



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

REVENUE, CAPITAL AND PRUDENTIAL CODE MONITORING REPORT TO JANUARY 2023

Report of the Chief Fire Officer

Date: 31 March 2023

Purpose of Report:

To report to Members on the 2022/23 financial performance of the Service and Prudential Code monitoring to the end of January 2023.

Recommendations:

It is recommended that Members:

- Approve the transfer of the £147k fire protection grant to earmarked reserves (Sections 2.2 & 2.15).
- Approve the creation of a £300k earmarked reserve for the replacement mobilisation system project (Section 2.4).
- Approve £285k of slippage to the capital programme as detailed in Table 5 in Section 10.
- Note the capital programme underspends detailed in Table 6 (Section 10).
- Approve the reallocation of £117k from the underspend to fund the retention and other costs of £117k for Worksop station.
- Approve the addition of a new £50k 2023/24 project to extend the life of existing breathing apparatus, to be funded from the 2022/23 underspends.

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1. BACKGROUND

- 1.1 Budget monitoring is a key aspect of financial management for the Fire Authority. Regular reporting of spending against the revenue budgets is a check that spending is within available resources and if necessary, allows for financial resources to be re-assigned to meet changing priorities.
- 1.2 This report covers those areas with a higher risk of significant variance. An assessment of this risk has been made in the light of the size of the budgets selected and/or previous experience of variances, as well as the emergence of actual variances. It is vital that an overview of the budgetary position during the year is maintained, so that appropriate action can be taken in respect of significant variances and the budget is managed as a whole.
- 1.3 Monitoring against the revised prudential indicators is also included in this report, as required in the Prudential Code published by the Chartered Institute of Finance and Accountancy (CIPFA).

2. REPORT

- 2.1 The revenue monitoring position is set out in Table 1 below. It shows a forecast outturn position of £45.782m, which is an £515k underspend against the revised budget of £46.297m. The approved budget of £46.006m included a £153k contribution from general reserves to address a funding deficit. The revised budget reflects the planned use of £291k of earmarked reserves. The Authority has received a business rates relief grant of £707k, which is £107k more than the anticipated amount. It is proposed that this surplus grant funding is used to establish a new earmarked reserve for the replacement mobilisation system (see paragraph 2.4 for details).

Table 1 – Summary Expenditure and Funding Position

	2022/23 Budget £'000	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Net Expenditure	46,006	46,297	45,782	(515)
Revenue Support Grant	(5,619)	(5,619)	(5,619)	0
Business Rates (including related grants)	(10,202)	(10,202)	(10,309)	(107)
Pension Grant	(2,340)	(2,340)	(2,340)	0
Council Tax	(27,692)	(27,692)	(27,692)	0
General Fund	(153)	(153)	469	622
Earmarked Reserves	0	(291)	(291)	0
Total	0	0	0	0

- 2.2 The estimated outturn includes a £147k grant for fire protection. As detailed in paragraph 2.14 of the November revenue monitoring report which was presented at the January meeting of this committee, this income was not previously included in the estimated outturn as permission would be sought to carry forward any unused amounts forward as an earmarked reserve. Due to a delay in the recruitment of a Fire Safety Inspector it is now anticipated that the entire 2022/23 grant will need to be written forward in order to fund the medium term plans that have been agreed with the National Fire Chiefs Council. Permission is therefore sought from members to transfer the balance of the unused grant, estimated to be £147k, to earmarked reserves at the end of the financial year. Should approval be granted, this will reduce the estimated underspend to £369k.
- 2.3 The most recent estimated underspend has increased by £295k compared with the £220k which was reported to members at the previous Finance and Resources Committee meeting on 20 January. This is despite the most recent estimate reflecting the recently agreed 7% pay award for uniformed staff, compared with the 5% which had been offered at the time that the November estimated outturn was calculated. The main reasons for the increased underspend are shown in the table below:

Table 2 – Analysis of Movement Since Reported in January 23

Description	Movement £'000
Impact of pay award increase from 5% to 7%	388
Decrease in estimated wholetime overtime costs	-206
Decrease in estimated wholetime basic pay and on-costs	-195
Decrease in estimated On-Call pay	-94
Inclusion of fire protection grant	-147
Decrease in estimated fuel costs	-101
Decrease in estimated electricity costs	-81
Redundancy and pension strain costs	139

- 2.4 It is proposed that a new £300k earmarked reserve for the Replacement Mobilising System be created using the surplus business rates relief grant and £193k of the revenue underspend. This earmarked reserve will fund this Service's share of the costs of the project team and other required scoping work. These costs were initially expected to be funded from a reserve holding unused grant from the purchase of the current system. However, with the current contract needing to be extended there is additional work required to ensure that equipment remains fit for purpose which means this funding is now no longer available for the replacement system. The Service also needs to pick up half of the project costs rather than a third since Leicestershire Fire Service have removed themselves from the project.
- 2.5 A more detailed analysis of expenditure can be found at Appendix A. Major variances on specific budgets are shown below.

- 2.6 **WHOLETIME PAY:** Wholetime pay is expected to underspend by £544k in total. This current estimate reflects the recently agreed pay award of 7%. This revised pay settlement has increased costs by £668k over and above the budgeted pay settlement of 3%, which means the underspend would have been in excess of £1.2m had the pay award been in line with the budget assumptions. Recruitment has been delayed pending the outcome of the Futures 25 Efficiency Strategy. As a result, the number of posts was currently 23 FTE below the approved establishment at 31 January. 45% of the 27 retirements and resignations that are confirmed so far for 2002/23 have taken place since 1 November, hence the decrease in estimated basic pay outlined in paragraph 2.3. A wholetime trainee recruitment process has commenced but the actual training course is not due to start until April 2023. Expenditure on overtime has been kept as low as possible in order to help ensure the affordability of the eventual pay award, which was only settled on March 6. As a result the overtime budget has overspent by just £52k (9%), which is a remarkable achievement given the level of vacancies and the challenging long-running incidents which the crews faced during the summer. The national insurance budget has underspent by £159k, partly due to the level of vacancies but also due to the cut in the employer's contribution rate from 15.05% to 13.8% from the beginning of November.
- 2.7 **ON-CALL PAY:** On-Call pay can vary significantly from month to month depending on levels of activity and so it is difficult to forecast with any certainty. Currently the On-Call pay budget is expected to underspend by just £2k. There was a significant increase in activity levels during July and August due to the hot, dry weather. This has led to a large increase in turnout related costs. The estimated overspend relating to turnout related costs now stands at £123k as a result. However, the level of turnout related expenditure has decreased significantly in recent months, with the monthly average for Q4 expected to be around 25% lower than the Q1 average. This accounts for the decrease in the overall in forecasted On-Call pay detailed in paragraph 2.3. There are estimated underspends of £56k and £94k relating to NI and Drills and Training respectively. The level of employer's NI contributions depends on the extent to which each individual's earnings breach the secondary NI threshold. So far this year the level of individual's earnings exceeding this threshold is lower than expected, hence the underspend, also the employer's NI contribution rate was reduced from 15.05% to 13.8% in November. The £94k underspend for Drills and Training is largely due to the number of new recruits being fewer than the amount budgeted for, and the level of drill activity being lower than expected. The current estimated outturn reflects the recently agreed pay award of 7%. This revised pay settlement has increased costs by £101k over and above the budgeted pay settlement of 3%.
- 2.8 **NON-UNIFORMED PAY:** Non-Uniformed pay is expected to overspend by £12k. The budget included planned in year savings of £250k which have not been achieved in total within the current year. However, there is currently a high level of vacant posts, and the savings from these vacancies are largely offsetting the overspend on the savings target of £250k.

- 2.9 **REDUNDANCY COSTS:** Members recently approved the deletion of two roles from the non-uniformed establishment. There are redundancy and compensation payment costs of £73k arising from this decision.
- 2.10 **PENSIONS:** The pension budgets are expected to overspend by £199k. £108k of this relates to ill health retirement charges, which are unpredictable and usually of a material amount. £66k relates to pension strain charges relating to compulsory redundancies, and £12k relates to compensation payments arising from cat 2 immediate detriment cases. This is expected to be refunded by the Government once proper McCloud remedy processes are in place, but this is expected to take some time. The remaining £14k relates to injury allowances and other pensions funded from revenue.
- 2.11 **PREMISES:** Overall premises related costs are expected to underspend by £91k. This is largely due to an estimated underspend of £81k relating to the electricity budget. Whilst electricity expenditure is expected to be 62% higher than 2021/22, it has not increased in line with budgeted assumptions.
- 2.12 **TRANSPORT COSTS:** transport costs are expected to overspend by £406k. This includes the following significant variances:
- Fleet maintenance is expected to overspend by £110k. This is due to increased maintenance costs and an ageing fleet. The capital replacement programme for vehicles will help to reduce unplanned maintenance costs in the future. The internal audit report on fleet maintenance (included elsewhere on this agenda) provided reasonable assurances around monitoring the fleet maintenance contract but recognised that this could be improved and budgeting needs to more accurately reflect anticipated costs.
 - The fuel budget is expected to overspend by £327k. The cost of diesel has increased significantly since the budget was set. There has also been an increase in the amount of fuel being used by the Police (the resulting increase in recharge income is detailed in paragraph 2.14). However, diesel prices have decreased in recent months, from around 154p per litre in October to around 123p per litre in February. This accounts for the decrease in estimated costs detailed in paragraph 2.3.
 - The budget for vehicle insurance is underspending by £48k due to savings arising from the retendering of the contract.
- 2.13 **SUPPLIES AND SERVICES:** there is a forecast overspend of £96k for supplies and services. The includes the following significant variances:
- There is an £72k overspend on insurance premiums (excluding premise and vehicle insurance). This overspend has been caused in part by an increase in the cost of cyber security premiums and a transfer of £40k from the budget to fund new cyber security software.

- Computer maintenance contracts are expected to overspend by £73k due to an increase in the cost of licences for the payroll and HR system.
- The budget for Firelink contract charges is expected to overspend by £55k. £35k of this is due to inflation. The budget assumed that charges would increase by 3% but the increase was actually in excess of 8%. The remaining £20k relates to additional charges that are expected due to high levels of radio usage during the exceptionally busy period in the summer months.
- The budget for partnership working is expected to underspend by £33k. Funding that was added to the budget to support the ESN Dimetra Communications Service remains unspent due to delays to the project.

2.14 **SALES, FEES AND CHARGES:** there is an expected surplus of £93k. This relates to recovered costs and is largely a result of an increase in the amount recharged to the Police for fuel usage.

2.15 **OTHER INCOME:** there is an expected surplus of £493k. The significant variances in this category are as follows:

- There is a forecast surplus of £180k relating to the apprenticeship levy income. Whilst the Service has to demonstrate that it does not profit from the receipt of income from the levy, the majority of the costs associated with delivering the training are already accounted for in the revenue budget (e.g. the salaries of the training staff). This income therefore represents a budgetary surplus.
- There is a £75k surplus relating to council tax collection due to an adjustment to the collection fund made by one of the billing authorities.
- There is an estimated surplus of £164k relating to interest receivable. Capital slippage means that surplus cash balances can be invested for longer, and interest rates have risen as a result of the recent increases in the Bank of England base rate.
- There is an estimated surplus of £54k relating to secondment income, as a result of secondments that have been agreed during the year and were therefore not included in the budget.
- There is an estimated deficit of £37k relating to non-specific government grant income, as the budgeted amounts for council tax and business rates guarantee funding were higher than the amounts actually received.
- There is an estimated surplus of £57k relating to revenue grants. The amount of Firelink grant allocated to the Service has been less than expected. However, the Service has received £147k in additional grant funding for Fire Protection. Medium term plans to spend this grant have been agreed with the National Fire Chiefs Council. Approval is sought to

carry forward the Fire Protection grant balance at year end in earmarked reserves in order to fund these plans (see also paragraph 2.2).

- 2.16 **CAPITAL FINANCING COSTS:** there is an expected underspend of £97k. This is largely due a forecasted underspend of £269k in the minimum revenue provision budget. This underspend is partly caused by a decision in 2021/22 to fund £400k of the ICT equipment from revenue rather than from the capital budget, and partly caused by slippage in the 2021/22 capital programme. Finally, the budget for interest payable is expected to overspend by £22k due to rises in interest rates.

RESERVES

- 2.17 Details of the use of reserves during 2022/23 can be found in Appendix B.
- 2.18 Expected levels of reserves at 31 March 2023 are £10.2m as detailed in Table 3 below.

Table 3 – Anticipated Movement in Reserves 2022/23

Reserves	Balance 01/04/22 £'000	Anticipated Use 2022/23 £'000	Expected Balance 31/03/23 £'000
Net contributions from earmarked reserves	4,739	(278)	4,461
General Fund	5,191	469	5,660
Total	9,930	191	10,121
ESMCP¹ Regional Reserve	114	(13)	101
Total	10,044	178	10,222

¹ Emergency Services Mobile Communications Programme

- 2.19 The Emergency Services Mobile Communications Programme (ESMCP) regional reserve has been shown separately to those reserves held by the Authority to reflect that the funds are to be allocated regionally and do not belong to Nottinghamshire Fire and Rescue Service (NFRS).
- 2.20 The general reserve is predicted to be £5.7m at the end of the financial year, which is above the minimum level of £4.5m general fund reserve agreed by Fire Authority in December 2022.

CAPITAL PROGRAMME

- 2.21 The 2022/23 Capital Programme approved by Fire Authority in February 2022 was £3.909m. The programme has since been amended to take account of approved slippage from 2021/22 £3.399m, scheme changes £383k and some slippage into 2023/24 (£3.096m), taking the programme value up to £4.595m. The total capital spend to date is £2.018m. The current capital programme is shown at Appendix C. The forecasted outturn for 2022/23 is £3.133m. The most significant areas of variances are detailed below.

ICT

- 2.22 The ICT programme includes replacement equipment and software and supports specific schemes which underpin the Community Risk Management Plan (CRMP). Overall spend has been slower than originally anticipated due to vacancies within the ICT team. Whilst spend is expected to pick up as the year progresses there may be some slippage into 2023/24.
- 2.23 The Business Process Automation project is underway, and it is estimated that £30k will be spent this year. It is anticipated that this will be used in conjunction with the Futures 25 project for improvement on ICT, if the budget is underspent there will be a requirement to slip the budget into 2023/24.
- 2.24 Mobile Computing project £48k is for the purchase of the Surfaces Go's for the appliances and these have yet to be purchased as this project is dependent on the outcome of the Mobile Data Terminals. The budget will not be spent this financial year and it is requested that £48k be slipped into 2023/24.
- 2.25 HQ Link ICT Replacement budget of £90k. All connections that were planned have now been completed, some of the costs have been incurred within the Joint Headquarters budget. There may be further connections needing to be carried out between Joint Headquarters and Highfields although this project is still to be evaluated. It is anticipated that the remaining budget of £50k will be required to be slipped at year end.
- 2.26 The SharePoint project is now complete and within budget.
- 2.27 The National Emergency Services Network programme has been effectively paused by Central Government, although some local work on system coverage is still progressing. The Grant from the DCLG (ESN) £41k, Tri Service Control Project £144k, Emergency Services Mobile Communications £100k and Airwave Mobilising System DCRS £60k will be reviewed and requested to slip at year end pending a decision on the project.
- 2.28 Replacement Equipment £200k - to date £90k has been spent on equipment within the organisation, however offsetting these costs is an accrual for equipment that was purchased during 2021/22. This will not be adjusted for, and an assessment will be taken at year end for the approval of any required slippage into 2023/24.
- 2.29 Cloud Migration, this project is on track to move all our systems to the cloud before Bestwood Lodge is sold. Many systems have already been migrated: iTrent, Tranman, Agresso, Teams Telephony and Tri-Service data routing, SQL servers, CFRMIS, Active Directory authentication, backup, storage and security. Further work will be done by the end of the financial year to get the Incident Recording System into the cloud. A forecast outturn of £50k is expected at this stage, leaving an £87k underspend.

- 2.30 The Rostering project is expected to be completed by March 2023, with some staff training and testing on the mobilising system still to be completed. The project is forecasted to overspend. This will mostly be funded from the Rostering Project earmarked reserve (currently £27k) but there may be a need for a small amount of funding from underspends elsewhere in the capital programme once the final position is known at the end of the year.
- 2.31 CFRMIS (Community Fire Risk Management Information System) – These 2 projects are still in the scoping stage due to priorities of other projects. Work is planned to commence in the later part of year, it is forecasted the spending will commence in the new year on the 2 projects, therefore it is requested that the remaining £100k is slipped into 2023/24.
- 2.32 The Cyber Security project is underway on the implementation of a Network Access Solution to restrict access to the NFRS network. A consultant will be appointed in the new financial year to implement the system and slippage of the remaining budget is into 2023/24 is expected at year end.
- 2.33 HQ Core Switch Upgrade and Upgrade of Switches. The HQ switch upgrade project has been completed, recycling some equipment and some costs being incurred in the Joint Headquarters project has resulted in lower than anticipated cost to the projects. It is anticipated that an additional £53k will be spent this year on the Estate wide upgrade. It is anticipated that over the 2 projects £97k will no longer be required.
- 2.34 Tri Service Mobilisation Infrastructure £40k is for the purchase of hardware and Derbyshire Fire and Rescue will recharge for this at year end, if the budget is not used it will be requested to be slipped into 2023/24.
- 2.35 MDT Replacement - This budget will purchase the Mobile Data Terminals (Hardware) in the appliances, these are expected to be purchased this financial year at a cost of £35k, the slippage will be requested to be approved at the end of the year.
- 2.36 The Occupational health project was completed in December 2022 and the outturn is anticipated at £25k, the remaining of £18k is not required.

ESTATES

- 2.37 Phase 4 of the Joint Headquarters project (alterations and refurbishment of the existing buildings) is now complete, all departments have relocated from Bestwood Lodge into JHQ with only some equipment and the ICT servers remaining at the old HQ. These are planned to be relocated early in the new year. It is likely the overall project budget will be overspent in the region of £500k on completion, largely due to the tender for phase 4 works being higher than originally estimated at the commencement of the project. The Service's contribution is capped at £3.461m. A £150k revenue contribution to fund a change in scope was approved by Finance and Resources Committee in October 22.

- 2.38 Worksop Station was opened in May 2022. The final account has now been agreed. The sale of the former station is complete and was reported to Finance and Resources Committee separately. The retention of £85k and additional costs of £32k are still outstanding and will represent an overspend when they are paid in 2023/24. It is requested that £117k of the budgets identified as no longer required in this report be approved to be used to finance these costs in 2023/24.
- 2.39 Eastwood Station - This project was initially planned to be a joint Fire and Ambulance Station but it has now been placed on hold following the withdrawal of EMAS from the project on cost grounds.
- 2.40 The Command Training Suite at Mansfield Fire Station is officially open. The new facilities include an office space and control room to facilitate the incident command simulated scenarios, as well as four training rooms to enable their delivery. These four training rooms can be opened into one larger area, to allow the Service to host multi-agency meetings in the event of a major incident, or training events with partners. An earmarked Reserve of £175k has been used to part fund this project.
- 2.41 Newark Fire Station - this project is now complete and the remaining budget of £10k is not required.
- 2.42 Property Capital Programme - a review of future property capital projects is underway with the emphasis on accessibility and inclusion across the estate rather than replacing aging fire stations. Additional to the programme will be a review and potential upgrade of the services centralised training facilities at Service Delivery Centre Ollerton and a programme towards decarbonisation of the Service's Estate. The capital programme for future years has been approved as part of the budget process for 2023/24.

EQUIPMENT

- 2.43 Replacement Duty Rig – trials are now taking place to finalise the specification of replacement uniform. The order is anticipated to be placed before the end of the year. A review of the project has taken place during the budget process for 2023/24 and due to lead times and budget pressures the project will now be phased over 2023/24, 2024/25 and 2025/26. The budget has been built into future years and the £250k in 2022/23 is no longer required.
- 2.44 Foam Branches – The specification has been drawn up and the tender process completed. The tender came in under budget at £40k. The project is anticipated to be completed by the end of the financial year with an underspend of £30k.
- 2.45 The Fire Gloves project was approved July 2021 and is now complete. The expenditure in 2022/23 will be met from the Fire Gloves Earmarked Reserve.
- 2.46 The Water Rescue project - the procurement of the thermal base layers, water / flood rescue boots and helmet lights is now complete (£106k). The remaining

budget of £50k is for the procurement of the water rescue poles. This is expected to be completed by the end of the financial year, it is anticipated that the forecast outturn will be £30k giving an underspend of £20k.

- 2.47 The service has identified an opportunity to extend the life of current Breathing Apparatus (BA) by up to 10 years by replacing the reducer connection between the BA set and the BA cylinder. This is an invest to save scheme. The cost of the project is estimated to be £50k. It is requested that this project be added to the 2023/24 capital programme and that it is funded from 2022/23 underspends.

TRANSPORT

- 2.48 The Fleet Replacement programme reflects current and future expected demand for vehicles.
- 2.49 £192k of the £212k is no longer required as there is adequate provision in the 2023/24 light vehicle budget to cover all required purchases. The remaining £20k relates to the costs of fitting out the electric vans. This budget is requested to be slipped into 2023/24 when the work will be undertaken.

PRUDENTIAL CODE MONITORING

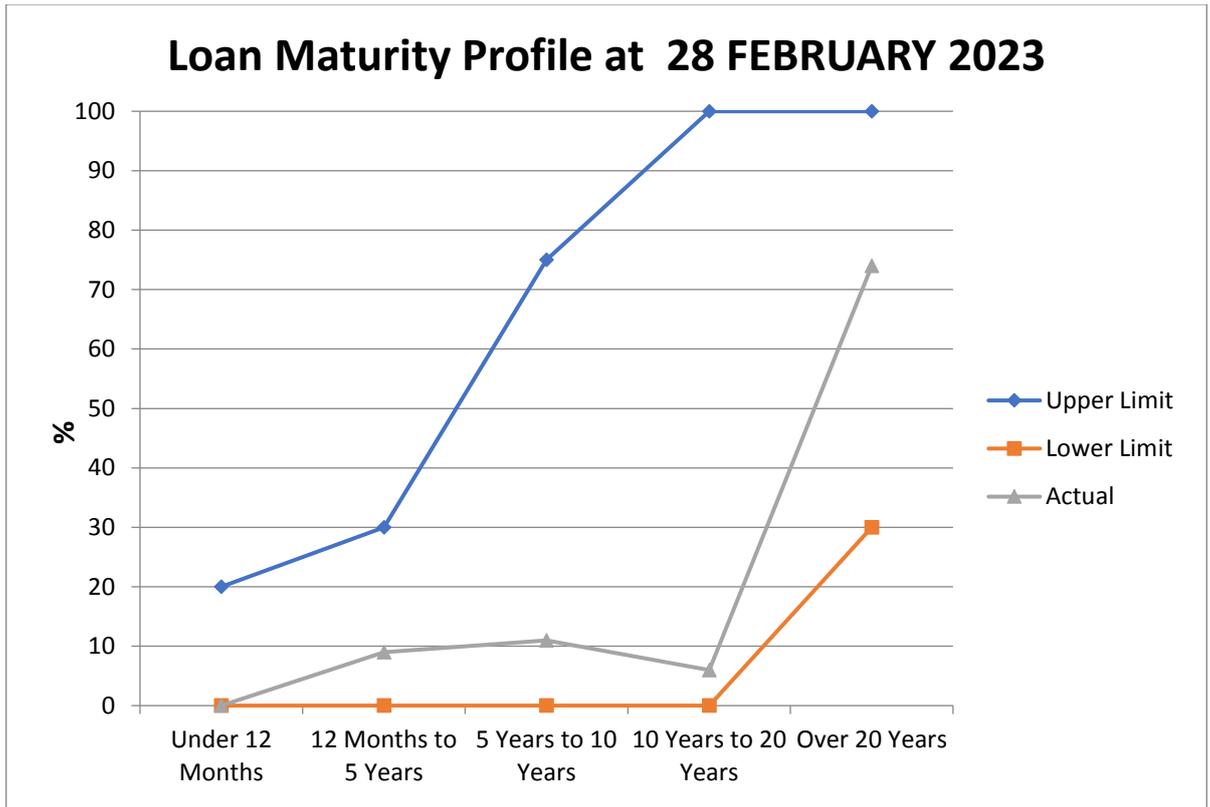
- 2.50 The Fire Authority approved the prudential indicators for 2022/23 at its meeting on 25 February 2022. The Prudential Code requires that performance against these indicators is reported to Members.
- 2.51 The approved indicators along with performance as of 28 February 2023 are shown in the table below. There are some indicators which cannot be calculated until the year end expenditure is known.

Table 4 - Prudential Code Monitoring

Prudential Indicator	Approved Indicator	As of 28 February 2023
Estimate of Ratio of Financing Costs to Net Revenue Stream	5.6%	Year End Only
Estimate of Total Capital Expenditure to be Incurred	£3,909,000	Year End Only
Actual Borrowing		£32,906,000
Estimate of Capital Financing Requirement	£34,526,000	£34,526,000
Operational Boundary	£36,907,000	£36,907,000
Authorised Limit	£40,598,000	£40,598,000
Upper limit for fixed rate interest exposures	100%	100%
Upper limit for variable rate interest exposures	30%	30%
Loan Maturity:	<u>Limits:</u>	
Under 12 months	Upper 20% Lower 0%	See Graph
12 months to 5 years	Upper 30% Lower 0%	See Graph
5 years to 10 years	Upper 75% Lower 0%	See Graph
Over 10 years	Upper 100% Lower 0%	See Graph
Over 20 years	Upper 100% Lower 30%	See Graph
Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000	0
Upper limit for internal borrowing as a % of the Capital Financing Requirement	20%	12.35%

2.52 The total borrowing at the end of February 2023 was £32.9m. This is within the estimates for the Capital Financing Requirement and the Operational and Authorised Limits set out in Table 4. The Authority should ensure that gross debt does not, except in the short term, exceed the total capital financing requirement in the preceding year plus the estimate of any additional capital financing requirement for the current and next two financial years. The Service will be undertaking a review of the long-term capital programme in the coming months to ensure it best meets the needs of the Community Risk Management Plan and ensures the long-term sustainability of the Authorities resources.

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



2.54 Investments as of 28 February 2023 totalled £12m. Investment rates are monitored by the benchmarking group supported by Link Asset Services. There are fourteen organisations within the group, including district councils, city councils and police and crime commissioners. As at the end of December 2022, NFRS weighted average rate of return was 1.91%, compared with a group average of 2.98%.

3. FINANCIAL IMPLICATIONS

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

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report. Some of the efficiency targets will have had staffing implications which were considered as part of the decision-making process at the time.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service. Its purpose is to explain variances to the approved budget which reflects existing policies.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure, as are the management actions which are stimulated by such reporting.

9. COLLABORATION IMPLICATIONS

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

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Approve the transfer of the £147k fire protection grant to earmarked reserves (Sections 2.2 & 2.15).
- 10.2 Approve the creation of a £300k earmarked reserve for the replacement mobilisation system project (Section 2.4).
- 10.3 To approve £285k of slippage to the capital programme as detailed in Table 5 below.

Table 5 – Request for Approval of Slippage to 2023/24

Capital Project	Amount to be slipped to 2023/24 £'000	Section
Mobile Computing (Surface Go's for the Appliances)	48	2.24
Community Fire Risk Management Information	100	2.31
Worksop Fire Station retention	117	2.38
Light Vehicles	20	2.50
Total	285	

- 10.4 Note the capital programme underspends detailed in Table 6.
- 10.5 Approve the reallocation of £117k from this underspend to fund the retention and other costs of £117k for Worksop Station.
- 10.6 Approve the addition of a new £50k 2023/24 project to extend the life of existing Breathing Apparatus, to be funded from the 2022/23 underspends.

Table 6 – Capital Budget Underspends and Reallocations 2022/23

	Underspend 2022/23 £'000	Section
Cloud Migration	87	2.29
Switch Upgrades	97	2.33
Occupational Health - ICT Capital	18	2.36
Newark Fire Station	10	2.41
Replacement Duty Rig	250	2.43
Foam Branches	30	2.44
Water Rescue	20	2.46
Light Vehicles	192	2.49
Reallocation to Worksop Station	(117)	2.38
Reallocation to Breathing Apparatus 2023/24 project	(50)	2.47
Total	537	

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

None.

Craig Parkin
CHIEF FIRE OFFICER

APPENDIX A

**REVENUE BUDGET MONITORING POSITION
AS AT 31 JANUARY 2023**

Budget Area	Annual Budget £'000	Revised Budget £'000	Exp to Date £'000	Forecast Outturn £'000	(Under) / Over Spend Against Revised budget £'000
Employees	37,150	37,116	29,258	36,836	(280)
Premises	3,346	3,466	2,310	3,374	(92)
Transport	1,766	1,817	1,806	2,223	406
Supplies & Services	3,945	4,000	3,016	4,096	96
Third Party	908	908	438	946	38
Support Services	166	166	30	166	0
Capital Financing Costs	2,761	2,895	2,477	2,798	(97)
Fees and Charges	(374)	(409)	(265)	(503)	(94)
Other Income	(3,662)	(3,662)	(3,153)	(4,154)	(492)
Net Cost	46,006	46,297	35,917	45,782	(515)
Financed by:					
Revenue Support Grant	(5,619)	(5,619)	(4,937)	(5,619)	0
Non-Domestic Rates	(9,602)	(9,602)	(7,972)	(9,602)	0
Council Tax	(27,692)	(27,692)	(22,154)	(27,692)	0
Pension Grant	(2,340)	(2,340)	(2,340)	(2,340)	0
Business Rates Covid Relief Grant	(600)	(600)	0	(707)	(107)
Earmarked Reserves	0	(291)	(291)	(291)	0
General Reserve	(153)	(153)	0	469	622
Funding Total	(46,006)	(46,297)	(37,694)	(45,782)	515
Total	0	0	(1,777)	0	0

ESTIMATED RESERVE POSITION AT 31 JANUARY 2023

Reserve	Opening Balance* 01/4/22 £'000	Movement During 2022/23 £'000	Closing Balance 31/3/23 £'000
Resilience Crewing and Training	36	(1)	35
Prevention Protection and Partnerships	245	(103)	142
Business Systems Development	59	0	59
Transformation and Collaboration	553	(217)	336
Operational	444	36	480
Covid-19	30	(12)	18
ESN Reserve	1,244	(243)	1,001
Headquarters move	50	(3)	47
Budget Pressure Support	936	190	1,126
Efficiency Programme	900	0	900
Other	356	0	356
Estates	0	62	62
Total	4,853	(291)	4,562
General Reserve	5,191	469	5,660
Total Reserves	10,044	(232)	10,222

*Provisional opening balance figures

APPENDIX C

CAPITAL - BUDGET MONITORING REPORT – January 2023

CAPITAL PROGRAMME	Approved Budget 2022/23	Total Approved Changes 2022/23	Revised Budget 2022/23	Total Spend January 2023	(Under)/ Over Budget	Estimated Outturn to the end of January 2023	Outturn Variance
ICT & COMMUNICATIONS							
Business Process Automation	40		40	2	-38	30	-10
Mobile Computing	30	18	48		-48		-48
HQ - Link ICT Replacement	30	60	90	39	-51	40	-50
ICT SharePoint Internet/Intranet	20		20	7	-13	20	
ESMCP Grant from DCLG (ESN)		41	41		-41		-41
Tri-Service Control Project		144	144	-9	-153		-144
Replacement Equipment	200	16	216	-3	-219	216	
HQ Project - Cloud Migration Work		137	137	14	-123	50	-87
Emergency Services Mobile Communication Programme ESN		100	100		-100		-100
Rostering Project - ICT Capital		188	188	194	6	225	37
CFRMIS Quick Screens	100	-50	50		-50		-50
CFRMIS OLS (Accessibility for WEB/API Referrals)	150	-100	50		-50		-50
Cyber Security	75	-45	30	9	-21	30	
HQ Core Switch upgrade	50		50		-50		-50
Upgrade of Switches - Estate Wide	100		100		-100	53	-47
Airwave - Mobilisation system DCS	60		60		-60		-60
Tri Service Mobilisation Infrastructure Replacement	40		40		-40	40	
MDT Replacement Project	80		80		-80	35	-45
HQ Occupational Health		43	43		-43	25	-18
Occupational Health - ICT Capital				15	15		
Sub Total - ICT & COMMUNICATIONS	975	552	1,527	269	-1,258	764	-763
ESTATES							
Joint Headquarters Project	199	821	1,020	651	-369	1,020	
Workshop Station	292	394	686	611	-75	686	
Command Training Suite	450	175	625	345	-280	450	-175
Newark Fire Station		10	10		-10		-10
Eastwood Fire Station		1	1	2	1		-1
Sub Total - ESTATES	941	1,401	2,342	1,609	-733	2,156	-186
EQUIPMENT							
Replacement Duty Rig	250		250		-250		-250
Foam Branches	70		70		-70	40	-30
Water Rescue - Capital	50	106	156	103	-53	136	-20
Fire Gloves	-	37	37	37		37	-
Nilo		14	14		-14		-14
Sub Total - EQUIPMENT	370	143	513	140	-373	213	-300
TRANSPORT							
Vans & Other Light Vehicles	158	54	212		-212		-212
Rescue Pumps	840	-840					
Special Appliances	625	-625					
Sub Total - TRANSPORT	1,623	-1,411	212		-212		-212
Total	3,909	686	4,595	2,018	-2,576	3,133	-1,462

TO BE FINANCED BY	Actual	Estimated Outturn
Revenue contributions to capital		
And EMR	383	383
Capital Grant (NULO)	13	13
Internal Financing	1,622	2,737
Total	<u>2,018</u>	<u>3,133</u>