



Environmental Working Group Activities

Finance & Resources Committee

Date: 16 October 2020

Agenda Item:

5

Submitted By: Chief Legal and Governance Officer

Purpose To inform Members of the activities of the Environmental Working Group during 2019/20.

Recommendations That Members note the report.

Summary This report provides Members with an update on the activities of the Environmental Working Group.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Activity Report

1 Introduction

- 1.1 In 2007 the Corporate Services department set up an Environmental Working Group (EWG) to discuss environmental issues as part of the continuous improvement agenda for the service. The EWG is chaired by the Senior Technical Services Manager.
- 1.2 An Environmental Policy and Conservation Guide was also introduced to promote environmental issues throughout the service.

2 Information

- 2.1 The Environmental Working Group meet on a six monthly basis and each meeting is attended by representatives from all directorates.
- 2.2 Many environmental initiatives have been introduced and the following provides an overview of the work of the Group.

- **Environmental Initiatives**

An update on the environmental issues undertaken. (See appendix)

- **WYFirespace – Environmental Initiatives section**

The Environmental Initiatives section on the internal intranet can be accessed by staff and provides an array of information on environmental issues along with minutes of the EWG meetings and reports on current initiatives.

Excellent provision of, and access to, information is evident from the recent Customer Service Excellence assessment which awarded WYFRS 'compliance plus' for making information available and easily accessible.

- **Utilities Report – 2019/20**

The Utility Report provides information on the usage of gas, water and electricity for the year 2019/20. Spreadsheets are available for all stations, Service Delivery Centre and Fire Service Headquarters showing the average consumption of electricity, gas and water, which enable stations, Service Delivery Centre and Headquarters to see at a glance the usage trend. Each station can also compare with other similar stations in order to share ideas and good practice. Any increase in usage is monitored by the District to ensure appropriate measures are introduced to reduce this.

From April 2019 to March 2020, stations and departments across the brigade have increased the use of water (+14.04%) however there has been a decrease in the use of electricity (-3.41%) and gas (-1.23%). Looking at the 'Met Office' statistics the average temperature for 2019-20 for England East and North East was 9.54°C. This is lower than the 10.16°C average temperature during 2018-19. The weather during January to March of 2020 was slightly warmer with a mean temperature of 5.60°C compared to 5.47°C over the same period in 2019. There were 38.7 frost days during 2019-20 as a whole, compared to 36.9 days in the previous year and summer period 2019 was slightly cooler than 2018.

The figures below are the actual total costs to West Yorkshire Fire and Rescue Service for the three utilities

	Actual Cost		Increase/Decrease £	Increase/Decrease %
	2019/20	2018/19		
Electric	£488,662.52	£449,523.14	£39,139.38	8.71%
Gas	£351,171.21	£299,671.62	£51,499.59	17.19%
Water	£107,311.07	£107,406.92	-£95.85	-0.09%

• Textile and Book Recycling

The textile and book recycling scheme from April 2019 to March 2020 has raised a total of **£26,625** within West Yorkshire, for The Firefighters Charity. This has been achieved by rag banks sited at:

Fire stations raising **£23,714** (108,318 kg in weight)

Schools and community sites raising **£1,639** (18,365 kg in weight)

Book banks sited at fire stations raising **£1,272** (24,930 kg in weight)

• Trade Waste Recycling

Information is maintained regarding waste paper and cardboard recycling collection from stations. It is not possible to report on the total weight recycled as most collections are not weighed. A detailed breakdown of all other trade waste is below.

Item	Quantity	Revenue/cost (£)
Tyres - Reworked	14	
Tyres - Recycled	71	
Oil filters	5 x 205 ltr drums	**
Batteries (tonnes)	1.13	621.50
Oil (litres)	1,800 ltr	**
Anti-freeze (litres)	630 ltr	**
Aerosols (kg)	2 x 205 ltr drum	**
Fluorescent light tubes (kg)	1 x LS200 Lampsafe	
WEEE Electronics in IBC	9 x IBCs	
Mixed metal (tonnes)	6.536	1,100.20
Aluminium (tonnes)	0,75	307,50

**The cost of disposals relating to Oil, Oil filters, Anti-freeze and Aerosols is included in a monthly service charge which also covers the rental of parts washers in the workshop. Unfortunately this makes it impossible to separate the individual revenue costs.

• Carbon Emissions

The table below shows the West Yorkshire Fire and Rescue Service CO₂ emissions from its usage of electricity and gas for the past ten years. The 2019-20 figures show a increase in CO₂ emissions of 1.7% from the previous year.

Year	CO₂ emissions (tonnes)
2009-10	1,786
2010-11	1,751
2011-12	1,533
2012-13	1,318
2013-14	1,256
2014-15	1,204
2015-16	1,055
2016-17	994
2017-18	864
2018-19	938
2019-20	954

- **Environmental Incidents of Note**

During 2019/20 there have been 65 Environmental Issues in relation to Incidents of Note which have had an environmental impact, and ten incidents of note. Breakdown of incidents is as follows:-

Incident Type	Total during 2019/20
Building fire	19
Gas leak	2
Smell/fumes	5
Chemical spillage	9
Explosion	1
Assist Police/other agency	5
Vehicle fire	2
Chemical fire	2
ICE – Individual Chemical Exposure	3
Assault involving corrosive materials	5
Rescue of persons from silo	1
Illicit drugs	1
Radiation	1
Moorland fire	1
Unidentified chemical/substance/powder	8

Further details of individual incidents are available to members at the meeting.

- 2.3 A paragraph relating to Environmental Implications has been added to every Authority Committee report to ensure that each report considers the effect on the environment and provides details of this impact.

3 Financial Implications

- 3.1 Many of the environmental initiatives have resulted in cost savings and donations to The Firefighters Charity.

4 Legal Implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no human resources and diversity implications associated with this report.

6 Health, Safety and Wellbeing Implications

- 6.1 The work of the Environmental Working Group seeks to ensure the wellbeing of staff and communities.

7 Environmental Implications

- 7.1 There are no environmental implications arising directly from this report although the work of the Environmental Working Group benefits the environment.

8 Your Fire and Rescue Service Priorities

This report links to the following priority:

- We will promote environmentally friendly ways of working, reduce waste and raise awareness amongst staff to both fight climate change and respond more effectively to incidents driven by extreme weather events.

9 Conclusions

- 9.1 That Members note the work of the Environmental Working Group and the environmental initiatives that have been introduced.

Appendix – Activity Update

West Yorkshire Fire and Rescue Service - Environmental initiatives during 2019/20

Environmental Working Group	Representatives from each department meet on a 6-monthly basis to look at new environmental initiatives, review current schemes and practises.
Monitoring of Energy and Water Consumption (Service-Wide)	Monitoring of Energy and Water Consumption (Service- wide) is captured weekly and commented on within the utility reports which are generated every 6 months; with the overall aim by the Authority of reducing energy and water consumption annually by 10%.
Participate in Annual Travel to Work Survey and Car Sharing Scheme	Each year local authorities and several businesses within West Yorkshire carry out an Annual Travel to Work Survey. WYFRS has participated in this since 2007. The survey results provide useful information on, travel to work activity, the impact on the environment, as well as providing year on year comparison figures. WYFRS continue to promote the West Yorkshire Travelplan Network Car Sharing scheme, which benefits both the workforce and environment.
Cycle To Work Scheme	During 2017/18 WYFRS re-introduced a cycle to work scheme, which has continued. The scheme encourages staff to keep active and healthy by cycling to work and allows staff to purchase bikes at a reduced price via a salary sacrifice scheme.
Fairtrade Scheme	<p>A Fairtrade section is available within the Environmental page on WYFirespace providing details of this initiative and ways in which WYFRS can partake</p> <p>Corporate Services continue to attend Kirklees Fairtrade Forum meetings which are held every two months.</p> <p>Fairtrade Fortnight took place throughout WYFRS between 24 February and 8 March 2020. Event packs were distributed to district offices containing posters to issue to all stations. Fairtrade was also promoted on social media to encourage staff to participate.</p> <p>Vending machines at Fire Service Headquarters include some Fairtrade product options.</p>

Recycling Initiatives

Bike Recycling	Bike Library scheme lends out refurbished bicycles to people in the Calderdale district and the Environmental Working Group report on this scheme at each meeting.
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Transport (Reduction of Emissions)

Tracking Technology	Vehicle tracking technology has been introduced to monitor vehicle use. The trackers allow Transport to monitor how the vehicle is driven (braking / acceleration), look at the efficiencies of the vehicles and monitor usage.
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Electric Vehicles Eight electric vehicle charging points have now been commissioned at Fire Service Headquarters. Eight cars on order have been delayed due to COVID19. Electric Vehicle Charging Points also installed at Killingbeck Fire Station (by Leeds City Council).

Reduction of emissions All new appliances, cars and vans are now on euro 6 emissions.

Property Refurbishments and Initiatives

Refurbishment work Moortown Fire Station, internal alterations, electrical system upgrading and improvements and introduction of LED energy efficient lighting.

Heating Efficiency Initiatives

New Heating Boilers New more efficient gas fired central heating boilers flues installed at Hunslet, Rawdon and Silsden Fire Stations and the Stores Transport Building FSHQ, to replace aged, deteriorated, defective and inefficient existing boilers.

New Build

Fire Station Construction New, modern, efficient and suitably down sized Wakefield Fire Station being constructed at the site of (and to replace) the existing District Fire Station at Brunswick Street, Wakefield, to be completed in early 2021.

Information Governance Annual Update

Finance & Resources Committee

Date: 16 October 2020

Agenda Item:

6

Submitted By: Chief Legal & Governance Officer

Purpose	To provide an annual update on the implementation of Information Governance arrangements within West Yorkshire Fire and Rescue Service (WYFRS).
Recommendations	That the contents of the report are noted.
Summary	This report provides an annual update on the implementation of Information Governance and Security arrangements throughout the Authority.

Local Government (Access to information) Act 1972

Exemption Category: N/A

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Background papers open to inspection: N/A

Annexes: N/A

1 Introduction

- 1.1 At the Management Board meeting in December 2008 it was acknowledged that the area of Information Governance (IG) needed to be addressed following high-profile cases regarding data losses and poor information sharing practices. As such, approval was given to the introduction of an Information Governance Framework and the creation of the Information Governance and Security Group (IGSG) in order to implement and maintain information governance effectively and consistently across the Authority.
- 1.2 The Management Board also realised the need to introduce a structured approach towards Information Security (IS) based on international best practice. The implementation of an Information Security Management System (ISMS) aligned to the international standard ISO 27001 was also approved at the Management Board meeting of December 2008.
- 1.3 The former Chief Fire Officer's (CFO) regional and national involvement with the Her Majesty's Government Security Policy Framework (HMG SPF) and the Fire and Rescue Service Protective Security Strategy further highlighted the need to introduce a more structured approach to the areas of information governance and information security.
- 1.4 WYFRS has taken the proactive and pragmatic decision to implement sensible and proportionate security measures aligned to the HMG SPF and commensurate with the risks presented.
- 1.5 The General Data Protection Regulation (GDPR) came into force on 25 May 2018 with the Data Protection Act 2018 gaining Royal Assent on the same day. As an organisation, WYFRS is tasked to implement and demonstrate compliance with the requirements of GDPR. To provide assurance of continuing adherence to the regulations, WYFRS are conducting; Information governance audits across departments and the new data security e-learning and face to face data protection training has been implemented and communicated to all staff.

2 Information

- 2.1 This report provides an update on the key areas of development during 2019/20 to ensure the effective implementation of the Information Governance (IG), Information Security (IS) and wider Protective Security (PS) arrangements across the Authority
- 2.2 The strategic IGSG and the operational Corporate Information Management Group (CIMG) continue to develop, implement and promote information governance across all departments and to co-ordinate activities relating to information, physical and personnel security aspects across the service.
- 2.3 The Information Governance Statement has been readily endorsed by the Chief Fire Officer. This statement outlines the Authority's commitment to IG and has been quoted as being good practice during both internal and external audits.
- 2.4 The requirements of the General Data Protection Regulation (GDPR) which was introduced on 25 May 2018 have been implemented across WYFRS and work is constantly underway to ensure continuing adherence to the regulation.
- 2.5 To ensure compliance with the Data Protection Act, data protection audits are being conducted throughout the service.

The audits:

- Ensure appropriate policies and procedures are in place.
- Verify that those policies and procedures are being followed by staff.
- Test the adequacy controls in place.
- Detect breaches or potential breaches of compliance.
- Recommend any actions or controls where weaknesses have been identified.

The audits are planned as a three-yearly cycle, with high risk areas of the service or where issues have been identified in relation to any weaknesses relating to the control environment or compliance with the control environment receiving audits more frequently. The majority of stations have now been audited. A few areas were highlighted where data security could be improved and actions have been recommended to strengthen data security. Generally, the audits are showing high compliance to WYFRS data protection and security policies and procedures and to date have provided assurance with regard to data security.

- 2.6 A data security e-learning training package has been developed to provide bespoke security training for staff. All staff are required to complete the data security online training. 92% of staff have now completed this. Face to face data protection training has been delivered at stations for crews with regard to the Safe and Well visits in order to ensure staff are aware of the data protection obligations whilst visiting service users.
- 2.7 Members of the IGSG and CIMG, who act as both Information Asset Owners and Information Governance Champions were invited to attend data protection training on a day-long course provided by a data protection leading expert. Two training events were held on the 4 and 5 February in which 40 staff members attended one of the events. The training provided an overview of GDPR and the Data Protection Act and what is required for an organisation to comply with the legislation.
- 2.8 To ensure the Information Asset Register is updated in real time, Information Asset Owners are now required to take direct ownership of their assets listed on the information asset register. To support this initiative guidance has been produced and the information risk policy has been amended to reflect changes in procedure. Information asset owners are now required to report any changes to the register to the information governance and security group quarterly.
- 2.9 Information governance policies have been reviewed and new policies introduced including the Information Sharing Policy, Records Management Policy and Information Governance Policy to support information governance arrangements.
- 2.10 March 2020 saw the beginning of the Covid-19 lock down. Non-operational staff were instructed to work from home. Home workers have been provided with data security guidance specifically for home working to ensure WYFRS data remains secure. Regular updates and reminders of individual responsibilities regarding data protection whilst working remotely have been issued to all staff to ensure risks are understood and managed by all staff working from home.
- 2.11 WYFRS also worked closely with partner agencies to share data to assist the vulnerable shielding from Covid-19 and care has been taken to ensure compliance with the data protection legislation ensuring privacy impact assessments and information sharing agreements are in place to support the data transfer and data matching.

- 2.12 Customer Service Excellence audit in November 2019 confirmed that WYFRS had maintained the Compliance Plus standard for the way ‘we protect customer privacy both in face to face discussions and in the transfer and storage of customer information’.
- 2.13 WYFRS continues to measure data protection compliance against the NHS Information Governance Toolkit. In April 2018 the toolkit was replaced by the Data Security and Protection Toolkit which WYFRS have adopted to assure compliance and report against the toolkit to demonstrate data security and protection compliance.
- 2.14 In summary, the current attainment against the information governance and security frameworks are as follows (2018/19 attainment figures in brackets):
- Data Security and Protection toolkit = 100% (89%)
 - Information Security Standard (ISO27001) = 99% (98%)
 - HMG Security Policy Framework = 97% (94%)
- 2.15 WYFRS have been able to deal with both Freedom of Information Requests and Subject Access Requests (SARs) within the statutory timescale apart from one FOI. There were 15 SARS for 2019/20, which is a decrease of 1 from 16 in 2018/19 and 141 FOI request were received 2019/20, which is a decrease of 10 from 151 FOI requests in 2018/19.
- 2.17 The Environmental Information Regulation (EIR) request figures for 2019/20 is 36 (same as 2018/19) generating an income £7287 inc. VAT.
- 2.18 Access to Images Request system was introduced in June 2014 to ensure that personal information (images) is only disclosed in compliance with the Data Protection Act and the rights of the individual and to provide an audit trail with clear segregation and lines of approval. The system relates to any requests to access any video footage captured on WYFRS owned CCTV systems be that fixed camera, Silent Witness or mobile video. In 2019/20 WYFRS received a total of 101 requests to access CCTV footage compared with 127 requests in 2018/19.
- 2.19 In January 2014, this committee approved the re-introduction of charges for Incident/Fire Investigation Reports. For 2019/20, WYFRS received an annual total of 106 requests. The vast majority of requests (96) were summary Incident Reporting System (IRS) reports received by insurance companies/claim handlers and 10 were full IRS reports requested by the Police or Local Authorities. The reports generated for WYFRS an income of £4,896 on a cost-recovery basis.
- 2.20 In accordance with the Department for Communities and Local Government Transparency Code, WYFRS has a statutory duty of providing data transparency to local residents and businesses. As such a series of datasets are available on the corporate website and are updated on either a quarterly or annual basis in accordance with the specifications. The following information is a brief overview of the published datasets that can be found on the [Data Transparency](#) section of the authority’s website:

a) Financial Transactions

As of 31 December 2014 all transactions WYFRS make via the Government Procurement Cards are published on the website on a quarterly basis, in addition to the spend over £500 that was previously published.

b) People and Pay

All details relating to senior staff salaries, pay scales, pay multiples, alongside the organisation chart can be found on the Data Transparency pages of the website. The organisation chart provides direct links to relevant departmental information, contact details of Heads of Department etc.

c) Tenders and Procurement

All Tender and Procurement information is logged on the website (for the amount of £5,000 or more).

d) Land and Assets

All detail of land and assets owned by WYFRS is publicly available.

e) Trade Unions

All details relating to Fire Brigades Union (FBU), Fire Officers Association (FOA) and UNISON activity is published on the website.

3 Financial Implications

- 3.1 The Information Commissioner's Office issue monetary penalty notices, requiring organisations to pay up to €20 million or 4% of the company's global annual turnover for serious breaches of the General Data Protection Regulation.

4 Legal Implications

- 4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Environmental Implications

- 5.1 There are no direct environmental implications associated with this report.

6 Human Resource and Diversity Implications

- 6.1 There are no direct human resources and diversity implications associated with this report.

7 Health and Safety Implications

- 7.1 There are no health and safety implications associated with this report.

8 Organisational Dependencies

- 8.1 The changes implemented to comply with the introduction of the GDPR in May 2018 have an impact throughout the Authority and particularly in relation to any existing or planned process, project or procurement that involves the collation and/or processing of personal information in whatever form that may be.

9 Your Fire and Rescue Service Links

- 9.1 This report refers to all of the priorities in Your Fire and Rescue Service.

10 Conclusions

- 10.1 There has been significant work, and achievements gained, towards the implementation and management of Information Governance arrangements and security controls across the Service. Members are requested to note the contents of this report.



OFFICIAL

Quarterly Financial Review

Finance & Resources Committee

Date: 30 October 2020

Agenda Item:

7

Submitted By: Chief Finance and Procurement Officer

Purpose	To present a quarterly review of the financial position of the Authority.
Recommendations	That members note the content of the report That members approve the revised capital plan That members approve the transfer of budget to contingencies
Summary	The purpose of this report is to present an overview of the financial performance of the Authority of the first 5 months of the current financial year. The report deals with revenue and capital expenditure. An update is provided on the financial implications of Covid19 and the comprehensive spending review.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Appendix A Capital Plan Revisions
Appendix B Capital Expenditure
Appendix C Investments
Fire Spending Review Proposal

SECTION 1 – REVENUE EXPENDITURE MONITORING

1 Introduction

- 1.1 Expenditure is monitored throughout the year against the approved revenue budget with reports presented to departments, cost centre managers and directors. A high-level summary report is presented to Management Board on a monthly basis. The purpose of the report is to monitor progress against the approved revenue budget; provide a forecast outturn for the financial year; provide an explanation of any major variations, and to show the impact of any variations on the revenue balances of the Authority.

2. Information

Revenue Budget Revision

- 2.1 When the revenue budget is approved an amount is included in contingencies for any budget increases/decreases that were not included within the original budget. Growth and savings included within the approved original budget which have yet to be expended or realised are included within the general contingency. There have been a number of transfers to contingencies since the last quarterly review report in July.
- 2.1.1 Four temporary control operators were appointed in April to manage existing staff shortages in control. These contracts are for one year and requires a temporary transfer of £139k from contingencies to the control employee budget.
- 2.1.2 The authority has continued to recruit on call firefighters in this financial year, for which a provision of £240k was included in the contingency budget. This has been fully transferred to the retained employee budgets.
- 2.1.3 There has been a review of whole time firefighter budgets and it has been identified that there had been a budget overprovision for the payment of allowances. In addition, the recruits' course in May had three cohorts for which there was a budget provision for eight. Both of these adjustments has resulted in the transfer of £238k to contingencies from whole time firefighter budgets.
- 2.1.4 In order to not distort support staff budget monitoring, posts that are vacant and are not out to advert at the beginning of the financial year are held in contingencies. Since the 1st April three youth intervention employees have been appointed costing £94k, thus requiring a transfer from contingencies.
- 2.1.5 There has been a budget over provision of £77k in insurance budgets, the cost of which is unknown at budget setting due to the renewal of insurance contracts in April.
- 2.1.6 The Fire Authority in December 2019 approved the introduction of a revised staffing system for the Day Crewed and Day Crewed Close Call (DCCC) fire stations as the current provision at the three DCCC stations was deemed to be unlawful. The revised system will generate ongoing revenue employee savings of £65k by 2022/23. The authority will need to invest in the provision of rented accommodation for those employees who do not live in the required curtilage of the station. In the short term this provision will cost an estimated maximum of £100k in 20/21, this will be met by the transfer of funds from contingencies.

- 2.1.7 A review of non-employee budgets has been undertaken and there are numerous under spends in conferences, public transport, vehicle fuel, subsistence, clothing, postages and fire safety publicity which can be attributable to the effects of Covid19. So that budget monitoring is not distorted these under spends totalling £148k have been moved to the contingency budget.
- 2.1.8 In July Management Team gave approval to the suspension of the Primary Authority Scheme in order to release the supervisor and inspector post who work solely on the scheme to provide training to new employees in the fire protection team. The budgeted income for 20/21 is £48k which will not be realised so a transfer from contingencies will be required to compensate for this loss.
- 2.1.9 There has been an increase in the number of secondments than that included within the original budget, which has resulted in an increase of £202k of income to be received. This is a result of the extension of the contracts of four secondments and one new secondee which is not included within the base budget.
- 2.1.10 The net effect of the above movements is a reduction in the general contingency budget of £360k.
- 2.1.11 The table below details the current contingencies budget position following the above transfers:

	<u>Opening Balance</u> £000	<u>Transfer to/from () Contingencies</u> £000	<u>Closing Balance</u> £000
General Contingency	2,711		
Control		-139	
Retained		-240	
Whole time		238	
Support Staff		-94	
Insurance		77	
Revised duty system accommodation		-100	
Non Employees		148	
Income		-250	
		-360	2,351
Employee Contingency	1,430		1,430
TOTAL CONTINGENCIES	4,141	-360	3,781

3. Expenditure Monitoring

- 3.1 This report is based on expenditure to the beginning of September 2020 and includes the first five salary payments of 2020/21. The projected outturn is based on current years' expenditure and is forecast to the end of the year based on previous expenditure profiles. Overall, the latest forecast indicates there will be an under spending of £315k in the current financial year.

- 3.2 An improved budget monitoring report for managers was introduced in 2018/19 which highlights those areas of concern using a Red, Amber, Green (RAG) rating. For those budgets that are forecast to overspend or under spend a red “cross” will be inserted against the budget line and for those within 5% of budget, an amber mark will be inserted. For those budgets where there is either a red or amber indicator, the budget holder will be required to provide an explanation as to the reason for the projected overspend. This has brought increased accountability to budget holders and is reported to Management Board on a monthly basis.
- 3.3 The table below summarises the forecast with an explanation of the causes detailed below:

	<u>Revenue</u> <u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
	£000	£000	£000
Employees			
Wholetime	47,783	47,511	-272
Retained	2,271	2,314	43
Control	1,968	1,965	-3
Support Staff	10,046	9,917	-129
Pensions	2,000	2,000	0
Training	803	770	-33
Other Employee	408	397	-11
TOTAL	65,279	64,874	-405
Premises	4,640	4,648	9
Transport	2,260	2,264	4
Supplies and Services	5,650	5,657	7
Contingency - General	2,351	2,351	0
Contingency - Employees	1,430	1,430	0
Support Services	348	348	0
Capital Charges	8,150	8,150	0
Income	-2,485	-2,414	71
Net Expenditure	87,623	87,308	-315

An explanation of the major variances per expenditure category are explained below:

3.4 **Employees** **-£405,000**

Whole time Fire Fighters -£272,000

There is currently a forecast underspending of £272k in whole time fire fighter employee budgets.

Although £238k has been transferred to reserves as detailed in section 2.1 there still remains a forecast underspend on wholetime employee budgets. The authority is currently advertising for a number of day crewed firefighter roles and as such it is prudent to keep the budget at the revised level until these vacancies have been filled. This will be monitored and a further adjustment may be required at February Finance and Resources committee.

In addition, there have been four firefighters that have retired earlier than their expected retirement date and one that has exceeded their retirement date resulting in a net saving of £53k.

Retained Fire Fighters £43,000

There is a forecast overspend of £43k on retained employees. Due to the seasonal nature of retained expenditure this underspend can change during the course of the year. This will be monitored closely and profiles amended accordingly if required.

Support Staff -£129,000

The projected under spend on support staff is attributable to support staff vacancies, due to the length of the recruitment process there is a time lag in filling vacant posts, the target for the recruitment cycle is 84 days. The ability to progress existing vacancies has been hindered by Covid19. As at the 1st September there were 8 posts that were vacant which are in the process of being filled.

Training -£33,000

The projected underspend is due to the impact of Covid19 and the ability of staff to attend external training courses. Although some training is been delivered on line, there is still a backlog in training that was forecast to be delivered when the budget was set in December. This will be monitored during the year and revisions may be required at the next committee.

3.5 **Non-Employee Budgets**

Due the budget revisions detailed in section 2.1, premises, transport and supplies and services there are no large variances in these budget categories.

3.6 **Income** £71,000

The projected under achievement of income is due the effects of Covid19. For example, charges for false alarm calls have been suspended from those premises that are currently closed and the youth training programme has been impacted by the suspension of learning and training.

The Government has introduced as part of its financial support to Local Authorities during the pandemic an option to claim back the majority of income lost that is directly attributable to Covid19. This is explained in more detail in the section on Covid19.

Any under recovery of income will be assessed at the end of the financial year and an equivalent amount will be transferred from the Covid19 grant to fund this loss.

4. Impact on Revenue Balances

- 4.1 The projected under spending will have the effect of increasing the general fund balance which is detailed in the table below:

Description	Usable Reserves £000
Opening Balance 1/4/20	
General Fund	5,000
Earmarked Reserves	29,668
Impact of forecast	315
Forecast Usable Reserves at 31/3/2021	34,983

5. Covid 19 Pandemic Financial Update

- 5.1 As reported at July Finance and Resources Committee, West Yorkshire has received a total of £2.171m in Covid19 grant funding, this is held in a separate earmarked reserve. The table below details the amount spent against this grant and forecast balance.

	Actual £000's	Forecast £000's
Grant	-£2,171	-£2,171
Expenditure in 2019/20	£35	
Overtime Covid 19	£93	£150
Overtime Backfill	£0	£200
Leave Buy Back	£32	£805
Cleaning	£47	£80
PPE	£91	£150
ICT	£84	£120
Media	£8	£15
Reduction in income	£100	£250
Total Expenditure	£490	£1,770
Grant Remaining	-£1,681	-£401

- 5.2 Since the report in July, the government has continued to support local authorities to manage the pandemic. In August, the government announced that it would reimburse local authorities including fire for the loss in income as a result of Covid19. This new, one-off income loss scheme will compensate for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services in 2020/21. The scheme will involve a 5% deductible rate, whereby authorities will absorb losses up to 5% of their planned sales, fees and charges income with government compensating 75p in every £1 of relevant income lost thereafter. Although the impact of the loss of income on local government is much more significant than that of the fire authority, we do raise income in the region of £448k from the provision of external training, fire safety charges,

youth training and special services and lift rescues, all of which have been impacted by Covid 19. This income reduction is claimed on a quarterly basis with the first submission due at the end of September and thereafter on a quarterly basis. The finance team are working closely with managers to identify income lost and a claim for £46k has been submitted in accordance with the MHCLG timetable.

6. Comprehensive Spending Review

6.1 The comprehensive spending review was launched on the 7th July which will result in a three year funding settlement which will secure funding to March 2024, this provides the authority with some financial stability as central government funding is known.

6.2 The authority, along with all the other fire and rescue services funded the formation of a central spending review team which is a collaborative team comprising the LGA, NFCC and the Home Office. The remit of the team is to work with the Home Office to produce a collective business case highlighting the challenges facing the sector and the potential new burdens resulting from the Hackett and Grenfell inquiries and the HMICFRS State of Fire report to support bids for increases to fire funding to the Treasury.

6.3 The report, Fire Spending Proposal, has been submitted to the Treasury to support increase to funding for the fire sector (a copy is attached to this report). As reported previously the basis of funding allocation will remain the same as a new fire funding formula has yet to be determined and as such fire are not included within the Fair Funding Review.

6.4 Key facts in the report are:

- Between 2009/10 and 2019/20 there has been a fire sector wide cut of 28.55% in real terms funding and a reduction in fire fighter numbers of 21.77%;
- The report requests that there is a review of the fire and rescue statutory duties to include response to flooding.

6.5 The report is requesting funding for the following cost pressures facing fire and rescue services:

6.5.1 Pay

Any pay rise in excess of 2% would require central funding and any reform to fire fighter roles which could be in the region of 15% would have to be met centrally. For West Yorkshire a 1% increase in the pay award for all staff groups costs an estimated £0.6m and a provision of 3% is included within the Medium Term Financial Plan.

6.5.2 Pensions

There are two separate cost pressures in respect of pensions, both of which are financially significant. Firstly, the 2016 GAD revaluation of pensions resulted in an employers' pensions contribution increase of 12.4% from April 2019, the government has funded this additional cost in both 2019/20 and 2020/21. The cost to West Yorkshire is £4.2m per annum.

Secondly, although the financial costs of the age discrimination case resulting from McCloud/Sargeant are unknown, it will incur significant costs in implementing the

remedy and an increase in employer pension contributions, as all effected fire fighters are moved back into the 1992 scheme. The estimated ongoing revenue cost for West Yorkshire is £2m and the backdated contributions to 2015 will be an estimated £10m.

6.5.3 Impact of Covid 19 on collection funds

National forecasts for income loss in 2020/21 are a 4.54% reduction in business rates and a 2.88% reduction in council tax. Although the government has stated that these losses can be spread over three financial years, they form part of the fire base budget. Forecasts from the five district councils of West Yorkshire indicate a £3.5 million loss on the collection fund as at the 1st April 2021.

6.5.4 National Resilience

West Yorkshire host a fleet of national resilience assets for which we receive £1m in income each year from central government. There is currently a review of assets being undertaken and there is a request that the funding remains as a separate Section 31 grant rather than been rolled into Revenue Support Grant.

6.5.5 Emergency Services Network

Any additional cost resulting from delays in implementing the new emergency service network should be met centrally and not from fire and rescue services.

In addition, there is a request to maintain funding for the one-off grants totalling £30 million that have been awarded to the fire sector in 2020/21. Out of this £30 million some £21.4 million has been distributed directly to individual fire and rescue services with the remainder being kept central at the NFCC to fund developments into improvements in the sector as a whole. Of the £21.4 million that has been distributed, West Yorkshire has received £0.772m which is for the Building Risk Review and Protection Uplift and for the implementation of the Grenfell Phase 1 report.

The HMICFRS Fit for the Future report identified an urgent need for the sector to enhance its capability to deal with existing and emerging issues which supports the inclusion of the one-off grants into the base funding allocation.

To support the spending review proposal, West Yorkshire along with three other fire authorities were asked to provide some data for analysis to measure the impact of losing more firefighters if there were further cuts to funding. This measured the impact of resilience and capability in respect of response times, fatalities and serious injuries, station closures, reduction in appliances, prevention and protection work and economic damages.

The results of the comprehensive spending review will be announced mid-December and I will keep members informed of the results.

7. Capital Expenditure Monitoring

7.1 Introduction

7.1.1 At its meeting on 21 February 2020 the Authority approved a five-year capital programme of £25.074m which included schemes to the value of £6.581m for the current financial year.

7.2 Revised capital plan 2020/21

- 7.2.1 As reported at Finance and Resources Committee in July, the Covid19 pandemic has affected the delivery of some schemes in the delivery of the 2020/21 capital plan. Managers have been required to review their capital schemes to see if delivery is still achievable and whether the scheme needs to be slipped into the following financial year. Appendix A details those schemes which are required to be slipped, which requires member approval. The total effect is a reduction of £1.654m in the 2020/21 capital plan.
- 7.2.2 Management Board gave approval in August for an increase to the capital plan of £14k for the purchase of diversity equipment, this requires member approval to increase the overall capital plan.
- 7.2.3 As with revenue budget monitoring a RAG rating system has been introduced to capital budget monitoring which will improve accountability of capital scheme managers
- 7.2.4 At the Authority AGM in 2010, Management Board was given delegated power to approve individual virement between capital schemes of up to £100,000. Details of any approvals will be reported to committee throughout the year as part of this report. Details of these virements are included in the table in 5.4.2.

7.3 Capital Payments 2020/21

- 7.3.1 The actual capital payments to date total £2.07m, which represents 19% of the revised capital plan. If commitments are included in this, the actual expenditure to date is £5.7m, which equates to 53% of the capital plan.
- 7.3.2 Due to the procurement process for capital schemes, a large proportion of capital expenditure occurs in the latter part of the financial year.
- 7.3.3 A summary of the capital plan including slipped schemes is attached to this report in Appendix B, which shows details of expenditure on each individual scheme. This includes the revisions and approvals explained in sections 7.2 and 7.4.

7.4 Approvals under financial procedure 3.11

- 7.4.1 Under financial procedures 3.11 the Management Board can approve expenditure on schemes in the approved capital plan up to an amount of £100,000 along with a requirement to report these approvals to the Finance and Resources Committee.
- 7.4.2 Since the last Finance and Resources Committee in July, the Management Board have approved schemes totalling £110k and these are detailed in the table below:

Schemes Approved by Management Board

Date	Directorate	Scheme	Approval	Virement
July	Operations	NPAS Receiver	£20,000	
	Operations	Smoke Curtains		£33,000
	Operations	NPAS		-£33,000
August	Service Support	Office365 Migration	£65,000	
	Employment Services	Equipment for diversity and inclusion		£25,000
	September	Service Support	ESN Firewall	
	Service Support	Command training suite		-£16,000
			£110,000	£0

7.5 Capital Receipts

There have been no capital receipts received in this financial year.

8. Treasury Management

8.1 The Authority approved its Treasury Management Strategy on the 21st February 2020 in accordance with the CIPFA Code of Practice on Treasury Management.

8.2 In the current financial year, the Authority is continuing to benefit from a positive cash flow through the early payment of Government grant and revenue balances which has meant that no new long term borrowing has been required for the past nine years.

8.3 Consequently, in the current financial year treasury management activity has been limited to investments. The table in Appendix C shows the Authority currently has total investments of £51.48m split between eleven counter parties with rates of interest receivable between 0.01% and 0.92%. This was boosted in July when the Authority received £31.3m in pension Top Up Grant.

9. Debtors

9.1 The Authority receives income for services provided; these include special services, training courses, fire safety certificates, and licences for telecom masts on premises. In most cases the services provided are a result of an emergency which means that it is not possible to raise a charge in advance of the service and as a consequence debtor accounts are raised.

9.2 The level of outstanding debt owed to the Authority to as at the end of September 2020 is £228,434 which can be profiled as follows:

Less than 60 days - £159,351
Greater than 60 days - £ 60,083

9.3 The procedure for issuing accounts and debt collection is provided by Kirklees Council under a Service Level Agreement. A summary of the procedure for collecting outstanding debt is detailed below:

21 days	first reminder letter
28 days	second reminder letter
35 days	instigation of debt recovery system

9.4 As detailed above, there is currently £94,076 of debt which is at the recovery stage. However, previous experience suggests that the Authority will recover all of the outstanding debts.

10. Creditors

The Authority is required to pay all non disputed invoices within 28 days of receipt. In the first 5 months of the current financial year the Authority has received 4,398 invoices and paid 81% of them within 28 days.

Due to Covid19, the payments team have been required to work from home, unfortunately this has impacted on the prompt payment of invoices, the target is to pay 100% of invoices within 28 days. Priority payment has been given to small suppliers and those that are critical to service delivery.

11. Financial Implications

The financial implications have been detailed in each section of the report.

12. Legal Implications

The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

13. Human Resource and Diversity Implications

There are no human resource and diversity implications associated with this report

14. Health and Safety Implications

There are no health and safety implications associated with this report.

15. Your Fire and Rescue Service Priorities

The management and monitoring of both revenue and capital resources is key to achieving the fire and rescue services priorities This report supports all the fire and rescue service priorities

16. Conclusions

- 16.1 This report identifies that the Authority is currently forecast to under spend its revenue budget in 2020/21 by £315k. The report has summarised the financial impact on Covid19 and it is expected that the grant received of £2.1m will cover all costs incurred in managing the pandemic, based on existing demands. The report has requested the slippage of £1.654m of capital schemes into 2021/22 which is due to the effects of Covid19.
- 16.2 A summary of the spending review submission has been provided which will support an increase in fire funding from 2021 to 2024.
- 16.3 Both the revenue and capital budgets will continue to be monitored closely during the year in conjunction with directors and budget holders.

Appendix A

Scheme	Capital Plan	Amount to be Slipped
Mobile Phones on Appliances	£30,000	-£30,000
UPS on Stations	£50,000	-£50,000
Vehicle Replacement	£43,000	-£43,000
Cookridge Refurbishment	£120,000	-£120,000
Fairweather Green Refurbishment	£130,000	-£130,000
Illingworth Refurbishment	£200,000	-£200,000
Bradford Refurbishment	£50,000	-£25,000
Slaithwaite Refurbishment	£50,000	-£48,948
Environmental Efficiency Improvements	£100,000	-£90,000
Electric Charging Points	£200,000	-£200,000
Asbestos Removal	£110,000	-£110,000
Surface Water Drainage	£40,000	-£40,000
Training Towers	£70,000	-£50,000
Electrical Upgrades	£50,000	-£20,000
General Mechanical Repairs	£200,000	-£200,000
Upgrade of Welfare Facilities	£100,000	-£90,000
Minor Equality and Dignity Alterations	£40,000	-£30,000
Facility Upgrades	£60,000	-£30,000
<u>Slipped Schemes from 2019/20:</u>		
Cookridge		-£5,217
Huddersfield		-£8,604
Holmfirth		-£19,344
Fairweather Green		-£63,822
Fixed Ladders and Fire Escapes		-£50,000
TOTAL	£1,643,000	-£1,653,935

Directorate	Capital Plan 2020/21					Capital Expenditure 2020/21			
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total	Over/(Under) spend to date
Property services	£2,160,000	£791,014	-£1,530,935	£0	£1,420,079	£209,577	£223,728	£433,305	-£986,774
IRMP	£1,050,000	£1,575,462	£0	£0	£2,625,462	£1,211,153	£739,458	£1,950,611	-£674,851
ICT	£2,417,000	£931,921	-£402,000	£102,000	£3,048,921	£85,422	£665,759	£751,181	-£2,297,740
Employment Services	£102,000	£0	£0	£14,000	£116,000	£0	£0	£0	-£116,000
Transport	£43,000	£252,417	£0	£0	£295,417	£0	£121,631	£121,631	-£173,786
Operations	£1,108,000	£1,581,705	-£218,000	£218,000	£2,689,705	£2,117,237	£221,005	£2,338,242	-£351,463
Fire Safety	£500,000	£78,876	£0	£0	£578,876	£0	£99,876	£99,876	-£479,000
	£7,380,000	£5,211,395	-£2,150,935	£334,000	£10,774,460	£3,623,389	£2,071,457	£5,694,846	-£5,079,614

CAPITAL BUDGET MONITORING 2020/21

SERVICE SUPPORT

PROPERTY

Details of Scheme	Capital Plan 2020/21						Capital Expenditure 20/21				
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments	Expenditure	Total	Over/(Under) spend to Date	
Moortown/Cookridge	£240,000	£0	-£120,000	£0	£0	£120,000	£0	£0	£0	-£120,000	✘
Odsal/Fairweather Green	£240,000	£0	-£130,000	£0	£0	£110,000	£0	£832	£832	-£109,168	✘
Illingworth	£200,000	£0	-£200,000	£0	£0	£0	£0	£0	£0	£0	✔
Todmorden	£120,000	£0	£0	£0	£0	£120,000	£0	£0	£0	-£120,000	✘
FSHQ - ICT, Stores & Transport	£30,000	£0	£0	£0	£0	£30,000	£1,562	£1,562	£3,125	-£26,875	✘
Bradford	£50,000	£0	-£25,000	£0	£0	£25,000	£845	£0	£845	-£24,155	✘
FSHQ - Hard Stand & Carpark	£40,000	£0	£0	£0	£0	£40,000	£0	£0	£0	-£40,000	✘
Slaithwaite	£50,000	£0	-£48,948	£0	£0	£1,052	£1,052	£0	£1,052	£0	✔
Enviro Efficiency & Insulate Improve	£100,000	£0	-£90,000	£0	£0	£10,000	£0	£0	£0	-£10,000	✘
Electric charging points	£200,000	£0	-£200,000	£0	£0	£0	£0	£0	£0	£0	✔
Risk Register - Asbestos	£110,000	£0	-£110,000	£0	£0	£0	£0	£0	£0	£0	✔
Security & Fire alarm systems	£90,000	£0	£0	£0	£0	£90,000	£16,379	£12,748	£29,127	-£60,873	✘
Appliance Bay doors	£100,000	£0	£0	£0	£0	£100,000	£52,540	£25,888	£78,428	-£21,572	✘
Surface water drainage	£40,000	£0	-£40,000	£0	£0	£0	£0	£0	£0	£0	✔
Upgrade appliance bay pits	£30,000	£0	£0	£0	£0	£30,000	£8,848	£0	£8,848	-£21,152	✘
Training towers	£70,000	£0	-£50,000	£0	£0	£20,000	£818	£748	£1,566	-£18,434	✘
Electrical Upgrades	£50,000	£0	-£20,000	£0	£0	£30,000	£6,270	£3,475	£9,746	-£20,254	✘
General Mechanical & L8	£200,000	£0	-£200,000	£0	£0	£0	£0	£0	£0	£0	✔
Upgrade of Welfare	£100,000	£0	-£90,000	£0	£0	£10,000	£0	£0	£0	-£10,000	✘
Minor Equality & Dignity alterations	£40,000	£0	-£30,000	£0	£0	£10,000	£0	£0	£0	-£10,000	✘
Facility upgrades	£60,000	£0	-£30,000	£0	£0	£30,000	£4,038	£4,926	£8,964	-£21,036	✘
Specific Refurbishments		£0	£0	£0	£0	£0	£0	£0	£0	£0	✔
Various Refurbishments		£0	£0	£0	£0	£0	£0	£0	£0	£0	✔
TOTAL NEW CAPITAL SCHEMES 20/21	£2,160,000	£0	-£1,383,948	£0	£0	£776,052	£92,353	£50,180	£142,533	-£633,519	

	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments	Expenditure	Total	Over/(Under) spend to Date	
FSHQ Retaining and Boundary Walls	£0	£0	£0	£0	£0	£0	£0	-£130	-£130	-£130	⊗
Upgrade FSHQ - Breathing Acc, Classroom,	£0	£9,123	£0	£0	£0	£9,123	£0	£6,193	£6,193	-£2,930	⊗
General Upgrading Morley	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	⊙
General Upgrading Odsal	£0	£29,991	£0	£0	£0	£29,991	£0	£3,948	£3,948	-£26,043	⊗
Tarmac, Lighting, smoke training House - Bingley	£0	£26,837	£0	£0	£0	£26,837	£0	£0	£0	-£26,837	⊗
Upgrade Shower installations - Normanton	£0	£2,887	£0	£0	£0	£2,887	£0	£2,537	£2,537	-£350	⊗
Leeds - Replace Derv tank & general station refurbishments works	£0	£27,320	£0	£0	£0	£27,320	£27,320	£0	£27,320	£0	⊙
Moortown - General refurb of facilities, including LED energy efficient lighting	£0	£69,095	£0	£0	£0	£69,095	£13,114	£30,714	£43,828	-£25,267	⊗
Cookridge General refurb and upgrade of accommodation and facilities, including LED lighting in appliance bays	£0	£18,979	-£5,217	£0	£0	£13,762	£10,626	£3,136	£13,762	£0	⊗
Huddersfield - Install energy efficient lighting to external areas, wash bays, appliance bays and upgrade of deteriorated wash bay & external works	£0	£8,604	-£8,604	£0	£0	£0	£0	£0	£0	£0	⊙
Holmfirth - Install energy efficient lighting to Ext areas and appliance bays. Upgrade External fabric	£0	£19,242	-£19,344	£0	£0	-£102	£0	-£102	-£102	£0	⊗
Mirfield - Upgrading of mains distribution. Electrical installation and general refurb	£0	£2,684	£0	£0	£0	£2,684	£0	£423	£423	-£2,261	⊗
Odsal - General fabric upgrading , Replace windows and introduce LED Lighting	£0	£73,111	£0	£0	£0	£73,111	£0	£0	£0	-£73,111	⊗
Fairweather Green - Kitchen upgrade, Improvements to rear entrance layout , Replace above ground Derv storage tank, general LED lighting and refurbishment works	£0	£75,739	-£63,822	£0	£0	£11,917	£6,245	£5,672	£11,917	£0	⊗
Illingworth - General upgrade including external fabric and decorations	£0	£60,000	£0	£0	£0	£60,000	£15,182	£6,690	£21,872	-£38,128	⊗
Todmorden - Electrical rewire, LED Lighting and general refurb	£0	£84,563	£0	£0	£0	£84,563	£1,813	£0	£1,813	-£82,751	⊗
FSHQ - Adaptations rear of Multi purpose training Centre. Rear Ext stair case to upper levels	£0	£15,224	£0	£0	£0	£15,224	£0	£2,145	£2,145	-£13,079	⊗
Risk Register prioritised and general asbestos removal and general fabric upgrade at various locations	£0	£38,517	£0	£0	£0	£38,517	£1,170	£6,562	£7,732	-£30,786	⊗
Phased installation and upgrading of surface water drainage interceptors	£0	£80,000	£0	£0	£0	£80,000	£738	£50,432	£51,170	-£28,830	⊗
Phased upgrade to fire station training towers including lightning protection and building fabric	£0	£3,462	£0	£0	£0	£3,462	£0	£1,677	£1,677	-£1,785	⊗
General electrical upgrade works.	£0	£51,006	£0	£0	£0	£51,006	£33,344	£22,040	£55,384	£4,378	⊗
General mechanical and L8 Legionella prevention water management improvement and upgrading works as identified during services asset surveys and mechanical servicing regime	£0	£44,630	£0	£0	£0	£44,630	£7,673	£31,609	£39,282	-£5,348	⊗
Phased upgrade of fixed ladders and fire escapes	£0	£50,000	-£50,000	£0	£0	£0	£0	£0	£0	£0	⊙
TOTAL SLIPPED SCHEMES	£0	£791,014	-£146,987	£0	£0	£644,027	£117,223	£173,548	£290,771	-£353,256	
TOTAL CAPITAL 20/21	£2,160,000	£791,014	-£1,530,935	£0	£0	£1,420,079	£209,577	£223,728	£433,305	-£986,774	

2020/21
IRMP

Details of Scheme	Capital Plan 2020/21						Capital Expenditure 20/21				
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2019/20</u>	<u>2019/20</u>	<u>2019/20</u>	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Capital Plan	Commitments	Expenditure	Total	Over/(Under) spend to Date	
Keighley Rebuild	£900,000	£0	£0	£0	£0	£900,000	£0	£0	£0	-£900,000	✘
Cleckheaton Rebuild	£50,000	£0	£0	£0	£0	£50,000	£0	£0	£0	-£50,000	✘
FSHQ Rebuild	£100,000	£0	£0	£0	£0	£100,000	£0	£0	£0	-£100,000	✘
Halifax Rebuild	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
Huddersfield rebuild	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
TOTAL NEW CAPITAL SCHEMES 20/21	£1,050,000	£0	£0	£0	£0	£1,050,000	£0	£0	£0	-£1,050,000	
SLIPPED SCHEMES											
Wakefield	£0	£1,575,462	£0	£0	£0	£1,575,462	£1,211,153	£739,458	£1,950,611	£375,149	✘
TOTAL SLIPPED SCHEMES	£0	£1,575,462	£0	£0	£0	£1,575,462	£1,211,153	£739,458	£1,950,611	£375,149	
TOTAL EXPENDITURE APPROVED	£1,050,000	£1,575,462	£0	£0	£0	£2,625,462	£1,211,153	£739,458	£1,950,611	-£674,851	
TOTAL CAPITAL 20/21	£1,050,000	£1,575,462	£0	£0	£0	£2,625,462	£1,211,153	£739,458	£1,950,611	-£674,851	

2020/21
SERVICE SUPPORT
Employment Services

Details of Scheme	Capital Plan 2020/21						Capital Expenditure 20/21				
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments	Expenditure	Total	Over/(Under) spend to Date	
PPE Racking & Storage unit	£70,000	£0	£0	£0	£0	£70,000	£0	£0	£0	-£70,000	✘ 1
OHU Medical System	£21,000	£0	£0	£0	£0	£21,000	£0	£0	£0	-£21,000	✘ 1
Assist Technology	£11,000	£0	£0	£14,000	£0	£25,000	£0	£0	£0	-£25,000	✘ 1
TOTAL CAPITAL PLAN 2020/21	£102,000	£0	£0	£14,000	£0	£116,000	£0	£0	£0	-£116,000	
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✔#
TOTAL EXPENDITURE APPROVED	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
TOTAL CAPITAL 20/21	£102,000	£0	£0	£14,000	£0	£116,000	£0	£0	£0	-£116,000	

SERVICE SUPPORT

ICT

Details of Scheme	Capital Plan20/21						Capital Expenditure 20/21			
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments	Expenditure	Total	Over/(Under) spend to Date
Network switches	£400,000	£0	£0	£0	£0	£400,000	£0	£0	£0	£-400,000
Computer hardware	£105,000	£0	£0	£0	£0	£105,000	£0	£0	£0	£-105,000
Virtual server Storage	£350,000	£0	£0	£0	£0	£350,000	£0	£0	£0	£-350,000
Server backup hardware	£250,000	£0	£-102,000	£0	£0	£148,000	£0	£94,127	£94,127	£-53,873
Appliance Mobile phones	£30,000	£0	£-30,000	£0	£0	£0	£0	£0	£0	£0
Vehicle CCTV	£390,000	£0	£0	£0	£0	£390,000	£0	£0	£0	£-390,000
Replacement of station tannoy	£120,000	£0	£-120,000	£0	£0	£0	£0	£0	£0	£0
Thin Client	£100,000	£0	£-100,000	£0	£0	£0	£0	£0	£0	£0
BYOD	£60,000	£0	£0	£0	£0	£60,000	£0	£0	£0	£-60,000
BI Tool	£10,000	£0	£0	£0	£0	£10,000	£0	£0	£0	£-10,000
UPS on stations	£50,000	£0	£-50,000	£0	£0	£0	£0	£0	£0	£0
Implement Office 365	£65,000	£0	£0	£0	£0	£65,000	£0	£0	£0	£-65,000
EMOC replacement	£30,000	£0	£0	£0	£0	£30,000	£0	£0	£0	£-30,000
Mobile phones	£55,000	£0	£0	£102,000	£0	£157,000	£0	£0	£0	£-157,000
MDT Routers	£150,000	£0	£0	£0	£0	£150,000	£0	£0	£0	£-150,000
ICT Station Equip	£87,000	£0	£0	£0	£0	£87,000	£0	£0	£0	£-87,000
VOIP	£165,000	£0	£0	£0	£0	£165,000	£23,870	£214,830	£238,700	£73,700
MDT Hardware	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Pager upgrade	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Command support software	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
ID Cards	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equipment management and RFID tagging	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
TOTAL NEW CAPITAL SCHEMES 20/21	£2,417,000	£0	£-402,000	£102,000	£0	£2,117,000	£23,870	£308,957	£332,827	£-1,784,173
SLIPPED SCHEMES										
Command Training	£0	£59,830	£0	£0	£0	£59,830	£0	£0	£0	£-59,830
Protection Database	£0	£50,000	£0	£0	£0	£50,000	£17,600	£17,600	£35,200	£-14,800
Hydrant Management	£0	£6,350	£0	£0	£0	£6,350	£6,350	£0	£6,350	£0
Equipment management & RFID tagging	£0	£119,000	£0	£0	£0	£119,000	£0	£0	£0	£-119,000
Refresh of ICT training suite	£0	£12,500	£0	£0	£0	£12,500	£0	£14,485	£14,485	£1,985
Replacement computer hardware	£0	£52,403	£0	£0	£0	£52,403	£0	£34,197	£34,197	£-18,206
VoIP	£0	£100,000	£0	£0	£0	£100,000	£0	£0	£0	£-100,000
Media Storage Solution	£0	£200,000	£0	£0	£0	£200,000	£0	£165,125	£165,125	£-34,875
ICT Station Equipment	£0	£120,000	£0	£0	£0	£120,000	£0	£0	£0	£-120,000
Opex Interface	£0	£79,500	£0	£0	£0	£79,500	£2,000	£82,250	£84,250	£4,750
MDT REPLACEMENT	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retained Pager Replace	£0	£16,970	£0	£0	£0	£16,970	£21,102	£0	£21,102	£4,132
Computer Hardware	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Additional resource for HR & Rostering	£0	£96,000	£0	£0	£0	£96,000	£14,500	£43,145	£57,645	£-38,355
Mobile Working	£0	£19,368	£0	£0	£0	£19,368	£0	£0	£0	£-19,368
TOTAL SLIPPED SCHEMES	£0	£931,921	£0	£0	£0	£931,921	£61,552	£356,802	£418,354	£-513,567
TOTAL CAPITAL 20/21	£2,417,000	£931,921	£-402,000	£102,000	£0	£3,048,921	£85,422	£665,759	£751,181	£-2,297,740

CAPITAL BUDGET MONITORING 2020/21

SERVICE SUPPORT
TRANSPORT

Details of Scheme	Capital Plan 20/21						Capital Expenditure 20/21				
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments	Expenditure	Total	Over/(Under) spend to Date	
Vehicle Replacement	£43,000	£0	£0	£0	£0	£43,000	£0	£0	£0	£-43,000	
TOTAL CAPITAL PLAN 2020/21	£43,000	£0	£0	£0	£0	£43,000	£0	£0	£0	£-43,000	
SLIPPED SCHEMES											
Vehicle replacement project - 2 Welfare	£0	£135,565	£0	£0	£0	£135,565	£0	£0	£0	£-135,565	
CLM Vehicle procurement	£0	£6,679	£0	£0	£0	£6,679	£0	£117,268	£117,268	£110,589	
Aerial appliances	£0	£110,173	£0	£0	£0	£110,173	£0	£4,363	£4,363	£-105,810	
TOTAL SLIPPED SCHEMES	£0	£252,417	£0	£0	£0	£252,417	£0	£121,631	£121,631	£-130,786	
TOTAL EXPENDITURE APPROVED	£43,000	£252,417	£0	£0	£0	£295,417	£0	£121,631	£121,631	£-173,786	
TOTAL CAPITAL 20/21	£43,000	£252,417	£0	£0	£0	£295,417	£0	£121,631	£121,631	£-173,786	

2020/21
SERVICE DELIVERY
FIRE SAFETY

Details of Scheme	Capital Plan 20/21						Capital Expenditure 20/21				
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments Opex	Total Exp SAP	Adjusted Forecast Exp	Total	Over/(Under) spend to Date
Home Fire Safety Checks	£500,000	£0	£0	£0	£0	£500,000	£0	£21,000	£0	£21,000	£-479,000
TOTAL CAPITAL PLAN 2020/21	£500,000	£0	£0	£0	£0	£500,000	£0	£21,000	£0	£21,000	£-479,000
SLIPPED SCHEMES											
Fire Alarms	£0	£78,876	£0	£0	£0	£78,876	£0	£78,876	£0	£78,876	£0
TOTAL SLIPPAGE	£0	£78,876	£0	£0	£0	£78,876	£0	£78,876	£0	£78,876	£0
TOTAL CAPITAL 20/21	£500,000	£78,876	£0	£0	£0	£578,876	£0	£99,876	£0	£99,876	£-479,000

20/21
SERVICE DELIVERY
OPERATIONS

Details of Scheme	Capital Plan 20/21						Capital Expenditure 20/21				
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Slippage c/f	Total	Commitments Opex	Total Exp SAP	Total	Over/(Under) spend to Date	
Water Rescue	£10,000	£0	£0	£0	£0	£10,000	£10,000	£0	£10,000	£0	✓
Lay Flat Hose	£50,000	£0	£0	£0	£0	£50,000	£30,943	£19,057	£50,000	£0	✗
Gas tight suits	£10,000	£0	£0	£0	£0	£10,000	£10,000	£0	£10,000	£0	✓
Battery Operated PPV	£150,000	£0	£0	£65,000	£0	£215,000	£200,817	£14,157	£214,974	£-26	✗
Scene Lighting	£100,000	£0	£-100,000	£0	£0	£0	£0	£0	£0	£0	✓
High Rise Branches	£28,000	£0	£0	£0	£0	£28,000	£28,000	£0	£28,000	£0	✓
Thermal Image	£55,000	£0	£0	£0	£0	£55,000	£55,000	£0	£55,000	£0	✓
Body Worn Video	£30,000	£0	£0	£0	£0	£30,000	£30,000	£0	£30,000	£0	✓
DEFRA Water rescue	£150,000	£0	£0	£0	£0	£150,000	£150,000	£0	£150,000	£0	✓
NPAS Video	£75,000	£0	£-33,000	£0	£0	£42,000	£20,000	£0	£20,000	£-22,000	✗
Hydrants	£450,000	£0	£-85,000	£0	£0	£365,000	£241,606	£123,394	£365,000	£-0	✗
Wildfire	£0	£0	£0	£20,000	£0	£20,000	£0	£19,662	£19,662	£-338	✗
Smoke Curtains	£0	£0	£0	£33,000	£0	£33,000	£0	£0	£0	£-33,000	✗
PPE - TRU & HVP	£0	£0	£0	£40,000	£0	£40,000	£35,000	£0	£35,000	£-5,000	✗
Light Weight Trousers	£0	£0	£0	£60,000	£0	£60,000	£60,000	£0	£60,000	£0	✓
Medium Ex Foam	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Mainline Branch	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Powermats/power unit	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Crash Recovery	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
BA Sets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
BA Cylinders	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
BA Ancillary Equip	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Dividing Breaching	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Ground Monitors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
Tirfor & Ancillarys	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
New Control System	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
TOTAL CAPITAL PLAN 2020/21	£1,108,000	£0	£-218,000	£218,000	£0	£1,108,000	£871,366	£176,270	£1,047,636	£-60,364	
SLIPPED SCHEMES											
Replacement of Operational PPE	£0	£974,717	£0	£0	£0	£974,717	£974,717	£0	£974,717	£0	✓
Fire Fighting helmets	£0	£210,000	£0	£0	£0	£210,000	£210,000	£0	£210,000	£0	✓
Industrial Washing Machines	£0	£56,375	£0	£0	£0	£56,375	£57,750	£55,000	£112,750	£56,375	✗
New Control Project - Premises Cost	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	✓
New Control Project - Contingency	£0	£338,000	£0	£0	£0	£338,000	£0	£0	£0	£-338,000	✗
Aerial Vehicle Drone	£0	£2,613	£0	£0	£0	£2,613	£3,404	£-791	£2,613	£0	⚠
TOTAL SLIPPAGE	£0	£1,581,705	£0	£0	£0	£1,581,705	£1,245,871	£54,209	£1,300,080	£-281,625	
TOTAL CAPITAL 20/21	£1,108,000	£1,581,705	£-218,000	£218,000	£0	£2,689,705	£2,117,237	£230,479	£2,347,716	£-341,989	

Appendix C

Summary of Investments as at 28 September 2020

Counterparty	£	Interest Rate %	Date Invested	Maturity Date
Lloyds 32 Day Notice Account	5,991,633	0.10		
Santander 180 Day Notice Account	6,000,000	0.47		
Walsall Council	5,000,000	0.92	09/04/2020	13/10/2020
Leeds CC	5,000,000	0.10	24/07/2020	04/01/2021
Liverpool CC	5,000,000	0.80	31/07/2020	29/01/2021
Blackburn with Darwin BC	5,000,000	0.80	31/07/2020	29/01/2021
Lancashire CC	5,000,000	0.40	14/08/2020	13/08/2021
Doncaster MBC	5,000,000	0.75	20/08/2020	19/08/2021
Aviva MMF	3,293,014	0.08		
Goldman Sachs MMF	325,015	0.01		
Aberdeen Std MMF	5,865,846	0.09		
Total	51,475,508			

07d- Fire proposal - Spending Review 2021 - FINAL

COLLABORATIVE LGA AND NFCC SUBMISSION FOR SR2021
AMY WEBB

Table of Contents

1. The base case for Fire and Rescue funding	2
1.1. Resourcing to Risk	2
1.2. Resilience in times of crisis.	5
1.3. Productivity: Capacity to deliver increased fire prevention and protection activity.....	7
1.4. Productivity: impact and outcomes	8
1.5. Efficiencies: Delivering collaborative procurement.....	8
1.6. Efficiencies: Delivering technological improvement.....	9
2. Significant Cost pressures	10
2.1. Pay.....	10
2.2. Pensions	10
2.2.1. GAD revaluation	10
2.2.2. McCloud/Sargeant	10
2.2.3. O'Brien/Matthews	11
2.3. Impact of COVID-19 on Collection funds	11
2.4. National Resilience.....	11
2.5. Emergency Services Network.....	11
3. Improvement Activity	12
3.1. Focus on Protection	12
3.1.1. 2020-21 Grant Funding	12
3.1.2. Investment needed	13
3.2. Fit for the Future.....	14
3.2.1. 2020-21 Grant Funding	14
3.2.2. Investment needed	14
3.3. Leadership development	15
3.3.1. Investment needed	15
4. Summary	17
Annex 1 – Fire funding proposal	18
Annex 2 – Fit for the Future Improvement Objectives	19
Annex 3 - Notes.....	20

Introduction

This document represents the fire sector request for funding to inform the Spending Review 2020-21. It has been developed in collaboration with colleagues in the National Fire Chiefs Council (NFCC) and Local Government Association (LGA) and will focus on three key elements:

1. The base case for Fire and Rescue funding and productivity opportunities
2. Significant cost pressures
3. Improvement activity arising from the Grenfell Tower and other Recommendations

These elements are well aligned with the ministerial priorities of People, Professionalism and Governance.

Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) State of Fire Report identified that Fire and Rescue Services (FRS) funding position and pressures vary widely, with some services struggling to meet operational requirements. Given that the process for establishing a new Fire Funding Formula has been paused and is not covered in this proposal, changing referendum limits to allow Council Tax precept flexibility of £5 for all FRS is the only viable option for addressing local funding issues.

1. The base case for Fire and Rescue funding – Securing an inflationary increase to FRS funding to maintain firefighter numbers

A decade of austerity measures has had significant impact on fire and rescue services under all governance models. As some fire and rescue services (FRS) in embedded governance models such as county councils and are part of a wider budget where data can be inconsistent and not readily available, figures quoted here are for the 29 standalone Fire and Rescue Authorities (FRAs). In 2009/10 core spending power was estimated at £1,523m, falling to £1,373m in 2020/21ⁱ, equating to a cut of 28.55%ⁱⁱ in real terms.

FRS capabilities are built around our people. Staff costs make up a large proportion of fire and rescue service budgets and therefore it is inevitable that staff numbers have declined whilst services have had to make cuts, with full time equivalent firefighter numbers declining from 41,201ⁱⁱⁱ in 2010/11 to 32,233 in 2018/19, a fall of 21.77%. Despite this, Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) found in their 2018/19 State of Fire report that the sector is generally effective in responding to fires and other emergencies^{iv}. This shows the sector's ability to deliver savings whilst maintaining response services. The picture is not the same for Fire Protection (fire safety audit of buildings), a vital part of integrated service delivery and risk reduction.

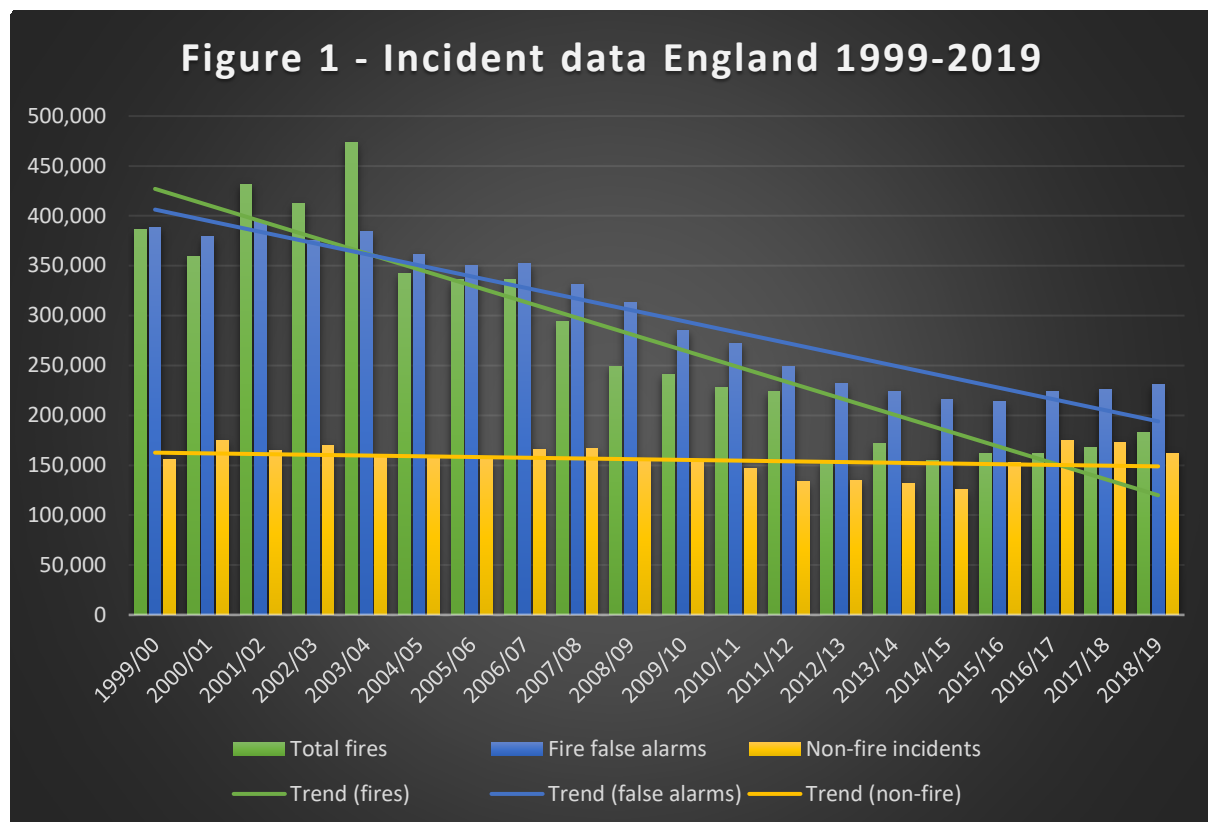
The Inspectorate, and the sector, have identified a number of areas for improvement (which will be covered later in this report) but it is clear that improvement activities cannot be delivered if staff numbers are reduced further due to a) needing a base of resource to respond to risk and b) needing the capacity to deliver improvement activity.

1.1. Resourcing to Risk

Unlike some public services which are demand led, we need to have enough resources available to provide an emergency response even in times of exceptional demand. This includes the ability to deal with large scale emergencies and/or a range of smaller incidents but all occurring simultaneously and/or incidents that are of extended duration.

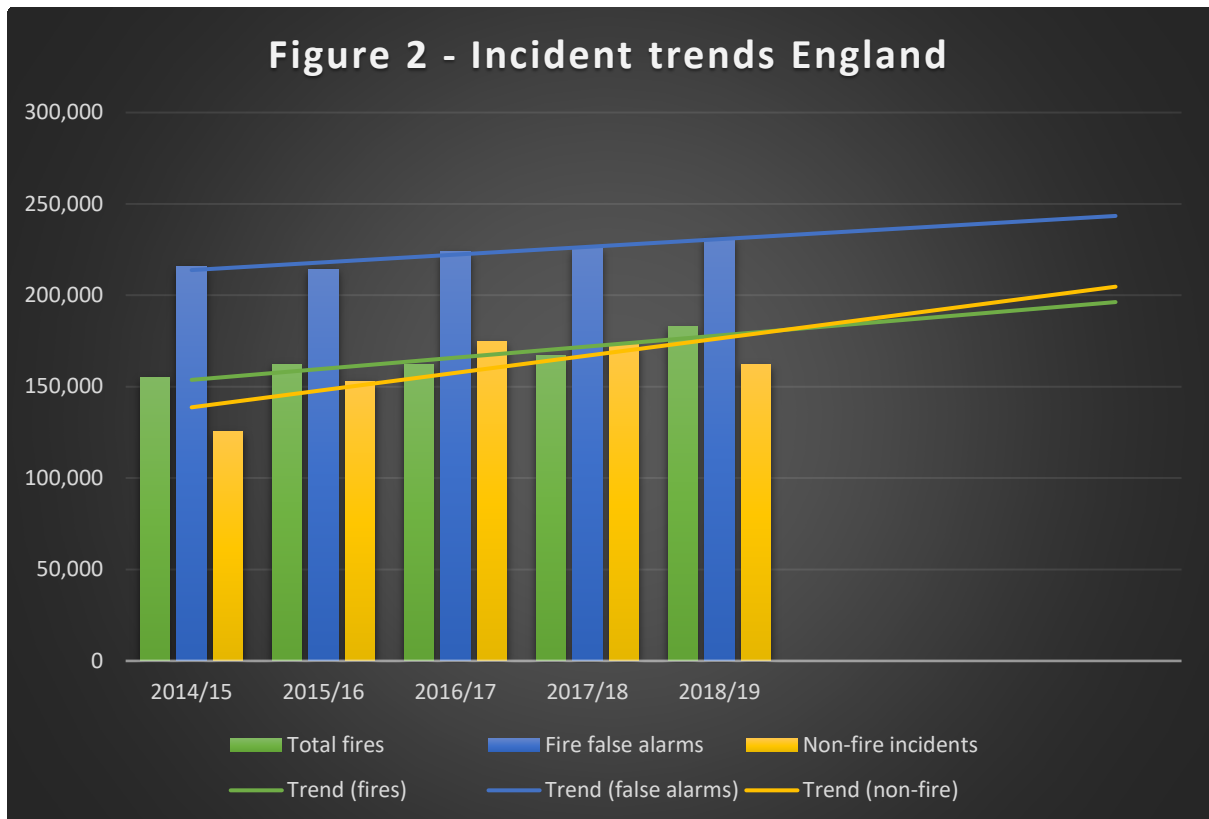
This resilience is vital to ensuring safe systems of work for our people, enables cross-border working (such as that seen in recent wildfires and flooding incidents such as the Whaley Bridge dam collapse) and has enabled significant support for other agencies during the COVID-19 pandemic. FRS are needing to plan, train and respond to an increasing number of weather related incidents such as flooding and wildfire and these risks are likely to increase due to climate change. The LGA and NFCC would welcome a review of Fire and Rescue Statutory duties to include response to flooding. Whilst many FRS have some capability to respond to these incidents, support for a consistent approach based on risk is needed and would require a capital investment similar to that made by the Welsh Government.

Whilst over the long-term incident numbers are down, there is evidence that this trend is reversing, demonstrating the need for continued resourcing for both service response and preventative activities.^v



Cutting firefighter numbers further at this time would prohibit FRS ability to meet the inherent risk and have a negative impact on the sectors aspiration to create a more diverse workforce by having fewer vacancies which can be filled by people from under-represented groups.

The benefits of a diverse workforce are well documented; engendering trust by representing the communities we serve, creating positive culture, removing barriers to potential high quality recruits and bringing diversity of thought to planning and decision making. Developing a workforce for the future is a key area of reform for FRS and high up the LGA^{vi} and NFCC agenda^{vii}. We need to do more to support staff and improve culture, progress towards which will be inhibited if there are further cuts to funding.



Initial analysis of response times when compared to firefighter numbers has shown significant correlation between a reduction in English firefighter full time equivalent (FTE) and slower response times, since 2009^{viii}. This data suggests that a further reduction in FTE firefighters of approximately 6,000 England-wide corresponds to an increase in average response times of 30 seconds^{ix}. Whilst this correlation does not directly indicate the cause of slower response times which may be impacted by factors such as traffic, funding pressures have resulted in greater use of On Call (part-time) staff which inevitably slows response. There are inherent risks with the On Call model of resourcing as FRS are struggling to maintain reliable response due to the appeal of the role, commitment required, financial reward and changes to lifestyles and primary working arrangements reducing availability of On Call staff. There are significant differences with how the system works across England, with some FRAs concerned about the future of the on-call system, and some experiencing a good availability of staff. Therefore, more work is necessary to see how we can ensure that the system can be sustainable for everyone into the longer term. Government support for a review of the system would be welcomed. However, it is clear that any alternative to the current system would have cost implications and require funding to deliver.

1.2. Resilience in times of crisis.

Throughout the COVID-19 pandemic FRS have demonstrated their ability to flex their resources, with minimal additional financial support, to support other agencies in time of crisis. This is in addition to the ongoing support that FRS give other blue light services; with medical co-responding and gaining entry activity common. Few other agencies have the geographical spread of local resources that FRS do, with good levels of public trust^x which enables support to vulnerable people in our communities. To the end of June 2020 FRS had delivered considerable additional activity as shown in figure 3.

The NFCC has evidenced how it can support individual FRS and national government by co-ordinating efforts. It has issued communication and guidance to assist fire and rescue services to see their way through this national health emergency, whilst working with partners in other agencies; including nationally with the National Police Chiefs Council and Ambulance Chief Executives, which complemented the local work of FRS through the local resilience forum or similar.

The NFCC, National Employers and Fire Brigades Union have evidenced how they can support individual FRS and national government through the unprecedented tripartite agreements which have been generated to enable such activity.

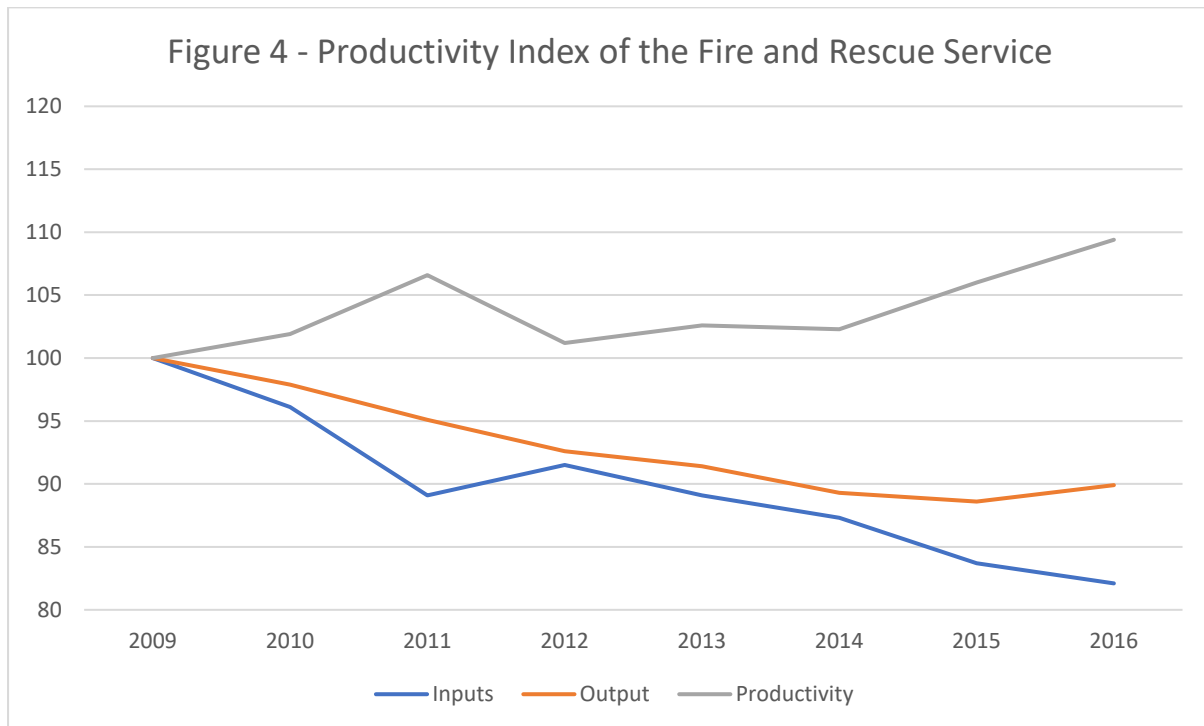
Figure 3 – TRI-PARTITE AGREEMENT COVID-19 Additional Activity delivery March – June 2020



1.3. Productivity: Capacity to deliver increased fire prevention and protection activity

We understand that all public services are under pressure to deliver more effectively and efficiently in light of the economic climate and public scrutiny. There are however opportunities to improve FRS by making incremental improvements within existing resources.

HMICFRS found that many services are under-resourcing prevention and protection and need to make sure their workforces are more productive. Office of National Statistics data^{xi} shows that productivity of FRS has improved since 2009, perhaps inevitably as a result of reduced staffing numbers.



FRS already use their station based staff to deliver targeted fire prevention and protection in their local areas. There is an opportunity to better utilise the fire station based workforce to conduct more home and business fire safety checks in the community. This would have a positive impact on productivity and morale whilst providing an opportunity for FRS to invest in the development and training of staff. One outcome of having fewer fires to attend has been the need to increase training so firefighters are safe as possible when they do attend emergency incidents. Fire station based personnel carrying out more routine fire protection work will improve their knowledge of the built environment and free up higher trained inspecting officers and fire engineers to deal with more complex buildings to support the new building safety regime.

We know that the number of home fire safety checks carried out by fire and rescue services has reduced by a quarter since 2011^{xii} and that fire safety audits have reduced by 42% over the same period^{xiii}. We believe that FRS have the capacity to deliver a significant productivity increase within existing resources over the three year spending review. Directing 3% of wholtime capacity to these interventions would give FRS the opportunity to deliver up to 523,000 additional hours of activity nationally^{xiv} which would equate to an additional 18,000 basic fire safety audits^{xv} (with more complex activity being undertaken by specialist protection teams, who will be freed up by the increase in capacity to undertake lower level audits) and 65,000 home safety checks per year^{xvi}.

There may be further opportunities to improve workforce productivity by diversifying the work undertaken by staff, in line with 'Fit for the Future'.

1.4. Productivity: impact and outcomes

It is estimated that, in addition to making communities safer and reducing harm from dwelling fires, 65,000 home safety checks will deliver an economic benefit of £127m^{xvii}. It is not so easy to identify the direct impact of regulatory fire safety audits and inspections on fires given the very different nature of the sectors that those buildings represent (that range from large hospital complexes to small takeaway food outlets). It is evident that more regulatory fire safety audits will increase the rate at which issues with the built environment, identified through the Government's Building Safety Programme, are able to be addressed. Over the 10 years between 2009/10 and 2018/19 there have been 3,631 fewer accidental fires across England in non-domestic buildings. At 2019 prices, this represents an estimated economic saving to society of £370 million, this reduction is supported by the inspection and enforcement work undertaken by FRS.

The Outcomes of this additional work are expected to be:

- Reduction in number of fires in domestic premises
- Reduction in deaths from these fires
- Reduction in injuries
 - By targeting specific vulnerable groups e.g. elderly and disabled people
 - Providing community safety checks, like smoke alarm etc.
- Reduction in damage to properties from fires as there are fewer domestic fires and less damage as fires that do happen cause less damage
- Advise wider cross Government policies such as security, crime prevention and health and well-being
- Audits resulting in
 - Eventually, a greater proportion of satisfactory fire safety audits
 - publicity - using media to increase the deterrent effect

1.5. Efficiencies: Delivering collaborative procurement

The NFCC established its national procurement programme in 2015, with individual FRS taking a lead on each category of major expenditure. The programme resources were boosted by transformation grant funding awarded by the Home Office in 2016-17, with the programme expected to deliver savings from collaborative procurement of £27m by 2024-25 and the National Procurement Strategy for Fire published in 2018. As transformation funding was exhausted during 2019-20, the programme is now resourced by the sector and the national savings register has evidenced savings of £13m.

The Fire Commercial Transformation Programme operates under 3 key principles:

- Standardised requirements: developing agreed standard specifications that are operationally driven rather than procurement-led.
- Aggregated volumes: FRS that bring larger volumes to market typically get better deals. Where possible, i.e. non-fire specific goods and services, consider the wider purchasing power of other public sector organisations.
- Collaboratively managed contracts and suppliers: joined-up strategic engagement, supplier performance and contract management

The programme is therefore on track to deliver the remaining £14m of savings over the spending review period, which will be utilised by FRS to offset internal cost pressures. Further investment will generate even bigger savings.

1.6. Efficiencies: Delivering technological improvement

HMICFRS found that the use of technology in FRS varies considerably, and that whilst there are pockets of innovation the sector as a whole can use technology better. This view is supported by a recent study by Leeds University^{xviii} which found that the condition of FRS ICT infrastructure differs greatly across England with a number of services facing significant ICT challenges. The NFCC have responded to this by launching its Digital and Data Programme^{xix} to support services.

It is apparent that in order to deliver transformative technology which will support business operations, promote productivity, operational decision making and service improvement to the public, significant investment will need to be in FRS technological capability. FRS have already identified improvements needed and have incorporated digital transformation into their change programmes, often funded by reserves^{xx} This investment will not be possible if baseline funding is cut and therefore reserves will be required to support revenue budgets rather than make sustainable changes.

2. Significant Cost pressures – funding for national issues which are putting long-term pressure on FRS budgets

There are a number of issues impacting on the financial sustainability of FRS (amongst other public services) which could have a detrimental impact on the ability of FRS to maintain their services to the public.

2.1. Pay

Firefighters have been subject to pay freezes and below-inflationary increases during austerity and the sector is under significant pressure from unions to deliver a large pay rise in 2020. The National Employers' position, following consultation with Chairs and CFOs, is that any pay rise beyond 2% in 2020/21 would be unaffordable for the sector without additional government funding. Any agreements will be subject to the NJC negotiation process. It is estimated that a 2% increase would cost the sector at least £25m^{xxi} per year, representing more than 1% of total funding for FRS. Beyond 2020/21 it is expected that the pressure for pay awards above 2% will increase.

Looking forward, it is clear that the sector would need an increase in central FRS funding if it is going to reform firefighters' roles in line with ongoing and emerging objectives. Any further reforms would need to be supported and sustained by Government funding, previous costing estimates for this have been in the region of 15% of firefighter pay.

2.2. Pensions

Pension cost pressures and administration issues are a significant risk to FRS budgets. Local administration carries inherent risks, particularly around discrepancies in treatment of pension administration changes and whilst there have been several joint procurement exercises between FRS, there is further opportunity to seek collaborative solutions to pension administration.

2.2.1. GAD revaluation

The 2016 GAD revaluation resulted in a headline rate increase of 12.4% of employer pension costs, which in 2019-20 equated to £125m. The Home Office have agreed to fund £115m of this pressure in 2019-20 and 2020-21 but this will need to be added to base budgets rather than offered as a grant to ensure financial sustainability and FRS ability to plan their resources. As pay costs increase, so do employers' pension costs and therefore this would also need to be reflected in funding.

2.2.2. McCloud/Sargeant

There are two issues arising from the potential remedy for discriminatory conditions of tapering in to the 2015 firefighters pension scheme (FFPS):

1. Pension administration costs; amendments to software capability will be chargeable as a special project by third party administrators and it is estimated that will cost the sector in the region of £1.2m^{xxii}, given the proposed implementation date of 1 April 2022, work will need to commence early in 2021.
2. Increased employer contributions which are likely to impact on FRS budgets in the next valuation, with rates being implemented from 2023-24 and therefore within the three year spending review period. At the moment the sector has no information on what the costs of remedy to Firefighter and Local Government Pensions schemes will be, but given central estimates of £2.5bn per year for all schemes^{xxiii} it is clear that this cost pressure cannot be borne by FRS as there will be a significant impact on delivery of services to the public.

2.2.3. O'Brien/Matthews

There are three issues arising from the potential remedy for discriminatory conditions against part-time workers prior to 2000:

1. Pension administration costs; amendments to software capability will be chargeable as a special project by third party administrators and it is estimated that will cost the sector in the region of £1.2m^{xxiv} the timing of which is subject to timescales of remedy
2. Pension administration costs; experience of the 2006 modified pension exercise was that this was a considerable burden for those FRS with high numbers of on call staff. It is likely that there will be further take up as any additional employees pension contributions can be deducted from pension due, so at no detriment to the pensioner. It is estimated that this burden will fall to FRS payroll, HR and finance teams at a further cost of approximately £1.4m^{xxv} to English services
3. Increased employer contributions which are likely to impact on FRS budgets in the next valuation, with rates being implemented from 2023-24 and therefore within a potential three year spending review period. At the moment the sector has no information on what the costs of remedy will be (and this is also likely to be tied up in the wider scheme valuation).

2.3. Impact of COVID-19 on Collection funds

The COVID pandemic has had a significant impact on FRS, with business continuity processes being in place since March 2020. Whilst the impacts of the pandemic and subsequent lockdown are yet to be fully understood, the resulting recession will impact on households' and business' ability to pay their Council Tax and Business Rates. The impact will be felt across the sector, with FRS picking up a proportion of the collection fund deficit from 2021-22, there may be a higher degree of impact on embedded FRS which have conflicting priorities such as adult social care and children's services.

It is currently difficult to collate data from billing authorities but national forecasts for income losses in 2020-21 are^{xxvi}

- 4.54% of Business Rates = **£31.1m** for standalone FRAs
- 2.88% of Council Tax = **£24.5m** for standalone FRAs

For context, these losses of £55.6m are equivalent to 1,300^{xxvii} firefighters or around 6% of the wholtime workforce^{xxviii} in just one year. Whilst the MHCLG announcement in July allowing local authorities three years to settle collection fund deficits is welcome, we request funding equivalent to, or protection from collection fund losses to prevent cuts to front line services being made as a result of the pandemic. Given there will be local variation in collection rates, precept flexibility for fire would also support the ability of FRS to set balanced budgets over the medium term.

2.4. National Resilience

New Dimensions assets are now coming to the end of their life and require replacement at an estimated cost of £100m. We are clear that financial responsibility for New Dimensions national resilience capability sits with the Home Office and should not become a burden on FRS. The sector positions is that future funding should not be subsumed into the Revenue Support Grant where transparency around the amount and allocation will be lost.

2.5. Emergency Services Network

The Emergency Services Network should improve digital capability in FRS. The delay in roll out of ESN is well documented and we are clear that additional costs arising from central issues with the programme should not become a burden on FRS. Recent research has found that the length of the

ESN programme is creating inertia and restricting innovation by suppliers as well as the potential financial impact. Clarity is needed on the impact at local FRS level to support planning and risk awareness.

3. Sector Improvement – delivering enhanced building safety and ensuring FRS are Fit for the Future

3.1. Focus on Protection

The HMICFRS State of Fire report found that “Many services don't do enough to make sure premises comply with fire safety regulations “, “There is an inconsistent approach to the number of inspections services carry out” and “The lack of fire safety enforcement is a concern”. Protection teams have been disproportionately affected by funding cuts within FRS over the last decade, partly due to the rise of prevention since 2000 and more recently as FRS commit to protect frontline operational firefighters in response to public consultation. Consequently, the number of Protection staff have reduced by as much as 32% in the last eight years^{xxix}, resulting in a loss of specialist skills and experience throughout FRS. This shows that there has been an underinvestment in fire safety under the existing regime.

There is a clear need to invest more in protection activity as the sector responds to systematic deficiencies highlighted by the Grenfell Tower Investigation (GTI), with particular focus on high risk, high rise buildings. Dame Judith Hackitt’s recommendations in the Independent Review of Building Regulations and Fire Safety – Building a Safer Future and resulting legislative changes have increased the duties and responsibilities for Protection teams.

The fire sector is progressing work to build understanding, capacity and capability to meet the requirements of the Building Safety Programme and recent findings for more complex buildings. Whilst there is an opportunity to boost the number of inspections delivered using existing staff as outlined in section 1.5, targeted investment is needed to ensure that services are able to deliver against the new fire safety regime in a safe and sustainable way.

3.1.1. 2020-21 Grant Funding

In the 2020-21 financial year, £20m has been granted to the sector for enhanced protection activity with a further £10m available for implementation of the Grenfell Tower Inquiry Phase 1 report, of which £1.6m is being retained by the Home Office to deliver Control Room ICT infrastructure enhancements.

£21.4m in total has been granted directly to FRS support specific pieces of work, to deliver:

- Building Risk Review Exercise via MHCLG grant - £6m
- The Protection Uplift Programme - £10m
- Recommendations from GTI phase 1 report including purchase of smoke hoods - £5.4m

£7m has been granted to the NFCC (via CFOA Charity) in addition to established £1.5m funds for leadership and standards

- £4m for the Fire Protection Hub and Building Safety Team, including support to FRS for the work above, via MHCLG grant, the benefits of which were outlined in the Protection Board: Programme Business Case finalised on 6 March 2020 and delivery to date of:
 - Framework for Managing Risks for High-rise Residential Buildings with ACM Cladding
 - High-rise Residential Buildings Interventions Feasibility and Impact Assessment
 - Costs for Safety Interventions in High Rise Residential Buildings
 - Risk Assessment Process for High Rise Residential Buildings for the Protection Board Building Risk Review Process

- £3m uplift for Improvement Capability of the sector, to include recruitment of specialist expertise, NFCC capacity and enhance Programme Management Office programme plans, which is covered in more detail on pages 11-13 of this report

3.1.2. Investment needed over the spending review period

Whilst this one-off funding is welcome and will deliver significant improvement to the sector’s protection capacity as well as specific pieces of work (such as assurance on high risk, high rise buildings), it is the first investment in fire protection via FRS for many years and represents only 1.3% of core spending power^{xxx}. Sustained investment will support continued delivery against priorities already identified through legislative review, which align with ministerial priorities:

- Building upon 2020-21 Grant funded activity to consolidate FRS protection teams’ competence and capacity to respond to new legislative environment – maintaining the £10m Protection Uplift Programme to support sustainable recruitment in to specialist roles.
- It is assumed that the *High Rise High Risk Review* exercise was a one-off pending introduction of new legislation. If this work is to continue, ongoing funding of £6m is required
- The current Protection Board Programme is planned to run until December 2021; Augmenting the £0.7m NFCC funded Building Safety Team via a £3m per year grant (£0.75m in year 1) to the Fire Protection Hub will maintain capability in key specialist areas to support new legislative requirements – this represents a £1m saving against the initial investment as individual FRS build their capacity and capability in Fire Safety

Figure 5 – Building Safety Team – planned annual investment

Data & analytics	Fire safety	Central Policy	Comms & education
current staff	current staff	current staff	current staff
new analysts	new legal advisers	new policy/admin staff	new comms/ed staff
IT and software	contracted services	hub leadership	learning
expenses	flexible resource, FRS	miscellaneous	engagement
£0.52m	£0.67m	£0.89m	£0.92m

The board aims to strengthen protection activities across FRSs in England and is charged with delivery of the ministerial commitment to increase the pace of inspection activity across high rise/high risk buildings to inspect or assure these properties no later than December 2021. The board has been developing a programme of work to meet this new expectation and increase the capacity of services ahead of the new Building Safety Regime, helping to identify and help resolve fire safety issues before other major incidents occur. The work of the board will be essential in supporting the new Building Safety Regime going forward, central support capacity will continue to be needed alongside:

- New burdens are being placed upon FRS through the introduction of new legislative requirements. The Fire Safety Bill familiarisation costs are expected to be £0.7m in year 1, with ongoing costs of fire safety inspections increasing by £0.7m^{xxxi}
- The draft Building Safety Bill has identified in its central case £30.3 - £44.7m of ongoing costs^{xxxii} for FRS to support the safety of 1.7m homes
- The impact assessment for the uplift to the Fire Safety Order and changes to building control consultations with FRS are still unknown but will not be insignificant

3.2. Fit for the Future – enhancing professional expertise

HMICFRS has identified an urgent need for the sector to enhance its capability to deal with existing and emerging issues: the assessment of risk, data needed to inform decision making, developing a diverse and inclusive workforce which is appropriately trained to prevent and respond to incidents and incorporates learning. These issues are well highlighted by the Grenfell Tower Inquiry, Lord Greenhalgh’s ministerial priorities, the LGA Fire Service Management Committee and previous reviews of Fire (such as Thomas/ Knight). The NFCC, LGA and National Employers (England) have therefore developed a “Fit for the Future” plan which identifies sector improvement objectives.

The NFCC Central Programme Office (CPO) coordinates the multiple improvement programmes of work on behalf of the NFCC. This overarching coordination helps the NFCC avoid duplication; prioritise work more effectively; and develop solutions and tools more efficiently which support fire and rescue services where a national approach would be beneficial. The NFCC CPO also provides support to the Fire Standards Board and coordinates the development of the full suite of Fire Standards. The guidance that underpins each Fire Standard will be developed by the subject matter expertise drawn from the NFCC network of services and other relevant stakeholders. All NFCC products and Fire Standards will be subject to Quality Assurance to ensure those products have been produced efficiently and effectively involving all stakeholders and are fit for use. Use of those products, especially when they underpin fire Standards, will help bring about national consistency and drive transformation across services^{xxxiii}.

Development of guidance and standards works well but it has been identified that the FRS needs a central resource to aid implementation and support consistency. The NFCC working with the LGA is well placed to provide this implementation support, subject to funding.

3.2.1. 2020-21 Grant Funding

In the 2020-21 financial year, a £3m grant has been provided as an uplift for Improvement Capability of the sector, to include recruitment of specialist expertise, NFCC capacity and enhance Programme Management Office programme plans. This funding is in addition to the £1.5m funding available for the Fire Standards Board. The deliverables against this funding have been identified in the Home Office Grant Conditions^{xxxiv} and performance against plans will be monitored on a quarterly basis.

3.2.2. Investment needed over the spending review period

Whilst this one-off funding is welcome and will deliver significant improvement to the sector’s capability and capacity as well as specific pieces of work (such as fire standards), sustained investment will support continued delivery against priorities already identified through legislative review.

- The Fire Standards Board will continue to require funding and support by the CPO as this is ongoing work
- The current programme of deliverables is due to complete by Q1 of 2021-22; Augmenting the £1.1m NFCC funded CPO via a £2.5m per year grant (£1.5m in year 1) to enable further activity– this represents a £0.5m saving against the initial investment as individual FRS build their capacity and capability in these key areas
- This will also need to fund a team of implementation officers - embedded within the LGA and NFCC - to support roll out of the established programmes in to FRS If supported by further funding, the CPO has identified specific deliverables^{xxxv} which cannot be supported by the current programme, which will be aligned to the key areas of
 - Leadership
 - Digital & Data

- Community Risk
- Culture & Ethics

3.3. Leadership development

Governance is a central pillar of the fire sector and elected members have a key role to play setting the policy direction of their services and challenging them to make improvements where necessary. The LGA as the representative body for 44 out of 45 English authorities provides a voice for the sector and supports member development through a sector improvement offer. The LGA offer is open to elected members from all fire authority types and helps to develop leadership and governance skills, and to promote an understanding of key issues like building safety and diversity and inclusion. This is done through a series of activities including training, such as the Leadership Essentials programme for fire and rescue authority members, Oversight of performance training events and the Diversity and Inclusion Champions Network. It is vital that the LGA is able to continue to support members in this way and to ensure members have access to resources that can help them govern their authorities well.

The HMICFRS' inspections identified the governance as an area of tension and the NFCC and LGA are working together to address this by defining a shared set of principles which underpin good decision-making in all the fire and rescue services. To support the work of fire and rescue authorities and senior officers, the LGA has commissioned a series of video resources which will include these principles and maintaining effective member/officer relations. However, sustained activity to embed these principles will be required to create the desired impact.

3.3.1. Investment needed over the spending review period

Previously this work has been funded through other departmental grants, however, responsibility for the member development offer should sit within the Home Office fire budget.

- This work will continue to require funding and support by the LGA to ensure that we can provide ongoing development for members. A grant of £120,000 over the spending review period would allow the LGA to continue to provide the member development offer and to work with the NFCC to develop and support the development of a programme of activity around principles of good governance and decision-making and to develop training events for members and officers to embed those principles.

CPO Activity Plan beyond grant funding

Activity/Project	Deliverables
Developing effective communications and data sharing (including improving site specific information to operational crews) at operational incidents	Review of the nature and structure of communication between incident ground and control rooms considering technical solutions, message discipline and existing changes in technology.
Developing effective communications and data sharing (including improving site specific information to operational crews) at operational incidents	Conduct feasibility study and survey into existing technical solution and impact upon command and control structure.
Reviewing National Operational Guidance (NOG)	NFCC guidance on risk inspection visits and ensure all actions relating to plans and 7(2)(d)s are incorporated.
Review of National Operational Learning system and arrangements	Recommendations for expansion of National Operational Learning (NOL) to accommodate organisational learning inputs
Supervisory Leader Development Programme	A development programme to nurture leadership at the first level of management with an FRS organisation.
Direct Entry Pathways	A Direct Entry Pathway to include a training programme for entrants on operational duties above firefighter level.
Organisational Learning project	To be scoped
Culture (diagnostic tools)	To be scoped - review of the diagnostic tools available to fire service organisations that support cultural improvement
Health & Wellbeing	To be scoped - would include research projects to provide the evidence-base to support delivery of standards and improved practice in the physical and mental health and wellbeing.
Training courses procurement framework	To be scoped - A procurement framework that aligns National Operational Guidance against training courses bringing consistency and best value.
Immersive technologies	To be scoped - A review and research project into the immersive technologies available (such as virtual reality) and how they might translate to address some of the challenges around maintaining the competency of the workforce.

Fire Protection national guidance	Develop Fire Protection national guidance to support changes made following recommendations by MHCLG Building Safety Programme Resident's Voice Work stream. Development will follow the NFCC Quality Assured approach, hosted on a digital platform using the same integrated approach and accessibility as NOG.
Enforcement toolkit	To maintain a toolkit that can be used by services to improve the consistency and effectiveness of enforcement.
Online public services	Equitable online access to the public for all non-response services.
Data skills	All fire and rescue service staff have a level of data literacy appropriate to their role.
Application development guidance	Standards for local development of software and applications to enable sharing and scalability across services.
Evaluation	Areas of best practice within the UK fire and rescue service will be identified and scaled to be made available to all, improving consistency and maximising existing investment.
Evaluation	Consistent and comparable methodologies to evaluate the performance of local activities.
National Organisational Learning	Evolution of National Operational Learning into National Organisational Learning platform
Digital information service	A national Digital Information Service provides clear direction and consistency in relation to the use and implementation of data analytics within the UK fire and rescue services.

4. Summary

Integrated Review; The FRS has demonstrated through national incidents such as flooding and the C19 pandemic its ability to step up and meet demands placed on the country. Within this the FRS has demonstrated its expertise in command and control and logistics. With further development there is no doubt that the FRS can be the primary rescue organization for the UK, with control of the inner cordon at major incidents and a more significant role in command, logistics and resourcing of national emergencies.

A decade of austerity measures and the localism agenda has had a significant impact on the way that fire and rescue services operate and their financial sustainability. Because FRS are resourced to risk rather than demand, focus must be placed on delivering greater consistency and productivity whilst maintaining essential cover across England. There are clearly opportunities for increased collaboration and more efficient ways of working. However any resulting savings are tiny when compared to the amount of investment needed to deliver against the new legislative requirements alongside legacy improvements and reform.

The sector is responding to these challenges using a coordinated approach to deliver sustainable change to fire and rescue services and ultimately improved outcomes for the public.

Annex 1 – Fire Sector funding proposal^{xxxvi}

Funding Requirement	Recipient	Sector proposal for Spending Review (£m)				Notes
		2020-21	2021-22	2022-23	2023-24	
Baseline FRS Funding	FRS (SFA)	1.70%	2.12%	2.12%	2.07%	Inflationary uplift
Flooding Capability	FRS (Capital)	-	30.0	-	-	Purchase of response assets to meet new duties
Precept Flexibility	FRS	2.00%	£5 flexibility			
Pay	FRS	2.00%	5.00%	5.00%	5.00%	Estimate - subject to negotiations over reformed role
GAD revaluation	FRS (SFA)	115	117.4	119.9	122.4	Inflationary uplift as a minimum - should track pay
McCloud Sargeant	FRS	n/a	1.2	-	-	Admin cost
Resulting revaluation and compensation	FRS	n/a	compensation	compensation	revaluation	In base funding
O'Brien/Matthews	FRS	n/a	1.3	1.3	1.3	Admin - Assumes implementation 2022-23
Resulting revaluation	FRS	n/a	-	-	revaluation	In base funding
Collection Fund Deficits 2020/21	FRS	n/a	18.5	18.5	18.5	Third of calculated figures in section 2.3, to be updated by Home Office
Collection Fund Deficits 2021/22	FRS	n/a	-	?	?	To be assessed by Home Office
Collection Fund Deficits 2022/23	FRS	n/a	-	-	?	To be assessed by Home Office
National Resilience	FRS	10.01	10.2	10.4	10.6	support required to project and FRS grant funding
Protection Capacity	FRS	16	10	10	10	Assumes high risk high rise one off exercise
Building Safety Programme	NFCC	4	3	3	3	
Fire Safety Bill	FRS	-	1.4	0.7	0.7	
Building Safety Bill	FRS	-	30.3	30.3	30.3	Assumes implementation 2021-22
Fire Safety Order	FRS	-	?			
Leadership Capability uplift	LGA	-	0.12	-	-	
Leadership Capability uplift	NFCC	3	2.5	2.5	2.5	
Fire Standards Board	NFCC	1.5	1.5	1.5	1.5	

Annex 2 – NFCC, LGA and National Employers (England) Fit for the Future Improvement Objectives

1. Fire and rescue services have evidence based, high quality and consistent risk management plans that encompass all aspects of service deployment and delivery, addressing issues of local risk and ensuring they are resilient to national risks and threats including terrorism.
2. Fire and rescue services refocus their investment in the selection, training, development and support of employees to maintain, support and improve their skills and knowledge throughout their careers.
3. Fire and rescue services have access to a comprehensive national infrastructure and repository of standards, guidance and tools that are embedded in their own local service delivery.
4. Fire and rescue services support new and innovative ways to prevent fires and other emergencies. Firefighters work with people who are at risk in local communities to make them safer in all aspects of their lives, not only from fire.
5. Fire protection activity carried out by fire and rescue services is redefined and expanded by using new professional standards, competence requirements and training for firefighters and specialist protection staff assisted by a significant reallocation of resources through increases in productivity.
6. The benefits of all fire and rescue service activity are measured and evaluated so that decision making about resource allocation can be improved.
7. Prospective employees are attracted to fire and rescue services as an employer of choice where inclusive recruitment practices and the available diverse roles and responsibilities help the service manage risk in the local community.
8. An inclusive culture is at the heart of every fire and rescue service. They are a welcoming and supportive place to work for the widest variety of people from all backgrounds.
9. Political leaders, governments and fire and rescue service officers use a single leadership framework that sets out clearly a suite of service values, expectations and behaviours which all can promote and support. It is the basis on which fire and rescue services and all their employees operate.
10. Working with others in all aspects of fire and rescue service activity is core business, based on solid evidence and data that determines the most efficient and effective use of resources to ensure firefighter and public safety.
11. The National Employers (England), LGA and the NFCC jointly own and maintain an organisational learning system that will promote continuous improvement at a strategic level.

Annex 3 - Notes

ⁱ Core Spending Power supporting detail - <https://www.gov.uk/government/publications/core-spending-power-provisional-local-government-finance-settlement-2020-to-2021>

ⁱⁱ Indexation of Core Spending Power against CPI April 2009 to April 2020

<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>

ⁱⁱⁱ https://lginform.local.gov.uk/reports/lgastandard?mod-metric=964&mod-period=11&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup

^{iv} <https://www.justiceinspectores.gov.uk/hmicfrs/wp-content/uploads/state-of-fire-and-rescue-2019-2.pdf>

^v Fire 0102 updated 14 May 2020 <https://www.gov.uk/government/statistical-data-sets/fire-statistics-data-tables#incidents-attended>

^{vi} <https://www.local.gov.uk/inclusive-service-twenty-first-century-fire-and-rescue-service>

^{vii}

[https://www.nationalfirechiefs.org.uk/write/MediaUploads/NFCC%20Guidance%20publications/NFCC%20Position%20papers%202020/People/NFCC Equality and Diversity position statement.pdf](https://www.nationalfirechiefs.org.uk/write/MediaUploads/NFCC%20Guidance%20publications/NFCC%20Position%20papers%202020/People/NFCC%20Equality%20and%20Diversity%20position%20statement.pdf)



FRA Response
Times and Staffing.p

^{viii} Somerset Technical Team report “FRA Response Times and Staffing”, July 2020

^{ix} Somerset Technical Team report “FRA Response Times and Staffing”, July 2020

^x <https://www.justiceinspectores.gov.uk/hmicfrs/wp-content/uploads/public-perceptions-of-fire-and-rescue-services-in-england-2019-report.pdf>

^{xi} ONS presentation “Fire & Rescue Productivity measure”

^{xii} <https://www.justiceinspectores.gov.uk/hmicfrs/wp-content/uploads/state-of-fire-and-rescue-2019-2.pdf>

^{xiii} FIRE1202 comparison of 2010/11 to 2018/19 total audits <https://www.gov.uk/government/statistical-data-sets/fire-statistics-data-tables#fire-prevention-and-protection>

^{xiv} Based on 3% of 22,801 FF (assumed 50% station based) at 70% active time = 522,872 hours per year / crew of 4 https://lginform.local.gov.uk/reports/lgastandard?mod-metric=964&mod-period=1&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup

^{xv} Home Office statistics (FIRE1204) are considered for 2018/19 it can be seen that there were 33,265 satisfactory audits which took FRS in England 120,701 hours to complete therefore 3.63 hours per audit

^{xvi} Estimate of 45 minutes per visit from NFCC, made an hour inc. travel time



^{xvii} Illustration of
65000 more HFSC.doc

^{xviii} <https://business.leeds.ac.uk/downloads/download/187/aimtech-delivering-and-implementing-ict-in-the-fire-and-rescue-services-across-england-key-findings-and-recommendations>

^{xix} <https://www.nationalfirechiefs.org.uk/digital-and-data>

^{xx} NFCC Reserves Surveys 2018 and 2019 identified 18% of reserves for change programmes and a further 2% for specific digital enhancements

^{xxi} CIPFA Fire and Rescue Services Statistics 2019 – 2% of operational pay bill inflated by 2% for 2020

^{xxii} 50% of grossed up admin cost per <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

^{xxiii} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900766/Public_Service_Pensions_Consultation.pdf, page 31 para 2.58

^{xxiv} 50% of grossed up admin cost per <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

^{xxv} 2 x grossed up admin costs per <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

^{xxvi} <https://www.gov.uk/government/publications/local-authority-covid-19-financial-impact-monitoring-information>

^{xxvii} Using pay including on costs of £41,100 = 1,352 FF

^{xxviii} % of 22,108 FF per https://lginform.local.gov.uk/reports/lgastandard?mod-metric=964&mod-period=1&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup

^{xxix} HMICFRS State of Fire 2019 “In the 27 services that provided comparable data, the number of appropriately trained staff who were allocated to protection work had reduced from 655 in 2011 to 450 in 2019. Another problem the sector faces is the number of qualified protection staff who move to more lucrative posts in the private sector. With inspecting officer qualifications taking at least 18 months to complete, services don’t have a quick fix to fill staffing shortfalls.” (p87, para 3.)

^{xxx} £30m / £2.367bn from Fire Core Spending Power spreadsheet

^{xxxi} <https://publications.parliament.uk/pa/bills/cbill/58-01/0121/20200316FireSafetyBill2020IA.pdf>

^{xxxii} “Further Costs to the FRS” Page 48 of

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901866/20200708_Fire_Safety_Order_2005_Uplift_Consultation_IA.pdf



NFCC Plan on a
Page 2020-21.docx

^{xxxiii}



CFOA GRANT
CONDITIONS- FINAL

^{xxxiv}

^{xxxv} CPO Deliverables list for Grant Conditions, July 2020 filtered by “Red” funding status and no timeline allocated

^{xxxvi} <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-june-2020-quarterly-national-accounts>



Reserves Strategy

Finance & Resources Committee

Date: 16 October 2020

Agenda Item:

8

Submitted By: Chief Finance and procurement Officer

Purpose To seek endorsement of the Authority's Reserve Strategy 2020/21 to 2024/25

Recommendations That Members approve the strategy.

Summary The level of usable reserves of stand-alone fire and rescue services is of particular interest at a national level and it is recognised that there is a need for greater transparency around reserves. The reserves strategy was formally approved at Finance and Resources Committee on the 12th October 2018 and Full Authority approves the use of reserves to support the revenue budget in February as part of the budget setting process.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: CIPFA LAAP Bulletin 99

Annexes: Reserves Strategy 2020/21-2024/25

1 Introduction

- 1.1 It is a requirement that local authorities publish their reserves strategy either as a separate document on their website or include it a part of the budget setting process. At Finance and Resources Committee on the 12th October 2018, the Authority's reserve strategy was approved and then subsequently published on the Authority's website. In addition, the planned use of usable reserves over the next four years was presented to Full Authority as part of the budget setting process.
- 1.2 Reserves are an essential tool to ensure long-term budget stability particularly at a time when the Authority is facing significant year on year reductions in grant funding over the medium term.

2 Information

- 2.1 At a national level there has been considerable debate about the level of general reserves that are being held by local authorities. Whilst there is no specified minimum general reserve level, a broad rule of thumb adopted by most Chief Finance Officers in Local Government has been that an appropriate and prudent level is one that is equivalent to 5% of the budget.
- 2.2 The current level of reserves for West Yorkshire as at the 1 April 2020 were £5.0m of general fund balances and £29.668m in earmarked reserves, equating to a total usable reserve balance of £34.668m. The general fund balance represents 5.7% of the revenue budget.
- 2.3 It is worth reminding members that although the Authority has £34.6m of usable reserves on the face of the balance sheet these are only backed by £31m in cash and investments at the 1st April. If the Authority were to spend its reserves over and above its cash balance we would have to borrow either on a short or long term basis, thus adding pressure to the revenue budget in the form of interest payments. The current policy of utilising our own cash rather than taking out new loans has saved the Authority over £4m over the past 9 years.
- 2.4 In determining the appropriate level of reserves required by the authority, the Chief Finance and Procurement Officer is required to form a professional judgement on this, considering the strategic, operational and financial risk facing the authority. This is completed based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and includes an assessment of the financial assumptions underpinning the budget over the medium to long term. This includes issues such as uncertainty surrounding future funding settlements, pay awards, changes to pension schemes rates, volatility of the retirement profile.
- 2.7 A detailed analysis of the Authority's earmarked reserves and their planned use is included with the Reserves Strategy, which is attached to this report.

In summary, it is planned, to use over £26.4m of earmarked reserves by the end of 2024/25 which will be primarily to support the revenue budget if the results of the Comprehensive Spending Review, due in April 2021 are unfavourable. It is projected that earmarked reserves will be utilised as follows;

- £16m on the rebuild and major development of our property assets
- £0.2m on invest to save initiatives from the Service Support Reserve

- £2.0m on estimated inflationary pressures including increases in pay awards not currently provided for
- £2m to support the Medium Term Financial Plan in the event of a greater than forecast cut to funding
- £0.5m on the final payment for the Command and Control System
- £1.0m to support the potential business rates and council tax collection fund deficits resulting from Covid19.
- £4.05m to fund in the short term the estimated increase in employer contributions resulting from McCloud/Sargeant pensions age discrimination ruling.

3 Financial Implications

The management of usable reserves is important for sound financial management and the production of a sustainable Medium Term Financial Plan. The earmarking of reserves for specified future projects and potential liabilities means that funding has been set aside and cannot be used for other purposes. This facilitates improved planning and transparency.

4 Legal Implications

The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

None associated with this report.

6 Health and Safety Implications

None associated with this report.

7 Environmental Implications

There are no environmental implications arising from this report.

8 Your Fire and Rescue Service 2019 -2023 Priorities

The reserves strategy supports all the fire and rescue service priorities.

9 Conclusions

It is a requirement that the Authority reviews and approves its Reserve Strategy on an annual basis. The use and management of reserves will be the key to financial stability especially at a time when the Authority is facing funding uncertainty.

WEST YORKSHIRE FIRE AND RESCUE SERVICE

RESERVES STRATEGY 2020/21 TO 2024/25

What are Reserves

Reserves are an essential part of good financial management in that they help the fire authority manage with unpredictable financial pressures and plan for future spending commitments. The level, purpose and planned use of reserves are important factors in developing the Medium Term Financial Plan and setting the annual budget. In setting the budget the fire authority decides what it will spend and how much income it needs from council tax to supplement government funding. The fire authority may choose to fund some of its spending from its reserves and balances in the short term until long-term savings initiatives are realised.

Having the right level of reserves is important. If reserves are very low, there may be little resilience to financial shocks and sustained financial challenges.

The requirement for a local authority to maintain financial reserves is acknowledged in legislation and thus preventing the authority to over committing financially. These are

- The requirement to set a balanced budget as set out within the Local Government Finance Act 1992.
- The requirement of the authority to make arrangements for the proper administration of their financial affairs and the appointment of a Chief Finance Officer (section 151 officer) to take responsibility for the administration of those affairs.
- In accordance with the Local Government Finance Act 1988 (Section 114), the Chief Finance Officer must report if there is or is likely to be unlawful expenditure or an unbalanced budget.
- The Local Government Act 2003, places a duty on the Chief Finance Officer to give positive assurance as part of the budget setting process of the adequacy of balances.
- The Local Government Finance Act 1992 requires fire authorities as a precept authority to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- The external auditors' responsibility to review and report on the authority's financial standing as per the annual external audit report.

The Chartered Institute of Public Finance and Accountancy (CIPFA) published LAAP Bulletin 99 in July 2014 which provides guidance on the management of reserves which has been adopted by the authority.

National Framework

The National Framework which was published in May 2018 includes a section on reserves, the main components of which are:

- General reserves should be held by the fire and rescue authority and managed to balance funding and spending priorities and to manage risks. These should be established as part of the medium term financial planning process.

- Each fire and rescue authority should publish their reserves strategy on their website. The strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year. The reserves strategy should provide information for at least two years ahead.
- Sufficient information should be provided to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the fire and rescue authority's medium term financial plan.
- Information should be set out in a way that is clear and understandable for members of the public and should include:
 - o How the level of general reserve has been set.
 - o Justification for holding a general reserve larger than five percent of budget
 - o Whether the funds in each earmarked reserve are legally or contractually committed, and if so, what amount is committed and,
 - o A summary of what activities or items will be funded by each earmarked reserve and how these support the fire and rescue authority's strategy to deliver good quality services to the public.

Determining the Level of Reserves

Reserves are an essential tool to ensure long-term budget stability particularly at a time when the Authority is facing significant year on year reductions in grant funding over the medium term.

Reserve balances have been identified as a key indicator of financial health and the Authority continues to have an appropriate level of reserves to deal with identified risks. As a minimum there, there are sufficient balances to support the budget requirements and provide adequate contingency for budget risks.

In accordance with the authority's financial regulations, the authority holds reserves which fall into two distinct categories:

- General Reserves – these are necessary to fund any day to day cash flow requirements and also to provide a contingency in the event of any unexpected events or emergencies; and
- Earmarked Reserves – these have been created for specific purposes and involve funds being set aside to meet known or predicted future liabilities. By establishing such reserves, it will smooth the expenditure profile and avoid liabilities being met from Council Tax in the year that payments are made.

The Authority also has a number of provisions on the Balance Sheet which, provide funding for a liability or loss that is known with some certainty will occur in the future but the timing and amount is less certain.

There is not a recognised formula for determining the level of reserves that each fire authority should maintain. It is up to each authority to consider the local circumstances and the potential issues/risks that may occur across the medium

term. In determining the level of reserves for the Authority the risks and issues that should be taken into consideration will include the following:

- The possibility of savings not being delivered; as austerity levels of funding continue, the need for annual reductions in spending is expected to increase in magnitude. This is likely to mean the identification of savings proposals carry a potentially greater risk of not being delivered.
- To provide cover for extraordinary or unforeseen events occurring: given the purpose of the fire and rescue service is to respond to emergency situations, there is always the potential for additional, unexpected and unbudgeted expenditure to occur.
- The commitments falling on future years as a result of capital plans and proposals to improve the asset base. Having reserves mitigate the impact on the revenue budget of borrowing and/or revenue contributions to capital and would support projects/programmes that will support revenue efficiencies.
- The risk on inflation, especially pay awards. There is continuing pressure on the pay awards for fire fighters, there is currently 3% provided for in the Medium Term Financial Plan, but there is a possibility that the pay award could be higher than this.
- Enable the Authority to resource one-off policy developments and initiatives without causing an unduly disruptive impact on Council Tax.
- Spread the cost of large scale projects which span a number of years.

The Authority has a robust approach to managing risk and there are effective arrangements for financial control in place. However, given the high level of influence of third parties such as the Local Government Employers and Government departments on its income and expenditure there is always the risk that the Authority will unexpectedly become liable for expenditure that it has not budgeted for.

Reserves only provide one off funding so the Authority aims to avoid using reserves to meet regular and ongoing financial commitments, other than as part of a sustainable medium-term budget plan.

The Authority has set its' guideline Prudential indicator for the General Reserve at 5% of annual budget which is a commonly used benchmark across the fire sector. The Authority also uses the Risk Register to determine the level of General Fund Reserve. This Risk Register details 55 separate risks the Authority faces, which has an estimated financial liability of £5m. This equates to 5.7% of the annual budget, slightly higher than the guideline of 5%.

Reserves Position 1 April 2020

Although the Authority has on the face of the Balance Sheet £34.6 million in usable reserves, the actual cash readily available at the 31 March 2020 is £31 million. The level of cash fluctuates during the year due to the timing of Government grants, notably the top up grant which we received £31 million in July 2020. If the Authority wanted to utilise reserves which exceeds our working cash flow balance, we would need to borrow. Because the rate of interest for investments is at such a low level, it

is good financial management that we use our cash flow to fund expenditure rather than borrow.

The current balance of reserves is summarised in the table below:

Type of Reserve	Balance at 1/4/20
General Fund	£5,000,000
Earmarked Reserves	£29,668,119
TOTAL	£34,668,119

The general fund reserve is not specified for a determined use: it is maintained for cash flow purposes.

Earmarked reserves are funds that are set aside to meet costs for specific purposes in future financial years. These reserves allow the Authority to adopt a more flexible approach to budget management and meet cost pressures in future years. Some reserves are a result of the receipt of a Government grant that has been given for a specific purpose, others are from the transfer of revenue budgets to reserves for future costs.

Detailed below are the Authority's reserves, an explanation of their purpose and forecast balance at the 31/3/2025.

Reserves as a result of Grants

Description	Balance 1/4/20	Estimated Balance 31/3/25	Purpose and Origin of the Reserve
Council Tax Reform	£27,000	£27,000	This was a one off grant received in 2012/13 from Central Government to assist with the costs associated with the reform of business rates. To date, no expenditure has been charged to this reserve.
Body Bag Decontamination	£40,000	£40,000	This grant was received in 2012/13 and 2013/14 from Central Government.

Description	Balance 1/4/20	Estimated Balance 31/3/25	Purpose and Origin of the Reserve
Control Room	£563,000	£0	This is the remainder of grant for the New Control Project which West Yorkshire manage on behalf of both West and South Yorkshire. This reserve will be fully used once the final payment to Systel has been paid.
Enhanced Logistics	£201,709	£51,709	This was a grant initially received in 2011/12 for the provision of the purchase of the new command unit. This is now complete and a replacement of the vehicle will be charged to this reserve if required in the future.
Transparency	£46,174	£46,174	This was a central government grant to enable organisations to meet the requirements of data transparency. To date, no expenditure has been charged to this reserve.
Business Rate Appeals	£1,114,224	£114,224	This reserve is used to manage the volatility on the revenue budget from business rate appeals. A grant is received from government each year to ease the potential cost which is based in the NNDR1 returns from the 5 district councils.
COVID19	£406,331	0	This reserve holds the grant relating to supporting the costs associated with Covid 19.

Reserves as a result from Revenue Allocations

Description	Balance 1/4/20	Estimated Balance 31/3/23	Purpose and Origin of the Reserve
Emergency Services Mobile Communications Programme (ESMCP)	£258,000	£258,000	This reserve has been established to recognise the risk that Government funding for ESMCP may cease after 2022. This reserve will fund those contracts for which the Authority will be contractually committed to after this date.
Insurance Claims	£418,650	£418,650	This reserve was established in 2013/14 following the receipt of an insurance claim relating to the stores fire, an additional £158k was put aside in 2014/15 and £77k in 2017/18 and 2018/19. This reserve will be used for any uninsured losses the authority may face in future years e.g. mesothelioma.
Service Support Reserve	£741,821	£541,821	This reserve was established in 2013/14 with the purpose to fund any expenditure that is not included in the MTFP but will generate savings in the longer term. £1,224k was paid from this reserve in 2019/20 to cover the costs associated with the lean working and procurement reviews and the provision of CLM vehicles
Pension Equalisation Reserve	£4,069,603	£19,603	This reserve is used to ease the potential cost of increased ill health retirements which have to be met from revenue. Any underspend on the ill health revenue budget is transferred to this reserve at the end of the financial year. Currently this budget is £2.0 million and annual spend is in the region of £1.5 million. The amount transferred in 2019/20 was £510k. In addition this reserve will be used in the short term to fund the potential costs of McCloud/Sargeant if government support is not provided.
Reserve for Pay and Prices	£3,627,211	£1,627,211	This reserve will be used to fund any pay awards that are in excess of that included within the Medium Term Financial Plan or any other inflationary increases not provided for in the annual budget.

Description	Balance 1/4/20	Estimated Balance 31/3/23	Purpose and Origin of the Reserve
Capital Finance Reserve	£16,154,264	£104,264	The purpose of this reserve is to ease the cost of financing the capital plan in future years. Property new builds and major refurbishments will be funded from the capital finance reserve. Any underspending on capital financing charges are transferred to this reserve.
Medium Term Funding Impact Reserve	£2,000,000	£0	This reserve has been established to mitigate any funding shortfalls as a consequence of the Fair Funding Review and the Comprehensive Spending Review due in 2020 which have not been included within the Medium Term Financial Plan

Review of Reserves

The Authority's reserves will be reviewed as part of the following processes:

- The reserves will form part of the budget setting process and the level and use of reserves will be considered when setting the annual budget and Medium Term Financial Plan. This will include the approval at Full Authority Committee.
- The Reserves Strategy will be reviewed annually by the Finance and Resources Committee in October.
- Reserves are reviewed and externally audited during the closure of the Authority's accounts and are included in the Statement of Accounts. There is a statutory requirement to detail the movement between reserves during the year and show the opening and closing position in the Movement in Reserves Statement and the Expenditure and Funding Analysis. The Statement of Accounts is approved at the Authority's audit committee.
- The minimum level of General Fund Reserves will be assessed during the year by the financial appraisal of risks on the Authority's risk register. The Risk Management Strategy Group which meets quarterly whose aim is to manage the register and identify and assess risks. This group is chaired by the Deputy Chief Fire Officer and is attended by internal audit, a representative from insurance, a member champion and those responsible for the key risks within the organisation.