



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

**Minutes of the meeting held at Joint Fire / Police HQ, Sherwood Lodge, Arnold,  
Nottingham, NG5 8PP on 31 March 2023 from 10.01 am - 10.49 am**

### **Membership**

#### Present

Councillor John Clarke MBE (Chair)  
Councillor Callum Bailey  
Councillor Sybil Fielding  
Councillor Nicola Heaton  
Councillor Mike Quigley MBE  
Councillor Roger Upton  
Councillor Patience Uloma Ifediora (substitute)

#### Absent

Councillor Steve Battlemuch

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

Craig Parkin – Chief Fire Officer  
Becky Smeathers - Head of Finance and Treasurer to the Authority  
Matt Reavill - Corporate Risk management  
Catherine Ziane-Pryor – Governance Officer

### **26 Apologies for Absence**

Councillor Steve Battlemuch, Councillor Patience Uloma Ifediora substituting.

### **27 Declarations of Interests**

None.

### **28 Minutes**

The minutes of the meeting held on 20 January 2023 were confirmed as a true record and signed by the Chair.

### **29 Revenue, Capital and Prudential Code Monitoring Report to January 2023**

Becky Smeathers, Head of Finance and Treasurer to the Authority, presented the report which informs members on the 2022/23 financial performance of the Service and Prudential Code monitoring to the end of January 2023.

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

- a) Further to the report submitted to the last meeting there have been significant changes, which are set out in table 1 of the report, and present a £515k underspend against the revised budget of £46.297m:
- b) This level of underspend is significant, especially when taking into consideration the 7% pay settlement and the resulting impact on the Service;
- c) Table 2 of the report sets out the financial variances since last reported to the committee in January 2023. This identifies an additional £147k, which includes grant funding for a Fire Protection Officer, but the Service is struggling to recruit to the post, due to a national shortage. As a result, this figure is likely to be moved into next year's budget;
- d) A significant number of vacancies has resulted in underspend and is contributed to by the reduction of 12 posts since the last report;
- e) There has also been an underspend on anticipated over time of £206k;
- f) The decrease in energy and fuel prices against the predicted cost, has provided an underspend of approximately £182k;
- g) It is proposed that a new £300k earmarked reserve for the Replacement of the Mobilising System is created using the surplus business rates relief grant and £193k of the revenue underspend. Since Leicestershire Fire rescue service have withdrawn from the initially proposed tri-service purchasing agreement, cost to both Nottinghamshire and Derbyshire will increase;
- h) There is an anticipated £180k of income from the apprenticeship levy, which is built into the budget;
- i) Due to significantly increased interest rates, investments have generated £164k as at the time the budget was set interest rates were anticipated at only 0.5%, and have risen to 3.5%;
- j) Table 1 of the report sets out the estimated movement in reserves during this financial year, and it is noted that any underspend will feed through and support next year's general fund reserve and budget setting for 2024/25;
- k) There are some minor adjustments to projects within the capital programme due to delays and issues around the supply chains, along with access to and rising cost of parts, most specifically regarding vehicles;
- l) Table 5 of the report sets out slippage, for which approval is sought, along with the proposed reallocation of capital budget underspend;
- m) It is proposed that £117k of the underspend is reallocated to Worksop Fire Station where there has been an increase in costs and retention costs, and that £50k is

allocated to extending the life of breathing apparatus by 10 years by the replacement of the valves;

- n) The original overtime and basic pay costs budget was expected to overspend following increased activity during the hot summer. However, on-call turnouts has dropped by 25% since then which has resulted in an underspend position. ,;
- o) The Service maintains a 10 year rolling capital programme, but the budgets report only anticipates the next four years ahead as future funding is unknown, and may change. Equipment and vehicles have been prioritised within the 10 year capital programme, and whilst the estates program was temporarily paused, in the current circumstances it is anticipated that it will be possible to provide more accurate future projections for next year’s estate budget setting;
- p) Within the estates capital programme, progress of the training school capital bid has been delayed until the Service can be sure that the project can be met within a financially stable model;
- q) Although major capital projects may have been paused as part of the proportional approach to potential available funds, the Service still strives to be considered by HMICF&RS as outstanding, which will require environmental investments around estate, whilst maintaining focus on the commitments to communities in the community risk management plan.

Members welcomed the healthier financial position of the Service compared to only a few months ago, but reiterated the importance of having a longer term view of the funding settlement from Central Government to better enable financial planning.

**Resolved to:**

- 1) **approve the transfer of the £147k fire protection grant to earmarked reserves (as set out in sections 2.2 & 2.15 of the report);**
- 2) **approve the creation of a £300k earmarked reserve for the replacement mobilisation system project (as set out in section 2.4 of the report);**
- 3) **approve £285k of slippage to the capital programme as detailed in the table below.**

<b>Capital Project - Request for Approval of Slippage to 2023/24</b>	<b>Amount to be slipped to 2023/24 £'000</b>
<b>Mobile Computing (Surface Go’s for the Appliances)</b>	<b>48</b>
<b>Community Fire Risk Management Information</b>	<b>100</b>
<b>Worksop Fire Station retention</b>	<b>117</b>
<b>Light Vehicles</b>	<b>20</b>
<b>Total</b>	<b>285</b>

- 4) **note the capital programme underspends detailed in the table below:**

- 5) **approve the reallocation of £117k from this underspend to fund the retention and other costs of £117k for Worksop Station;**
- 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.**

<b>Capital Budget Underspends and Reallocations 2022/23</b>	<b>Underspend 2022/23 £'000</b>
<b>Cloud Migration</b>	<b>87</b>
<b>Switch Upgrades</b>	<b>97</b>
<b>Occupational Health - ICT Capital</b>	<b>18</b>
<b>Newark Fire Station</b>	<b>10</b>
<b>Replacement Duty Rig</b>	<b>250</b>
<b>Foam Branches</b>	<b>30</b>
<b>Water Rescue</b>	<b>20</b>
<b>Light Vehicles</b>	<b>192</b>
<b>Reallocation to Worksop Station</b>	<b>(117)</b>
<b>Reallocation to Breathing Apparatus 2023/24 project</b>	<b>(50)</b>
<b>Total</b>	<b>537</b>

### **30 Internal Audit Report 2021/22 Update**

Becky Smeathers, Head of Finance and Treasurer to the Authority, presented the report which provides the committee with an update on progress against the annual audit plan 2022/23.

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

- a) Four audit reports have been completed, one has been postponed to next year, and another three are in progress;
- b) Auditing of performance management had previously been a struggle but now the team is resourced appropriately, significant progress has been made, with 'reasonable' assurance issued and nine recommendations made;
- c) Fleet maintenance received a 'reasonable' assurance, with two priority one recommendations made which are being addressed. It had been a struggle to keep within the budgets in this area;
- d) Asset disposal was awarded 'limited' assurance last year, so the team worked hard and this too has now been issued as 'reasonable' assurance, with work ongoing in some areas;
- e) Budget management was issued with substantial assurance as risk levels have lowered. Regular reports are received by the Strategic Leadership Team and reported back;

- f) With regard to managing the asset register, particularly regarding ICT and people moving more towards home working, the move from the old HQ provided an opportunity for asset clearance, which included the disabling of devices to be disposed of and reducing the risk of any data breaches. Members concerns regarding the detailed ICT asset register will be reported back to the ICT team;
- g) Members should be assured that all assets are included on the register and have an allocated assets number. This register included for inspection by internal audit colleagues. It is recognised that ICT colleagues to maintain strict asset controls.

**Resolved to note the report.**

### **31 Corporate Risk Management**

Matt Reavill, Head of Corporate Risk and Assurance, presented the report which will continue to be brought to the committee on a regular basis for monitoring and scrutiny, following members concerns at the high number of high-level risks identified.

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

- a) Since the initial report of concern was presented to the committee, the 6 very high risks have now reduced to 3, mainly due to many external factors, including the risk of industrial action, which has reduced now that the pay of the has been accepted;
- b) The current 'very high' risks are summarised within the report and updated as follows:
  - i. Inability to set a balanced budget– this risk has eased, but the Authority has had to use reserves to achieved a balanced budget within this year next year and onwards;
  - ii. firefighter pension scheme -there is still some uncertainty and no further update on the legal case;
  - iii. mobilising -this is a complex issue, although the risk of strike has subsided, there is a continuing risk around implementation of the new mobilising system which includes an increased financial risk now that Leicestershire have withdrawn from the project;
- c) Risk 15, reputation, is a new area of risk and has emerged following reports of inappropriate cultural behaviours within some specific Fire and Rescue Services and the publication of the HMICFRS report on culture within the fire and rescue service. The Service continues work in line with the Community Risk Management Plan's (CRMP) commitment to 'support and develop our workforce and promote an inclusive culture'. From the staff survey, 12% of respondents said that they had felt bullied and/or harassed in some way at some time. Work is ongoing to ensure that this behaviour is addressed by way of an an action plan to ensure some of the sector's cultural improvement areas identified are implemented. There is concern that with a negative impact on reputation, this may result in citizens feeling less

comfortable with firefighters in the homes, so this behaviour must stop and citizens be reassured;

- d) It is intended to de-escalate some levels of risk, re-examine the threshold of the medium and above risks, and propose that only risks above the medium level are put before the committee, with all lower level risks dealt with departmentally;
- e) It is noted that the Emergency Services Network development is not on the risk register as progress has been paused nationally for the past two years;
- f) The risk level summary table within the report is to be amended to remove the very high risk rating for 'availability of resources', which is listed correctly as medium risk;
- g) Where identified, risks are incorporated into the CRMP.

Members welcomed:

- h) The committee's future focus on only very high, high and medium risk areas for monitoring and scrutiny;
- i) The work to eradicate any culture within the Service which could have a negative impact on staff, the Services' reputation with citizens, and following on from that, the confidence that citizens may have in the Service which could restrict the Service's protection, prevention and rescue work.

### **Resolved**

- 1) **to endorse the Service's approach to managing the key risks to the Authority;**
- 2) **to note the most recent version of the Corporate Risk Register (attached at Appendix A to the report) specifically the risk area of Mobilising, Budgets and Pensions that are rated as 'very high' and new risk area of Service Reputation;**
- 3) **to approve the removal of the following risk areas from the CRR and endorse these risks will now be monitored at departmental level:**
  - **Emergency Services Network**
  - **Legal Knowledge**
  - **Programme Governance**
  - **Environmental;**
- 4) **to approve that the corporate risk management report returns to a six-monthly reporting frequency following the de-escalation of three areas of risk previously reporting as 'very high'.**