



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

FINANCE AND RESOURCES COMMITTEE

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge,
Arnold Nottingham NG5 8PD on 27 April 2018 from 10.00am - 10.50am**

Membership

Present

Councillor Malcolm Wood (Chair)

Councillor John Clarke

Councillor Brian Grocock

Councillor Francis Purdue-Horan

Councillor Mike Quigley MBE

Absent

Colleagues, partners and others in attendance:

John Buckley	- Chief Fire Officer
Charlotte Radford	- Treasurer to the Authority
Becky Smeathers	- Head of Finance
Andrew Cardoza	- Director of KPMG LGG External Auditors
Ian Pritchard	- Head of Procurement and Resources
Catherine Ziane-Pryor	- Governance Officer

30 APOLOGIES FOR ABSENCE

None.

31 DECLARATIONS OF INTERESTS

Although no declarations were made at the time this item was considered, during item 9, 'Worksop Fire Station Collaboration Project', minute 38, it became apparent to Councillor Mike Quigley MBE, that he should declare an interest insofar as he is a member of Bassetlaw District Council. He did not consider this to be significant enough to preclude him from speaking or voting on the item.

32 MINUTES

The minutes of the meeting held on 19 January 2018 were confirmed as a true record and signed by the Chair.

33 COUNTER FRAUD, MONEY LAUNDERING, CORRUPTION AND BRIBERY POLICY

Becky Smeathers, Head of Finance, presented the report which does not propose any major amendments to the Counter Fraud, Money Laundering, Corruption and Bribery Policy, other than an additional section on anti-bribery.

It is recognised that finance, including banking, payroll, procurement and petty cash, is a high-risk area for potential abuse, but that Committee members should be assured that procedures and controls are embedded and that staff are aware of their responsibilities and what to do if they encounter or suspect fraudulent behaviour.

The policy will be communicated to finance based staff via team meetings and, following the 28-day consultation period, if no amendments are to be made, the policy will be issued to all staff as a briefing note. Any material changes resulting from the consultation exercise will be reported back to Finance and Resources Committee.

It is noted that with regard to gifts and hospitality, the current registerable value is £25, but a proposal will be submitted to the next Fire and Rescue Authority Meeting for this to be reduced to £10.

RESOLVED to approve the 28-day consultation on Counter Fraud, Money Laundering, Corruption and Bribery Policy and subsequent implementation.

34 PRUDENTIAL CODE MONITORING REPORT TO MARCH 2018

Becky Smeathers, Head of Finance, presented the report of the Treasurer which covers the final year quarter of 2017/18.

It is noted that the following information is outstanding but will be available for the 2017/18 Treasury Management report to full Fire Authority:

- (i) ratio of financing costs to net revenue stream 2017/18 (affordability);
- (ii) incremental impact of capital investment decisions on Council Tax 2017/18 (affordability);
- (iii) total capital expenditure 2017/18;
- (iv) Capital Financing Requirement as at 31 March 2018.

As per previous reports, there is nothing detrimental to report to the Committee and whilst previously the Authority has not found it necessary to borrow funds, £2m was borrowed during December/January.

RESOLVED to note the report.

35 REVENUE AND CAPITAL MONITORING REPORT TO 28 FEBRUARY 2018

Becky Smeathers, Head of Finance, presented the report which covers the period of 2017/18 up to 28 February 2018, with contributions from John Buckley, Chief Fire Officer.

Whilst full details are provided within the report, the following points were highlighted and member's questions responded to:

- (a) additional expenditure of £497,000 relates to approved work funded from earmarked reserves;
- (b) variances are outlined in the report but are not considered to be of significant concern;
- (c) income was greater by £49,000 than the budget due to higher than anticipated non-domestic rates which are increasing slowly following a tough period for the high street;
- (d) budgetary provision has been made for a 2% pay settlement but if the final figure is higher, Central Government will not underwrite the difference which could be in the region of £1m which will have to be met from the Service's reserves and so is recorded as a risk;
- (e) excluding the potential additional cost of a pay settlement, £1.139m is expected to be drawn from reserves which will leave general reserves of £7.3m;
- (f) the 2017/18 capital figures cannot be finalised as not all invoices have been received;
- (g) small fleet vehicles have been delivered and will be in service shortly;
- (h) pension implications remain an on-going significant risk nationally, of which the Service is fully aware. There are several pensions available to staff and whilst currently the Service pays 11-22%, Central Government pays the deficit which has previously been in the region of £8m per year. As the Service has experienced a 25% reduction in workforce (mostly retired) there is a significant drop in contributions but an increased demand. It is anticipated that there will be a 3-4 year period before retirement rates reduce, which may provide a brief recover period.

RESOLVED to note the report.

36 EXTERNAL AUDIT PLAN 2017/18

Andrew Cardoza, Director of KPMG External Auditors, presented the External Audit Plan 2017/18 and highlighted the following points:

- (a) there haven't been any changes to the Code of Practice on Local Authority Accounting but the deadline for the production of accounts has been brought forward by 2 months from September to 31 July, which KPMG will meet;
- (b) materiality has been set at £1.25m;

- (c) there is little or no change to the accounts presented by NFRA but any variance above £62,500 identified by KPMG will be reported to the Committee;
- (d) significant risks are identified as;
 - (i) Valuation of Property, Plant and equipment (PPE);
 - (ii) Pension Liabilities;
 - (iii) Faster Close (by 2 months)
- (e) KPMG colleagues wish to thank the NFRS finance officers for their professionalism and maintaining an excellent working relationship with KPMG;
- (f) with regard to elector challenge, no issues or objections were received;
- (g) the cost of the audit remains the same as the previous year at £31,050.

John Buckley, Chief Fire Officer, informed the Committee that due to the change in account deadlines, the full Fire Authority will be asked to hold an additional meeting on 20 July 2018 to receive and sign-off the accounts.

RESOLVED to note the report.

37 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.

38 WORKSOP FIRE STATION COLLABORATION PROJECT

During consideration of this item, it became apparent to Councillor Mike Quigley that he should declare an interest, the details of which are recorded in minute 31, 'declarations of interests'. This declaration did not preclude him from speaking or voting on the item.

Ian Pritchard, Head of Procurement and Resources, presented the report of the Chief Fire Officer.

RESOLVED to approve the recommendations as set out within the report.

39 HUCKNALL AMBULANCE STATION COLLABORATION

Ian Pritchard, Head of Procurement and Resources, presented the report of the Chief Fire Officer.

RESOLVED to approve the recommendations as set out within the report.