



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

**Minutes of the meeting held at Nottinghamshire Fire and Rescue Service
Headquarters - Bestwood Lodge Drive, Arnold, Nottingham, NG5 8PD on 21 January
2022 from 10.05am - 10.55am**

Membership

Present

Councillor John Clarke (Chair)
Councillor Callum Bailey
Councillor Steve Battlemuch
Councillor Eddie Cubley
Councillor Toby Neal

Absent

Councillor John Lee

Colleagues, partners and others in attendance:

Candida Brudenell - Assistant Chief Fire Officer
Becky Smeathers - Head of Finance and Treasurer to the Fire Authority
Catherine Ziane-Pryor - Governance Officer, Nottingham City Council

18 Apologies for Absence

Councillor John Lee

19 Declarations of Interests

None.

20 Minutes

The minutes of the meeting held on 15 October 2021 were confirmed as a true record and were signed by the Chair.

21 Revenue, Capital, and Prudential Code Monitoring Report to 30 November 2021

Becky Smeathers, Head of Finance and Treasurer to the Fire Authority, presented the report which informs the Committee of the financial performance for the 2021/22 financial year to the end of November 2021.

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

- a) To the end of November 2021, the Service has overspent revenue by £116,000, which although significant, is not substantial in the scope of the overall budget of £46.703m;
- b) £84,000 of the overspend can be attributed to wholetime pay associated with supporting partner agencies with the COVID-19 response, including administering vaccinations. However, once secondment costs are recovered, there is an underspend 0.7% against the wholetime pay budget;
- c) There has been an overspend of £293,000 on on-call pay, with contributing elements, including on-call staff being more widely available due to furlough from their full-time roles, and accepting additional, modified duties to support communities through COVID-19, which then also had impact on the average cost of sick pay which is based on average earnings;
- d) There is an underspend £92,000 on non-uniformed pay. This is mostly due to a current vacancy level of 11%, when only 3% is predicted. The most significant vacancies are within the IT and Finance Teams where recruitment has been difficult, possibly due to the wages available for the skill level required (being significantly lower than the private sector) and the ongoing reduction of Service benefits which had previously made roles attractive. This is an issue which affects the whole of the public sector. A new approach is required and this may include the provision of training to professional qualification levels, or approaching graduates who require experience. One of the main Service benefits is the pension, which is generally of lower interest to younger potential applicants;
- e) Although within the transport budget savings have been achieved, maintenance issues have been ongoing for several years. The Service needs to ensure that the budget is adequate for the work required;
- f) Within the Capital Programme, the contract for the construction of the joint headquarters was £150,000 below the initial budget, but further costs have been identified regarding the alterations and refurbishment of the existing buildings;
- g) The 2022/2023 budgets will be revised to reflect the additional costs associated to the construction of Worksop's Fire Station;
- h) Additional water rescue equipment has been specified by DEfRA and will cost more than predicted, but can be funded from underspend in other areas;
- i) The rise of inflation, now at 5.4%, is obviously having a negative impact on the majority of budgets;
- j) As set out on table 4 of the report, the Service is operating within all agreed Prudential Indicators.

Members of the committee suggested that with regard to recruitment consideration should be given to the City Council's approach, and that's when advertising posts, the focus is not

merely on the pay, and that's the terms and conditions and benefits of the role are promoted, as these are often far better than the private sector offers.

Resolved

- 1) to note the report;**
- 2) to approve a £13,700 addition to the Capital Programme for the purchase of equipment required for the National Inter-agency Liaison Officers (NILO) activity. The equipment will be funded using a capital grant;**
- 3) to approve the £25k increase in the water rescue equipment capital budget to be funded from underspends on the Fire Gloves project (£11k) and the Vehicle CCTV Project (£14k).**

22 Budget Proposals for 2022/23 to 2025/26 and Options for Council Tax 2022/23

Becky Smeathers, Head of Finance and Treasurer to the Fire Authority, presented the report which provides the Committee with the background to the budget, including current pressures, and options for Council Tax for 2022/2023 to recommend to the Authority for acceptance.

In addition to the detailed information provided in the report, the following points were highlighted and responses provided to members' questions:

- a) The information provided in the report was based on the inflation rate of 5% at the time of publication, this has now risen to 5.4%, and is predicted to reach 6% by April. This will have huge impacts on the budget with regard to pay awards (agreed on a national basis);
- b) The 50% price rise of utilities, such as gas, electric and fuel, is estimated to have an impact of costing the Service an additional £0.5 million;
- c) The Draft Local Government Finance Settlement has provided draft grant figures for 2022/2023 only. No figures for future years have been provided - it has been presumed that future grants will be of a similar level;
- d) The revenue support grant has increased by 3%, but is also required to cover the National Insurance increase of 1.25%;
- e) The Section 31 revenue grant of £2.3 million partly covers the cost of increased employer superannuation rates, but the grant has not increased (even with inflation) in the past four years, resulting in an effective loss of £50,000 per year to the Service;
- f) The additional service grant was anticipated to be £500,000, but it is welcomed that the allocation is £750,000;
- g) Savings will be achieved from moving to the joint headquarters with the Police, as parts of the current Fire Service headquarters are old and will soon require substantial work. At the new headquarters, the Service will contribute a maintenance

- charge, but savings are predicted to be longer term. The capital receipt from the sale of the current headquarters site will fund the Capital Programme, which will help save on future longer term borrowing. The outcome of the Planning Application for the site of the current headquarters, which will affect the value of the land should be known by mid-February and members will be informed;
- h) With additional costs, the Service continues to look for savings. So far £1 million in savings per year has been identified, although some are only temporary and a longer term view is required. Response and prevention continue to be a focus for the Service, particularly around road safety messages as road traffic incidents are currently high which has resulted in road safety promotions;
 - i) Due to the unknown future, the Service will work to maintain the current reserves which are anticipated to be £9.3 million;
 - j) Savings which have been built into the 2022/2023 budget include a reduced increase in the on-call budget, an increase in the vacancy factor for non-uniformed staff, a reduced training budget to reflect current need, transport (including officer car leasing and travel expenses which were reduced as a result of online meetings and training), and non-essential repairs and maintenance;
 - k) Collection of Council Tax has been slightly better than expected but funding from business rates will not be known until later in the month;
 - l) The report sets out the impact on the Service of a nil Council Tax rise, which will result in a budget deficit, and also the impact of a 1.95% Council Tax increase and level grant funding, which also results in a budget deficit, although much lower;
 - m) If the Committee were to agree a 1.95% Council Tax increase, this would provide the Service with additional funding of £528,000 for 2022/2023, and result in an increase of £1.62 per annum to a Band D household Council Tax bill.

Members of the committee made the following comments:

- n) There is no option for the Service other than to set a 1.95% increase in Council Tax;
- o) Pressures are too unpredictable at the moment and 1.95% increase is clearly justifiable;
- p) All public sectors are in the same position every year, but the Council Tax contribution to the Fire Service overall is quite small. If it is decided not to implement a 1.95% increase then there will potentially be cuts to Services. For the benefit of greater good, a rise in Council Tax is required;
- q) The Council Tax should be raised for this budget, but careful consideration should again be given in future years when it is clearer how savings can be made;
- r) Although not a big increase, it is an increase and members of the Authority are mindful of the impact on citizens who are also experiencing multiple rising costs, but the necessity of the Fire and Rescue Service is unquestioned;

- s) Not only will moving to the joint headquarters provide savings, it also opens up significant opportunities and potentially further savings including investment in people.

Resolved to recommend to the Fire Authority a Council Tax increase of 1.95%.

23 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, 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.

24 Exempt Minutes

The exempt minutes of the meeting held on 15 October 2021 were confirmed as a true record and signed by the Chair.