow to fund capital expenditure and equates to un-financed capital expenditure which has not yet been paid for by revenue funding or other resources such as capital grants or receipts. The CFR is reduced over time by way of a statutory Minimum Revenue Provision charge to revenue which effectively charges the revenue budget for the use of capital assets over their asset lives.

## REVIEW OF THE INVESTMENT AND CASH MANAGEMENT STRATEGY

2.9 The Treasury Management Strategy approved by the Authority set out the policies for managing investments and for giving priority to the security and liquidity of those investments. The risk appetite of this Authority is low in order to give priority to security of its investments. Accordingly, the following types of low risk specified investments may be made:

- Deposits with the Debt Management Agency (Government);
- Term deposits with Banks and Building Societies;
- Term Deposits with uncapped English and Welsh local authority bodies;
- Call deposits with Banks and Building Societies;
- Triple-A rated Money Market Funds;
- UK Treasury Bills;
- Certificates of Deposit.

During the year, all investments were made with banks, building societies (either term deposits or call deposits) and other local authority bodies.

2.10 The Authority aims to limit its investment with any single counterparty to £2m although the strategy noted that this was sometimes difficult to achieve. This £2m limit was breached during 2018/19 when the £2.3m pension grant came in earlier than expected. A total of £3.5m was consequently invested with Barclays during April and May 2018 (excluding current account and Business Premium Account balances). This was due to a lack of suitable counterparties. This limit was increased to £4m in the 2019/20 Treasury Management Strategy approved by Fire Authority in February 2019.

2.11 No term deposits will be made for more than 1 year without the prior approval of the Treasurer and the Chair of Finance and Resources Committee. The selection of counterparties with a high level of creditworthiness will be achieved by reference to the Treasury Management Advisor, Link's, weekly credit list of potential counterparties. The Link weekly credit list shows potential investment counterparties, which are colour-coded to indicate the maximum period it is recommended that investments are made for. The Authority will therefore use counterparties with the following durational colour codes:

- Blue - investments up to 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange – investments up to 1 year
- Red – investments up to 6 months

- Green - investments up to 100 days

The Authority has made all investments with counterparties during the year in accordance with the maximum periods advised by Link.

- 2.12 The Authority will avoid locking into longer term deals while investment rates are at such low levels unless exceptionally attractive rates are available which make longer term deals seem worthwhile.
- 2.13 In terms of cash resources, the strategy is to maintain a bank overdraft facility of £200,000, to continue to use cash flow forecasting to predict cash surpluses and shortfalls so that these can be managed and to invest current account balances in the Business Premium Account on a daily basis if the interest rate is favourable. The current account was overdrawn on three occasions during 2018/19. As a result, the Authority incurred interest charges of £1,400.
- 2.14 All aspects of the treasury management strategy outlined for 2018/19 remained in place throughout the year.

## **INVESTMENT AND CASH ACTIVITY IN 2018/19**

- 2.15 As at 31 March 2019, the Authority held £7.050m of principal as short term investments. This comprised 6 separate investments in call accounts with 5 different counterparties. All of the investments were for £2m or less. These accounts had notice periods ranging from 1 day to 185 days. All counterparties have their creditworthiness continually monitored against Link's credit listings, and had it looked likely that the maximum recommended investment term for these institutions would have fallen below the call account notice period then the funds would have been withdrawn.
- 2.16 During the course of the year, 2 new investments were made, excluding the overnight sweep to the Business Premium Account.
- 2.17 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018/19, after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.
- 2.18 The 3 Month London Interbank Bid Rate (LIBID) benchmark rate for the year was 0.6753%. The Authority's investments earned an average rate of

0.7652% during the year resulting in total investment (including overnight savings interest on the current account) income earned of £80k, against a budgeted sum for investment income of £66k.

## **REVIEW OF INVESTMENTS / CASH POSITION AND USABLE RESERVES**

- 2.19 Members will be aware that the Authority's "usable" reserves i.e. the General Fund and Earmarked Reserves have not been fully cash backed in the past due to the use of cash balances to support capital expenditure in previous years. This strategy of using internally borrowed funds is considered prudent as investment returns are low and counterparty risk is still an issue. However, the Authority's year end cash balances were higher than usual as at 31<sup>st</sup> March 2019 as a £2m PWLB loan was taken on 26<sup>th</sup> March in order to take advantage of falling interest rates.
- 2.20 At 31 March 2019 the value of the Authority's usable reserves totalled £10,686m. The balance sheet as at the same date shows that short term investments were valued at £5,442m and cash and cash equivalents held totalled £7,020m. This means that reserves were fully cash-backed at year end, compared with a cash deficit of £3.015m at the end of the previous financial year. The 2018/19 Treasury Management Strategy set out the Authority's aim to reduce the level of internal borrowing and build up cash balances to ensure that usable reserves are cash-backed to an appropriate level, however the Strategy also made it clear that the timing and rate at which cash balances increased would very much depend on the prevailing economic conditions. Opportunities have arisen during the year for the Authority to borrow from the PWLB at relatively low interest rates, and this has allowed the level of internal borrowing to be reduced whilst minimising the "cost of carry" that arises due the differential between borrowing and investment rates.

## **REVIEW OF THE BORROWING STRATEGY AND BORROWING ACTIVITY IN 2018/19**

- 2.21 The strategy recommended that a combination of capital receipts, internal funds and borrowing would be used to finance capital expenditure during 2018/19. Capital receipts of £115k, borrowing of £898 and Revenue Contributions of £62k were applied to finance expenditure.
- 2.22 The Authority has taken out three short term loans throughout the year. Interest rates ranged between 0.65% and 1.1% depending on duration of the loan. The total interest cost of these loans was £20.7k including administration and brokerage fees. These loans were taken to fill short term gaps in the Authority's cash flow.
- 2.23 The Authority took out four new PWLB Loans in 2018/19: £1m on 31<sup>st</sup> May at a rate of 2.25% for 50 years, £1m on 18<sup>th</sup> December at a rate of 2.51% for 50 years, a further £1m on 18<sup>th</sup> December at a rate of 2.02% for 10 years, and £2m on 26<sup>th</sup> March at a rate of 2.33% for 20 years. These loans reduced the Authority's average long term borrowing rate from 3.52% to 2.83%, and reduced the Authority's level of internal borrowing.

2.24 The treasury management limits to loan maturity were set in 2018/19 and are shown below:

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

2.25 No rescheduling of debt took place, as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

2.26 The Authorised Limit is the affordable borrowing limit above which the Authority does not have the power to borrow. This was set at £32.695m for 2018/19. Total external debt as at 31 March 2019 was £29.599m, which was well within the Authorised limit.

2.27 The Operational Boundary is the expected borrowing position of the Authority within the year. This was set at £29,723m for 2018/19, and was not exceeded at any point during the year.

### **SUMMARY OF COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS**

2.28 The following indicators were approved by Members for the 2018/19 financial year. Actual performance is shown in the final column of the table below:

<b>Treasury or Prudential Indicator or Limit</b>	<b>Approved for 2018/19</b>	<b>Actual for 2018/19</b>
Estimate of Ratio of Financing Costs to Net Revenue Stream	5.7%	5.2%
Estimate of Total Capital Expenditure to be Incurred	£3,191,000	£1,075,000
Estimate of Capital Financing Requirement	£27,306,000	£25,738,000
Operational Boundary	£29,723,000	Not exceeded
Authorised Limit	£32,695,000	Not exceeded
Upper limit for fixed rate interest exposures	100%	100%
Upper limit for variable rate interest exposures	30%	0%

Loan Maturity:	<u>Limits:</u>	<u>Limits:</u>
Under 12 months	Upper 20% Lower 0%	17.9%
12 months to 5 years	Upper 30% Lower 0%	19.0%
5 years to 10 years	Upper 75% Lower 0%	4.0%
10 years to 20 years	Upper 100% Lower 0%	0.0%
Over 20 years	Upper 100% Lower 30%	59.2%
Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000	£2,000,000

2.29 The indicator for the Ratio of Financing Costs to Net Revenue Stream shows an actual result of 5.2% compared to an estimated ratio of 5.7%. This is partly due to the actual financing costs being £201k lower than estimated, and partly due to the net revenue stream being £266k higher than estimated. Interest costs underspent by £131k due to a combination of borrowing later than planned, as well as borrowing at a lower rate than budgeted. The minimum revenue provision (MRP) charge underspent by £70k, which was due to capital expenditure for 2017/18 (on which the 2018/19 charge is based) being lower than originally anticipated due some capital expenditure being slipped into 2018/19. The higher revenue stream is due to that fact that the calculation of the indicator was based on provisional tax base figures which were lower than the actual figures, and budgeted grant figures that were lower than the actual amount received.

### **3. FINANCIAL IMPLICATIONS**

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

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

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

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report gives a review of activities rather than introducing a new policy.

## **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, other than the requirement to act within the Authority's powers when undertaking treasury management borrowings and investments.

## **8. RISK MANAGEMENT IMPLICATIONS**

Risk management is a key aspect of treasury management, and the Treasury Management Strategy sets out the parameters within which activities will be carried out with a view to managing credit risk, liquidity risk, re-financing risk and market risk. The Authority has approved a prudent approach to treasury management and this report allows Members to review how well risks have been managed during the year.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

That Members note the contents of this report.

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

None.

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**



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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **UPDATE REPORT ON AUDIT OF FINAL ACCOUNTS 2018/19**

Report of the Treasurer to the Fire Authority

**Date:** 27 September 2019

**Purpose of Report:**

To present to Members a progress report on the audit of the 2018/19 final accounts of the Nottinghamshire and City of Nottingham Fire Authority.

## **CONTACT OFFICER**

**Name :** Becky Smeathers  
Head of Finance

**Tel :** 0115 967 0880

**Email :** [becky.smeathers@notts-fire.gov.uk](mailto:becky.smeathers@notts-fire.gov.uk)

**Media Enquiries Contact :** Therese Easom  
(0115) 8388690 [therese.easom@notts-fire.gov.uk](mailto:therese.easom@notts-fire.gov.uk)

## **1. BACKGROUND**

- 1.1 The unaudited final accounts for 2018/19 were approved by Fire Authority on 26 July 2019.
- 1.2 Ernst Young LLP (EY) were unable to commence the audit in June as originally planned and it finally commenced in August. Whilst it is now close to being concluded, there remain some outstanding areas, which has meant that the audit cannot yet be finalised. This report serves as a progress report to Members prior to the approval of the final Statement of Accounts and audit opinion being considered at December Fire Authority.
- 1.3 The progress report detailing the audit results to date is attached at Appendix A to this report and a representative of EY will be present to discuss with Members.

## **2. REPORT**

- 2.1 The audit progress report concludes that there are several audit areas still to be completed. These predominantly relate to property, plant and equipment and pensions where significant additional work has been undertaken following the McCloud judgement.
- 2.2 Subject to the satisfactory completion of outstanding matters, an unqualified opinion on the Authority's financial statements is expected.
- 2.3 The audit has identified several audit differences which will be adjusted for in the final Statement of Accounts which will be presented to the Fire Authority in December for approval.
- 2.4 Section 9 of the report includes several areas where EY has indicated that additional fees may be incurred. Further discussions on fees will take place at the completion of the audit.

## **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

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

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

## **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been carried out because this is a report of the Authority's financial performance for the 2018/19 financial year rather than a new or amended policy.

## **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**

8.1 The production of final accounts is fundamental in demonstrating a sound financial position for any organisation. The "snapshot" provided by annual accounts which is independently audited provides both stakeholders and elected Members with a significant level of assurance in this area.

8.2 Detailed aspects of financial risk management are set out within the body of the report.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

That Members note the audit progress report attached at Appendix A.

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

None.

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**

Nottinghamshire Fire  
and Rescue Authority  
Audit results report  
Year ended 31 March 2019

16 September 2019



Building a better  
working world



Private and confidential

Nottinghamshire Fire and Rescue Authority  
Headquarters  
Bestwood Lodge Drive  
Arnold  
Nottingham  
NG5 8PD

16 September 2019

Dear Members of the Nottinghamshire Fire and Rescue Authority

We are pleased to attach our audit results report for the forthcoming meeting of the Fire Authority. This report summarises our preliminary audit conclusion in relation to the audit of Nottinghamshire Fire and Rescue Authority (the Authority) for 2018/19.

We are in the process of completing our audit of the Authority for the year ended 31 March 2019. I have discussed the status of our audit with the Chief Finance Officer (S151 Officer) up to the date of issuing this report. The Authority met its accounts publication deadline of 31<sup>st</sup> July 2019 and included a narrative on its website explaining why our audit is not concluded and the steps required thereafter to issue the audited accounts.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at section 3. We also have no matters to report to date on your arrangements to secure economy, efficiency and effectiveness in your use of resources and we will finalise our conclusion once we have completed all our outstanding work.

This report is intended solely for the use of Members of The Authority and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement. We welcome the opportunity to discuss the contents of this report with you at the Fire Authority meeting on 27 September 2019.

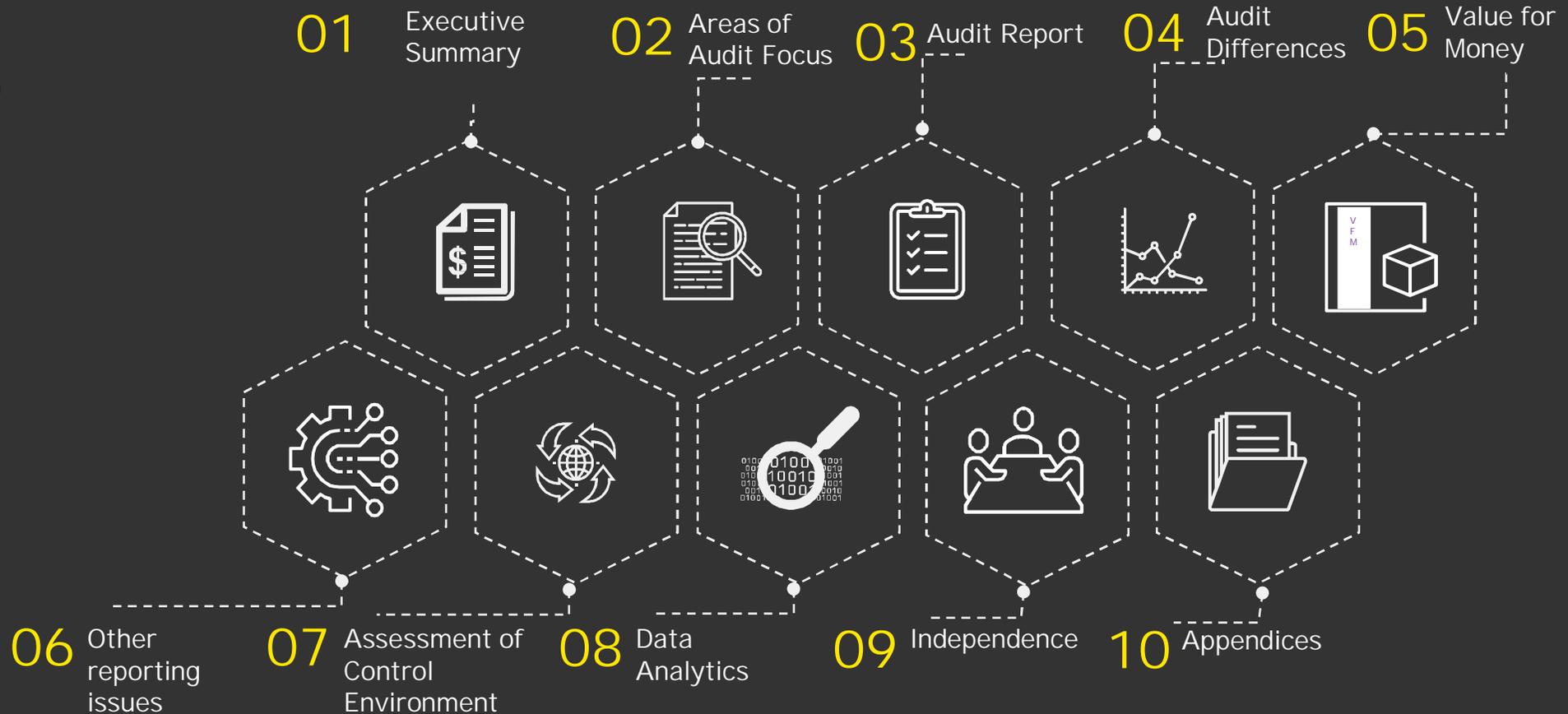
Yours faithfully

Neil Harris  
Associate Partner

For and on behalf of Ernst & Young LLP  
Encl

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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psa.co.uk](http://www.psa.co.uk)). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01

# Executive Summary



# Executive Summary

## Scope update

Our audit planning report, tabled at the 29 March 2019 Finance and Resources Committee meeting, provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan. However, we have extended our procedures in the following areas:

- Page 28
- Inclusion of a significant risk for the existence of Property, Plant and Equipment. This arose as our audit indicated that the Register for Property, Plant and Equipment did not reconcile to the relevant Note at gross asset and gross depreciation level with the relevant Note 15, in the financial statements;
  - Inclusion of a significant fraud risk as regards the capitalisation of revenue expenditure, given that capital expenditure within the draft financial statements is above our performance materiality;
  - Engagement of EY's internal valuers, EY Real Estate, to review the valuations of higher risk assets valued at depreciated replacement cost;
  - Engagement of EY Real Estates to challenge the assumptions of the Authority's own valuer in respect of a number of assets not revalued in the year, where our initial assessment of the valuation based on indices indicated that the estimate for depreciated replacement cost valuations were outside our acceptable range;
  - We extended our audit procedures to review management's consideration of the judgment and apply sensitivity analysis to the local government actuarial amendments in response to the McCloud/Sargeant judgment, brought to address the impact of historical age discrimination in the treatment of pensioners. We have also considered actuarial assessments as regards Guaranteed Minimum Pension and the movement of pension assets between the original date of the actuarial valuation and the 31 March 2019;
  - Given the complexity of the Firefighter Pension Scheme Membership, we have engaged EY's Pensions to review the Pension Fund's actuaries calculations for the McCloud/Sargeant adjustment; and
  - In respect of our value for money conclusion we have identified three new significant risks:
    - The Authority's Medium Term Financial Plan highlighted the continued use of significant General and Earmarked Reserves to support the budget is not sustainable and would result in the Authority falling below the £3.9m minimum level agreed if the identified budget gap of £1.576 million deficit is not eliminated in 2020/21. we have included a significant risk to assess financial resilience;
    - In July 2018 Authority Members approved the establishment of a Strategic Collaboration Board with Derbyshire Fire & Rescue Service. Arising from this collaboration was a Joint Fire Control Centre with Derbyshire located at Ascot Drive, Derby. The control centre became operational on 1 July 2019. However, given the disclosure of Termination Benefits for fourteen employees to the value of £0.648 million we have included a significant risk within our Value for Money Conclusion work to review the governance arrangements and decision-making process for the implementation of the joint control room; and
    - In February 2019, the Fire Authority agreed to enter into a collaboration agreement with the Police and Crime Commissioner CC of Nottinghamshire through a Limited Liability Partnership for a joint headquarters at Sherwood Lodge. We have included a significant risk within our Value for Money Conclusion work to review the governance arrangements and decision-making process for the joint Headquarters.
  - We have reported the results of our work in Section 2 of this Report.

# Executive Summary

## Scope update

### Changes in Materiality

- We have updated our planning materiality assessment using the draft results and have also reconsidered our risk assessment. Based on our materiality measure of gross expenditure on provision of services, we have updated our overall materiality assessment to £1.326m (Audit Planning Report – £1.071m). This results in updated performance materiality, at 50% of overall materiality, of £0.663m (£0.535), and an updated threshold for reporting unadjusted misstatements of £61,000 (£54,000).
- We also updated our materiality in respect of the Firefighters' Pension Fund Accounts. Based on our materiality measure using Benefits Payable, we have updated our overall materiality assessment to £0.329m (Audit Planning Report – £0.281m). This results in updated performance materiality, at 50% of overall materiality, of £0.165m (£0.140), and an updated threshold for reporting misstatements of £16,000 (£14,000).

## Status of the audit

We are in the process of completing our audit of the Authority's financial statements for the year ended 31 March 2019 and have performed the procedures outlined in our audit planning report except for the changes in scope referenced on the previous page.

We have set out in Appendix B the remaining areas of work to be completed at the time of writing this report. There are a number of areas still to complete in our last week of fieldwork which precedes the Authority meeting. Subject to satisfactory completion of those matters, we expect to issue an unqualified opinion on the Authority's financial statements in the form which appears at Section 3. However until work is complete, further amendments may arise.

We anticipate that our work on Property, Plant and Equipment (PPE) and pensions will not be complete at the date of the Authority meeting on 27 September 2019. We will and provide a verbal update on PPE and the any other remaining areas at that meeting.

We expect to issue the audit certificate at the same time as the audit opinion.

## Audit differences

We identified a number of audit differences in the course of our audit. None of these adjustments impacted the reported Net Cost of Services that impacts the Council tax funding requirements, but the increase in pensions liability affects the total comprehensive income and expenditure and balance sheet reported for 2018-19 by £24.4 million and reclassification and presentational adjustments have been made to the financial statements by management

We have reported those adjusted audit differences above our audit performance management threshold in Section 4 Audit Differences.

There are, to date, no uncorrected misstatements.



# Executive Summary

## Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of the Authority's financial statements. This report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, including our work on the valuation of assets and the revised actuarial reports commissioned by the Authority in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues
- You agree with the resolution of the issue
- There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Nottinghamshire Fire and Rescue Authority.

## Control observations

We have adopted a fully substantive approach, so have not tested the operation of controls. However, we wish to report the following area where improvements could be made to the control environment:

- A rigorous quality control of the financial statements and supporting working papers before publication for 31 May 2019 deadline;
- A review of the Property, Plant and Equipment Register to ensure that it is able to provide audit trails which support the financial statements; and
- Collation of all documents relevant to the £8.6 million Lender option, Borrow Option (LOBO) loan, including the agreement to evidence break clauses and potential interest rate rises.

Our key considerations are outlined in section 7.

## Value for money

We have considered your arrangements to take informed decisions, deploy resources in a sustainable manner and work with partners and other third parties. In our Audit Planning Report we identified no significant risks around our Value for Money Conclusion. However, following the start of our audit we have identified three significant risks being:

- Sustainable resource deployment: the Authority's arrangements for the addressing the budget gap of £1.576 million by 31 March 2022, given the use of £1.595 million and £1.780 million General and Earmarked Reserves in 2018/19 to fund the budget and the anticipated £1.240 million use of General Fund Reserves highlighted in the February 2019 Medium Term Financial Plan to fund the 2019/20 budget;
- Taking informed decisions and working with partners and third parties: the Authority's arrangements for the governance and decision making processes concerning Joint Fire Control Centre with Derbyshire Fire and Rescue Authority located at Ascot Drive, Derby; and
- Taking informed decisions and working with partners and third parties: the Authority's arrangements for the governance and decision making processes concerning Joint Police and Fire Headquarters with the Police and Crime Commissioner for Nottinghamshire.

We have undertaken appropriate procedures and concluded that we have no matters to include in the auditor's report about your arrangements to secure economy efficiency and effectiveness in your use of resources and anticipate issuing an unmodified opinion. Our key considerations are outlined in section 5.



# Executive Summary

## Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. The Authority has made a number of amendments to the Annual Governance Statement as a result of our work (See Section 6). We have no other matters to report as a result of this work.

We have also reviewed the Authority's Narrative Report for consistency with the financial statements and our knowledge. We have made observations about enhanced context within the Report and the highlighting the key performance indicators within the Report. We have no other matters to report as a result of this work.

We are not reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission as the Authority falls below the £500 million threshold for review as per the NAO's group instructions.

We have no other matters to report.

## Independence

Please refer to Section 9 for our update on Independence. We have no independence issues to bring to your attention.



## 02 Areas of Audit Focus



# Areas of Audit Focus

## Significant risk

### Misstatements due to fraud or error

#### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

#### What judgements are we focused on?

We have considered the risk of management override and the areas of the financial statements that may be most susceptible to this risk. For the Authority, we have identified the potential for the incorrect classification of revenue spend as capital where there is a risk of fraud or error.

#### What did we do?

- Identified fraud risks during the planning stages;
- Asked management about risks of fraud and the controls put in place to address those risks;
- Understood the oversight given by those charged with governance of management's processes over fraud;
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- Assess accounting estimates for evidence of management bias, and
- Evaluate the business rationale for significant unusual transactions.

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#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.



## Significant risk

### Valuation of Land and Buildings

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#### What is the risk?

Valuation of Land and Buildings

The fair value of land and buildings, assets under construction and investment properties represents significant balances in the accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet

#### What judgements are we focused on?

How management has valued its land and buildings, taking into account source documentation, useful economic lives and depreciation and is content that all valuations are up to date.

How management ensures the existence of all its assets.

#### What did we do?

- Considered the work performed by the Authority's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE. We also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer, for example on construction work with Fire Stations (e.g. at Hucknall, Newark and Worksop);
- Reviewed assets not subject to valuation in 2018/19 to confirm that the remaining asset base is not materially misstated;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries have been correctly processed in the financial statements.

#### What are our conclusions?

We have reviewed an initial sample of land and buildings valuations and have forwarded several more complex valuations relating to assets valued at depreciated replacement cost to EY Real Estates for review.

We have also identified that those depreciated replacement cost assets not valued during 2018/19 are outside our tolerable error thresholds using indices provided by the consulting valuer, engaged by the national Audit office. The Authority has sought further input from its valuer to consider whether the valuation of certain key assets has materially moved since last formal valuation.

At the time of this report, we have not been able to conclude our audit work in this area.



# Areas of Audit Focus

## Significant risk

### Existence of Property, Plant and Equipment

#### What is the risk?

Although agreeing for the net book value of assets, the Property, Plant and Equipment Register did not agree to the financial statements at the Gross Book Value and Depreciation level.

The Register was recording less assets than were shown in the financial statements,

This poses a risk that the financial statements contain assets which are not in operational use by the Authority.

#### What judgements are we focused on?

How management ensures that all assets exist.

#### What did we do?

- Undertaken work to agree the register for Property, Plant and Equipment to the financial statements;
- Tested assets to land registry records or other supporting information to demonstrate that assets exist.

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#### What are our conclusions?

Our audit work identified differences at the Gross Book level and Depreciation level between the register for Property, Plant and Equipment and the financial statements.

The Authority have used a consultant to review the register to resolve the differences and to provide the relevant audit trails to check the integrity of the Register to ensure that it supports the financial statements

As a result, at the time of this report, we have not been able to conclude our audit work in this area.



## Significant risk

Page 36

**Incorrect capitalisation of revenue expenditure**

### What is the risk?

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term projected financial position.

A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure. The Authority has a significant fixed asset base and had material capital expenditure of £0.893 million and therefore has the potential to impact the revenue position through inappropriate capitalisation.

### What judgements are we focused on?

- How management decides on appropriate capitalisation of revenue expenditure.
- How the capital programme complies with proper capital strategy principles.

### What did we do?

- Sample testing additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.

### What are our conclusions?

We have to date not identified any additions that were incorrectly capitalised.



# Areas of Audit Focus

## Other areas of audit focus – Pension Fund Liability

What is the area of focus?	What did we do?	Our Conclusions
<p><b>Pension Liability Valuation</b></p> <p>The Local Authority Accounting Code of Practice and IAS19 require extensive disclosures within the financial statements regarding membership of the Local Government Pension Scheme administered by Nottinghamshire County Council.</p> <p>The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuaries to the Nottinghamshire Pension Fund and also the Firefighter Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates</p>	<p><b>Local Government and Fire Fighters Pension Schemes</b> We have:</p> <ul style="list-style-type: none"> <li>• Liaised with the auditors of the Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority for the Local Government Pension Scheme (LGPS);</li> <li>• Assessed the work of the Pension Fund actuary for the two schemes Barnett Waddingham (LGPS) and the Mercer's (Firefighters' Pension Scheme), including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and</li> <li>• Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.</li> </ul> <p><b>Fire Fighters Pension Scheme (only)</b> We have:</p> <ul style="list-style-type: none"> <li>• Tested a sample of lump sums and pension payments for new fire fighter pensioners; and</li> <li>• Completed a predictive analytical review for both the pensions payroll and employees and employers pension contributions;</li> </ul> <p><b>McCloud/Sargeant, Guaranteed Minimum Pension (GMP) and estimated and actual asset values.</b></p> <ul style="list-style-type: none"> <li>• We have applied sensitivity analysis to the local government actuarial amendments in response to the McCloud/Sargeant judgments and considered actuarial assessments as regards GMP and the movement of pension assets; and</li> <li>• Given the complexity of the Firefighter Pension Scheme Membership, we have engaged EY's Pension's to review the Pension Fund's actuaries calculations for the McCloud/Sargeant adjustment</li> </ul>	<p>The Authority requested an further actuarial report to account for the impact on the pension liability from the effect of the McCloud/ Sargeant and GMP judgements and change in asset values.</p> <p>We assessed the assumptions within the Authority's updated actuarial reports and reviewed the movement on the total fund asset values.</p> <p>The impact of these changes has been to increase the pension fund liability by £24.4 million from £544.3 million to £568.7 million. Management have amended the financial statements to reflect these increases, see Section 3 for the adjustments.</p> <p>Management has also removed the contingent liability disclosure and updated other references relating to McCloud as the sums have now been accounted for through the Accounting for Pension Costs Notes in the financial statements.</p> <p>We have not identified any issues with the accounting entries and disclosures made within the financial statements for the Local Government Pension Scheme. However, our EY Pensions Team are currently reviewing the assumptions made for the McCloud impact on the Fire Fighters Pension Schemes.</p> <p>We have yet to conclude fully on our work on the pension liability valuation.</p>



# 03 Audit Report



# Audit Report

## Our opinion on the financial statements

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAMSHIRE FIRE AND RESCUE AUTHORITY

#### Opinion

We have audited the financial statements and the firefighters' pension fund financial statements of Nottinghamshire Fire and Rescue Authority for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement;
- Related notes 1 to 42; and
- The firefighters' pension fund financial statements comprising the Pension Statements, the Pension Net Assets Statement and the related notes 1 to 6.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

In our opinion the financial statements:

- Give a true and fair view of the financial position of Nottinghamshire Fire and Rescue Authority as at 31 March 2019 and of its expenditure and income for the year then ended; and
- Have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the Narrative Report other than the financial statements and our auditor's report thereon. The Chief Finance Officer (S151 Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.



# Audit Report

## Our opinion on the financial statements

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, Nottinghamshire Fire and Rescue Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Responsibility of the Treasurer

As explained more fully in the Statement of the Treasurer's Responsibilities set out on page 17, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the Authority financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, and for being satisfied that they give a true and fair view.



# Audit Report

## Draft audit report

### Our opinion on the financial statements

In preparing the financial statements, the Treasurer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

**Auditor's responsibilities for the audit of the financial statements**  
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether Nottinghamshire Fire and Rescue Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Nottinghamshire Fire and Rescue Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Nottinghamshire Fire and Rescue Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



# Audit Report

## Draft audit report

Page 42

### Our opinion on the financial statements

#### Certificate

We certify that we have completed the audit of the accounts of Nottinghamshire Fire and Rescue Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

#### Use of our report

This report is made solely to the members of Nottinghamshire Fire and Rescue Authority as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Harris (Key Audit Partner)  
Ernst & Young LLP (Local Auditor)  
Luton

Date

The maintenance and integrity of the Nottinghamshire Fire and Rescue Authority web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# 04 Audit Differences



## Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of adjusted differences

There have been a number of amendments which management have agreed to adjust. We highlight the following misstatements greater than our performance materiality of £0.663m which have been corrected by management that were identified during the course of our audit.

- £24.4 million additional pensions deficit in relation to pension liabilities following the receipt of a further actuarial report to take account of the impact arising from changes from McCloud/Sargeant judgement, guaranteed minimum pensions and pension assets. The sum affects the total comprehensive income and expenditure and balance sheet reported for 2018-19.

In respect of disclosure notes, the Authority has amended:

- Note 8: Expenditure and Income Analysis by Nature for the current year and prior year to show the gross balances for Employee Benefits Expenses and Government Grants, Depreciation, Amortisation and Impairment and Income to accounting for Gain on Disposal gross to bring the Note in line with the Income and Expenditure figures per the Comprehensive Income and Expenditure Statement; and
- Note 32: Officers' Remuneration: to record an employee within banding 110,000 - 114,999 and to separate out individuals rather than posts and to name staff earning over £150,000 to comply with the CIPFA Code of Accounting Practice employee.

There were also some minor disclosures which have been adjusted by management.

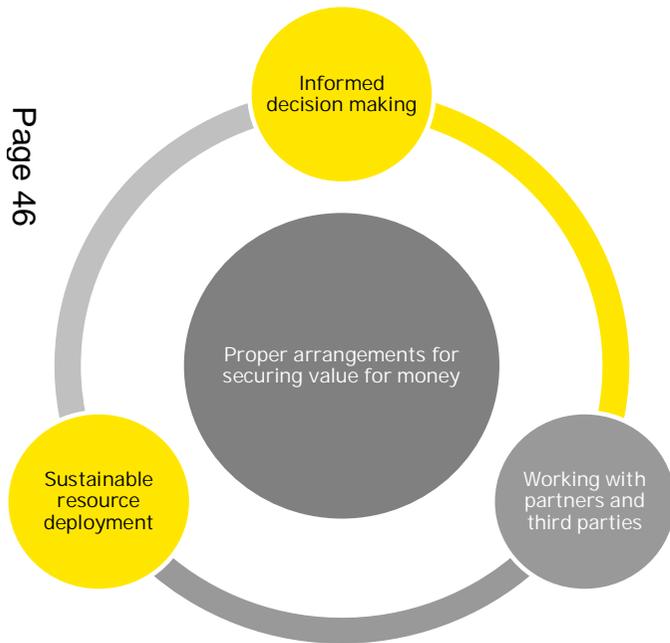
There has been no impact on the General Fund balance as a result of the correction of these errors.

There are, to date, no uncorrected misstatements.



05

# Value for Money Risks



## Background

We are required to consider whether the Authority has put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2018/19 this is based on the overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

## Overall conclusion

At the planning stage of the audit we did not identify a significant risk as regards financial resilience around these arrangements. Since undertaking our planning procedures we increased the scope of our VFM Conclusion work to include three significant risks around taking informed decisions and working with partners and third parties, concerning the Authority’s arrangements for:

- Addressing the budget gap of £1.576 million by 31 March 2022;
- The governance and decision making processes concerning Joint Fire Control Centre with Derbyshire Fire and Rescue Authority located at Ascot Drive, Derby; and
- The governance and decision making processes concerning Joint Police and Fire Headquarters with the Police and Crime Commissioner for Nottinghamshire.

We have undertaken appropriate procedures and concluded that we have no matters to include in the auditor’s report about your arrangements to secure economy efficiency and effectiveness in your use of resources and anticipate issuing an unmodified opinion.

Our findings are in the tables below.

## Value for Money Risks

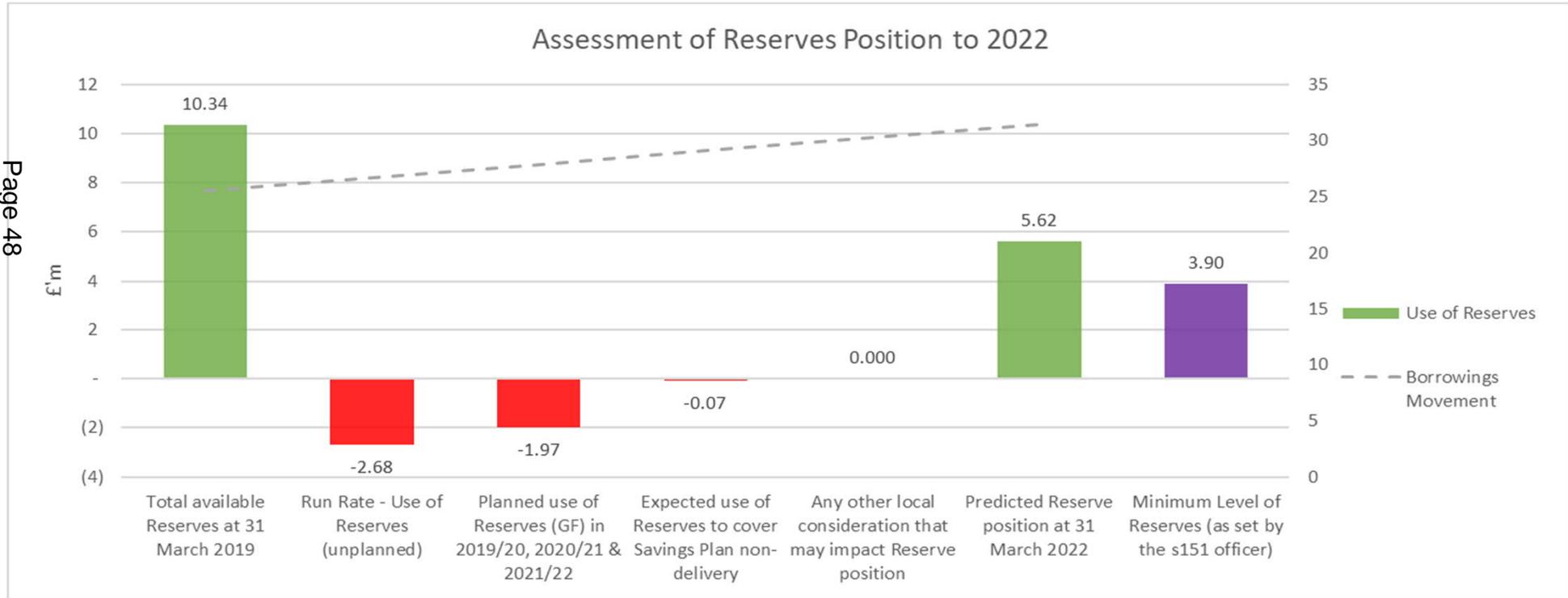
We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

The table below presents the findings of our work in response to the risks areas in our Audit Planning Report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>Achievement of Savings Needed over the Medium Term</p> <p>In common with other Fire and Rescue services, the Authority is facing significant financial pressures in the medium term.</p> <p>Review of the updated MTFS in February 2019, shows that the organisation has identified of cumulative gross budget deficits across 2019/20, 2020/21 and 2021/22, of £1.576 million. The deficits are predicated to increases in Council Tax precept of 2.95% and 1.95% in future years.</p> <p>The MTFS indicates that action is being taken to identify plans to mitigate the risk.</p>	<p>Sustainable resource deployment</p>	<p>We consider the process for setting the Authority’s budget is sound. We concluded that the MTFP identifies the key assumptions expected to underpin the 2019/20 budget. Management use scenario planning effectively to provide guidance to the Authority to make decisions on the level of precept to set.</p> <p>However, for both 2017/18 and 2018/19, the Authority reported overspends against budget of £1.166 and £0.488 million respectively. The Authority balanced the budgets through use of £1.595 million and £1.780 million General and Earmarked Reserves. The February 2019 Medium Term Financial Plan anticipated the use of £1.240 million General Fund Reserves to fund the 2019/20 budget. The Plan highlighted a budget gap of £1.576 million by 31 March 2022 and indicated if savings were not made General Reserves would fall to £2.693 million and therefore below the minimum level of £3.9 million.</p> <p>Subsequently, the May 2019 budget monitoring report indicated that a favourable Non-Domestic Rates grant settlement, spend on day crewing no longer required and the accounting for joint control room redundancy costs in 2018/19 reduced the need to draw on General and Earmarked Funds to £0.232 million in 2019/20.</p> <p>We have tested the sensitivity of reserves by taking into account the Authority’s history of under and overspends, past savings achieved, planned use of reserves in 2019/20 to 2021/22 and dependency on innovative income streams. Using the May 2019 forecast and assuming all earmarked reserves could be used to support the budget, the Authority would just have sufficient reserves to cover the budget gap above its minimum level of set at £3.9 million.</p> <p>We therefore do not propose to qualify the value for money conclusion. However, the Authority needs to be vigilant in taking action to reduce the overspends of the last two years, recognising that the recent extensive use of reserves to support the budget is unsustainable and to develop robust plans to achieve ongoing savings to address the budget gap</p> <p>We note that Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Authorities rated the Authority as requiring improvement across areas covering Effectiveness, Efficiency and People. The inspectorate also noted that the Authority 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.</p>



## Our Assessment

In our assessment we considered:

- The Authority's level of savings requirement to balance the General Fund budget in each of the next 3 years of £1.576 million;
- The Authority's history of over or under spending on the General Fund budget, and the impact this trajectory would have on the use of General Fund reserves;
- The Authority's planned use of reserves to support the General Fund budget in each of the next 3 years;
- The Authority's history of delivering savings plans and therefore the potential to call upon reserves to make up a shortfall in future savings plan delivery; and
- Reliance upon any income other than grant income which has not been confirmed post 2018/19, upon which the Authority is reliant.

The graph shows borrowing increasing over the next three years.

As a result of our assessment, we note that the Authority's calculated General Fund reserve balance at the 31 March 2022 of £5.62 million would remain just above the Authority's approved minimum level of £3.9 million, should the Authority not be able to deliver the savings to bridge the budget gap of £1.576 million.



## Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>In July 2018 Members approved the establishment of a Strategic Collaboration Board with Derbyshire Fire &amp; Rescue Service. One of the initial workstreams identified was a potential Joint Fire Control with Nottinghamshire located at Ascot Drive, Derby.</p> <p>The overall cost of 14 redundancies is £0.7 million to the Fire Authority.</p> <p>In progressing significant projects there are risks around arrangement for governance and coming to an informed decision.</p>	<p>Take informed decisions and Work with partners and other third parties</p>	<p>Our audit work has focussed on: The decision-making arrangements surrounding the implementation of the joint control room.</p> <p>Our review of the arrangements found that to deliver the implementation of the joint control room both Fire Authorities have:</p> <ul style="list-style-type: none"> <li>•Held informal and formal meetings involving finance, human resources and legal representation to determine the best option and scoped a road map;</li> <li>•Sought and received written legal advice to consider: <ul style="list-style-type: none"> <li>○ The process for assigning staff roles from the two control rooms;</li> <li>○ The governance structures might be appropriate for the operation of the Joint Control including powers to establish joint control, and governance options available; and</li> <li>○ The Agreement for Services to formalise joint decision-making rights;</li> </ul> </li> <li>•Developed a Business case for Fire Authority approval for the new control centre detailing the imperatives for the change, governance structures and the reasonableness and role matching, criteria, supported by detailed employment policies, to effect the move;</li> <li>•Detailed the financial consequences of the move within the Business Plan;</li> <li>•Managed the process through the Joint Collaboration Board of the two Authorities;</li> <li>•Reported progress to Members of the Authority.</li> </ul> <p>We concluded therefore that there was evidence of reasonable arrangements to inform the decision-making process.</p>



## Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>In September 2018 and February 2019 , Members approved the development of a business case for a joint Fire and Police Headquarters at Sherwood Lodge, Arnold through a Limited Liability Partnership (LLP) for a joint headquarters site.</p> <p>The total estimated costs for the redevelopment of Sherwood Lodge is circa £18.5m, of which the Authority is to contribute £4 million to be offset by the sale of the current Fire Headquarters.</p> <p>In progressing significant projects there are risks around arrangement for governance and coming to an informed decision</p>	<p>Take informed decisions and Work with partners and other third parties</p>	<p>Our audit work has focussed on the decision-making arrangements surrounding the decisions to redevelop the site at Sherwood Lodge and progress to the delivery model through an LLP. Our review of the arrangements found that to deliver the implementation of the joint control room the Authority has:</p> <ul style="list-style-type: none"> <li>• Sought specialist financial and legal advice to consider: <ul style="list-style-type: none"> <li>• Five options for the future Fire Headquarters including remaining at the current site, a new build or redevelopment of a proposed site located at Sherwood Lodge;</li> <li>• The governance structures which may be appropriate for the delivery of the joint Headquarters covering a contractual joint venture, a special purpose vehicles either for a company limited by shares and/or guarantee or through an LLP; and</li> <li>• Taxation and legal consequences of the preferred option for an LLP.</li> </ul> </li> <li>• Set out reasons for not proceeding with the new build as advised but to progress a re-development of the site;</li> <li>• Reviewed the financial consequences of the move;</li> <li>• Managed the process through the Strategic Collaboration Board supported by the Collaborative Delivery Board and working group comprising Members, Chief Officers and officers of both organisations;</li> <li>• Reported progress to Members of the Authority.</li> </ul> <p>We concluded therefore that there was evidence of reasonable arrangements to inform the decision-making process. However, we note that the February 2019 report to Authority Members:</p> <ul style="list-style-type: none"> <li>• reported that the Authority’s legal advisors had recommended the LLP as the most appropriate legal framework for collaboration between the Authority and PCC but the basis and detail of decision was not set out for Members to consider; and</li> <li>• Asked Members to approve the move to the LLP. However, an LLP involves complex legal and taxation considerations of which Members need to be aware before final decisions are taken.</li> </ul> <p>We recommend that Authority Members in 2019/20 consider a summary of the final taxation and legal guidance received and the reasons for not pursuing other governance delivery options before pursuing the LLP model.</p>

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## 06 Other reporting issues

## Other reporting issues

### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the 2018/19 Statement of Accounts with the audited financial statements. We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

The financial information in the 2018/19 Statement of Accounts and published with the financial statements was consistent with the audited financial statements. We have reviewed the Annual Governance Statement (AGS) and can confirm it is consistent with other information from our audit of the financial statements.

We requested amendments to ensure that Statement complies with the Code of Practice by including that period the AGS covers, reference to the responsibility for ensuring there is a sound system of governance, inclusion of limited opinion Internal Audit reports covering the Prince's Trust and Redkite Training, specifying which are the significant governance issues that the Authority faces with an action plan to address and a conclusion.

For 2019/20 the Authority is to update the Annual Government statement so that it addresses the seven principles of within Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) and enhance the Head of internal Audit opinion by including reference to internal control, governance and risk management as required by the Internal Audit Standards.

As regards the Narrative Report, we made suggestions to the Authority for improvements to the context to the Report. The Authority declined to amend the Report but has noted the comment for future years. The authority may wish to consider also highlighting its key performance indicators by which it measures itself and giving an indication of the extent it is meeting its performance targets.

### Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

As the Authority falls below the £500 million threshold for review as per the NAO's group instructions, we are not reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission.

### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

## Other reporting issues

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### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have no other matters to report:



07

# Assessment of Control Environment

# Assessment of Control Environment

## Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice.

Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, we wish to report the following areas where improvements could be made to the operation or design of controls.

### Quality Control Review of the Financial Statements

The Authority would benefit from more rigorous quality control of the financial statements and supporting working papers before publication for 31 May 2019 deadline. The finance team is relatively small, each with defined functions which limits sharing of knowledge, responsibilities and oversight. The impact for the Authority is that if a member of the team is absent, the extent to which others can progress that individual's area of responsibility is limited. The impact for the audit is that audit queries can only be responded to by certain individuals meaning if they are absent, then work is slow to progress.

### Property, Plant and Equipment Register

The Property, Plant and Equipment Register did not agree to the financial statements at the Gross Book Value and Depreciation level. This poses a risk that the financial statements contain assets which are not in operational use by the Authority. The Authority has used a consultant to review the Register and appropriate audit trails for 2018/19. However, the Authority needs to check the integrity of the Register to ensure that it supports the financial statements going forward.

### Gender Option, Borrow Option (LOBO)

As part of our audit we determine whether the Authority has considered the repayment terms within LOBOs. The LOBO is material to the Authority's financial statements at £8.6 million, as valued using PWLB premature repayment rates. However, the Authority did not have copies of the key agreement to evidence break clauses and potential interest rate rises and the authority had to contact the investment house to provide this. The Authority should ensure that all entries within the financial statements are supported by the key agreements and formal documents.



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# 08 Data Analytics



# Use of Data Analytics in the Audit

## ► Data analytics

### Analytics Driven Audit

#### Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2018/19, our use of these analysers in the authority's audit included testing journal entries, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

#### Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

#### Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

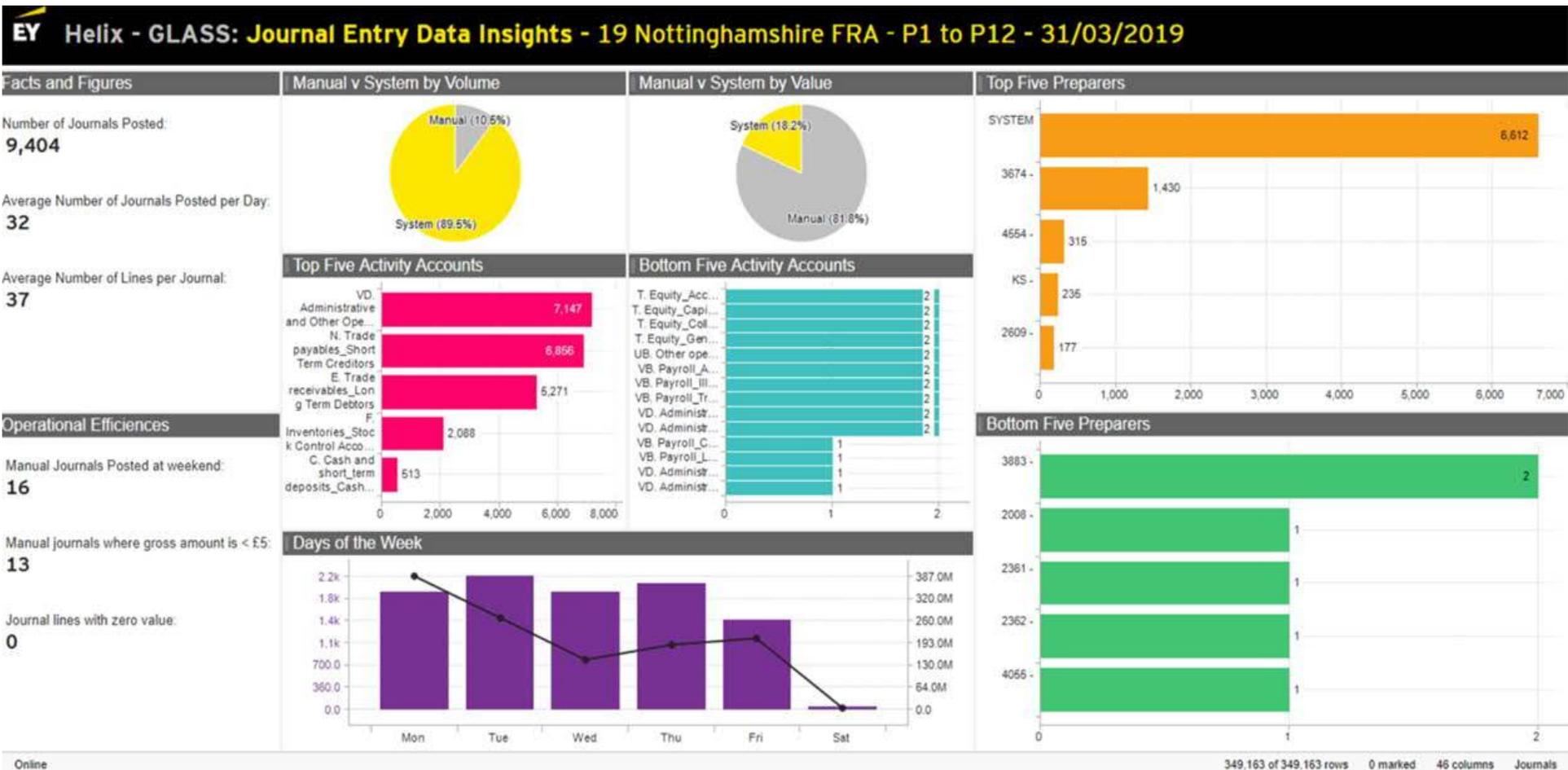


## Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2018/19. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.

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## Journal Entry Testing

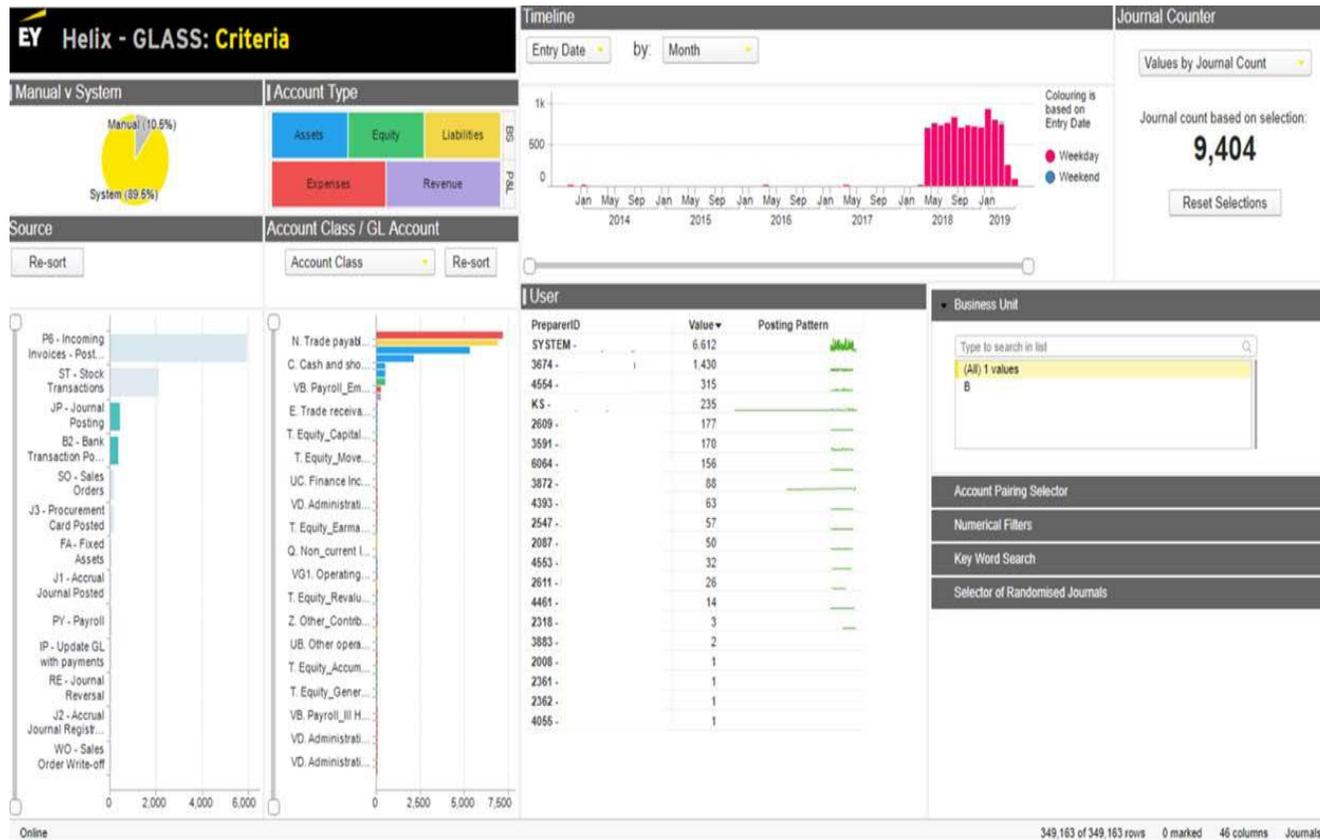
### What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

### What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – 31 March 2019



### What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

### What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



09

# Independence

## Confirmation



We confirm that there are no changes in our assessment of independence since our confirmation in our audit planning report tabled at the 29 March 2019 Finance and Resources Committee meeting.

We complied with the FRC Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that Nottinghamshire Fire and Rescue Authority consider the facts known to you and come to a view.

If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Nottinghamshire Fire and Rescue Authority on 27 September 2019

# Independence



## Relationships, services and related threats and safeguards



Page 62

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, and its directors and senior management and its affiliates, including all services provided by us and our network to your Authority, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats. There are no relationships from 1 April 2018 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

### Services provided by Ernst & Young

Below includes a summary of the fees that you have paid to us in the year ended 31 March 2019 in line with the disclosures set out in FRC Ethical Standard and in statute.

We confirm that none of the services listed below has been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

# Independence

## Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2019.

We confirm that we have not undertaken non-audit work outside the NAO Code requirements

	Final Fee 2018/19	Planned Fee 2018/19	Scale Fee 2018/19
	£	£	£
Total Audit Fee – Code work	To be confirmed*	23,909	23,909

\*The final fee for 2018/19 will be subject to additional fees for work carried out in response to significant risks and change of scope, specifically the work identified in this report, covering:

- The new fraud and significant risks concerning the existence of Property, Plant and Equipment;
- Additional pensions procedures as a result of the McCloud and GMP judgements, as well as the actual asset position compared with the estimated position and the engagement of EY Pensions;
- The engagement of EY Real Estates to assess the calculation of assets and challenge the Authority's valuer in respect of those more significant assets not revalued in 2018/19;
- The VFM Conclusion significant risks covering financial resilience, the joint control room with Nottinghamshire Fire and Rescue Authority and the proposed joint Headquarters with the PCC for Nottinghamshire; and
- The additional audit work resulting from weaknesses in control environment arising from the lack of a quality review of the financial statements before publication and in particular concerning Property, Plant and Equipment.

We will discuss these fees with management in the first instance, before agreeing them with you and requesting approval from Public Sector Audit Appointments (PSAA).



# 10 Appendices

## Appendix A

# Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you		
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Nottinghamshire Fire and Rescue Authority of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Planning Report - 29 March 2019
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit Planning Report - 29 March 2019
Significant findings from the audit	<ul style="list-style-type: none"> <li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Significant difficulties, if any, encountered during the audit</li> <li>• Significant matters, if any, arising from the audit that were discussed with management</li> <li>• Written representations that we are seeking</li> <li>• Expected modifications to the audit report</li> <li>• Other matters if any, significant to the oversight of the financial reporting process</li> <li>• Findings and issues regarding the opening balance on initial</li> </ul>	Audit Results Report - 27 September 2019

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Page 66 Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>• Whether the events or conditions constitute a material uncertainty</li> <li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>• The adequacy of related disclosures in the financial statements</li> </ul>	No conditions or events were identified, either individually or together to raise any doubt about Nottinghamshire Fire and Rescue Authority's ability to continue for the 12 months from the date of our report.
Misstatements	<ul style="list-style-type: none"> <li>• Uncorrected misstatements and their effect on our audit opinion</li> <li>• The effect of uncorrected misstatements related to prior periods</li> <li>• A request that any uncorrected misstatement be corrected</li> <li>• Material misstatements corrected by management</li> </ul>	Audit Results Report – 27 September 2019
Subsequent events	<ul style="list-style-type: none"> <li>• Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.</li> </ul>	Audit Results Report – 27 September 2019
Fraud	<ul style="list-style-type: none"> <li>• Enquiries of the Nottinghamshire Fire and Rescue Authority to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority</li> <li>• Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>• Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements.</li> </ol> </li> <li>• The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>• Any other matters related to fraud, relevant to the Nottinghamshire Fire and Rescue Authority responsibility.</li> </ul>	Audit Results Report – 27 September 2019

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>• Non-disclosure by management</li> <li>• Inappropriate authorisation and approval of transactions</li> <li>• Disagreement over disclosures</li> <li>• Non-compliance with laws and regulations</li> <li>• Difficulty in identifying the party that ultimately controls the Authority</li> </ul>	Audit Results Report – 27 September 2019
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>• The principal threats</li> <li>• Safeguards adopted and their effectiveness</li> <li>• An overall assessment of threats and safeguards</li> <li>• Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Planning Report – 29 March 2019 and</p> <p>Audit Results Report – 27 September 2019</p>

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations <span style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold;">Page 68</span>	<ul style="list-style-type: none"> <li>• Management's refusal for us to request confirmations</li> <li>• Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	We are still awaiting: <ul style="list-style-type: none"> <li>- Confirmation from Goldman Sachs for an investment; and</li> <li>- A response from the Monitoring Officer to our request for a letter of representation.</li> </ul>
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>• Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> </ul>	Audit Results Report - 27 September 2019
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>• Significant deficiencies in internal controls identified during the audit.</li> </ul>	Audit Results Report - 27 September 2019

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations	<ul style="list-style-type: none"> <li>Written representations we are requesting from management and/or those charged with governance</li> </ul>	Audit Results Report – 27 September 2019
Material inconsistencies or misstatements	<ul style="list-style-type: none"> <li>Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	Audit Results Report – 27 September 2019
Auditors report	<ul style="list-style-type: none"> <li>Any circumstances identified that affect the form and content of our auditor’s report</li> </ul>	Audit Results Report – 27 September 2019
Fee Reporting	<ul style="list-style-type: none"> <li>Breakdown of fee information when the audit planning report is agreed</li> <li>Breakdown of fee information at the completion of the audit</li> <li>Any non-audit work</li> </ul>	Audit Planning Report – 29 March 2019 and Audit Results Report – 27 September 2019

## Appendix B

# Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Page 70 Outstanding audit queries	At the date of the release of this report, a number of areas of testing are ongoing. We are working with management to progress in advance of the 27 September Authority meeting. We provide the most significant items below. We will provide an update during the meeting on their status, as well as any additional findings arising if relevant.	EY and management
The completion of procedures concerning the Local Government Pension Scheme and Firefighters Pension Scheme following our review of the updated actuary reports arising from the potential for material impact on the pension liability arising McCloud/ Sergeant, Guaranteed Minimum Pension and changes in the estimate for the Authority's share of Pension Fund Assets;	Awaiting results of review from EY Pensions	EY
The completion of our procedures to test the Register of Property, Plant and Equipment	Awaiting results of completion of work by the Authority	Management
The completion of our procedures to test the calculations of revalued assets for 2018/19;	Awaiting results of review from EY Real Estates	EY
The completion of our procedures to test a sample of assets not revalued in 2018/19;	Awaiting results of review from the Authority's own valuer	EY
Response to Partner In Charge and Management Review of the Financial Statements	Completion of analytical review queries and general queries on material items to the accounts	Management
Remuneration Report	Query with management	Management
Investments	Awaiting response from Goldman Sachs	Management
Cash Flow Statement and Journals	Awaiting completion of PPE and Pensions work	EY and management

## Appendix B

# Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Cash Flow Statement and Journals	Awaiting completion of PPE and Pensions work	EY and management
Prior period and adjustments	Internal consultation as regards restated 2017/18 figures once all known amendments known.	EY
Review of the final set of the financial statements	Receipt and review of the final version of the accounts	EY and management
Completion of subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Final Manager and Engagement Partner reviews	Final Engagement Leader and Manager review of the final position on concluded work, audit adjustments and reporting	EY Whole of Government Accounts Whole of Government Accounts
Whole of Government Accounts submission; and	Completion of procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission	EY
Receipt of the signed management representation letter.	Receipt of signed management representation letter	Management and Finance and Resources Committee

# Management representation letter

## Management Rep Letter

Page 72

To be placed on headed letter paper  
[Date]  
Ernst & Young  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

Dear Neil

Nottinghamshire Fire and Rescue Authority - Audit for the year ended 31 March 2019

This letter of representations provided in connection with your audit of the Authority financial statements of Nottinghamshire Fire and Rescue Authority ("the Authority") for the year ended 31 March 2019. We recognise that obtaining representations from us is concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Authority financial statements give a true and fair view of the financial position of Nottinghamshire Fire and Rescue Authority as of 31 March 2019 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

We understand that the purpose of your audit of our Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

ourselves;

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

### A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the Authority financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and are free of material misstatements, including omissions. We have approved the Authority financial statements.
3. The significant accounting policies adopted in the preparation of the Authority financial statements are appropriately described in the Authority financial statements.
4. As members of management of the Authority, we believe that the Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 that are free from material misstatement, whether due to fraud or error.

# Management representation letter

## Management Rep Letter

5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Authority financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [\[specify reasons for not correcting misstatement\]](#).

### B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the Authority's financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;

- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

### C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the Authority financial statements.

3. We have made available to you all minutes of the meetings of the Fire and Rescue Authority and Finance and Resources Committee held through the year to the most recent meeting on the following date: [\[list date\]](#).

# Management representation letter

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the Authority financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Authority financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

#### E. Subsequent Events

1. There have been no events subsequent to year end which require adjustment of or disclosure in the Authority financial statements or notes thereto

#### F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative report and Annual Governance statement.

2. We confirm that the content contained within the other information is consistent with the financial statements.

#### G. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheets.

2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Authority financial statements.

3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

#### H. Reserves

1. We have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.

#### I. Contingent Liabilities

We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

# Management representation letter

## Management Rep Letter

We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

### J. Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the value of property, plant and equipment and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

### K. Estimates

#### Pension Liability and PPE Valuations Estimate

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

2. We confirm that the significant assumptions used in making the estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

3. We confirm that the disclosures made in the Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Authority financial statements due to subsequent events.

### L. Retirement benefits

On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours sincerely

\_\_\_\_\_  
(Treasurer to Nottinghamshire Fire and Rescue Authority)

\_\_\_\_\_  
(Chair of the Nottinghamshire Fire and Rescue Authority)

Schedule of Uncorrected Misstatements

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ED None

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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **ANNUAL STATEMENT OF ASSURANCE 2018-19**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To present the Annual Statement of Assurance 2018-19 for approval.

## **CONTACT OFFICER**

**Name :** Ian Pritchard  
Assistant Chief Officer

**Tel :** 0115 967 0880

**Email :** [ian.pritchard@notts-fire.gov.uk](mailto:ian.pritchard@notts-fire.gov.uk)

**Media Enquiries  
Contact :** Therese Easom  
(0115) 967 0880 [therese.easom@notts-fire.gov.uk](mailto:therese.easom@notts-fire.gov.uk)

## 1. BACKGROUND

- 1.1 The Fire and Rescue Service National Framework places a mandatory requirement on fire authorities to provide assurance on financial, governance and operational matters, with due regard to the expectations set out in the Integrated Risk Management Plan (IRMP).
- 1.2 The production of an Annual Statement of Assurance contributes to the requirement for greater public sector transparency and accountability and with its publication offers and promotes accessibility to information.
- 1.3 The 2018-19 Statement of Assurance replaces the 'annual report' and is supported by guidance from the National Fire Chiefs Council.

## 2. REPORT

- 2.1 The Annual Statement of Assurance 2018-19 provides a backwards look at organisational performance, providing confidence to local communities and central government in support of the Service's national resilience role.
- 2.2 The Statement signposts (in the form of links) available information that can be accessed, for example, Statement of Accounts or Fire Authority reports.
- 2.3 The following sections summarise the content of the Statement for 2018-19:
  - **Financial Performance** – sets out the financial performance of the Service;
  - **Governance Statement** – explains how the Service manages its governance and internal control measures;
  - **Our Services to the Community** – provides progress against the priorities set out within the IRMP;
  - **Framework Requirements** – this demonstrates how the Service has met the requirements set out in the National Framework (2012);
  - **Future Developments** – this provides a forward-looking aspect for the year ahead and supports the IRMP priorities;
  - **Our Community Engagement** – forms part of the arrangements for transparency and how further information and feedback will be dealt with by the organisation – eg: general enquires for information or complaints.

### **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

### **4. HUMAN RESOURCES AND LEARNING AND 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 as this report does not change policy or service delivery functions.

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

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

### **7. LEGAL IMPLICATIONS**

Failure to produce the Statement and make it publicly available could lead to Government intervention, and undermine community confidence in the Service.

### **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.

### **10. RECOMMENDATIONS**

That Members approve the Annual Statement of Assurance 2018-19.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



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

# Statement of Assurance

2018-2019

# Contents

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## 1. Introduction

Within the current [Fire and Rescue National Framework for England](#) the Government set out its requirements for fire and rescue services to publish a statement of assurance. This annual document provides assurance to Nottinghamshire Fire and Rescue Service (NFRS) communities on financial, governance and operational matters. The statement will show how NFRS has had due regard to the expectations set out in the Integrated Risk Management Plan (IRMP) and the requirements included within the Framework document.

## 2. Context

The Service is accountable for its performance and is open to evaluation by the communities it serves. Much of the information communities require to make a valid assessment of the Fire Authority's performance is already published and available to access. This Statement of Assurance presents this information in a clear, concise and user-friendly way. The document provides context within each section and uses links to key other documents where appropriate to evidence compliance with external and internal performance standards.

## 3. Financial Performance

Under the Local Government Act 1999, fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.

NFRS provides financial assurance through the publication of an [Annual Statement of Accounts](#). This is a statutory requirement under the Accounts and Audit Regulations 2015, and the accounts are prepared following the Code of Practice on Local Authority Accounting. The financial statements are subject to review by independent auditors as directed by the Local Audit and Accountability Act 2014.

The Service's appointed external auditor is Ernst Young LLP. The auditors are responsible for two key areas:

1. *Financial statements (including the Annual Governance Statement):* Providing an opinion on your accounts; and
2. *Use of resources:* Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

Internal Audit forms part of the wider system of internal control which deals entirely with the Authority's exposure to financial, and to some extent non-financial risk.

The Service's internal audit for 2018-19 was provided by Nottinghamshire County Council. Presenting the annual report to the Finance and Resources Committee of the Authority enables Members to see the work of internal audit and the contribution that they make to the overall system of internal control.

The 2018/19 budget was set at £42.227m. Total expenditure for 2018/19 was £42.715m. Of this, net expenditure of £393k was funded from Earmarked Reserves, requiring £1.377m of funding from General Reserves. This represents an underspend position of £67k against the planned use of General Reserves of £1.444m.

The Service is working hard to enable a balanced budget to be set going forward.

#### 4. Governance Statement

The Annual Governance Statement publicly explains how the Service manages its governance and internal control measures. It is an open and honest account of how the Service ensures its financial management system is adequate and effective. It also ensures a sound system of internal control, assuring the utmost integrity in all Service work.

The Governance Framework comprises the systems, processes, cultures and values for the direction and control of the Fire Authority. It also covers the activities from which engages with and leads communities across the county. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

The Authority also has a [Code of Corporate Governance](#) in which it reaffirms its duties and responsibilities. In this document, officers have identified against each of the code's principles what source documentation or existing practice demonstrates how the Authority complies with the principles that make up the code.

It is important to be open about the way public money is spent. The [Local Government Transparency Code 2015](#) on data transparency has been used as the foundation for organisational transparency. The recommended datasets the Service should make available as a minimum, have been used as a starting point for deciding what information NFRS should make available.

#### 5. Our Services to the Community

The Authority's IRMP demonstrates how the Service will discharge its responsibilities in a way that is open and transparent to its communities and others with an interest.

The IRMP 2014-2019, identifies and assesses foreseeable fire and rescue related risks which could affect its communities, including those of a cross-border, multi-authority and/or national nature. The plan has regard to the community risk registers produced by the Local Resilience Forum (LRF) and any other local risk analyses as appropriate.

Consultation on the IRMP was carried out by Opinion Research Services and included online and paper surveys as well as face-to-face forums with different communities across the County.

Set out in this document are the actions that the Service has taken against each of the IRMP's six priority areas over the period 2018-2019.

## 6. NFRS Priorities

### Priority 1 Service Delivery

Creating safer communities is the priority for the Service, and, in doing so, NFRS emphasises the importance of, response, prevention and protection.

#### Response

In 2018-2019, NFRS responded to 11,235 incidents, and it is working hard to drive down these figures further through a range of initiatives. One such initiative, introduced during the year, was the Tri-Service Automatic Fire Alarm Policy, resulting in less time spent at unwanted fire signals and false alarms.

Over this same period, operational training was reinforced by over 30 district or group exercises at various sites across the County. The Service has also conducted 256 Site Specific Risk Information (SSRI) Inspections, to help support the development of safe systems at work, part of its obligation to the Fire and Rescue Services Act 2004.

NFRS is committed to serving the people of Nottinghamshire, but at times of need it also provides national resilience to significant incidents in other parts of the country. This was the case for the Moorland fires of 2018, where NFRS firefighting and logistical support was deployed to help colleagues in Lancashire.

During 2018-2019, following significant public consultation and subsequent Fire Authority approval, 'Mixed' and 'Alternative' Crewing were introduced.

Two fire stations - Ashfield and Retford - have both adopted the Mixed Crewing model (now termed Day Shift Crewing). Although in its infancy, early data has shown that the move away to On-Call crewing during the night will provide improved efficiency and financial savings.

The Alternative Crewing model enables crews of less than four to attend incidents of an 'appropriate' nature, whilst providing additional resources at larger incidents. Although not a replacement for established minimum crewing

procedures, it allows the Service to utilise 'On-Call' resources more efficiently, which previously would have been unavailable.

Further resilience and support to On-Call stations has been provided through the Service's 'Sustainability of On-Call' project. As financial constraints have required NFRS to explore and maximise the potential of this element of its workforce, the importance of maintaining and increasing On-Call capacity has never been more pertinent.

The project includes a team of Wholetime personnel, who, as part of their role, work fluidly at 'On-Call' stations across the County. The team provides support in terms of training, communications, work-life balance and recruitment, whilst offering a flexible resource of crewing assistance to stations.

### **Prevention**

The Service aims to make every contact count for those in need. Its Safe and Well visits, introduced in August 2018 as a replacement for its Home Safety checks, offers information on a number of factors, which may increase vulnerability to fire or injury. Alongside the traditional fire safety message, these visits provide advice on smoking cessation, alcohol safety, falls prevention and other information designed to improve safety for the most vulnerable.

Whilst the Service is proactive in its prevention activities, it also acknowledges that reactive measures are sometimes required.

Following incidents of significance, Community Reassurance and Engagement (CRaE) activity ensures that interaction, support and advice can be tailored in an appropriate and timely manner to those in need. A number of these activities were carried out during the period of this Statement.

The last year has also seen a commitment to prevention investment through the roll-out of new tablet hardware to crews. The new tablets improve the way data is collected, managed and shared between crews and the appropriate departments.

After giving shelter to 79 homeless people during periods of sub-zero temperatures in the winter of 2017-2018, London Road Fire Station again opened its doors in 2018-2019. The partnership with the British Red Cross and the City Council provided access to 64 rough-sleeping individuals over 16 nights.

### **Protection**

NFRS' Protection team has continued to fulfil its statutory duties aligned to the building control process and those set out within Regulatory Reform (Fire Safety) Order 2005 (FSO). This work has been directed by NFRS' Risk Based Inspection Programme (RBIP) which seeks to align resources to the highest life risk premises in the County. Enforcement officers have continued to regulate the FSO on the worst offending, non-compliant premises, one of which led to the successful Crown Court prosecution of a hotelier.

Work has also continued with other regulators to improve fire safety standards across the County in non-domestic premises. These regulators include Building Control, Environmental Health, Health and Safety Executive, Nottinghamshire Police and other premises specific agencies such as Care Quality Commission, Ofsted and the Food Standards Agency. This work has been further enhanced by a County-wide introduction of a Joint Working Protocol between NFRS and all local authority Environmental Health teams, to provide cohesion and a collaborative framework when working in premises where the FSO and Housing Act 2004 applies.

NFRS has continued to undertake its statutory duties through the support of businesses, aligned to the requirements set out within the Department for Business Innovation and Skills Regulators Code. Its Business Support team engages with local businesses to provide guidance, support and advice on fire safety matters through the delivery of workshops, seminars and training. NFRS has maintained its position within the Primary Authority Scheme (PAS), providing assured advice to a number of companies, including Boots Alliance PLC.

Work has also begun on the planning and development of the Level 3 Certificate in Fire Safety qualification, which will underpin future fire safety engagement work by operational crews.

The Service continues to work closely with National Fire Chiefs Council following the Grenfell Tower incident. Since June 2017, NFRS has maintained a narrative regarding tall, high-risk premises in Nottinghamshire, working closely with local authority safer housing teams and Building Control to improve the standards of several premises within the Nottingham City Council boundary. It will continue to monitor the progress of the public enquiry, in preparedness for the actioning of any recommendations that may arise once the enquiry has been concluded.

## **Priority 2 Employees and Workforce**

### **Workforce**

Ensuring that the Service has the optimum number of skilled and experienced employees to deliver its service effectively is a key priority.

Overall, workforce numbers remained fairly static during 2018-19, culminating in a workforce of 900 by April 2019. The Service operational establishment stood at 455 Wholetime posts and 260 On-Call employees providing cover across the County. There were 37 Wholetime leavers and 37 new Wholetime starters, and 29 On-Call leavers and 27 On-call Starters, during the period.

This level of turnover was predicted in the 2018-20 Workforce Plan, and recruitment measures were put in place to maintain operational resilience through the intake of new trainees, migration of On-Call firefighters to Wholetime roles, and transfer of staff from other Fire and Rescue Services.

A significant level of planning and resource was given throughout 2018 to ensure the delivery of the new Day Shift Crewing model at Ashfield and Retford fire stations, described earlier in this document.

As part of its Collaboration agenda, the Service has been planning for a Joint Control Room, shared with Derbyshire Fire & Rescue Service. This has been a significant project for the Service, which entailed the TUPE transfer of Control staff and a reduction in the number of Control staff overall from July 2019.

### **Recruitment**

A Wholetime firefighter recruitment campaign took place during 2018, the first since 2012, resulting in 44 new entrants to the Service. Two trainee courses have been completed and the trainees posted to stations as 'Firefighter in Development' in December 2018 and April 2019. A further trainee course is scheduled for September 2019. This will provide resilience in anticipation of projected turnover through to 2021.

Recruitment was supported by Positive Action events, to encourage women and those from Black, Asian and minority ethnic (BAME) backgrounds to apply. Both women and BAME employees are under-represented in NFRS, compared to the general local population. These events were successful in attracting a higher number of applications and appointments from under-represented applicants than any previous campaigns. Further details are set out on page 12 of this document.

The Service also undertook three On-Call recruitment campaigns, concentrating on applications to support the introduction of Day Shift Crewing at Retford and Ashfield, and at those stations facing On-Call recruitment difficulties. In total, 27 new On-Call firefighters commenced employment during 2018-19.

### **Employee Development**

The acquisition and maintenance of competence and skills is a key priority for the Service, ensuring that its employees have the knowledge, experience and skills to perform their roles effectively and safely.

The intake of new firefighter trainees, and promotions to supervisory and middle manager roles during 2018-19, has resulted in a high level of employees in development programmes and requiring support to move to 'competence in role' over the next two years. The Service Development Centre provides initial acquisition training, with core skills development continuing on station and supported by assessment at regular intervals. During 2019, firefighter development has been aligned to the national Operational Firefighter Apprenticeship programme.

A full programme of training activity is being undertaken by in-house trainers to ensure the maintenance and re-validation of operational competence and command skills, and up-skilling of personnel in the use of new equipment or changing requirements, in line with national guidance. This is based upon the

National Operational Guidance Framework and is accredited through Skills for Justice.

As a Centre of Excellence for XVR Incident Command Simulation, the Service strives to ensure that it exposes current and future Incident Commanders to pressure situations in a controlled, safe environment, to better prepare them for all eventualities on the incident ground.

The Service has also committed a Watch Manager and Station Manager to a Regional Training team to develop maintenance of competency training materials for use by station-based staff to support the implementation of National Operational Guidance (NOG) products.

The Service maintains an e-learning platform (NFRSLearn), which facilitates access to a range of learning modules and ensures that technical knowledge and guidance is readily available and accessible to all employees. Many of the e-learning modules are developed in-house, with access to a library of resources across a range of topics. This is an effective way of sharing knowledge and forms part of a blended learning approach.

### **Employee Wellbeing**

To encourage employees to perform at their best, NFRS is committed to promoting employee wellbeing within the Service. NFRS supports employees to maintain their physical, emotional and mental health, within an engaging and motivating environment. The health and welfare of the workforce is a key priority, and the Occupational Health and Fitness team provide a full range of support for employees.

Ensuring the fitness of operational personnel is critical given the environment and demands faced on the incident ground, and a dedicated Fitness Advisor and a network of Physical Training Instructors help maintain high levels of fitness. Gym facilities are available at all stations. NFRS has also introduced functional training equipment. Through various everyday movement patterns, using this light-weight equipment designed to promote functional strength, stability, mobility and balance, will support the operational firefighter to reduce injury risk and remain physically able throughout their career.

Particular emphasis has been placed on prevention of musculo-skeletal injury, with Pilates sessions now being delivered across the Service and a physiotherapy provision available on-site. To support employees with their physical, emotional and mental health, a new Wellbeing Self-Help guide has been introduced to raise awareness of the range of services available, including the role of the Occupational Health department, the Employee Assistance Programme, Simply Health, The Firefighters Charity, peer support network, plus various others.

Absence due to sickness has decreased by 4.4% during 2018-19, from 8.05 to 7.68 days per employee. The Service is ranked 11<sup>th</sup> of 31 fire and rescue services and remains below the sector average of 8.26 days (the lowest average being 1.9 days and the highest 13.73 days). Emphasis continues to

be placed on reducing sickness absence, with measures to prevent ill-health and a range of support for employees to enable them to recover from illness and return to work at the earliest opportunity.

### **Employee Engagement**

The Service recognises the importance of engaging with its employees to ensure that they remain informed and involved, particularly at a time of change. Internal communications include open events, such as staff conferences and workplace meetings, a monthly newsletter, intranet and social media messaging which, collectively, encourage employees to contribute to an internal conversation.

An employee survey was undertaken during 2018 to encourage employees to provide feedback on a range of issues relating to their experience of being an NFRS employee. The Service will continue to work to address the areas where it can improve. It will also continue to place emphasis on its core values (One Team, Professional, Value and Respect for Others, Open to Change) and to reflect these values in all that it does.

### **Priority 3 Improvement and Governance**

In 2019, NFRS received its first inspection from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), although the full report falls outside the timeframe for this Statement. The inspection focused on the service provided to the public, and the way in which available resources are used. It assessed how effectively and efficiently NFRS prevents, protects the public against, and responds to, fire and other emergencies. The inspection also assessed how well it looks after the people who work for it.

The report highlighted areas of good practice within NFRS as well as areas that the Inspectorate identified for improvement. Through its own self-assessment, NFRS had taken a proactive approach and had already taken steps towards addressing areas which it believed could be improved upon.

The Service continues to work to its Sustainability Strategy for 2020 and its commitment to long-term planning. With demand for services likely to continue to rise across the public sector, the need for NFRS to make sound decisions and work increasingly alongside other partner agencies has never been greater.

Joint working practices are reflected in its operational commitment. JESIP (Joint Emergency Services Interoperability Principles) are integral within NFRS, and following the HMICFRS inspections the Service continues to ensure that these principles are embedded at all operational levels.

NFRS strives to keep the public well informed. Its Communications team is a valuable asset in reaching out to the people it serves, through a growing number of resources and media outlets. An increasing number of stations use social media to highlight the work being undertaken. Twitter and Facebook

provides a useful method of reaching communities about operational incidents and events of interest.

The Information Governance team publishes information that will be of interest to the public whilst ensuring that General Data Protection Regulation (GDPR) responsibilities are maintained. NFRS continues to train all employees in data protection responsibilities in accordance with GDPR, which came into British Law in May 2018.

As part of its 'Information Governance Structure' NFRS regularly reports to the Fire Authority. Cyber-attacks provide a constant risk to organisations, and NFRS is no different. The Business Continuity Management policy around cyber-attacks, drafted in 2018, is now complete and the Service's 'Cyber Essentials Plus's' certification has been revalidated. NFRS continues to monitor and update its practices to ensure that it is well placed to deal with current and future risk appropriately.

NFRS' commitment to improvement is achieved through ensuring that it learns from events which occur nationally. Recommendations for improvement are received from National Operational Learning (NOL), Joint Organisational Learning (JOL) and Regulation 28's from Coroner reports.

The Risk and Assurance team have updated the previous Debrief Procedure to align with the NOG Program ['Good Practice Guide for National Operational Learning'](#). The procedure provides guidance for all levels of debrief from a Level One 'Hot Debrief' up-to Multi-Agency debriefs. Learning points and examples of good practice can then be shared.

#### **Priority 4 Engagement and Partnerships**

The Service continues to work closely with a wide range of partners and community organisations to identify and keep safe those members of Nottinghamshire's communities who are most at risk.

The joint work between the Persons at Risk Team (PART) and Nottinghamshire Healthcare NHS Foundation Trust Mental Health Services for Older People Directorate, was shortlisted for an Advancing Healthcare Award.

The project of introducing an Occupational Therapist into PART in 2017 has been evaluated and has demonstrated a financial return of up to £7.16 for every £1 spent through 2018-2019. The financial benefit is in addition to other outcomes including reduction in fire risk and improvements in health and wellbeing through using the skills of an Occupational Therapist in this role.

2018-2019 has also seen the number of Hoarders' Panels increase across the County from two to five. This work between partner agencies and District and City Councils utilises the ECINS platform, ensuring data is shared appropriately between relevant agencies, improving the way those most at risk are targeted.

The Services' Education team currently work alongside School Early Intervention officers to increase presence within secondary education, raising awareness on prevention priorities of road, water and fire safety. This is alongside ongoing work with the Royal National Lifeboat Institution and the Royal Life Saving Society, as part of the Nottinghamshire Water Safety Partnership.

A number of prevention work-streams are in progress with Nottinghamshire Police and NFRS Prevention teams; these include a joint Young Cadets Scheme, joint schools' education initiatives, a joint Rural Safety campaign and road safety initiatives.

During 2019, the Joint Fire Control project come to fruition. The existing Fire Control Room at Ascot Drive, Derbyshire, is now home to Nottinghamshire and Derbyshire Joint Fire Control. This went live on 1 July and forms part of the existing Tri-Service Control arrangement between Nottinghamshire, Derbyshire and Leicestershire.

Shared facilities are becoming more common as a method of improving efficiency and effectiveness, and creating closer collaborative working.

Space has been allocated to Nottinghamshire Police at NFRS premises (Carlton, East Leake and London Road) for the provision of a dedicated Police facility within the community; these take the form of a front desk at Carlton, a community drop-in facility at East Leake, and an office for the Neighbourhood Policing Team at London Road.

Nottinghamshire Police have utilised NFRS premises for a number of training courses; These include delivering the Roads Policing element of their initial officer training at Highfields Fire Station, and the delivery of the Proud to Lead leadership and management training at Service Development Centre. NFRS' Fire Investigation (FI) Team also deliver FI training and awareness to trainee police officers at Carlton Fire Station.

A rebranded NFRS welfare vehicle for joint use by NFRS and Nottinghamshire Police is now available on request for use at protracted incidents or pre-planned operations. It is delivered to scene by NFRS On-Call firefighters and recharged to the Police.

A collaboration agreement is also now in place for the joint procurement and drawing of bunkered fuel at NFRS' premises. This gives greater access to fuel for Nottinghamshire Police officers around the County.

NFRS now have the use of an unmanned aerial vehicle capability (drone), this is operated by the Police and will provide the Service with an enhancement to the operational fire and rescue capability.

## **Priority 5 Environment**

Commitment to minimising the impact on the environment is important to NFRS. By integrating environmental considerations into all aspects of its work, meeting legal standards and by seeking competent advice, the Service is adopting best practice in this field.

### **Waste**

During 2018-2019, the Service has continued to work towards its environmental strategy and policy statement that has set targets for the reduction of waste it produces, with the ultimate aim of sending zero waste to landfill.

### **Transport**

As part of its ongoing commitment to reducing pollution, NFRS has adhered to its vehicle replacement strategy. The Service aims to ensure that it procures vehicles which are fit for purpose and value for money, whilst taking fuel efficiency and emissions into account.

All of its new vehicles are fitted with a real-time asset tracking system, providing data which will enable the Service to achieve efficiency and emissions savings. This has allowed the Service to reduce its overall light vehicle fleet by eleven vehicles replacing older less efficient vehicle with smaller more fuel efficient and less polluting vehicles.

The latest vehicles are Euro 6 standard vehicles helping to reduce harmful emissions and where possible NFRS is increasing the number of electric vehicles in its fleet. It has purchased seven new electric cars since 2018, and aims to further increase this number as the electric charging network expands across Nottinghamshire. It now has 11 twin charging points at facilities across the County.

Skype for Business has continued to provide efficiency in terms of reducing business travel, by utilising the telephone and video conferencing technology.

### **Buildings**

The station replacement programme continues in line with the Service's Property Strategy. The most recent rebuild, Newark Fire Station, completed in July 2018, is to be complimented with the new development at Hucknall, which is due to complete in late 2019. Plans are underway with partner agencies for a shared facility at Eastwood. Although in its early stage, the new station will provide long-term financial savings, as well as strengthening ongoing commitment to collaboration.

The commitment to protecting the environment is demonstrated within all new stations. Increased thermal insulation, energy efficient lighting systems and photovoltaic cells for electricity generation are all characteristics implemented into the Station Replacement Programme. By linking London Road Station to Nottingham City's district heating system, the Service is further reducing its CO<sup>2</sup> emissions by over a third, compared with similar buildings.

## Priority 6 Inclusion and Equality

### Employees

NFRS continues to maintain a strong commitment to inclusion and equality. During 2018-2019 the Service began a Wholetime firefighter recruitment campaign. In preparation, it had already started positive action work including comprehensive support for candidates throughout all stages of the process. This recruitment campaign achieved the most representative results of any NFRS Wholetime campaign to date, in comparison to Nottinghamshire's community. Of successful applicants 31 (70%) were male, 13 (30%) were female, 36 (81.8) were White British and 8 (18.2%) were from Black and Ethnic Minority backgrounds. Twenty-eight have started their employment after completing their 12-week training course. To read more about the campaign and the positive action work please [click here](#).

NFRS continues to support LGBT+ service users and staff. The Service achieved a top 100 ranking within the 2019 Stonewall Workplace Equality Index, its fourth in five years, which is an excellent achievement. The Trans and Allies' masterclass the Service delivered to its staff, its work on communicating its procurement standards, its training to front line staff and policies all contributed to this achievement.

The Service continues to work with partners across Nottinghamshire and the fire sector. NFRS was part of a multi-agency partnership conference in 2018 on Bisexuality and other identities, raising awareness of sexual orientation and the importance of inclusion within the workplace. The Service plans to be part of another partnership conference for Disability History Month in December, focusing on role models.

The Service has developed working with vulnerable people and diversity in employment training. This is delivered through role play scenarios, using actors incorporating a number of situations firefighters are likely to come across within the community and workplace. This training is in addition to other inclusion training courses the Service delivers to its staff, linking to its [core values](#) and the expectations of the way that employees conduct themselves and engage with the County's diverse communities.

### Community

NFRS signed up to the British Sign Language (BSL) Charter in September 2018, pledging to make its services accessible to BSL users. The Service has since created materials to promote fire safety to service users with hearing difficulties, including a web page detailing the SMS provision to contact the emergency services. The Service also advertises BSL interpretation for its events such as open days, has delivered training to its staff on communicating with BSL users, and is planning an open day for the deaf community to raise awareness of the Service and its role.

NFRS continues to foster good relations within the community it serves, through having a presence at community events. It once again led the Nottingham Pride parade and was a proud sponsor of both Nottingham and

Workshop Pride in 2018. The Service also had a presence at Nottingham Carnival, Mela and Cultural festival to promote fire safety and build positive relations.

## 7. Framework Requirements

In May 2018 the Department for Communities and Local Government published the current Fire and Rescue National Framework for England. This document sets out the Government's priorities and objectives for fire and rescue authorities in England. The Framework sets out high level expectations and does not prescribe operational matters. Operational matters are determined locally by fire and rescue authorities, working in partnership with their communities; local citizens, businesses, civil society organisations and others.

## 8. Future Developments

The Service's vision is to create safer communities across Nottinghamshire. Everything it does is led by three strategic aims – high quality services, strong governance and financial sustainability and employees that are engaged and motivated. 2019-2020 will see NFRS evolve further to support these aims, with improvements already underway.

### **Prevention**

In its efforts to identify those that are most at risk and improve their safety, NFRS is committed to data-led Safe and Well visits. By utilising existing in-house data and information from partner agencies it can better focus its resources.

Data intelligence community engagement, although in its infancy, is designed to target communities which are less likely to have smoke alarm ownership. Early feedback using this type of engagement has been positive.

Having been reintroduced to prevention activities, On-Call staff are now contributing to prevention improvements. This measure is likely to see the number of 'Safe and Well' visits conducted across Nottinghamshire increasing by fifty percent.

### **Collaboration**

Collaboration is at the forefront of change for the Service, and demonstrates its commitment to efficiency and operational effectiveness.

Nottinghamshire Police and NFRS are working together in collaboration for the provision of a single joint headquarters where both organisations will be located in the future. The new headquarters will provide and improve the effectiveness and efficiencies for the front line operational service of both organisations and ongoing financial benefits.

The work around the Joint Headquarters with Nottinghamshire Police is progressing well with completion of the project expected to be late 2021/early 2022.

The collaborative approach is also yielding other positive results. A new Tri-Service station (Fire, Police, ambulance) is underway in Hucknall. This will become the first of its kind in Nottinghamshire.

Approval has been given for the development of a joint Fire and Police station in West Bridgford; this will see the redevelopment of the fire station to create a joint facility.

Work is underway for Nottinghamshire Police to use Highfields Fire Station for Personal Safety and First-Aid training. Approval is also being sought for both Fire and Police Driver Training teams to operate from this venue until such time that the teams can move into the new joint HQ.

These projects will provide financial benefits and also promote closer collaborative working between the organisations.

### **Resilience**

The Regional NOG team has been working together on the new NOG Product Packs. These will be implemented across the region by late 2019. NFRS will also be supporting the introduction of a Regional Operational Guidance Training team.

The Grenfell Enquiry will continue to impact on the Service for a significant period. It is likely that any outcomes of the public enquiry will influence policy and procedures going forward, particularly around Fire Protection.

The new Performance Management Policy is due to be implemented. Through the performance dashboard, the Service will be able to utilise data more efficiently and provide increased transparency across the Service.

As part of the delivery of the Wellbeing Strategy, the Occupational Health team have scheduled in a tour in October across the County, which will include health and fitness promotion, offering winter flu jab vouchers, and involvement of external services and agencies.

### **Fire Cover Review 2020**

The Fire Cover Review 2020 is also on the horizon. This will provide the Fire Authority with 'Operational Response Options' that can be implemented to manage the Service within current financial constraints, whilst maintaining an operational response model that is proportionate to the level of risk existing within our communities.

## **Fire Authority Welcomes New Chair**

This year has welcomed County Councillor, Michael Payne as the new Chair of the Fire Authority. He replaces Councillor Brian Grocock, who served on the Authority for 22 years.

## **9. Community Engagement**

### **How you can become involved**

Nottinghamshire and City of Nottingham Fire Authority is a body of 18 elected members (six from the City Council and twelve from the County Council) that exists to supervise and direct the work of the Service and hold it to account to ensure it performs efficiently in the best interests of the community.

Members of the public can get involved with the work of the Fire Authority by attending the public meetings that are held regularly by the Authority and its sub-committees at NFRS headquarters. You can find out more about the Fire Authority, its work and access documents from previous and future meetings via the link.

NFRS values the views of the communities it serves to ensure it is providing the service you need. It consults formally on the ways in which it proposes to deliver services – particularly when developing the Integrated Risk Management Plan, which sets out how the Service will be managed for the next five years. More information about NFRS's consultation activities are available here.

Much of the Service's work with the public is done face-to-face by firefighters and community safety staff, whose aim is to make communities safer. You can see how this is done, find advice on making yourself safer at home, work or play in the County, or contact for more information by visiting the Service's website.

You can also find NFRS on Facebook

And; on Twitter by searching for: @nottsfire

### **Access to information**

Details regarding the arrangements in respect of access to data and information can be found on the NFRS website.

### **How to make a compliment or a complaint**

NFRS aims to make it as easy as possible for the people it serves to let it know their views. Through listening and learning the Service can improve the quality of the services it provides, and encourage and recognise good practice by staff. NFRS wants to hear from people if they:

- Have a suggestion on how it might improve services.
- Would like to compliment it on a job well done.
- Feels the Service has fallen short of their expectations.

- Feels it has fallen short of the standards it sets itself in dealing with complaints.

There are a number of ways in which you can compliment, comment or complain about NFRS services:

- Email [enquiries@notts-fire.gov.uk](mailto:enquiries@notts-fire.gov.uk)
- Phone 0115 967 0880
- In person by calling into one of its stations or headquarters
- By post, to:

Nottinghamshire Fire and Rescue Service  
Bestwood Lodge, Arnold, Nottingham NG5 8PD

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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **SUSTAINABILITY STRATEGY 2020 OUTCOME REPORT**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To present Members with the closure report regarding the outcomes of the Sustainability Strategy 2020 objectives, and seek approval for permanent amendments to be made to the staffing establishment.

## **CONTACT OFFICER**

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## 1. BACKGROUND

- 1.1 In response to reductions in grant funding and subsequent pressures on finances, the Chief Fire Officer presented a report to the meeting of the Fire Authority in February 2016 entitled 'Sustainability Strategy for 2020' (SS2020) to consider and mitigate the long-term implications. See Appendix A for ease of reference.
- 1.2 The strategy was a key component of the efficiency plan submitted to government to secure a three-year deal on grant settlement, and enabled the Authority to take a longer-term view of the savings required over the spending review period.
- 1.3 In the intervening period much work has been undertaken, including substantial public and employee consultation, and various elements of the strategy have already been given full approval by the Authority: for example, alternative and mixed crewing models were approved in 2018; Joint Control with Derbyshire was also approved in 2018 and implemented on 01 July 2019.
- 1.4 This report brings together all the changes undertaken through the Strategy, and also identifies issues that have arisen since February 2016 which have also been accommodated.
- 1.5 The total level of savings is identified within the report, and Members are asked to approve the final staffing establishment as recommended by the Chief Fire Officer.

## 2. REPORT

- 2.1 The Sustainability Strategy 2020 (SS2020) has been a driver of extensive activity over the past three years and has ensured that the Authority has been able to meet the challenges of a declining grant settlement from Government. The strategy was both aspirational and challenging, with a number of recommendations covering a wide area of work detailed below:
  - **Alternative Crewing** – crew fire appliances with less than four personnel to increase On-Call availability;
  - **Mixed Crewing** – a combination of Wholetime and On-Call crewing;
  - **Surplus Capacity** – within the shift based ridership;
  - **Collaboration** – explore all options for collaboration;
  - **Secondary Contracts** – to be considered for increasing capacity.

- 2.2 There has also been other significant changes which have arisen over the three-year period which the Service has had to accommodate. These areas of work have also been considered within the changes made and are reflected within the proposed overall establishment.
- 2.3 The Policing and Crime Act 2017 has enabled the fire reform agenda to move on at pace and has drawn focus on changes to governance arrangements, and created the statutory responsibility to continually consider the opportunity for collaboration across emergency services. The Act has also enabled the creation of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, and a separate item on this agenda draws forward the outcomes of the recent inspection of Nottinghamshire Fire and Rescue Service.
- 2.4 The tragic fire at Grenfell tower in 2017 has also created focus on Fire Protection, and as learning takes place across the sector and the wider built environment, the Service needs to respond to this changing landscape. This will ensure that high density residential and open public access buildings are safe for communities, and for firefighters who may be required to respond to incidents within them.
- 2.5 The continual difficulties in providing a robust and resilient On-Call crewing model is also a factor that the Service has been required to respond to, and will remain an area of focus going forward. The overall reduction of the operational fleet over the past decade means that the reliance of On-Call crews has increased and work continues to address shortfalls.
- 2.6 All original objectives within the SS2020 have now been concluded and the main outcomes are detailed in the sections 2.7 to 2.12 below.
- 2.7 Alternative Crewing was consulted upon and approved by the Authority in 2018. On-Call crews of three are now able to respond to low level incidents alone, or to larger incidents in addition to the full attendance where their presence is likely to provide a quicker response. There are no direct savings from this activity, however it does improve On-Call availability, response times and ultimately organisational effectiveness.
- 2.8 Mixed Crewing was also consulted upon and implemented in April 2019 at Ashfield and Retford fire stations. This has delivered savings in the region of £1.2m per annum, resulted in the reduction of 28 wholetime operational posts and required an uplift in the number of On-Call units by 12. The new working arrangements, named as Day Shift Crewing, are being monitored closely to ensure anticipated outcomes are being achieved.
- 2.9 Surplus capacity within the operational ridership was a result of operational changes implemented over the preceding years. This has been resolved through the renegotiation of the shift based collective agreement and has resulted in the removal of 14 posts. This has created savings in the region of £600k.
- 2.10 Multiple avenues of collaboration have commenced; however, this report will focus upon the Joint Command and Control Centre now in place in

Derbyshire. This joint venture has led to the closure of the Nottinghamshire control room delivering savings in the region of £350k per annum for each Service, and resulted in the removal of all 25 Control staff posts.

- 2.11 Secondary contracts have now been implemented, (termed as Secondary Voluntary Arrangements), however it is acknowledged by the Chief Fire Officer that take up by the workforce for these arrangements has been very low, and the initiative has not provided the anticipated capacity to increase on-call availability.
- 2.12 In addition to the salary savings resulting from the initiatives, there are also consequential savings which will flow for items such as uniform, personal protective equipment and training etc. These are more difficult to predict but are expected to be in the region of £50k per annum.
- 2.13 Gross savings are in the region of £2.2m per annum, however there has been a small number of additional posts that have been required to provide capacity in the wake of the changes and respond to the areas of work identified earlier in the report.
- 2.14 These additional posts are a Watch Manager and two Crew Manager posts to provide additional support to On-Call stations in terms of recruitment, training and operational cover. This results in a cost of £145k per annum. A further post is also required to cover ICT project work in relation to the Emergency Services Network national project and radio maintenance which was previously covered by Control staff. This post will cost £43k per annum. Finally, to provide managerial capacity to enable focus on Fire Protection, the HMICFRS process and the wider reform agenda, a departmental head post is required at a cost of £77k per annum.
- 2.15 These additional costs will require re-investment of £265k resulting in an overall net saving of £1.935m per annum.
- 2.16 In terms of Governance, the Fire Authority is required to approve the proposed changes to the permanent staffing establishment as detailed in the table below:

<b>Workforce group</b>	<b>Previous Establishment</b>	<b>Proposed Establishment</b>
Wholetime Firefighters	470	431
On-call Firefighters	192 units	204 units
Control Operators	25	0
Support Staff	156	158

- 2.17 The £1.935m savings generated over the life of the SS2020 have been phased in over the financial years 2018/19 to 2020/21, however there is still an anticipated deficit of approximately £500k predicted for 2020/21. Following

guidance from Members, the Chief Fire Officer and his team are determined to deliver a balanced budget, without the reliance on general reserves, for approval at the February 2020 Fire Authority meeting.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Sustainability Strategy 2020 aimed to deliver savings in the region of £2.5m over the period of the spending review 2017-20. Gross savings of £2.2m have been achieved, however additional costs have been generated since the strategy was written resulting in overall savings of £1.935m being achieved.
- 3.2 Planning assumptions for 2020/21 identify a deficit of approximately £500k, however work is taking place within all budget areas to identify savings to ensure a balanced budget can be presented to Members of the Authority in February 2020.

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

- 4.1 There are no direct human resources implications arising from the staff reductions within this report, as all decisions on the changes have previously been agreed by Members and implemented following appropriate consultation.
- 4.2 The additional posts identified in 2.14 of the report have been filled temporarily, however when these are formally approved, the appropriate processes will be followed to fill them permanently. These will be conducted inline with normal service policy and procedures.

### **5. EQUALITIES IMPLICATIONS**

Equality impact assessments were undertaken for each of the areas implemented and presented to Members at the time of the reports. Therefore, there are no equality implications arising from this report.

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

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report

## **8. RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications arising from this report.

## **9. COLLABORATION IMPLICATIONS**

This report identifies where one area of collaboration has generated savings in the region of £350k for each partner. Collaboration remains a key strategy for the Authority and future reports will bring forward outcomes from other areas of work currently being pursued.

## **10. RECOMMENDATIONS**

That Members approve the proposed establishment figures identified in the table at 2.16 within the report.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# SUSTAINABILITY STRATEGY FOR 2020

Report of the Chief Fire Officer

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**Date:** 26 February 2016

**Purpose of Report:**

To present proposals, highlight strategies and seek approval for actions to ensure Nottinghamshire and City of Nottingham Fire and Rescue Authority is in the best position possible to meet the financial pressures within the anticipated constraints to 2020.

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## **1. BACKGROUND**

- 1.1 The Authority must consider the future financial pressures facing the Service and engage strategies to enable a balanced budget to be set in each financial year, as required by statute.
- 1.2 The indicative grant funding and estimated revenue available to be collected through council tax for the years 2016/17 to 2019/20 is likely to lead to shortfalls in the budget in the region of £4.5million if no adjustments to the establishment and service delivery are made. Government's prediction on spending power is making the assumption that local authorities will use the opportunity to raise revenue through increases in council tax during the term of this Government. Therefore, subject to local decision by the Authority, this deficit could be reduced to £2.5million if the current cap limit remains at 2%.
- 1.3 This report serves to outline the initial decisions that the Fire Authority may need to make in terms of addressing this financial shortfall, along with making recommendations regarding future strategies which should be considered in order to maintain an acceptable level of service delivery.

## **2. REPORT**

- 2.1 Since 2010 the budget requirement for NFRS has decreased from just over £48 million to the outline requirement predicted in 2019/20 of circa £43 million. This has been due to a number of cost reduction strategies which have been employed, including reducing the number of operational appliances, voluntary and compulsory redundancy processes, contract negotiations and Service restructures. With the expected budget available due to only reach £39 million in 2019/20 the Service will have to find another round of savings equivalent to around £4 million (subject to the approval of the proposed council tax increases elsewhere on this agenda) over the period to 2020.
- 2.2 Prudent levels of balances have been utilised to manage through the transition to date and it is proposed that this strategy continues. By planning early and looking at options during 2016/17, decisions made will have the opportunity to be fully implemented or have commenced by the time each subsequent budget has to be set.
- 2.3 The number of incidents attended during 2015 has remained under 10,000, and previous actions taken to reduce resources at Mansfield and Highfields stations has had no discernible impact on the community. This is in part due to a multi-faceted approach to reducing risk by effective use of community safety and protection strategies as well as operational response.
- 2.4 However, the ability to continue to reduce capacity is not unlimited and recommendations within this report will seek to guide the Fire Authority over how the budget requirements could be met, but also future strategies on utilising and deploying resources to maximise effectiveness and manage risk.

## OPERATIONAL SERVICE DELIVERY

- 2.5 Members will be aware that since 2010 the Service has reduced the number of front line appliances. This has not significantly affected the risk profile, however it does drive the need to ensure that the maximum number of resources are available at periods of highest demand.
- 2.6 Significant steps have been taken to increase retained fire fighter recruitment and retention, and this is having a positive impact on the availability of appliances. However, the issue remains that the predominant times that retained appliances are unavailable are during the hours of peak demand (15:00hrs – 21:00hrs) and the times of highest availability are during the night which is the period of lowest demand (00:00hrs to 08:00hrs).
- 2.7 Another factor to consider is that each front line appliance is of a similar type designed to tackle a whole range of incidents, but primarily crewed to respond to structural building fires. These fires, although critical in their nature, make up only a small percentage of the actual incidents attended (10%). Alternative technologies and delivery methods have been developed nationally that enable reduced crew numbers to deal with a large proportion of incidents in a safe and effective manner.
- 2.8 The Chief Fire Officer firmly believes that the most appropriate crewing numbers for appliances tackling structural building fires should remain at the traditional levels of 'five and four' and there is no desire to actively move away from this model with wholetime crews. However, current practice means that where a retained appliance has less than four crew members available it is unable to respond to any type of incident, regardless of proximity or scale, or in support of other appliances.
- 2.9 Each wholetime appliance is crewed continually, 24hrs a day, every day of the year. With reducing demand this has led to some of those appliances responding to less than an average of one call per week during the hours of low demand. With the increased availability of retained fire fighters at night it is possible to maintain the same level of resources available by flexibly crewing between wholetime and retained fire fighters dependant on the time of day.
- 2.10 The changes to the distribution of wholetime appliances since 2010 has increased the number of single-pump stations and decreased the number of two-pump stations. This has progressively skewed the numbers in the wholetime ridership and in effect created an over capacity due to the current calculations on which the collective agreement regarding crewing of appliances is based. Furthermore there is no flexibility to move away from a traditional 24hr crewing model.
- 2.11 There are many positive facets of the existing collective agreement that enable local control and flexibility for staff, and high levels of certainty and resilience in terms of appliance availability. It is clear that the agreement must be revised, however any changes must safeguard these important outcomes.
- 2.12 Current employment practices are based on the traditional wholetime or retained contracts with a permanent establishment maintained to deal with all

anticipated abstractions – eg: annual leave, training, sickness and staff turnover. This traditional model is rigid and provides little flexibility and a number of alternative methods through the provision of voluntary secondary contracts have been developed in other Services. These have proven to be very useful in coping with the continual transformation of services, and provided positive benefits for staff.

2.13 Removing surplus capacity within the current ridership and applying a flexible model of crewing with both wholetime and retained staff will create savings, some of which could be reinvested to support the availability of retained appliances through the provision of secondary contracts. This blended model has the ability to maintain the current fleet of appliances, increase availability of resources at times of highest demand and create savings.

2.14 Therefore, giving due consideration to operational activity and risk outcomes, the need to improve resilience and create savings, it is proposed that the Chief Fire Officer undertakes the following actions:

- Explores the use of alternative crewing models and emerging technologies to maximise the availability of appliances where crew numbers are less than four.
- Identify opportunities where a mixed crewing approach utilising retained fire fighters at periods of lowest demand could be implemented to maintain appliance availability and reduce costs.
- Enter into negotiations with workforce representatives to revise the current crewing collective agreement to release the surplus capacity within the ridership and create the opportunity to crew appliances for less than the full 24hr period.
- Consider the use of voluntary secondary contracts to provide support for retained appliances at periods of highest demand and ease the transformation of the service through the change process.

2.15 If approved, work in these areas will be undertaken during 2016 with timely reports back to the Authority for decision before any changes are made. Furthermore, there may be the requirement to enter into public consultation if there is a direct impact on any aspect of service delivery.

## **COLLABORATION**

2.16 On 26 January 2016 the Government articulated the next steps after considering the consultation responses to 'Enabling Closer Working Between the Emergency Services' and the full document is attached at Appendix A. In summary the Government intends to legislate to:

- Introduce a high level duty to collaborate on all three emergency service, to improve efficiency and effectiveness;
- Enable Police and Crime Commissioners (PCCs) to take on the functions of fire and rescue authorities (FRAs), where a local case is made;

- Where a PCC takes on the responsibilities of their local FRA. Further enabling him or her to create a single employer for police and fire personnel;
  - In areas where a PCC has not become responsible for fire and rescue services, enabling them to have representation on their local FRA with voting rights, where the local FRA agrees; and
  - Abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.
- 2.17 This clear intention from Government will drive collaboration between the emergency services within the local area. There are no definitive timescales for when the legislation will be in place, however indications are that it will be before the end of the year.
- 2.18 There are also opportunities to build on collaborations with other local organisations and neighbouring fire and rescue services. Work is already taking place in some areas – eg: Control, Procurement, Finance Systems, Training and Pension Administration – however there is scope to do more.
- 2.19 Collaboration has the potential to deliver both efficiency and effectiveness, however there is also the potential for collaboration leading to compromises or challenges that are not favourable to the Authority. Notwithstanding that full engagement of the Authority will be required to deliver against the legislative requirements, caution must also be exercised to ensure the outcomes are appropriate for the community.
- 2.20 In this regard it is proposed that the Chief Fire Officer engages with partners to explore all opportunities that may exist for collaboration and provide informed reports to future meetings of the Authority when appropriate.

## **FURTHER OPTIONS**

- 2.21 In addition to the above proposals and recommendations, a number of other work streams will be looked at by Officers to establish what further savings can be achieved. These include sharing of specialist operational advice and provisions, reviewing the property strategy for rationalisation, re-build or disposal, and reviewing current contracts and arrangements for further efficiencies.
- 2.22 There is no doubt that given the reductions already made by the Service, the challenge to make further savings could appear daunting. However, the community is as safe from fire today as any other period in the history of Nottinghamshire Fire and Rescue Service. By taking a measured approach, over the period to 2020, the transition can be managed through with as minimal impact on staff and the community as is possible. The implementation can also be regularly and safely monitored.

### **3. FINANCIAL IMPLICATIONS**

The financial implications of this report are the need to find approximately £4million in further savings by the end of the 2020 financial year, and to develop a strategy to address potential reductions beyond this point

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

- 4.1 There are significant human resources implications arising from this report from redundancy to contract negotiations with the representative bodies. The Service has a number of procedures in place which it has already used to good effect to minimise the impact upon staff. All of this will be managed by the internal human resources department to reduce any external costs.
- 4.2 In terms of learning and development implications, the Service will need to ensure its staff are appropriately trained and equipped with the requisite skills to perform their role.

### **5. EQUALITIES IMPLICATIONS**

There will be a likelihood of some equalities implications arising from such a period of change. These will be managed by the Service to ensure that no particular sector of the organisation or community is disadvantaged by any decisions made.

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

Fire and rescue authorities have a duty to exercise their functions in a way that prevents crime and disorder in their area.

### **7. LEGAL IMPLICATIONS**

The Fire Authority has to satisfy its legal obligations under various legislation, but primarily the Fire and Rescue Services Act 2004 and the Civil Contingencies Act 2004. Any proposals will be assessed to ensure the Fire Authority will not be in breach of these legal duties.

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

The primary risk to the Fire Authority arising from this report is one of finance and being able to balance a diminishing budget. The proposals and recommendations contained within this report are part of a short, medium and long term strategy that will keep the Service viable and continue to meet public expectations.

## **9. RECOMMENDATIONS**

It is recommended that the Fire Authority consider the contents of this report and ask the Chief Fire Officer to:

- 9.1 Explore the use of alternative crewing models and emerging technologies to maximise the availability of appliances where crew numbers are less than four.
- 9.2 Identify opportunities where a mixed crewing approach utilising retained fire fighters at periods of lowest demand could be implemented to maintain appliance availability and reduce costs.
- 9.3 Enter into negotiations with workforce representatives to revise the current crewing collective agreement to release the surplus capacity within the ridership and create the opportunity to crew appliances for less than the full 24hr period.
- 9.4 Explore the use of voluntary secondary contracts to provide support for retained appliances at periods of highest demand and ease the transformation of the service through the change process.
- 9.5 Engage with partners to explore all opportunities that may exist for collaboration.
- 9.6 Provide reports on the outcomes of recommendations 9.1 – 9.5 to future meetings of the Authority to inform the decision making process.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

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**NOTTINGHAMSHIRE**  
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Fire and Rescue Authority

# **SERVICE RESPONSE TO HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE & RESCUE SERVICES INSPECTION**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To present Members with 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 & Rescue Services

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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 & Rescue Services (HMICFRS) following the recent inspection of Nottinghamshire Fire and Rescue Service (NFRS).
- 1.2 This report presents the Service's response to the inspection report, and proposes how the recommended areas for improvement will be addressed and scrutinised by the Authority to ensure appropriate improvements are made.

## **2. REPORT**

- 2.1 In early 2019, NFRS was subject to an inspection by HMICFRS. This was part of the first inspections conducted in all fire and rescue services for almost 20 years, and is part of the wider Home Office Fire Reform agenda.
- 2.2 The Service received an overall grading of 'Requires Improvement', however from a positive perspective, there were no causes for concern identified, and most issues were already identified by NFRS before the inspection process began, and presented to HMICFRS as part of the self-assessment process.
- 2.3 The report identifies 25 areas requiring improvement and each one has been carefully considered by the Service and an action plan created (attached at Appendix A).
- 2.4 In anticipation of the HMICFRS report, one of the year one actions within the Strategic Plan approved by Members in February this year specifically recognised the need to respond to the report and much work has already been undertaken.
- 2.5 Each action has been allocated to a lead officer, with clear milestones and expected outcomes. Furthermore, Fire Authority scrutiny will be conducted through the committee structure with regular progress reports being presented to Members.

## **3. FINANCIAL IMPLICATIONS**

There are no additional financial implications arising from this report.

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

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

## **5. EQUALITIES IMPLICATIONS**

There are no equalities implications arising from this report as no changes to existing, or introduction of new arrangements of the delivery of services are proposed.

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

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

## **7. LEGAL IMPLICATIONS**

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**

It is recommended that Members;

- 10.1 Endorse the approach being taken by the Chief Fire Officer to address the areas of concern.
- 10.2 Agree to receive progress reports at the respective Committees identified in Appendix A.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

UNDERSTANDING THE RISK OF FIRE AND OTHER EMERGENCIES					
	Areas of Improvement	Timescales	Responsible PO	Committee	Response
Page 116 1	The Service should use its integrated risk management plan to ensure it keeps the public safe and secure from the risks identified.	March 2022	Ian Pritchard	Policy and Strategy	<p>Please note; this is an ongoing activity for the lifespan of the Integrated Risk Management Plan. The plan is to create a more robust transparent governance of the strategic plan through EDT and SLT. By making it part of the standing agenda item and ensuring that progress is discussed.</p> <p>The Service will use a variety of communication channels to inform the wider workforce of these priorities and the progress throughout the year.</p> <p>The 10 programmes in the year 1 corporate plan are now regularly being scrutinised at both EDT and SLT. Further work is needed on the EDT/SLT team site to bring all the governance information together.</p> <p>A 6-month review is planned for the middle managers meeting in September which will follow through into the briefing for staff.</p>

**UNDERSTANDING THE RISK OF FIRE AND OTHER EMERGENCIES cont'd ...**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
2	The Service should ensure its firefighters have access to relevant and up to date risk information	December 2019	Craig Parkin	Community Safety	<p>The issues that HMICFRS uncovered were mainly associated with data quality within CFRMIS. Data cleansing is currently taking place in order that the CFRMIS Mobile Ops intel module can be implemented. This will improve the quality and overall management of the ops intel system. Data cleansing being conducted at present. CFRMIS development required.</p> <p>There are resource challenges here due to conflict with other work streams including PMF, Safe and Well and Business Safety Checks requiring the same CFRMIS developer resource. Changes are being progressed to create further capacity.</p>

**PREVENTING FIRES AND OTHER RISKS**

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	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
3	The Service should review and update its prevention strategy to take account of risks	January 2020	Craig Parkin	Community Safety	A strategy is being written that overarches 'Safer Communities' - Prevention & Protection. This will be in place by the end of the year. Meetings have been held with Teams to engage in process of writing strategy. Strategy will be presented to EDT in October prior to publishing through appropriate governance.
4	The Service should ensure it targets its prevention work at people most at risk	March 2020	Craig Parkin	Community Safety	<p>The plan is to ensure that NFRS continues to maintain a high level of engagement with those most at risk whilst also increasing the number of SWVs completed. The Service will do this through revising the SWV process, introducing new means of delivery and evaluating the impact during initiatives. So far, NFRS have introduced DiCE, enhanced our CRaE processes and are introducing the use of On-Call personnel for targeted interventions.</p> <p>Data-Led SWVs are being rolled out across all locations. NFRS are now looking at how the quarterly data and District Plans can be more aligned to ensure delivery of services most effectively.</p>

**PREVENTING FIRES AND OTHER RISKS cont'd ...**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
5	The Service should evaluate its prevention work, so it understands the benefits better	January 2020	Craig Parkin	Community Safety	<p>The plan is to have the evaluation framework embedded in all that the Service deliver within Prevention &amp; Protection, and that this evaluation is used to drive the Service's future performance.</p> <p>There is a SM and WM dedicated to ensuring that the Evaluation Framework is reviewed and embedded in work that is undertaken.</p> <p>Work has begun on reviewing the framework and revising Service Policies.</p> <p>Evaluation is starting to be used in recent DiCE and CRaE activities and is being planned in to future events.</p>

**PROTECTING THE PUBLIC THROUGH FIRE REGULATION**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
6	The Service should ensure it makes better use of its specialist resources in implementing its risk-based inspection programme. It should ensure it allocates and quality-assures these inspections appropriately	December 2019	Craig Parkin	Community Safety	<p>The plan is to ensure NFRS has a thorough, intelligence based risk based inspection programme (RBIP) and that this reflects the current risks within the County and is delivered effectively by Specialist Officers and Response based personnel.</p> <p>The Service will ensure there is a comprehensive quality assurance (QA) process in place to ensure consistency in our delivery.</p> <p>Training begins in October for 'Hazard Spotting' by Crews.</p> <p>A QA process will be in place by the end of this business year and the review of the RBIP is planned in to next year's business plan (as this is a substantial piece of work). The number of Audits has increased and continues to do so.</p>

**RESPONDING TO FIRES AND OTHER EMERGENCIES**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
7	The Service should ensure staff know how to command fire service assets assertively, effectively and safely at incidents	December 2019	Craig Parkin	Community Safety	<p>All incident commanders are qualified to command. Command development and monitoring is in place. Assurance processes within the incident command (IC) training team being developed and will be subject to third party scrutiny via Skills for Justice.</p> <p>IC maintenance of competence part of RedKite PDS and training material being developed on a regional basis as part of NOG implementation. Skills for Justice review scheduled for September.</p> <p>RedKite PDS review and refresh due to launch October 2019.</p> <p>IC Regional Training materials due for delivery by end of 2019.</p>
8	The Service should ensure it implements the process to monitor incident commanders and provide feedback following operational incidents.	January 2020	Craig Parkin	Community Safety	Monitoring of IC's at Level 1, and at first call officer level only when in development. Discussion required with Head of Service Delivery to determine if a change of policy and practice is required to implement monitoring at all command levels.

**RESPONDING TO FIRES AND OTHER EMERGENCIES cont'd ...**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
9	The service should ensure that, when responding to a 999 call, mobile data terminals are reliable to allow staff to access risk information.	May 2020	Ian Pritchard	Community Safety	<ol style="list-style-type: none"> <li>1. NFRS ICT will continue to work with its Tri-Service Control partners and the supplier of the mobile data terminals (MDTs) and Mobilisation System (System) to ensure that these devices can reliably provide operational staff with access to risk information. The 3 CFOs of NFRS, DFRS and LFRS have prioritised the improvement of reliability of MDTs and discussions are on-going with System in relation to the next generation of MDT units.</li> <li>2. NFRS ICT will review the current MDT fault logging process to ensure that it deals with all issues with MDT reliability within agreed SLAs.</li> <li>3. Satellite Navigation (SatNav) devices that are independent of the Fire Appliance MDT are currently being trialled by 3 Fire Stations within Nottinghamshire. This feasibility project is intended to determine how widely the devices should be rolled out and to develop procedures for their use and ongoing maintenance. Once completed, an implementation project should commence between April 2020-October 2020.</li> </ol> <p style="text-align: right;">/cont'd ...</p>

**RESPONDING TO FIRES AND OTHER EMERGENCIES cont'd ...**

	Areas of Improvement	Timescales	Responsible PO	Committee	Response
9	... continued ...				<p>4. NFRS ICT are investigating the possibility of delivering risk information to the Microsoft Surface Go devices that have been distributed to all Fire Stations during 2019. This will provide an additional source of information and resilience for operational crews including access to risk information.</p> <p>5. NFRS have developed and are in the process of replacing current FRS specific risk information by implementing the National Operation Guidance (NOG) standards. This information will be made available on all Fire Appliance MDTs and Microsoft Surface Go devices provided to Fire Stations.</p>

**RESPONDING TO NATIONAL RISKS**

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	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
10	The Service should ensure operational staff have good access to cross-border risk information.	March 2020	Craig Parkin	Community Safety	<p>Cross border risk information being made available via Resilience Direct however challenges making sure up to date, current information is available via MDT's.</p> <p>Scoping currently underway to determine number of premises within 10 miles of all boarder.</p> <p>Once the scale of the information sharing has been determined then an assessment will be made as to the practicality of achieving this.</p>
11	The Service should arrange a programme of over-the-border exercises, sharing the learning from these exercises.	April 2020	Craig Parkin	Community Safety	<p>The Service exercise planning procedure does take into consideration the need for cross border exercising to ensure effective interoperability.</p> <p>Exercise planning is completed for the year 2019/20.</p> <p>The planning process will be reviewed by the Risk and Assurance Team to ensure that the process is fit for purpose and cross border training will be further integrated into exercise planning for the 2020/21 financial year onwards.</p>

**RESPONDING TO NATIONAL RISKS cont'd ...**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
12	The Service should ensure all incident commanders have a thorough understanding of JESIP (Joint Emergency Services Interoperability Principles).	Complete	Craig Parkin	Community Safety	<p>JESIP training is now delivered to all uniformed members of Service at part of a structured training programme.</p> <p>The JESIP principles are covered and exercised on the initial and refresher training for Level 1,2,3, and 4 Commanders.</p> <p>It is also an integral part of the Local Resilience Forum training courses which are attended by our Level 2,3 and 4 Commanders.</p> <p>Regular multi-agency exercises are also undertaken where the JESIP doctrine is used in simulated emergency incidents.</p>

**MAKING THE BEST USE OF RESOURCES**

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	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
13	The Service should implement a clear performance management framework that directly supports the objectives identified in the IRMP.	December 2019 – February 2020	Ian Pritchard	Policy and Strategy	<p>A Performance management policy has been agreed and implemented within the Service. This is supported by a project which is ongoing to introduce the metrics and system by which this policy can be managed.</p> <p>The performance framework is centred around the objectives within the IRMP.</p> <p>The projects and programmes within the strategic plan are now being regularly scrutinised by EDT/SLT.</p>
14	The Service needs to prioritise implementing business continuity plans and test them as soon as possible.	January 2020	Craig Parkin	Policy and Strategy	<p>BC Plan template and guidance to be presented to EDT 8<sup>th</sup> October.</p> <p>Strategic and Tactical level plans have been produced and a training/table top exercise session with EDT is planned for November 2019.</p> <p>The exercise will allow the finalisation of strategic, tactical and departmental level plans for publication by end of year 2019.</p> <p>EDT to approve ongoing testing and exercise schedule January 2020</p>

**MAKING THE FIRE AND RESCUE SERVICE AFFORDABLE NOW AND IN FUTURE**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
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"> <li>1. Implement SharePoint 2013 Teams Sites across the organisation before the end of FY 2019-20.</li> <li>2. Migrate all team data (files etc.) from existing legacy file server storage onto SharePoint before the end of FY 2019-20.</li> <li>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.</li> <li>4. Commence an organisation wide analysis of all business processes to determine how to improve efficiency through digitisation (using existing COTS solutions and/or SharePoint 2013) during FY 2020-21.</li> <li>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.</li> <li>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.</li> </ol>

**MAKING THE FIRE AND RESCUE SERVICE AFFORDABLE NOW AND IN FUTURE cont'd**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
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 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.</p> <p>This is based on a number of working assumptions regarding government grant and precept flexibility.</p>

**PROMOTING THE RIGHT VALUES AND CULTURE**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
17	The Service should put appropriate mechanisms in place to enable closer monitoring of hours worked by staff.	November 2019	Craig Parkin	Human Resources	<p>The Service will review its processes and controls for the monitoring of its staff, specifically its dual contractors and On-call employees. The review is currently underway.</p> <p>An options report will be presented to EDT/ SLT in Nov 2019, which will outline options available to the Service for the monitoring of hours for dual contractors, on-call employees and secondary contracted employees.</p>
18	The Service should develop a wellbeing strategy and a system to improve understanding of health, safety and wellbeing trends.	December 2019	Craig Parkin	Human Resources	<p>A well-being strategy has been developed and is in draft form pending further consultation.</p> <p>The Occupational Health team is undertaking a roadshow during October which will visit all stations to undertake well-being checks and promote the support available to employees.</p> <p>The OH and Fitness Manager will provide an update on sickness figures/trends to Health, Safety and Welfare Committee on a quarterly basis.</p>

**PROMOTING THE RIGHT VALUES AND CULTURE cont'd**

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	Areas of Improvement	Timescales	Responsible PO	Committee	Response
19	The Service should ensure its values and behaviours are understood and demonstrated at all levels of the organisation.	March 2020	Craig Parkin	Human Resources	<p>Whilst 90% of employees who completed the employee survey stated that they knew and understood service values, further promotion of the values will be rolled out using the Values Toolkit and communications will be refreshed to ensure that the message remains fresh and relevant.</p> <p>Themed value team meetings/messaging/posters etc coordinated on a quarterly basis and promoted via corporate communications.</p> <p>The inspection report drew attention to a number of employees who had reported hearing inappropriate conversations or feeling bullied or harassed or discriminated against - the Service will seek to understand and address these issues and ensure that employees are aware of how they can raise such concerns and are confident that they will be dealt with in an appropriate manner.</p>

**GETTING THE RIGHT PEOPLE WITH THE RIGHT SKILLS**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
20	The Service should develop a training plan that clearly aligns and supports its workforce plan.	December 2019	Craig Parkin	Human Resources	<p>Training plan developed for 2019/20 based on planning assumptions within the workforce plan. Ops Training plan focusses on Core Competency acquisition and revalidation.</p> <p>Draft plan being presented to Head of Service Delivery September 2019.</p>
21	The Service should ensure staff are appropriately trained in safety-critical skills, such as incident command.	Complete	Craig Parkin	Community Safety	<p>The joint Assurance, Training and Service Delivery was started in April this year to provide oversight of performance metrics associated with MOC and Acquisition and revalidation.</p> <p>This was done immediately following the HMIC visit due to the issues with core competencies. It has improved the situation and will continue to provide the routine monitoring and governance of performance metrics associated with ops training function.</p>

**ENSURING FAIRNESS AND PROMOTING DIVERSITY**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
22	The Service should improve communication around positive action through all levels of the organisation.	March 2020	Craig Parkin	Human Resources	Development of a joint commitment statement on positive action with RBs via equalities forum.  Raise via initial equalities induction training; covered by mandatory e-learning package; identify e-learning/digital video; promote positive action prior to wholtime recruitment via MyNet and station visits by middle managers; use role models from previous campaigns.

**MANAGING PERFORMANCE AND DEVELOPING LEADERS**

	<b>Areas of Improvement</b>	<b>Timescales</b>	<b>Responsible PO</b>	<b>Committee</b>	<b>Response</b>
23	The Service should ensure individual performance targets clearly support objectives within the IRMP.	March 2020	Craig Parkin	Human Resources	A project is currently underway to review the PDR process, including a new policy, new electronic PDR system. Moving it from SharePoint to itrent to bring information around individuals to one place. The plan is to incorporate the strategic aims and programmes from the annual corporate plan from within the IRMP.
24	The Service should improve staff awareness and understanding of promotion and selection process.	October 2019	Craig Parkin	Human Resources	The Progression Procedure, which sets out the route for progression to higher roles, has been refreshed and is under consultation. This will be promoted via the Intranet and other communication channels. The next promotion process will be for Station Manager roles in October, and prior information has been circulated and a briefing session organised for prospective applicants.
25	The Service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders.	March 2020	Craig Parkin	Human Resources	The Leadership Development Pathway has been reviewed and will be sent to all stations to ensure that employees understand what actions they need to take to enhance their progression to leadership roles. A consultation paper will be developed to consider ways in which the service can continue to identify, develop and support high potential employees within a more structured framework.

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Policy and Strategy Committee

# **ASSISTANT CHIEF FIRE OFFICER VACANCY**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To seek approval for the recruitment to the vacancy of Assistant Chief Fire Officer following the successful appointment of the previous incumbent to the role of Deputy Chief Fire Officer.

## **CONTACT OFFICER**

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Chief Fire Officer

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## **1. BACKGROUND**

- 1.1 Following approval of a report to the Fire Authority in February 2019, the previous Assistant Chief Fire Officer was successfully appointed as the Deputy Chief Fire Officer resulting in a vacancy for Assistant being created.
- 1.2 At that time, it was agreed to put in place an internal temporary arrangement to allow a process of review and bring forward recommendations to a future meeting of the Authority. That review has now been concluded by the Chief Fire Officer and this report provides those recommendations.

## **2. REPORT**

- 2.1 The role of Assistant Chief Fire Officer (ACFO) has three distinct facets, namely; the direct leadership and responsibility for a significant number of functions within the organisation; provision of strategic operational cover as part of the Brigade Manager on-call rota; and finally, to provide advice and support to Members of the Authority as part of the Strategic Team.
- 2.3 In 2013 the then Chief Fire Officer undertook a review of the senior team, which at that time consisted of five Principal Officers. That revision led to one of the Assistant Chief Fire Officer roles being deleted in May 2014.
- 2.4 In October 2015 a further review under the current Chief Fire Officer led to the deletion of the Assistant Chief Officer role and a redistribution of functions to the remaining three Principal Officers. A number of changes were also made to the posts at the level below Principal Officer, in that individuals' responsibilities were increased and parity was created across 'Head of Department' roles.
- 2.5 In 2018 Members agreed to maintain the current level of three Principal Officers, and following review, the Chief Fire Officer believes this is correct resourcing requirement. This is based on the need to respond to a changing landscape of risk following the Grenfell tragedy, the Government's reform agenda, expectations contained within the Policing and Crime Act 2017 and the inspection regime by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services.
- 2.6 In recognition of the recent reductions within the number of strategic roles, and the growing expectations placed upon the Service, it is proposed that the current level of three Principal Officers is maintained. This is consistent with many other Services of a similar size.
- 2.7 Another factor to consider is that the number of applicants who apply for Principal Officer roles can be small, as the traditional requirement to seek candidates from purely operational backgrounds limits the number of potential applicants considerably as they must come from within the sector.

- 2.8 In recent years a number of Services have appointed to Principal Officer roles from outside of the sector, and although the individuals do not have the tactical operational competence to manage an incident on scene, they are able to develop the competence to provide strategic command within the context of a Strategic Co-ordinating Group.
- 2.9 This range of competence is the main area of command undertaken by Principal Officers and is similar to the requirements placed on all senior leaders across the Local Authority landscape who provide strategic cover. The Chief Fire Officer believes that with a structured training and development programme, senior leaders from outside of the sector would be able to satisfy the operational rota requirements.
- 2.10 By opening the process to candidates outside of the sector, Members will be able to consider each individual on their own merits and ensure they have the opportunity to select the most appropriate candidate for the role in terms of overall team dynamic and skill set.
- 2.11 The selection process for the ACFO post is extensive and will involve the convening of the Appointments Committee to assess the candidates and provide recommendations, with an expectation that an appointment could be confirmed at either the December or February meeting of the Fire Authority.
- 2.12 To support the process and ensure the relevant expertise is in place, it is proposed that external recruitment specialists are contracted to assist in the appointments process. Furthermore, an operational assessment will need to be undertaken to ensure candidates have the ability to develop the relevant strategic command expertise. A budget of £20k will be created from anticipated in year underspends to support this.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The use of external consultants to support the process is likely to cost in the region of £15-20k. This will be funded from anticipated in year underspends within the revenue budget.
- 3.2 The salary range for the post is £105,573 to £117,303. Appointment to the post would normally be at the lowest point and increase over two years so there is potential for short term revenue savings to be realised.
- 3.3 As the post holder is required to reside within the county, a relocation package is offered if the successful candidate is required to move.

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

There are significant human resources implications arising from this report, but all can be managed by the internal human resources team with the assistance of specialist external support for which a budget of £20k has been identified.

#### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken as this report does not suggest any changes to policy or service delivery functions.

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

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

#### **7. LEGAL IMPLICATIONS**

The main aspects of this process will need to comply with appropriate employment and equalities legislation.

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

Temporary cover in such a senior role within the organisation carries the potential risk of loss of continuity and capacity. This is currently being managed, however it is important to progress with the recruitment process and establish certainty. The estimated timescales within the body of the report do not represent any cause for concern.

#### **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

#### **10. RECOMMENDATIONS**

That Members task the Chief Fire Officer to work with the Clerk to the Authority to put in place a recruitment process for the Assistant Chief Fire Officer vacancy.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

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# REVIEW OF STATEMENT OF INTENT

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To advise Members that Nottinghamshire Fire and Rescue Service's Written Safety Policy Statement of Intent has recently been reviewed to ensure that it remains current in terms of content and signatories.

## CONTACT OFFICER

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## **1. BACKGROUND**

- 1.1 Nottinghamshire Fire and Rescue Service (NFRS) is required to produce and then periodically review and revise a Written Safety Policy (WSP) which outlines its approach to identifying the hazards and associated risk to employees and others who may be affected by the work of the Service.
- 1.2 An important part of the WSP is its initial Statement of Intent which indicates the commitment of the organisation to a high standard of health and safety risk management.
- 1.3 The Statement of Intent must indicate the approach to be taken and be endorsed by signature by those who represent the organisation, its employees and its values.
- 1.4 NFRS's current Statement of Intent was last considered and endorsed by Fire Authority on the 16 August 2018.

## **2. REPORT**

- 2.1 The content of the current Statement of Intent accurately reflects NFRS's approach to discharging its duty of care to its employees (and others affected by its work activities), but it has been revised to address some minor changes in terminology.
- 2.2 The document is underpinned by further details within NFRS's Written Safety Policy. Together the two elements form an auditable approach to achieving and maintaining safe systems of work.

## **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

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

There are no human resources implications associated with the report. Current learning and development provision takes into account health and safety risk management issues as defined by the Statement of Intent.

## **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because equality issues arising have been previously identified and addressed.

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

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

## **7. LEGAL IMPLICATIONS**

The production of a Written Safety Policy – inclusive of the Statement of Intent, is a requirement under the Health and Safety at Work etc. Act 1974.

## **8. RISK MANAGEMENT IMPLICATIONS**

The Statement of Intent provides a basis for NFRS's commitment to identifying hazards, quantifying risk and applying proportionate risk controls as a means of reducing loss to ensure it maximises its reducing budget.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

That Members endorse the Written Safety Policy Statement of Intent.

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

None

John Buckley  
**CHIEF FIRE OFFICER**



**Statement of Intent**

Nottinghamshire Fire and Rescue Service [NFRS] is committed to ensuring the health, safety and welfare of all its employees - and the health and safety of those non-employees affected by its work activities - and has devised a Safety Management System which is detailed in its Written Safety Policy. Application of this Policy will contribute to improved service delivery.

This Statement of Intent forms the first of the three parts to the Written Safety Policy, the contents of which continue to be developed, discussed and adopted. They are audited, reviewed and then revised as necessary.

It is NFRS's intention to strive to ensure a safe and healthy working environment as part of its wider risk management initiatives and to pursue progressive improvements in health and safety risk management performance. Its employees are a key resource and have a vital part to play in implementing the Policy.

To achieve this the Service will consider:

- the equipment that is used by employees to do their work;
- the premises where they carry out their work;
- the information, instruction, training and supervision they receive;
- the substances they use and encounter;
- the suitable and sufficient risk controls they need to follow - as indicated by objective risk assessment;
- occupational health and fitness matters;
- the competence of employees in terms of health and safety;
- the need for effective communication of health and safety risk management information.

The following approach will be applied:

- constructive dialogue with employee representatives;
- recognition that legal requirements are the minimum;
- ultimate responsibility for matters of health, safety and welfare resting with the Chief Fire Officer with the Deputy Chief Fire Officer having delegated day-to-day responsibility;
- provision of the necessary expert advice when needed;
- inclusion of best practice as identified in other organisations;
- linkage of risk assessments to site specific risk information, incident monitoring and incident debrief.
- application of risk assessment to the procurement of equipment and services;
- identification of targets for improvements in risk management;
- inclusion of risk management aims in the organisation's Integrated Risk Management Plan;
- recognition of the importance of health and safety risk management objectives in relation to other service objectives;
- recognition that failures of health and safety risk management controls are not necessarily the fault of individual employees;
- integration of risk management considerations into all management decisions;
- auditing of compliance with the standards given in the Written Safety Policy;
- annual consideration of health and safety performance by the Combined Fire Authority.

All employees will play a part in the Safety Management System and resources will be made available to achieve the necessary safety culture based on risk assessment and the "safe person" concept.

The standards outlined in the Written Safety Policy will be applied in the spirit of fairness and dignity and the above Statement of Intent applies to future legal requirements as well as current ones.

Endorsed by the Combined Fire Authority at its meeting of 27<sup>th</sup> September 2019.

Signed	Chief Fire Officer	Signed	FOA
Signed	Chair of CFA	Signed	UNISON
Signed	FBU	Signed	



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# **ENVIRONMENT AND SUSTAINABILITY POLICY STATEMENT**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To advise Members that Nottinghamshire Fire and Rescue Service's Written Environment and Sustainability Policy Statement has recently been reviewed to ensure that it remains current in terms of content and signatories.

## **CONTACT OFFICER**

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Chief Fire Officer

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0115 838 86 90 therese.easom@notts-fire.gov.uk

## **1. BACKGROUND**

- 1.1 The Service's previous integrated risk management plan identified the management of environmental risk as one of the Service priorities. As a consequence of this an environmental management system was put in place, including the production of an Environment and Sustainability Policy Statement.
- 1.2 The Policy Statement outlines the Service's high level commitment to the management of environmental risk and ensures that the Service adopts an environmentally sustainable approach as part of day to day activities.
- 1.3 The Policy Statement is endorsed by the Chief Fire Officer and Chair of the Fire Authority.

## **2. REPORT**

- 2.1 The content of the current Environment and Sustainability Policy Statement communicates the commitment and reflects Nottinghamshire Fire and Rescue Service's (NFRS) approach to discharging its duty of care to minimise its impact on the environment, and it has been revised to ensure the legislation is the most up to date, and appropriate terminology used.
- 2.2 The document is underpinned by further details within NFRS's Written Safety Policy. Together the two elements form an auditable approach to achieving and maintaining safe systems of work.
- 2.3 Endorsement signatures of the Chief Fire Officer and the Chair of the Fire Authority will provide continued confirmation of the Service's high level commitment to the management of environmental risk.
- 2.4 Matters of environment and sustainability are integrated into day to day decision making through the environmental management system. As an example, the agreed Estates Strategy, Procurement Framework and Transport Strategy all contain elements to ensure the effective management of environmental risk and the adoption of sustainable management practices.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 Although not directly related to the endorsement of the Policy Statement, there may be financial implications arising from environmental risk management initiatives in the future.
- 3.2 It is anticipated that improved environmental risk management can be used to achieve efficiency savings, for example reduced spending on vehicle fuel and energy bills. Any implications that arise will be reported to the Fire Authority as they occur.

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

One of the aims of the Policy Statement is to raise the awareness of employees to environmental issues. Training currently includes elements of environmental risk management for all operational employees and enhanced training for a core group of Officers who are available as environmental advisors during incidents. It is anticipated that courses for awareness training will be extended to all employees.

#### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because the Policy Statement does not introduce new policy or services.

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

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

#### **7. LEGAL IMPLICATIONS**

NFRS must comply with applicable environmental legislation. Non-compliance can result in criminal sanction. By following available good practice the Authority can be assured of meeting its legal responsibilities.

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

The Policy Statement provides a basis for Nottinghamshire Fire and Rescue Service's commitment to identifying hazards, quantifying risk and applying proportionate risk controls as a means of reducing loss.

#### **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

#### **10. RECOMMENDATIONS**

That Members endorse the Environment and Sustainability Policy Statement.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**





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# **ANNUAL REPORT OF INFORMATION GOVERNANCE**

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To give the Fire Authority an annual update on information governance at Nottinghamshire Fire and Rescue Service (NFRS).

## **CONTACT OFFICER**

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## **1. BACKGROUND**

- 1.1 Data protection and public sector transparency are continued priorities for the United Kingdom (UK) government – and Nottinghamshire Fire and Rescue Service (NFRS). In May 2018 new data protection requirements entered UK law (the Data Protection Act 2018 and the General Data Protection Regulation). Risks from non-compliance include significant fines from the Information Commissioner and potential harm to the reputation of NFRS.
- 1.2 NFRS shares information with other agencies to reduce fire risk and to protect communities. Members are well aware of the continued need for multi-agency working and the role of technology in delivery of public services. These factors make the operating environment more complex, demanding an ongoing focus on staff awareness and risk controls.
- 1.3 In 2017, the Policy and Strategy Committee agreed that NFRS would provide an information governance report annually to the September meeting of the full Fire Authority, covering:
  - Overview of Freedom of Information requests;
  - Overview of Environmental Information requests;
  - Data protection areas of interest;
  - Report on Regulation of Investigatory Powers Act (RIPA) activity or inactivity.
- 1.4 This annual report covers information governance for April 2018 – March 2019.

## **2. REPORT**

### **FREEDOM OF INFORMATION**

- 2.1 The Freedom of Information Act 2000 provides public access to information held by NFRS. It does this in two ways:
  - NFRS must publish certain information about activities, for example, financial information and Service performance;
  - Members of the public can request any information NFRS holds. There are limited reasons to refuse such requests, for example, national security or a high cost to comply with the request.
- 2.2 Transparency, and having the 'right to know', is widely acknowledged as a key part of ensuring public confidence and trust from communities.
- 2.3 In the period April 2018 – March 2019, NFRS had 124 Freedom of Information requests. These requests covered a wide range of information including inspections of schools, animal rescues, and ICT contracts.

- 2.4 97% of Freedom of Information requests were replied to within 20 working days. This is within the Information Commissioner's target of 90%.
- 2.5 NFRS publishes a selection of Freedom of Information replies on the [NFRS public website](#) as well as information published about Service performance and finance. These are grouped into four categories:
- Incidents and fire safety;
  - Finance and spending;
  - Staffing;
  - Governance and other.

## **ENVIRONMENTAL INFORMATION REQUESTS**

- 2.6 The Environmental Information Regulations 2004 sit alongside the Freedom of Information Act to ensure public access to environmental information held by public bodies.
- 2.7 The Regulations affect NFRS in two ways:
- NFRS must make environmental information available proactively. For example, publish on the Service's website policies, plans and programmes relating to the environment;
  - Members of the public can request environmental information NFRS holds. There are limited reasons to refuse such requests, for example, national security or it would cost too much to comply with the request.
- 2.8 No information requests received between April 2018 and March 2019 were classified as Environmental Information requests.

## **DATA PROTECTION**

- 2.9 NFRS values the correct use of personal information as critical to successful operations and in keeping the confidence of the public, employees and stakeholders.
- 2.10 Data protection responsibilities affect all staff at NFRS, as all teams potentially deal with information about people – whether it is information about fellow staff or the public.
- 2.11 Responsibilities for correct use of personal information about individual members of the public and members of staff are set out in the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).
- 2.12 No NFRS data incidents have needed reporting to the Information Commissioner's Office since the requirement became law in May 2018.
- 2.13 In the year April 2018 to March 2019, work continued to support GDPR compliance. For example, NFRS staff completed information security

refresher training, business planning processes include privacy impact assessment as needed. Materials and processes for GDPR compliance have been actively shared across the fire and rescue sector wherever possible.

- 2.14 As often in the news, there is a risk of cyber-attack on any organisation. Due to the importance of protecting information NFRS uses, including personal information, work is continually undertaken to keep NFRS's cyber security measures up to date. The ICT Security department has achieved Cyber Essentials Plus certification. Work also continues towards the adoption of recognised industry standards such as ISO27001, developing compliant policies and procedures as part of the on-going work in relation to the Emergency Services Mobile Communication Programme. These policies and procedures will ensure continual maintenance of NFRS cyber security and the protection of information and data within NFRS ICT systems.
- 2.15 As a public authority, NFRS requires a Data Protection Officer under GDPR. The Data Protection Officer for NFRS can be contacted at [DataProtection@notts-fire.gov.uk](mailto:DataProtection@notts-fire.gov.uk)
- 2.16 From February 2019, the Assistant Chief Officer has the role of Senior Information Risk Owner at NFRS.

### **REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

- 2.17 NFRS is authorised by the Regulation of Investigatory Powers Act 2000 (RIPA) to undertake directed surveillance for the prevention or detection of crime, the prevention of disorder, or in the interests of public safety.
- 2.18 There were no applications for directed surveillance investigations at NFRS under RIPA from April 2018 to March 2019.
- 2.19 The UK Government has been consulting on removing Fire and Rescue Services from RIPA. No change has yet been made (at August 2019).

### **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

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

All NFRS staff are required to complete data protection training every two years, with an awareness activity in the alternate year to help manage information risks. Quarterly completion checks run for new and returning staff. The next full training for NFRS staff is due to run January to March 2020.

## **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this is an information report with no recommended changes.

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

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

## **7. LEGAL IMPLICATIONS**

This report is designed to give the Fire Authority assurance that NFRS is meeting its legal duties under Freedom of Information, Data Protection and RIPA.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 The Information Governance Manager role helps ensure NFRS meets Freedom of Information requirements, including the recommended 90% of replies within the legal time frame.
- 8.2 Work across the Service, supported by the Information Governance Manager in the role of Data Protection Officer, helps NFRS meet duties under Data Protection law. Measures include an information register, privacy notices, information sharing agreements, privacy impact assessments and training for all staff. These measures help NFRS protect personal information and help make sure personal information is available when needed. This reduces the risk of non-compliance with data protection requirements, reducing the risk of reputational damage to NFRS and reducing the risk of fines under the General Data Protection Regulation.
- 8.3 Procedures are in place to help identify any data loss or near miss, with clear incident response and risk assessment processes. As NFRS is a 24-hour service, arrangements are in place to ensure Data Protection Officer (DPO) advice is available within the statutory window of 72 hours to report a serious personal data breach which includes DPO cover for bank holidays.
- 8.4 Regular RIPA training is provided for all NFRS officers potentially involved in applying or authorising covert surveillance under RIPA. This reduces the Service's risk of non-compliance and reduces the risk of prejudicing the value of any evidence gathered under RIPA.

## **9. COLLABORATION IMPLICATIONS**

- 9.1 The GDPR includes the duty for notification of serious personal data breaches to the Information Commissioner. NFRS has a nil-cost Service Level Agreement with Derbyshire Fire and Rescue Service and South Yorkshire Fire

and Rescue Service ensuring bank holiday and absence cover for information breach reporting to the Information Commissioner (where needed within 72 hours).

- 9.2 The Information Governance Manager continues to share good practice and sample documents, and explores future collaboration with other fire and rescue services, regionally and across England and Wales.

## **10. RECOMMENDATIONS**

That Members note the contents of this report.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



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# COMMITTEE OUTCOMES

Report of the Chief Fire Officer

**Date:** 27 September 2019

**Purpose of Report:**

To report to Members the business and actions of the Fire Authority committee meetings which took place in June and July 2019.

## CONTACT OFFICER

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## **1. BACKGROUND**

As part of the revised governance arrangements the Authority has delegated key responsibilities to specific committees of the Authority. As part of those delegated responsibilities, the chairs of committees and the management leads report to the Authority on the business and actions as agreed at Fire and Rescue Authority meeting on 1 June 2007.

## **2. REPORT**

The minutes of the following meetings are attached at Appendix A for the information of all Fire Authority Members:

Community Safety Committee	21 June 2019
Finance and Resources Committee	28 June 2019
Human Resources Committee	05 July 2019
Policy and Strategy Committee	12 July 2019

## **3. FINANCIAL IMPLICATIONS**

All financial implications were considered as part of the original reports submitted to the committees.

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

All human resources and learning and development implications were considered as part of the original reports submitted to the committees.

## **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 update the Fire Authority on the outcomes of committee business.

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

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

## **7. LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

The Service's performance in relation to matters addressed through the committee structure is scrutinised through a range of audit processes. The Service needs to continue to perform well in these areas as external scrutiny through Comprehensive Performance Assessment and auditors' judgement is key to future Service delivery.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report, as the report seeks to provide Members with an update on the business and actions of Fire Authority committee meetings which have taken place in the last quarter.

## **10. RECOMMENDATIONS**

That Members note the contents of this report.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



**NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY -  
COMMUNITY SAFETY COMMITTEE**

**MINUTES of the meeting held at Fire and Rescue Service Headquarters, Bestwood Lodge, Arnold, Nottingham, NG5 8PD on 21 June 2019 from 10.00 am - 11.04 am**

**Membership**

Present

Councillor Nick Raine (Chair)  
Councillor Jason Zadrozny  
Councillor Parry Tsimbirdis  
Councillor Sue Saddington  
Councillor Stuart Wallace  
Councillor Gul Nawaz Khan  
Councillor Nick Raine (Chair)

Absent

**Colleagues, partners and others in attendance:**

Craig Parkin - Deputy Chief Fire Officer  
Mick Sharman - Area Manager for Response  
Damian West - Area Manager for Prevention  
Catherine Ziane-Pryor - Governance Officer

**1 APOLOGIES FOR ABSENCE**

None.

**2 DECLARATIONS OF INTERESTS**

None.

**3 MINUTES**

The minutes of the meeting held on 22 March 2019 were confirmed as a true record and signed by the Chair.

**4 SERVICE DELIVERY PERFORMANCE UPDATE**

Craig Parkin, Deputy Chief Fire Officer, presented the report which informs the Committee of Service delivery between 1 January and 31 March 2019, with contributions from Mick

Sharman and Damian West, both of whom focus upon Service Delivery, including all Response, Protection and Prevention work.

The report includes information on the numbers and types of incidents responded to, prevention and protection work undertaken and on-call availability by station.

Further to the detailed information in the report, the following points were made and responses provided to questions from the committee:

- (a) Overall, there were 42 fewer incidents compared to the same period last year but the number of deliberate fires has increased by 130;
- (b) On-call availability has increased by 1.26% and whilst the majority of On-call crew stations maintain an availability nearing 90% (one of the highest in the East Midlands), work continues to raise availability, particularly around the Southwell, Ashfield and Retford Stations. It is acknowledged that the On-call system was developed many years ago and that modern living and working is now very different. Nationally it is harder to recruit on-call firefighters, possibly as a reflection that the local nature of much industrial employment no longer exists and people often now travel further to work and can't get to the fire stations within the required 5 minutes travelling time. Recruitment to the Southwell Station continues to be a particular challenge. The on-going reduction of incidents to respond to, whilst committing availability may also impact on recruitment and retention. However, the need to have firefighters available to respond to incidents within a reasonable time remains vital so at this point. There are new approaches to recruiting On-call firefighters, including a national campaign and website for On-call firefighters;
- (c) When not responding, operational crews undertake lower risk Hazard Spotting, which releases capacity for the Protection Team to undertake higher risk checks at businesses within the Services risk based inspection programme. A significant training programme during 2019/20 will see operational crews trained to do Business Safety Checks further increasing the number of non-domestic premises visited by NFRS, with significant issues identified being referred to the Protection Team;
- (d) Joint Road Safety Operations with the Police, such as 'Operation Highway', are planned throughout the year with NFRS providing education on the potential hazards of not wearing seat belts, speeding, drink driving and inadequate car maintenance. There is a duty to promote road safety and this was one of the points of the HMICFRS inspection with encouragement to increase collaboration and co-ordination with partners, including local councils. As a result, the Service is pursuing further citizen and partner engagement activity;
- (e) The Service is fully engaged with national good practice and is able to respond to terrorist attacks as part of its statutory duty to respond but as the breadth of possible attack threat increases, further training has been requested and the Service is working closely with trades unions and staff in this area;
- (f) Last year the Service undertook approximately 4,600 Safe and Well Visits but HMICFRS considered this figure to be below average. As there is no standard format for checks, it is unclear how quality may vary between Services and to what

extent the most vulnerable individuals in society have been helped, advised and supported. NFRS aims to complete 6,000 this year and continue to increase this amount in forthcoming years.

Members of the Committee requested that, to enable an easy comparison, future reports provide performance information for the previous year.

## **RESOLVED**

- (1) to note the report;**
- (2) for Craig Parkin to seek availability and arrange for members of this Committee to visit fire stations later in the year.**

## **5 REDUCING THE NUMBER OF UNWANTED FIRE ALARM SIGNALS**

Craig Parkin, Deputy Chief Fire Officer, presented the report which informs the Committee of the number of Unwanted Fire alarm Signals (UwFS) which were triggered by automatic detection systems and the impact of the revised response policy to such alarms since its implementation 6 months ago.

The following points were highlighted and responses provided to members' questions:

- (a) With more than 3,000 UwFS per year, the demand on resources can be significant and frustrating, particularly on occasions when responding to what became apparent as false alarms coincided with crews being required to respond to genuine incidents;
- (b) Following guidance issued by the National Fire Chief's Council and approval by the Authority, the three Services of Nottinghamshire, Derbyshire and Leicestershire (Tri-Service collaboration) introduced a policy on how automated fire alarms are responded to;
- (c) The new policy, which requires automated fire alarms in some categories of building to be challenged before fire crews attend, has resulted in a 17% reduction in UwFS, which equates to a 24% reduction in mobilisations per year;
- (d) The Fire Service takes a staged approach to the engagement with businesses, following the fourth false alarm occasion Officers will attend the premises and provide advice and guidance and emphasise the potential impact of engaging an appliance and crew which may be needed elsewhere for a 'risk to life' incident. If there is a sixth occasion of a false alarm, the inspecting Fire Service Officer will undertake a full audit of the premises to ensure the business is complying to the standards expected and all further alarms will be challenged;
- (e) NFRS is willing to enforce non-attendance, but only after repeated engagement and education has proved ineffective and it can be clearly evidenced as such, and the potential consequences of not responding can be shown to have been fully considered. Generally, Officers initially engaging with businesses provides the desired results of resolving false alarm issues;

- (f) Alarms at schools during daytime are usually challenged as historically schools are very effective and efficient at evacuation which significantly reduces the risk to life, but also the responsible person is required to confirm if it is an isolated alarm triggered or multiple alarms which may indicate an actual incident, before calling the Service;
- (g) Alarms at premises where anyone is sleeping, such as hotels and student accommodation, are automatically responded to without challenge;
- (h) There are approximately 700 known properties listed within the county that have specific risks such as storing or using flammable materials. This information, along with aligned practices is shared between Tri-Service partners and can be shared with other Services.

Some members of the Committee queried the risk implications of attending cross boarder incidents outside of the Tri-Service area.

## **RESOLVED**

- (1) to note the report and the reduction in unwanted fire alarm signals;**
- (2) for a further update report to be provided to the Committee in 6 months' time, to include:**
  - (i) a list of non-challenged premises;**
  - (ii) more information on the response time impact of alarm challenging.**



**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 28 June 2019 from  
10:02am to 10:55am**

**Membership**

Present

Councillor John Clarke (Chair)  
Councillor Andrew Brown  
Councillor Toby Neal

Absent

Councillor Mike Quigley MBE  
Councillor Nick Raine

Councillor Vaughan Hopewell  
(Substitute for Councillor Mike Quigley  
MBE)

**Colleagues, partners and others in attendance:**

Rob Disney	-	Internal Auditor, Nottinghamshire County Council
Adrian Mann	-	Governance Officer
Ian Pritchard	-	Assistant Chief Fire Officer
Charlotte Radford	-	Chief Finance Officer
Terry Scott	-	Head of Procurement and Resources
Becky Smeathers	-	Head of Finance

**1 APOLOGIES FOR ABSENCE**

Councillor Mike Quigley MBE	-	personal reasons
Councillor Nick Raine	-	work commitments

**2 DECLARATIONS OF INTERESTS**

None.

**3 MINUTES**

The minutes of the meeting held on 29 March 2019 were confirmed as a true record and signed by the Chair.

#### **4 REVENUE AND CAPITAL OUT-TURN FOR 2018/19**

Becky Smeathers, Head of Finance, presented a report on the financial performance of the Service for 2018/19 and an analysis of the significant variances against the original revenue and capital budgets. The following points were discussed:

- (a) the out-turn report showed a £67,000 under-spend in the revenue budget. This included the utilisation of a net total of £1,770,000 from reserves, including £393,000 planned expenditure from earmarked reserves;
- (b) to comply with the relevant accounting standards relating to termination benefits, a provision of £647,000 is included in the accounts to cover the redundancy payments arising from the upcoming Joint Control Room merger with Derbyshire Fire and Rescue Service and the planned closure of the Prince's Trust Programme (which showed a net cost deficit of £223,000);
- (c) the total reserves at the end of the year were £10,337,000, with an earmarked reserve balance of £4,800,000 and a General Reserve of £5,500,000. A one-off payment of £163,735 was received through the Revenue Support Grant, due to the national floors and ceilings safety net programme being delivered at a lower cost than expected, and this has been used to create an operational resilience reserve. Approval is required for the movement into the reserves of the one-off Revenue Support Grant payment, the £50,000 needed to create a reserve to fund any necessary work resulting from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services' upcoming inspection, and the £20,324 of resilience grants that were not spent in 2018/19;
- (d) some slippage of spending into the 2019/20 budget is requested, due to some very positive collaborative initiatives taking slightly longer to deliver than expected, including the Lightweight Fire Coats project (with the Derbyshire Fire and Rescue Service) and the new fire station in Hucknall (with the East Midlands Ambulance Service);
- (e) three debts totalling £1,491 have been written off, mainly due to a pension overpayment following the death of the pensioner, with the small remainder due to leaving staff having taken more than their pro-rata annual leave entitlement prior to their departure;
- (f) the lack of staff resources leading to the slippage of the project to install CCTV in Service vehicles was caused by the assigned project manager needing to cover another post for a colleague during a period of illness. Both managers are now back in their original posts, so the CCTV project can move forward as planned.

#### **RESOLVED to:**

- (1) note the 2018/19 revenue and capital out-turn report;**
- (2) approve the transfer of £234,000 into reserves;**
- (3) approve carrying forward the 2018/19 total capital slippage of £2,081,000 to the 2019/20 budget.**

## **5 FINAL ACCOUNTS 2018/19**

Becky Smeathers, Head of Finance, gave a presentation on the Fire Authority's 2018/19 final accounts, prior to their approval by the full Authority at its coming meeting on 26 July 2019. The following points were discussed:

- (a) a change to the accounts is required following the McCloud pensions judgement, which found that Government changes to the pension scheme for firefighters in 2015 were age discriminatory. This will result in an increase to the pension liability. The actual costs will need to be incorporated into the pension fund and this will be reviewed by the external auditors;
- (b) the unaudited accounts for 1 April 2018 to 31 March 2019 have been prepared in accordance with the relevant Code of Practice on Local Authority Accounting and were submitted to Ernst & Young (EY), as the External Auditor, on 31 May, in line with the statutory deadline. Unfortunately, EY has a shortage of capacity currently and will not be able to carry out the audit until August. As such, consideration is being given to when the Fire Authority should meet to approve the report, and when (and in what form) the final accounts should be published;
- (c) the year-end out-turn position compares expenditure to the approved budget, including the expenditure to be funded from income received in the year, and reflects the cost to the taxpayer of providing the service. It complies with standard accounting practices, but does not require auditing. The Statement of Accounts shows the 'true' cost of providing services, including the notional costs, such as depreciation. It must comply with the relevant Standards and Codes of Practice and be externally audited, for approval by the full Fire Authority;
- (d) the Statement of Accounts includes a summary Narrative Statement and the four Core Statements: the Movement in Reserves Statement (which splits out the cash-backed and non-useable reserves); the Comprehensive Income and Expenditure Statement (showing what resources have been consumed, including changes in the pension fund liability); the Balance Sheet (showing the net worth of the organisation – which currently includes a deficit due, primarily, to the net pension deficit); and the Cash Flow (showing the movements in cash during the year, which are normally straightforward).

**RESOLVED to note the Statement of Accounts for 2018/19 and the financial results of the 2018/19 year for Nottinghamshire Fire Safety Limited.**

## **6 REVENUE, CAPITAL AND PRUDENTIAL CODE MONITORING REPORT TO 31 MAY 2019**

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

- (a) the budget forecast showed an out-turn position of £41,689,000 against a revised budget of £42,864,000, including the planned use of £167,000 of the earmarked reserves. It is difficult to give a fully accurate forecast at this early point of the

year, but the projected under-spend position of £1,175,000 is larger than would be expected, normally. However, some of the under-spend is due to large, one-off items of additional income or savings that have been identified since the budget was set. There is a concerted effort to identify ongoing savings and the Procurement Team are working hard to deliver cost-effective contracts;

- (b) the budgets allowed for a contingency of approximately £200,000 to support the day-crewing project, but this was not needed. The Service also receives grants from the Government to compensate for any loss of income from the National Non-Domestic Rates, where this is caused by a Government policy. The 2019/20 grant figures were released in May and the Service will receive £672,000, which is £233,000 above the estimate used in the budget;
- (c) an under-spend of £367,000 is expected in pay for non-uniformed roles, due to there being 10 vacancies at the end of May. Several of these posts are only vacant on a temporary basis, so it is difficult to appoint cover. The forecast under-spend for pension costs is £137,000, most of which relates to ill health charges. The situation is being monitored and consideration is being given to whether funding should be provided through a reserve, rather than through revenue;
- (d) total Capital Project expenditure to date is £137,000, with a forecast out-turn expenditure of £6,627,000, including the slippage of £2,081,000 from the 2018/19 budget. The new Hucknall station is now progressing well, along with a number of ICT projects. The expected level of reserves at 31 March 2020 is £10,107,000;
- (e) under the Prudential Code, borrowing activity has remained within its set boundaries and there has been no further borrowing since the start of the financial year. All investments have been made securely.

**RESOLVED to note the Revenue, Capital and Prudential Code Monitoring Reports to 31 May 2019.**

**7 INTERNAL AUDIT ANNUAL REPORT 2018/19**

Rob Disney, the appointed Internal Auditor from Nottinghamshire County Council, presented a report on the annual Internal Audit and the Internal Audit Strategy for 2019/20 to 2020/21. The following points were discussed:

- (a) the audit plan has been largely completed, with only one report yet to be finished. Limited assurance opinions have been provided in relation to the closing Prince's Trust programme and the issues relating to the Redkite system for recording firefighter training;
- (b) the rest of the audit reports have covered important and impactful areas and delivered positive assurances for the organisation, which has good governance, risk management and control processes. Internal audit testing is carried out to ensure that the recommended actions of the audit are carried out and participation from the Fire Authority committees is very valuable to this process;
- (c) the Audit Plan for the next year is flexible and will address any emerging risks.

**RESOLVED to:**

**(1) note the Internal Audit Annual Report;**

**(2) approve the Internal Audit Plan for 2020/21 to 2021/22.**

**8 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 outweighed the public interest in disclosing the information.**

**9 ESTATES COLLABORATION UPDATE**

Terry Scott, Head of Procurement and Resources, presented a report on the current and future estates collaboration between Fire and Rescue and other emergency services.

**RESOLVED to approve the recommendations as set out in the exempt report.**



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

**HUMAN RESOURCES COMMITTEE**

**MINUTES of the meeting held at Nottinghamshire Fire and Rescue Service HQ,  
Bestwood Lodge Drive, Arnold, Nottingham, NG5 8PD on 5 July 2019 from  
10:00am to 11:29am**

**Membership**

<u>Present</u>	<u>Absent</u>
Councillor Shuguftah Quddoos (Chair)	None
Councillor Vaughan Hopewell	
Councillor Jawaid Khalil	
Councillor John Longdon	
Councillor Salma Mumtaz	

**Colleagues, partners and others in attendance:**

John Buckley	- Chief Fire Officer
Tracy Crump	- Head of People and Organisational Development
Adrian Mann	- Governance Officer
Matt Sismey	- Organisational Development and Inclusion Manager

**1 APOLOGIES FOR ABSENCE**

None.

**2 DECLARATIONS OF INTERESTS**

None.

**3 MINUTES**

The minutes of the meeting held on 5 April 2019 were confirmed as a true record and signed by the Chair.

**4 HUMAN RESOURCES UPDATE**

Tracy Crump, Head of People and Organisational Development, presented a report on the key Human Resources metrics within the Service, including issues such as

sickness absence, formal discipline, grievance, employment tribunal cases and staffing numbers. The following points were discussed:

- (a) the sickness absence report for 2018/19 showed a decrease of 4.3% relative to the previous year, which reflects the hard work taking place to promote good health, rather than solely managing ill health. Overall, the average employee absence was 7.68 days per year, down from an average of 8.05 days in the previous year. Although this is below the average for the sector (at 8.26 days), the Service's aim is to reduce this to an average of 6 days per employee per year. 68.4% of all absence in the year was due to long-term sickness (defined as an absence of more than 28 days);
- (b) the Fire Authority is required by the Government to report sickness in terms of the number of days taken off by the average employee per year, but it could also be reflected in the reports in terms of the percentage of working time lost, as is often the case in the private sector;
- (c) the sickness figures the period of 1 January to 31 March 2019 (quarter four) showed absence across the workforce, excluding retained employees, increasing by 150 days (13.4%) during the review period. This represents an increase of 53.5 days (4.4%), compared to the same quarter of the previous year. Generally, a number of sickness absences during this fourth quarter can be attributed to seasonal reasons, but results can also be skewed if a small number of employees are off on long-term sickness in a quarter. Work is being carried out with the on-call teams, where the sickness rates are relatively high, to find ways of reducing absence;
- (d) an occupational health team is based on site to provide help and support to employees, and a health benefits scheme is also in place. Due to the statutory requirement for fitness testing for firefighters, there are gyms in all stations and staff are encouraged to use them for a period during the course of their working day;
- (e) there is a strong focus on support for mental health and wellbeing, in addition to the provision for supporting physical good health. Muscular-skeletal injuries and mental health issues constitute the two main reasons for sickness absence, and they can often lead to long-term absence from work. A wellbeing strategy is being produced for adoption by the Authority, which will set out the way in which the Service can support staff with mental health issues, with the aim of enabling mental health to be spoken about more openly. An employment assistance programme is also in place to help staff access various other beneficial forms of support from outside the Service, such as counselling and legal/financial advice;
- (f) a structured management and support procedure for absence is in place, which includes 'return to work' interviews, absence review triggers and occupational health reviews. Employment hearings are not conducted at a set interval of absence, as an assessment of individual circumstances takes place on a case-by-case basis;

- (g) it would be valuable to reflect the absence figures in the context of gender and of minority ethnic groups, which can highlight certain issues, and identify any trends with occupational health;
- (h) following the creation of the new Joint Control Centre as part of the sustainability strategy, the current establishment figure for the total workforce numbers will be amended in September, given that the Authority will no longer be the employing authority in terms of control staff.

**RESOLVED to note the quarterly Human Resources update.**

## **5 EQUALITIES MONITORING REPORT**

Matt Sismey, Organisational Development and Inclusion Manager, presented a report on the breakdown of the workforce and the work being done to address under-representation of groups with protected characteristics, as part of the Service's commitment to promoting equality and diversity. The following points were discussed:

- (a) the report covers the six-month period from 1 January to 30 June 2019 and compares the current numbers of the under-represented groups in the workforce against the data from the 2011 census. The substantial recruitment of operational personnel during 2018, following 6 years of not recruiting to new firefighter roles, has been very successful. There are now many more female firefighters and the numbers of BAME staff have increased over the last 18 months;
- (b) the Service works closely with Stonewall to support LGBT+ staff and is among the top 100 employers in the Stonewall index. However, declaration rates are relatively static and members of staff are more likely to tell colleagues about their sexual orientation than to declare this to the Service. Over the next year, the Service will be taking a wider approach on the range of protected characteristics;
- (c) the rates of staff declaring a disability are low relative to the population as a whole, but some of this is accounted for by the level of physical fitness required for firefighters. There is an improved approach to mental health and wellbeing, and a number of reasonable adjustments have been made for staff with dyslexia;
- (d) representation of BAME groups in the workforce is low relative to the local population and work is underway to engage with these under-represented communities. Firefighter role models have been established and initiatives are being carried out in community sports groups to improve the fitness of people who are considering an operational career in the Service;
- (e) on-call firefighters must live within a certain distance of a fire station, so the potential workforce make-up is restricted to the people who live in the areas around fire stations;
- (f) the number of BAME and female staff reduces at senior levels of the Service. Female firefighters have been employed within the Service for the last 15 years and it will take time for women to progress to senior operational positions. Progress has been made in appointing women to senior positions where an operational background is not a requirement of the role. To attract people from

under-represented groups, it is vital to develop innovative and engaging positive action initiatives;

- (g) the success rate of job applicants with protected characteristics is reviewed regularly to ensure that appointment processes are fair. Interview panels are gender-balanced wherever possible, and personal details on application forms are redacted during the sifting process, so that personal details relating to the applicant are not known to the people carrying out the selection process until the interview stage.

**RESOLVED to note the Equalities Monitoring Report and support the Service's continued commitment to attracting, recruiting and retaining a workforce that is reflective of the population that it serves.**

## **6 GENDER PAY GAP REPORT 2019**

Tracy Crump, Head of People and Organisational Development, presented a report on the outcomes of the Gender Pay Gap Audit for 2018. The following points were discussed:

- (a) in 2017, the Government introduced a duty on employers with more than 250 employees to calculate and publish specific information in relation to the pay gap between men and women in their organisation. Reports are returned on the mean and median rates of pay for men and women employed by the Authority and the proportion of male and female employees by quartile pay band. As the Service remunerates roles on the basis of fixed pay bands, any given type of post receives the same level of pay, regardless of the gender of the post holder;
- (b) the pay gap present in the Authority reflects the fact that there are more men in senior roles than women. A greater proportion of men in the Service (83.3%) tends to mean that men hold a greater proportion of the senior roles, and this is relatively typical of the sector as a whole. Strategies are being developed to attract more women into the Service, and to encourage women within it to apply for management roles. An 'Aspiring Leaders' programme is in place to support people who are considering applying for these senior posts and there are national networks in place to support women in the sector;
- (c) over the next year, the actions to improve upon the gender pay gap will focus on establishing why more female firefighters do not apply for promotion, reviewing any barriers for women seeking appointment to senior roles, reviewing the requirements of the on-call duty system to make it more attractive to potential female applicants, providing opportunities for women to gain experience in higher level roles, introducing a mentoring scheme to enable women in senior roles within the service to provide advice to women who are interested in development, and exploring any additional flexible working arrangements that can be put in place. Consultations with a wide range of people, including employees and their workplace representatives, will take place shortly, to explore the issues and develop a detailed action plan.

**RESOLVED to note the outcomes of the Gender Pay Gap Audit for 2018.**

**7 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, Paragraphs 1 and 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighed the public interest in disclosing the information.**

**8 REDUNDANCY PAYMENTS: PRINCE'S TRUST**

John Buckley, Chief Fire Officer, presented a report on the recommendations of the Discretionary Compensation Payments Board following the Fire Authority's decision to disestablish the Prince's Trust programme.

**RESOLVED to approve the recommendations as set out in the exempt report.**



**NOTTINGHAMSHIRE & CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY  
POLICY & STRATEGY COMMITTEE**

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge,  
Arnold Nottingham NG5 8PD on Friday 12 July 2019 from 10:01am to 11:00am**

**Membership**

<u>Present</u>	<u>Absent</u>
Councillor Michael Payne (Chair)	None
Councillor Andrew Brown	
Councillor John Clarke	
Councillor Sybil Fielding	
Councillor Toby Neal	
Councillor Jonathan Wheeler	

**Colleagues, partners and others in attendance:**

John Buckley	- Chief Fire Officer
Connie Green	- Solicitor
Charlotte Radford	- Treasurer
Becky Smeathers	- Head of Finance
Matt Sismey	- Organisational Development and Inclusion Manager
Malcolm Townroe	- Clerk and Monitoring Officer
Catherine Ziane-Pryor	- Governance Officer

**1 APOLOGIES FOR ABSENCE**

None.

**2 DECLARATIONS OF INTERESTS**

None.

**3 MINUTES**

The Committee confirmed the minutes of the meeting held on 1 February 2019 as a correct record and they were signed by the Chair.

#### **4 SHAPING OUR FUTURE 'ORGANISATIONAL HEALTH' UPDATE 2019**

John Buckley, Chief Fire Officer, introduced Matt Sismey, Organisational Development and Inclusion Manager, who presented the report which provides details on a range of workforce areas including:

- Leadership and Development, including the popular aspiring managers programme, 360° feedback, and mentoring;
- Diversity in the workforce, noting that of the 37 new apprentice firefighters, 13 are female and 8 are Black /Asian/ Minority Ethnic (BAME);
- LGBT Equality and Stonewall;
- British Sign Language Charter;
- Employee engagement, including a staff survey, spring conferences, internal communication and collaboration.

Members' questions were responded to as follows:

- (a) with regard to Stonewall, the work of NFRS is recognised as very progressive and positive but the size of the Service and the numbers of openly LGBT employees, does not feasibly justify providing all the facilities, such as an LGBT network, on which Stonewall grade organisations for listing within the top 100 best supporting organisations. However, LGBT network support is available through the Trade Unions, which overall historically appears to be the preferred option for the majority of openly LGBT employees. It is agreed that the broader Stonewall issues of proactive reform need to be addressed in preference to chasing recognition with facilities, which will not be utilised. NFRS has not withdrawn from Stonewall but ranks at 99/100;
- (b) in response to members' concerns that it may appear that the Service is dis-engaging with Stonewall, it is suggested that the Strategic Inclusion Board is tasked with considering the broader implications and reviewing the current provision to propose recommendations as to how the Service could best proceed.

Members made the following comments:

- (c) Councillor Andrew Brown informed the Committee that he had attended one of the Spring Employee Conferences, found it very interesting and valuable and suggested that all members of the Authority are encouraged to attend at least one conference. Employees had welcomed and were appreciative of his attendance and involvement;
- (d) the City Council purposely opted out of Stonewall for a year to ensure that all identified issues could be suitably addressed, and then re-entered. The whole point of providing appropriate support does not and should not focus in on achieving a ranking. Where capacity may be lacking within NFRS, the City Council, or another local authority, may be able to offer support.

**RESOLVED to:**

- (1) note the progress made in the organisational development and inclusion agenda;**
- (2) task the Strategic Inclusion Board with considering the broader LGBT reform implications and reviewing the current provision to propose recommendations as to how the Service could best proceed;**
- (3) continue to receive the 'organisational health' overview annually.**

## **5 LOCAL FIREFIGHTER PENSION ANNUAL REPORT 2018/19**

Becky Smeathers, Head of Finance, presented the report that updates the Committee on the activities of the Local Firefighter Pension Board and Scheme Manager up to 31 March 2019.

The following points were highlighted and responses provided to members questions:

- (a) an application had been made to the Secretary of State to establish an East Midlands Joint Pension Board consisting of Nottinghamshire, Leicestershire and Derbyshire Services. Although delayed, this will now progress in line with the drive for efficiency and collaboration;
- (b) in March 2019, revised employer superannuation rates were announced, which are significantly higher than previously, and will place an increased financial burden on the authority, in the region of £2.5 million, but it is anticipated that some of this cost will be offset by a one-off grant from central government;
- (c) as pensions is a highly complex topic, Board Member training sessions take place after every meeting, with a focus on at least one of the seven main pension areas. Externally provided training on pensions is also available;
- (d) members of the pension scheme are kept informed of activity and any issues identified;
- (e) internal audits of pension scheme governance and the pension scheme itself were undertaken in 2017 and both provided substantial assurance that correct procedures are in place.

## **6 COLLABORATION UPDATE**

John Buckley, Chief Fire Officer, presented the report that provides an overview of collaboration activity.

The following points were highlighted and questions from members responded to:

- (a) the Collaboration Delivery Board, consisting of officers, and Strategic Collaboration Board, consisting of councillors, both report to the Full Fire Authority;
- (b) planning permission has been submitted for the Joint Police and Fire Service Headquarters at Sherwood Lodge, with a decision expected during the autumn or 2019;
- (c) the LLP agreement is ongoing, as is the work on the tender document, but if approved, development could start next year with an anticipated 18 month build period, meaning that the service could move to Sherwood Lodge as early as 2021;

- (d) consideration of the potential of the current NFRS headquarters site is ongoing;
- (e) there are still sensitivities for some staff, but joint Fire and Police Workshops have been held and are proving successful in broadening understanding of each other and building relationships;
- (f) it is apparent that there are common themes within each service regarding managerial and leadership roles. Each service has the opportunity to learn from the other, both on current practices (the Police are particularly good at handling data), and also further developing processes and approaches, particularly in regard to improving performance for future HMICFRS inspections;
- (g) a Joint Police and Fire Service Cadets Program has been established with an eight week course taking place within the city, which is proposed to be rolled out to other areas;
- (h) the jointly branded Police and Fire Welfare unit is working well for major incidents covered by each or both services and has been particularly welcomed by Police colleagues;
- (i) a mutually beneficial collaboration agreement enabling the Police to access bunkered fuel from some NFRS premises is working well and is likely to reduce the cost of fuel for each service. Another potential collaboration may include Police access to jet washing facilities at fire stations;
- (j) the Fire Service now has access to deploy jointly commissioned drones (with professional Police controllers), which would otherwise require capital investment of between £40-50,000 plus ongoing maintenance and training costs;
- (k) the Joint Control Centre based in Derbyshire is working well and it is anticipated to arrange a visit for Fire Authority members following the Full Fire Authority meeting in September;
- (l) although having a small operational border, discussions are ongoing with South Yorkshire Fire and Rescue Service with regard to a mutual collaborative approach to fire protection and fire investigation learning and support, including potential prosecution;
- (m) Police colleagues are considering the feasibility of reconfiguring the West Bridgford Fire Station site to meet their requirements, and it is anticipated that the joint site will open in the autumn of 2019. A specific briefing by the Assistant Chief Fire Officer can be arranged for local members;
- (n) the additional opportunity suggested by members, of the Police and Fire Services jointly engaging with schools to improve road safety, is welcomed and will be further investigated.

With regard to the increased traffic resulting from the shared headquarters site, members of the committee reiterated safety concerns regarding entry and exit onto the busy A60 and A614 roads. Local Authority highways colleagues had been consulted through the planning permission process and stated that no action is required. However, the professional opinion of services such as Police and Fire, which attend road traffic incidents, should also be

considered and preventative measures to ensure road safety should not be dependent on the potential negative impact to local economy.

Members of the committee welcomed the shared fuel facility, and whilst the Service had been prepared for previous fuel supply disruptions, the provision of further fuel storage capacity would be supported by members, particularly as other public service authorities, including councils delivering crucial services, had approached the Fire Service to request access to its fuel reserves.

## **7 EXCLUSION OF THE PUBLIC**

**RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

## **8 EXEMPT MINUTES**

The Committee confirmed the exempt minutes of the meeting held on 1 February 2019 as a correct record and they were signed by the Chair.

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