



OFFICIAL

Calendar of Meetings 2022-23

Full Authority

Date: 24 February 2022

Agenda Item:

8

Submitted By: Chief Executive/Chief Fire Officer

Purpose To agree the programme of Authority and Committee meetings for 2022 – 2023.

Recommendations That the programme of meetings for 2022 – 2023 be approved as detailed in the report now submitted.

Summary A programme of meetings for the forthcoming municipal year has to be agreed by the full Authority prior to it becoming effective immediately following the Annual General Meeting and any changes to an agreed programme require the approval of the full Authority.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Draft Programme of meetings 2022 – 2023

1 Introduction

- 1.1 It is necessary to give consideration to the programme of meetings for the next municipal year based on a quarterly cycle. In advance of the commencement of the programme the Authority will hold its Annual Meeting on Thursday 30 June 2022.
- 1.2 In accordance with the agreed Terms of Reference the Local Pension Board will meet on a six-monthly basis scheduled in July and January of each municipal year.

2 Information

- 2.1 The Annual Meeting marks the start of the programme of meetings. The programme of meetings for 2022 - 23 attached at Annex A is recommended for adoption by the Authority.

3 Financial Implications

- 3.1 There are no direct financial implications arising from this report. Members are entitled to claim mileage / out of pocket expenses for meetings they attend in accordance with the Authority's approved Constitution.

4 Legal Implications

- 4.1 The Monitoring 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

- 5.1 There are no direct human resources and diversity implications arising from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorkfire.gov.uk))	No
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7 Health, Safety and Wellbeing Implications

- 7.1 There are no direct health and safety implications arising from this report.

8 Environmental Implications

- 8.1 There are currently no environmental implications arising directly from this report.

9 Your Fire and Rescue Service Priorities

- 9.1 This report supports the Authority's governance arrangements which impact on all the 2022-25 Priorities.

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY

PROGRAMME OF MEETINGS 2022 / 2023

FRIDAY 10.30AM HUMAN RESOURCES COMMITTEE	FRIDAY 12:00 LOCAL PENSION BOARD (UPON THE RISING OF THE HR COMMITTEE)	FRIDAY 10.30AM FINANCE & RESOURCES COMMITTEE	FRIDAY 10.30 AM AUDIT COMMITTEE	FRIDAY 10.30AM COMMUNITY SAFETY COMMITTEE	FRIDAY 10.30AM AUTHORITY
8 July 2022	8 July 2022	15 July 2022	29 July 2022	22 July 2022	23 September 2022
7 October 2022	-	14 October 2022	21 October 2022 25 November 2022	28 October 2022	16 December 2022
20 January 2023	20 January 2023	3 February 2023	27 January 2023	13 January 2023	24 February 2023
24 March 2023	-	14 April 2023	21 April 2023	28 April 2023	29 June 2023 (Thursday) AGM



OFFICIAL

Performance Management Report

Full Authority

Date: 24 February 2022

Agenda Item:

9

Submitted By: Director of Service Delivery

Purpose	To inform Members of the Authority's performance against key performance indicators.
Recommendations	That Members note the report.
Summary	This report provides Members with information regarding the performance of West Yorkshire Fire and Rescue Service against targets to enable the Authority to measure, monitor and evaluate performance.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Alison Davey- Head of Corporate Services
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Background papers open to inspection: None.

Annexes: Performance Management Report
1 April – 31 December 2021

Introduction

- 1.1 The attached Performance Management and Activity Report outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets.
- 1.2 The report shows a summary of the cumulative performance for the year 1 April to 31 December 2021 against each of the indicators.
- 1.3 The Performance Management and Activity Report is monitored quarterly by Management Team and the Full Authority.
- 1.4 An abridged version of the Performance Management Report is presented quarterly to the Audit Committee highlighting where targets are not being achieved.
- 1.5 A traffic light system is used to provide a clear visual indicator of performance against each of the indicators compared to the position at the same time in the previous year.
- 1.6 Other performance and activity information is also included within the report.

2 Financial Implications

- 2.1 There are no financial implications arising from this report.

3 Legal Implications

- 3.1 The Monitoring 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.

4 Human Resource and Diversity Implications

- 4.1 Measurement against key indicators on human resources and diversity are included in the Performance Management Reports.

5 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
Date EIA Completed	N/A
Date EIA Approved	N/A

The EIA is available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

6 Health, Safety and Wellbeing Implications

6.1 There are no health, safety and wellbeing implications arising from this report.

7 Environmental Implications

7.1 There are no environmental implications arising from this report.

8 Your Fire and Rescue Service Priorities

8.1 This report links to all the 'Your Fire & Rescue Service' priorities as the Performance Management Report covers all areas of performance of WYFRS.

9 Conclusions

9.1 That Members note the report.

Performance Management and Activity Report 2021/22

Period covered: 1 April – 31 December 2021
Date Issue: 24 February 2022



Table of Contents

1. Introduction/Summary	2
2. Service Delivery Targets	3
3. Operational Risk Visits (including Fire Safety)	6
4. Safe and Well Checks	7
5. Incidents	10
6. Fire-Related Incidents attended by Six Pumps and Above	13
7. Violence at Work	17
8. Corporate Performance Activity	20

1. Introduction/Summary

The purpose of this report is to provide information regarding the performance of West Yorkshire Fire and Rescue Service against selected national and local targets to enable the Authority to measure, monitor and evaluate performance.

In this report, monthly statistics have been utilised to identify trends in performance. Information regarding a selection of local performance targets has also been provided in this report and comparisons have been made with the previous year's performance.

All data, unless specified, is for the reporting period 1 April – 31 December 2021.

A traffic light system has been employed to provide a straightforward visual indicator of performance against each of the FRS indicators.

Graphical representation of the performance of West Yorkshire Fire and Rescue Service is available through the Performance Management Information System (PMIS), which is accessed via the Service's intranet site.

2. Service Delivery Targets

	Not achieving target (by more than 10%)
	Satisfactory performance (within 10% of target)
	Achieving or exceeding target

This data is based on incident reports that have been completed and/or checked but will not include data from incident reports which have not been completed or have been opened for amendment.

	Three Year Average Target (2017/20)	Quarter 1 (Apr-Jun)		Quarter 2 (Jul-Sep)		Quarter 3 (Oct-Dec)		Quarter 4 (Jan-Mar)		Actual Data to date		Performance Against Three Year Average (2021/22)	End of Year Projection (2021/22)
		2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22		
Arson	6641	1802	1979	1475	1259	1213	1202			4490	4451	-11.0%	5908
Actual Rescues	1655	174	301	237	323	244	289			655	910	-27.0%	1208
Total Activity	23990	6743	6834	6303	6402	5558	5983			18603	19261	6.6%	25565
Dwelling Fires	1141	286	281	223	270	270	245			778	802	-6.7%	1064
Non-Domestic Building Fires	416	73	93	94	81	64	84			231	263	-16.1%	349
Prevalence of False Alarms	10439	2842	2609	3031	3101	2669	2952			8542	8674	10.3%	11513
Fire-Related Injuries	193	47	41	33	35	27	27			106	103	-29.2%	137
Road Traffic Collisions	655	75	138	113	155	137	162			325	456	-7.6%	605
Malicious False Alarms	348	55	87	75	109	83	117			213	313	19.4%	415

Service Delivery Indicators

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative	
	(Apr-Jun)		(Jul-Sep)		(Oct-Dec)		(Jan-Mar)			
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Accidental Dwelling Fires (per 10,000 dwellings)	2.54	2.43	1.91	2.40	2.26	2.10			6.71	6.93
Number of deaths arising from accidental fires in dwellings (per 100,000 population)	0.09	0.09	0.00	0.04	0.13	0.13			0.22	0.26
Number of Fire-Related Deaths (per 100,000 population) arising from fires other than Accidental Dwelling Fires	0.04	0.04	0.04	0.04	0.04	0.04			0.13	0.13
Number of Injuries arising from accidental fires in dwellings (per 100,000 population)	1.39	1.30	0.65	1.13	0.74	0.74			2.77	3.16
(a) Number of Serious Injuries (per 100,000 population)	0.26	0.13	0.09	0.56	0.04	0.13			0.39	0.82
(b) Number of Slight Injuries (per 100,000 population)	1.13	1.17	0.56	0.56	0.69	0.61			2.38	2.34
The percentage of dwelling fires attended where there was a working smoke alarm which activated	56.99%	57.30%	54.26%	60.87%	56.67%	60.96%			56.10%	59.65%
The percentage of dwelling fires attended where a working smoke alarm was correctly fitted but did not activate	17.48%	18.86%	19.73%	16.30%	19.26%	22.71%			18.74%	19.18%
The percentage of dwelling fires attended where a smoke alarm, because it was faulty or incorrectly sited, did not activate	3.50%	3.56%	6.28%	1.81%	4.44%	3.19%			4.62%	2.85%
The percentage of dwelling fires attended where no smoke alarm was fitted	22.03%	20.28%	19.73%	16.30%	19.63%	13.15%			20.54%	18.32%
Number of calls to malicious false alarms (per 1000 population) – attended	0.02	0.04	0.03	0.05	0.04	0.05			0.09	0.14
False alarms caused by automatic fire detection equipment (per 1000 non-domestic properties)	8.14	7.84	10.53	11.39	9.66	10.58			28.32	29.81
False alarms caused by automatic fire detection equipment (per 1000 domestic properties)	1.00	1.01	1.22	1.23	1.03	1.19			3.26	3.44
Fires in non-domestic premises (per 1000 non-domestic premises)	0.87	1.11	1.11	1.02	0.76	0.98			2.74	3.12
Number of Primary Fires (per 100,000 population)	33.68	34.85	32.99	30.95	30.73	30.26			97.40	96.06

Number of Fire Casualties – excluding Precautionary Checks (per 100,000 population)	1.91	1.65	1.39	1.43	1.00	1.08			4.29	4.16
Arson Incidents – All Deliberate Fires (per 10,000 population)	7.81	8.58	6.40	5.50	5.25	5.24			19.46	19.32
Arson Incidents – Deliberate Primary Fires (per 10,000 population)	1.19	1.30	1.39	1.08	1.41	1.12			3.99	3.51
Arson Incidents – Deliberate Secondary Fires (per 10,000 population)	6.62	7.27	5.01	4.42	3.84	4.12			15.47	15.81

3. Operational Risk Visits (including Fire Safety)

Below is a summary of operational risk visits (ORV) undertaken in the financial year 2021-22. The visits were generated from operational liaison referrals, post fire visits and what crews identified as perceived risks within their station area.

The Operational Risk Visits (ORVs) are allocated to each District which are then allocated to stations/watches. A recovery plan linked to the government roadmap has been produced since the reduction in ORVs carried out due to Covid 19. This saw operational staff visiting high and very high-risk premises again from May 2021 and returned to a more normal visits programme from June 2021.

The ORMT centrally auditing 100 percent of all ORVs has been successful at standardising the risk information captured on the operational risk visit.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Completed	19	47	44	81	84	38	66	105	80				564

NB. Operational staff are supporting the delivery of the Building Risk Review Programme concentrating on high rise residential buildings, additionally we are undertaking waking-watch visits on a monthly basis.

4. Safe and Well Checks

The Safe and Well programme is the flagship prevention activity within WYFRS. We target vulnerability through a simple risk rating process and then visit people in their homes to offer information, advice and safety equipment. The risk rating process is to ensure that we are providing our resources to those who need it most. The ability to risk filter online and over the telephone has improved with a simple risk filtering survey that results in the requester being informed if they qualify for a home visit.

People who are assessed as being very low and low risk will not be offered a home visit, but they will have the opportunity to access advice and information on home fire safety through our website or posted leaflets.

We may also signpost people or refer them on for additional support from other agencies. People can be referred to WYFRS from partner organisations, self-refer or we can identify the need for a Safe and Well Check during operational incidents. For those who qualify for a Safe and Well Check, a visit will be arranged at a mutually convenient time, and this involves an assessment of fire risk within the property with appropriate advice and safety equipment delivered at the point of the visit. It also covers a broader assessment of vulnerability against a number of other elements, including:

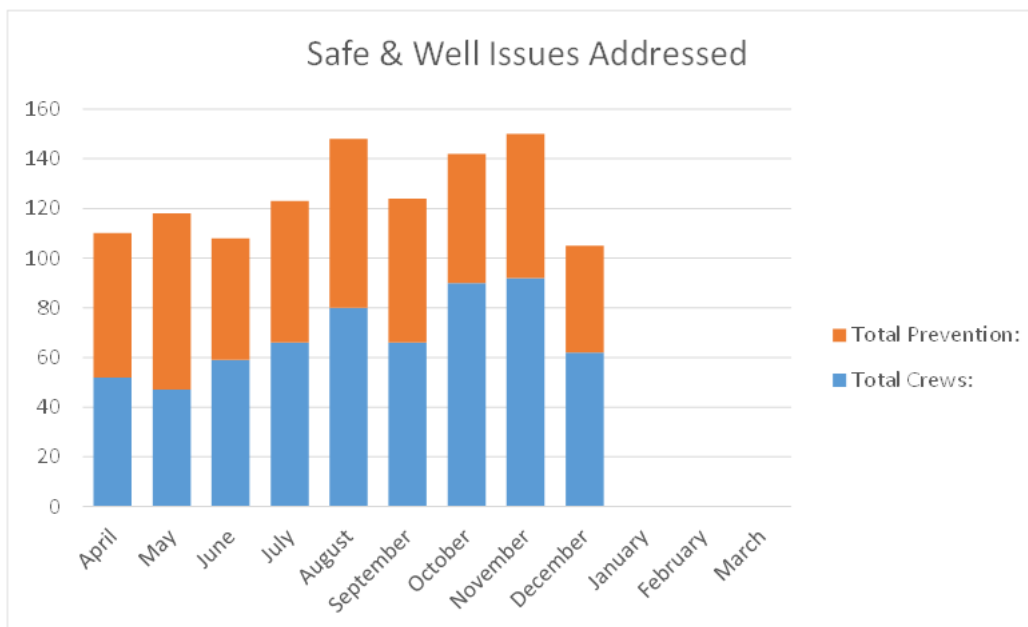
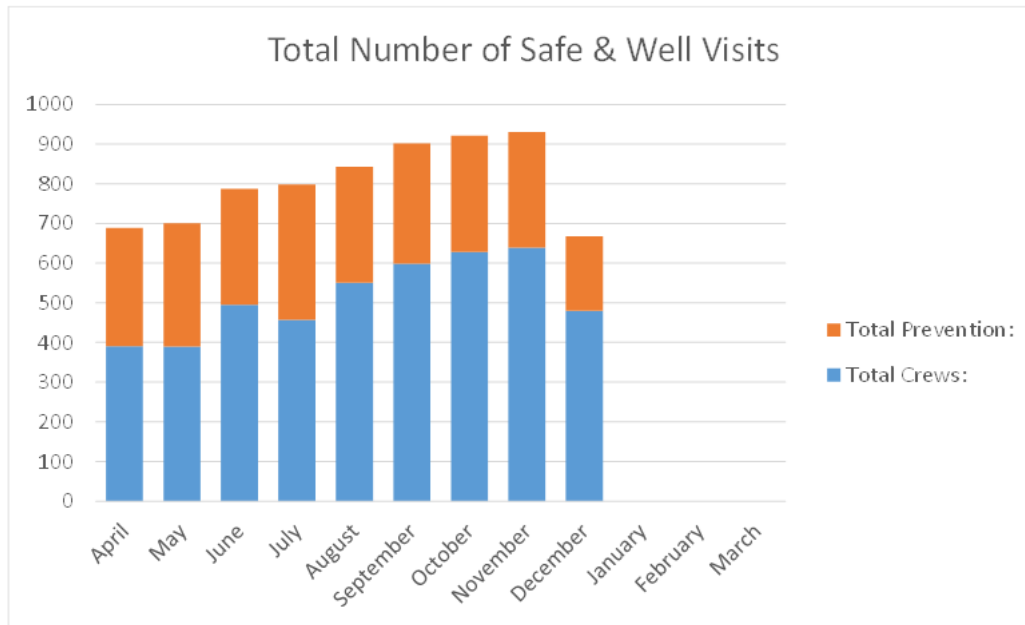
- Frailty and falls
- Social Isolation
- Winter Cold
- Crime
- Smoking.

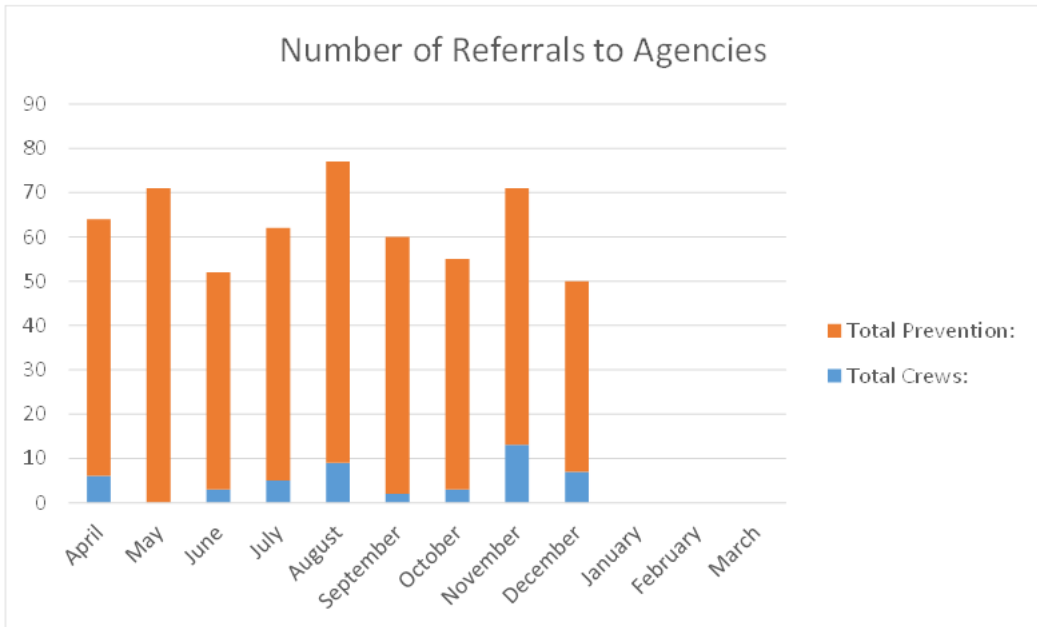
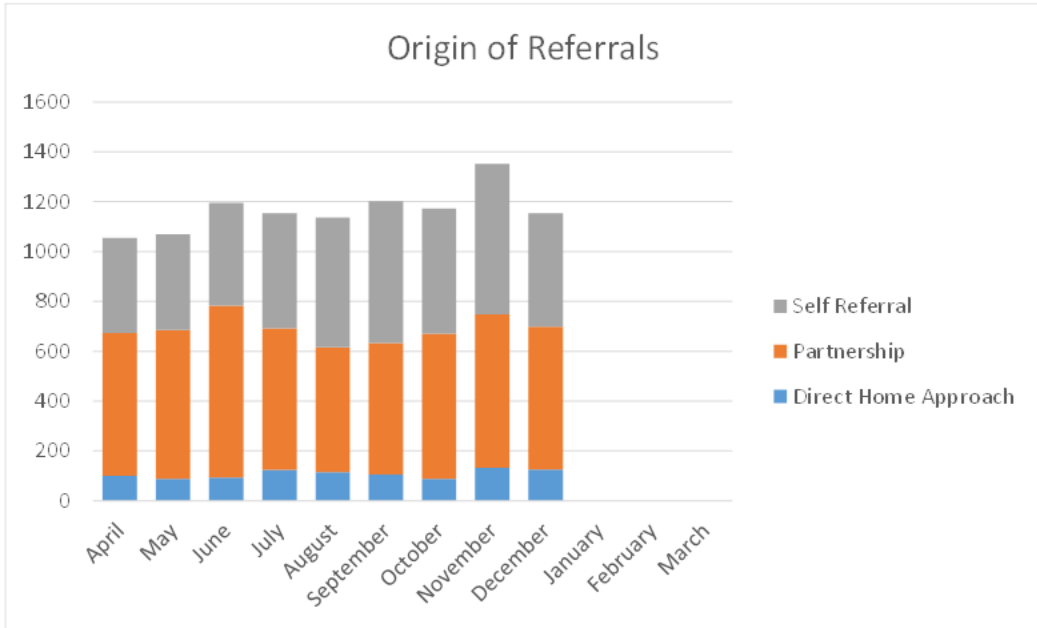
When someone is identified as being vulnerable to any of the factors above, our teams deliver basic education and advice with the option of signposting or referring people to specialist support services across the districts.

Performance

We have developed Covid safe ways of working which have allowed us to building on the number of safe and well visits we deliver month on month since May. We are now undertaking visits at a rate consistent with pre-covid delivery.

The following graphs present a breakdown of performance in respect of prevention and early intervention activity over the reporting period:



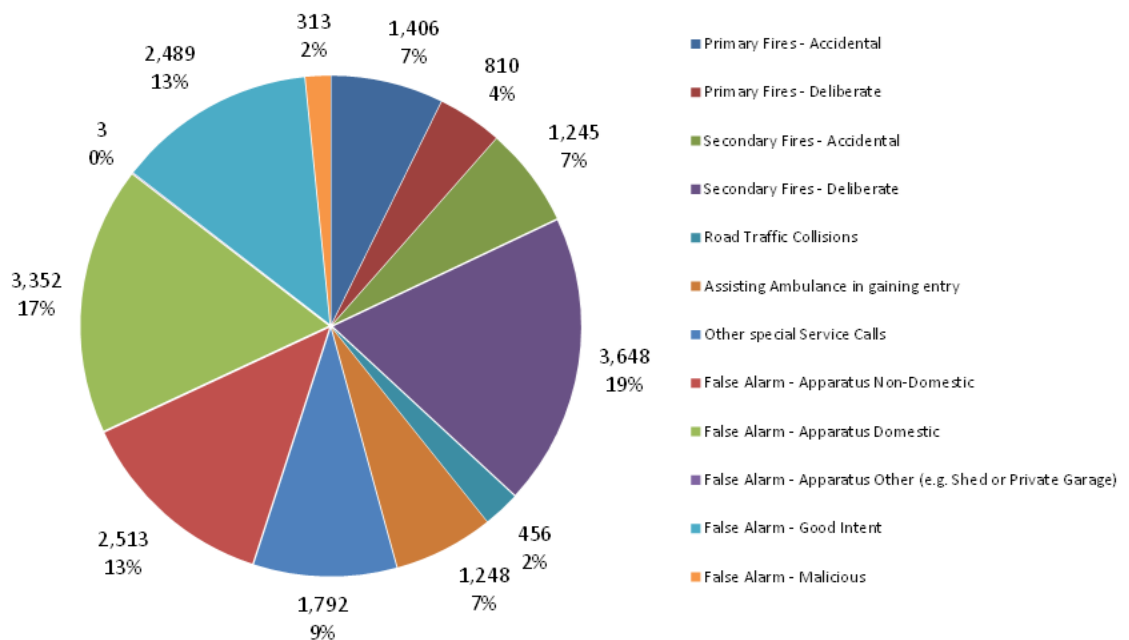


5. Incidents

The table and chart below show the operational activity of West Yorkshire Fire and Rescue Service for the financial year so far (1 April – 31 December 2021) categorised by incident type.

NOTE: The data on page 3 is based on incident reports that have been completed and/or checked but will not include data from incident reports which have not been completed. The data below is based on all incident reports which have been started at the time of compiling this report.

Incident Category	Number	Percentage
Primary Fires - Accidental	1,406	7.29%
Primary Fires - Deliberate	810	4.20%
Secondary Fires - Accidental	1,245	6.46%
Secondary Fires - Deliberate	3,648	18.93%
Road Traffic Collisions	456	2.37%
Assisting Ambulance in gaining entry	1,248	6.47%
Other special Service Calls	1,792	9.30%
False Alarm - Apparatus Non-Domestic	2,513	13.04%
False Alarm - Apparatus Domestic	3,352	17.39%
False Alarm - Apparatus Other (e.g. Shed or Private Garage)	3	0.02%
False Alarm - Good Intent	2,489	12.91%
False Alarm - Malicious	313	1.62%
Total	19,275	100%



The table below shows the total number of incidents ten years ago, five years ago, and last year.

Incident category	Number of incidents 1 April 2011 to 31 March 2012		Number of incidents 1 April 2016 to 31 March 2017		Number of incidents 1 April 2020 to 31 March 2021	
	No	%age	No	%age	No	%age
Primary Fires - Accidental	2122	7.05%	1901	8.47%	1745	7.35%
Primary Fires - Deliberate	1575	5.23%	1731	7.71%	1174	4.95%
Secondary Fires - Accidental	1638	5.44%	1338	5.96%	1774	7.48%
Secondary Fires - Deliberate	7148	23.75%	4515	20.11%	4473	18.85%
Road Traffic Collisions	874	2.90%	579	2.58%	435	1.83%
Special Service Calls	2032	6.75%	1939	8.64%	3322	14.00%
False Alarm - Apparatus	9661	32.09%	7189	32.02%	7098	29.91%
False Alarm - Good intent	4412	14.66%	2911	12.97%	3435	14.48%
False Alarm - Malicious	641	2.13%	347	1.55%	274	1.15%
Total	30103	100.00%	22450	100.00%	23730	100.00%

Comments on Fatal Fires

Belle Vue, Manningham, Bradford

11th November 2021

The deceased female was 81 years old and lived in a mid-terraced house. The individual was receiving support from mental health teams. WYP are not considering the involvement in any third party.

Millgarth, Ackworth, Pontefract

5th December 2021

The deceased male was 55 years old and lived in a rented flat. The fire had started in a bedroom, the most likely cause of which was carelessly discarded smoking materials.

Elm Tree Close, Long Lee, Keighley

28th December 2021

The deceased male was 76 years old and lived in a privately rented flat. The most likely cause of this fire is a portable electric heater being placed too close to combustible materials i.e. bedding.

NB: Some incidents may still be awaiting Criminal/Coroner proceedings and if any new evidence or further information is made available it may be necessary to re-evaluate the conclusions.

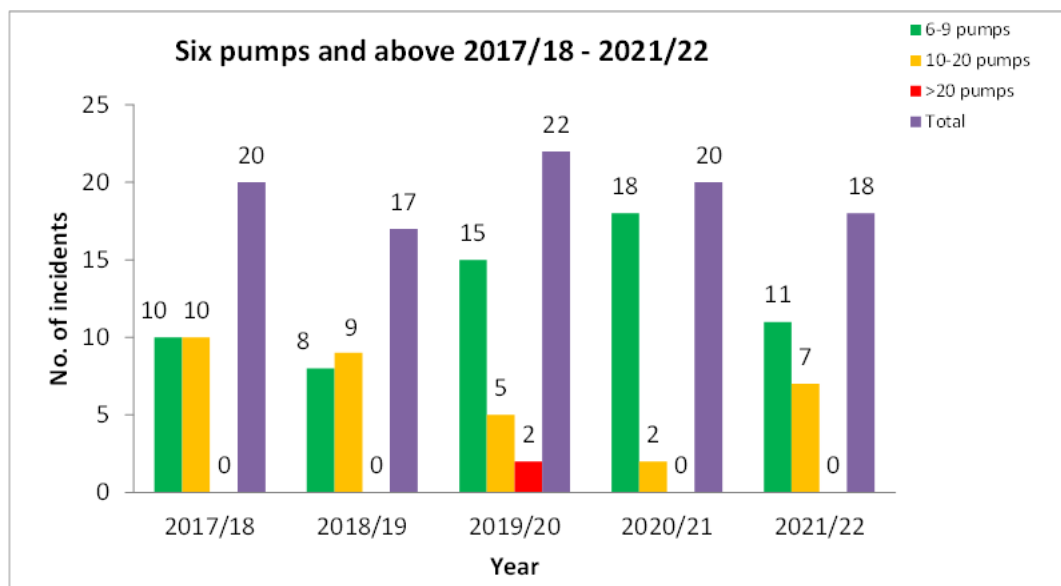
6. Fire-Related Incidents attended by Six Pumps and Above

General Commentary

UK fire and rescue services determine the size of a fire by the final number of pumps mobilised to deal with it.

A number of additional pumping appliances and special appliances are often mobilised to these types of incidents to undertake supporting activities. These are described as support and specials.

The following chart details the numbers and severity of such incidents over the last few years up to 31 December 2021:



Fire-related incidents of this type require the attendance of a fire investigation officer to determine the cause of the fire. The cause is included in the table. For fires identified as deliberate, we work in accordance with a regionally agreed Memorandum of Understanding with the police, who are responsible for the investigation of all deliberate fires.

New incidents added to the table are shaded in white.

Date & Time	Address	Premises Use	Station Area	Cause	Pumps Plus Specials	Number of Personnel
Saturday 03/04/2021	St Mary's Court Potternewton Leeds	Flats	Moortown	Unable to determine	5 Pumps 2 Support 4 Specials	36 Ffs 5 Officers
Monday 12/04/2021	Matza and Co Ltd Bretton Street Enterprise Centre Bretton Park Way Savile Town Dewsbury	Bed Manufacturer	Dewsbury	Unable to determine	8 Pumps 4 Support 7 Specials	62 Ffs 7 Officers
Sunday 18/04/2021	Turn Green Skip Hire Farrar Mill Lane Salterhebble Halifax	Skip hire and recycling	Halifax	Deliberate	6 Pumps 2 Support 3 Specials	38 Ffs 5 Officers
Thursday 22/04/2021	Tidy Pallets Hoyle Mill Road Kinsley, Pontefract	Recycling spread to dwelling	South Kirkby	Intentional burning out of control	10 Pumps 2 Support 5 Specials	58 Ffs 6 Officers
Friday 23/04/2021	John Winter & Co Ltd Washer Lane Halifax	Factory	Halifax	Natural Occurrence (Static discharge)	6 Pumps 5 Support 5 Specials	54 Ffs 5 Officers
Friday 23/04/2021	Sims Metal Management Pepper Road Hunslet Leeds	Scrapyard	Hunslet	Natural Occurrence (Refracted sunlight)	10 Pumps 3 Support 6 Specials	64 Ffs 7 Officers
Sunday 25/04/2021	Bobus Moor Manchester Road Marsden Huddersfield	Moorland	Slaithwaite	Firework	10 Pumps 7 Support 7 Specials	82 Ffs 6 Officers
Wednesday 19/05/2021	Omans Furniture International Ltd Legrams Mill Summerville Road Bradford	Warehouse	Fairweather Green	Naked flame	17 Pumps 5 Support 8 Specials	104 Ffs 9 Officers
Monday 24/05/2021	BMC Motors 145 Dewsbury Road Hunslet Leeds	Motor Spares	Hunslet	Deliberate	6 Pumps 2 Support 4 Specials	40 Ffs 5 Officers
Monday 07/06/2021	Seafresh Wholesale Distributors Thorncliffe Road Bradford	Warehouse	Shipley	Faulty Electrical Appliance	10 Pumps 3 Support 5 Specials	62 Ffs 7 Officers
Tuesday 08/06/21	Little Neville Street Leeds	Dwelling	Leeds	Natural Occurrence (Reflected sunlight)	8 Pumps 4 Support 6 Specials	60 Ffs 5 Officers
Sunday 27/06/2021	Clarendon Dental Spa 9 Woodhouse Square Woodhouse Leeds	Dentists	Leeds	Lithium battery charger	7 Pumps 4 Support 5 Specials	55 Ffs 4 Officers
Wednesday 28/07/21	Elliott Musgrave Ltd New Bridge Works Hammerton Street Bradford	Industrial	Bradford	Spark from circular saw	6 Pumps 3 Support 4 Specials	44 Ffs 5 Officers
Wednesday 04/08/21	Moorthorpe Social Club Langthwaite Lane South Elmsall	Derelict Club	South Elmsall	Electrical Supply	6 Pumps 2 Support 5 Specials	42 Ffs 6 Officers
Saturday 10/09/21	Cut End Mills Mill Street East Savile Town Dewsbury	Mill	Dewsbury	Intentional burning out of control	12 Pumps 1 Support 2 Specials	56 Ffs 8 Officers
Wednesday 15/09/21	Stanley St Peters School Lake Lock Road Stanley Wakefield	School	Wakefield	Hot works	5 Pumps 2 Support 3 Specials	34 Ffs 5 Officers
Tuesday 26/10/21	BT Telephone Exchange Brewery Lane Knottingley	Telephone Exchange	Pontefract	Discarded energy device	6 Pumps 2 Support 4 Specials	40 Ffs 4 Officers

<i>Date & Time</i>	<i>Address</i>	<i>Premises Use</i>	<i>Station Area</i>	<i>Cause</i>	<i>Pumps Plus Specials</i>	<i>Number of Personnel</i>
Tuesday 21/12/21	Unit 2A Barras Garth Road Upper Wortley Leeds	Warehouse	Leeds	Electricity supply	10 Pumps 3 Support 4 Specials	52 Ffs 6 Officers

Further detail on recent six pumps and above fire-related incidents:

BT Telephone Exchange, Brewery Lane, Knottingley

26th October 2021

This incident occurred in Pontefract station area and was a fire in a single-storey telephone exchange in the main room which housed telephone exchange and electrical equipment.

The initial pre-determined attendance was 3 pumps from Pontefract, Castleford and Normanton. This was increased to 6 pumps and pumps from Rothwell, South Kirkby and Garforth were mobilised.

The following support appliances were also mobilised:

The CARP from Wakefield, the Hose Layer and Support from Mirfield, the Personnel Welfare Unit from Skelmanthorpe, and the Command Unit and Support from Featherstone.

Officers were mobilised due to the size of the incident. They were as follows:

Station Manager Hudson was the Incident Commander, Station Manager Austin was the Command Support Officer, Station Manager Bowen was the Operational Assurance Officer and Watch Manager O'Hara was the Fire Investigation Officer.

The time of call for this incident was 11:23 on 26th October 2021 with the stop being received by Control at 02:39 on 27th October 2021. The incident was closed at 13:07 that day.

The cause of the fire was believed to be a due to overheating equipment.

Unit 2, Barras Garth Road, Upper Wortley, Leeds

26th October 2021

This incident occurred in Leeds station area and involved a single-storey industrial unit.

The initial pre-determined attendance was 3 pumps from Leeds and Hunslet. This was increased to 6 pumps and aerial, then 10 pumps and an aerial. Pumps from the following stations were mobilised. Moortown, Stanningley, Morley, Killingbeck, Cookridge and Fairweather Green.

The following support appliances were also mobilised:

The Hose Layer with support from Mirfield, the Personnel Welfare Unit from Ilkley, the Aerial appliance from Bradford and Command Unit from Pontefract with Support from Dewsbury.

Officers were mobilised due to the size of the incident. They were as follows:

Group Manager Gardiner was the Incident Commander, Station Manager Goodall was the Hazmat and Environmental Protection Officer, Station Manager Bairstow was the Command Support Officer, Station Manager Garvey was a Working Officer and Station Manager Hudson was the Operational Assurance Officer. Two CLM vehicles were also deployed from Bradford and Hunslet.

The time of call for this incident was 10:39 on 21st December 2021 with the stop being received by Control at 19:54. The incident was closed on at 21:16 the same day.

The most likely cause was of this fire was a faulty electricity supply.

7. Violence at Work

Attacks on Personnel

There have been 49 incidents reported by West Yorkshire FRS in the financial year.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Attacks on Firefighters	40	76	64	60	87	92	75	81	68	49

The table below summarises the events reported by firefighters and other staff. Where stations have not reported any incidents, they are not shown within this table.

For clarification, 'stoning' and 'firework' cover any thrown object identified respectively as a stone or firework; and 'missile' covers any other object used as a projectile.

Attacks on Firefighters as a Percentage of Turnouts										
District / Station	No.of Turnouts	Physical Assault	Weapon Brandished	Missile Thrown	Firework Thrown	Stoning	Aggressive Behaviour	Verbal Abuse	Total	Percentage
Bradford District										
Bradford	3151	1			3	2	2	3	11	0.35%
Bingley	512							1	1	0.20%
FWG	1167				3	1			4	0.34%
Keighley	744				1				1	0.13%
Odsal	1100					1		2	3	0.27%
Shipley	1275			1	1	1			3	0.24%
District Total	8125	1	0	1	8	5	2	6	23	0.28%
Calderdale District										
Ilkworth	793							1	1	0.13%
District Total	2723	0	0	0	0	0	0	1	1	0.04%
Kirklees District										
Huddersfield	1784				1		1	2	4	0.22%
Cleckheaton	1139						2		2	0.18%
Dewsbury	1614							2	2	0.12%
District Total	5262	0	0	0	1	0	3	4	8	0.15%
Leeds District										
Leeds	3285		1			1	1	1	4	0.12%
Hunslet	2397	1							1	0.04%
Morley	415	1				1			2	0.48%
Rawdon	338	1							1	0.30%
Stanningley	931	1			1				2	0.21%
Killingbeck	1988							1	1	0.05%
District Total	11615	4	1	0	1	2	1	2	11	0.09%
Wakefield District										
Featherstone	92					1			1	1.09%
Ossett	627			1				1	2	0.32%
South Kirkby	349						2	1	3	0.86%
District Total	3239	0	0	1	0	1	2	2	6	0.19%
Totals	31077	5	1	2	10	8	8	15	49	0.16%

The above table shows the number of incidents in which firefighters were subjected to violence as a percentage of attendance, by station and by district (0.16% overall). Some stations might appear to suffer a relatively high percentage of attacks, but this is largely due to the number of incidents attended from such stations.

The Chief Fire Officer re-emphasises that even one attack is one too many and that every assistance and encouragement will be given to the police to bring offenders to court. Work is continuing with a variety of agencies from the police and district councils to community groups and youth leaders to address these issues.

District Actions to Address Violence

All districts are undertaking the following actions:

- Communicating a positive image of the fire service in the community
- Taking part in community events to support this image
- Provision of conflict management training to service delivery staff
- Encouraging all staff to use the SCIP when intelligence or other information is received for risk issues
- Encouraging any watch who place the information on SCIP to email other local stations to alert them to the fact that the address has been added and to make sure that they then view the SCIP for the details
- Consistently promoting the knowledge of Silent Witness cameras with crews and to the public at events etc. to discourage anti-social behaviour
- Where incidents do occur, publicising through the media any arrests made by the police and any sentences given by the courts
- Close working with partners services to produce robust multiagency response plans
- Targeted Intervention days led by the Youth Intervention Team
- Trialling the use of body worn cameras over the bonfire period

Bradford

In Bradford there were 23 attacks on firefighters at incidents, details of which are available from the District Commander. At one of these incidents a firefighter was punched in the head by a member of the public. At another incident a firefighter was struck in the face by a member of the public, prosecution for this attack is ongoing. There was no damage to fire appliances during these attacks.

Calderdale

In Calderdale there was one attack on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to fire appliances during this attack.

Kirklees

In Kirklees there were eight attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters, but an appliance was slightly damaged at one of these incidents.

Leeds

In Leeds there were 11 attacks on firefighters at incidents, details of which are available from the District Commander. At one of these incidents a firefighter was kicked in the head and at another incident firefighters were spat at. There was no damage caused to fire appliances during these attacks.

Wakefield

In Wakefield there were six attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to fire appliances during these attacks.

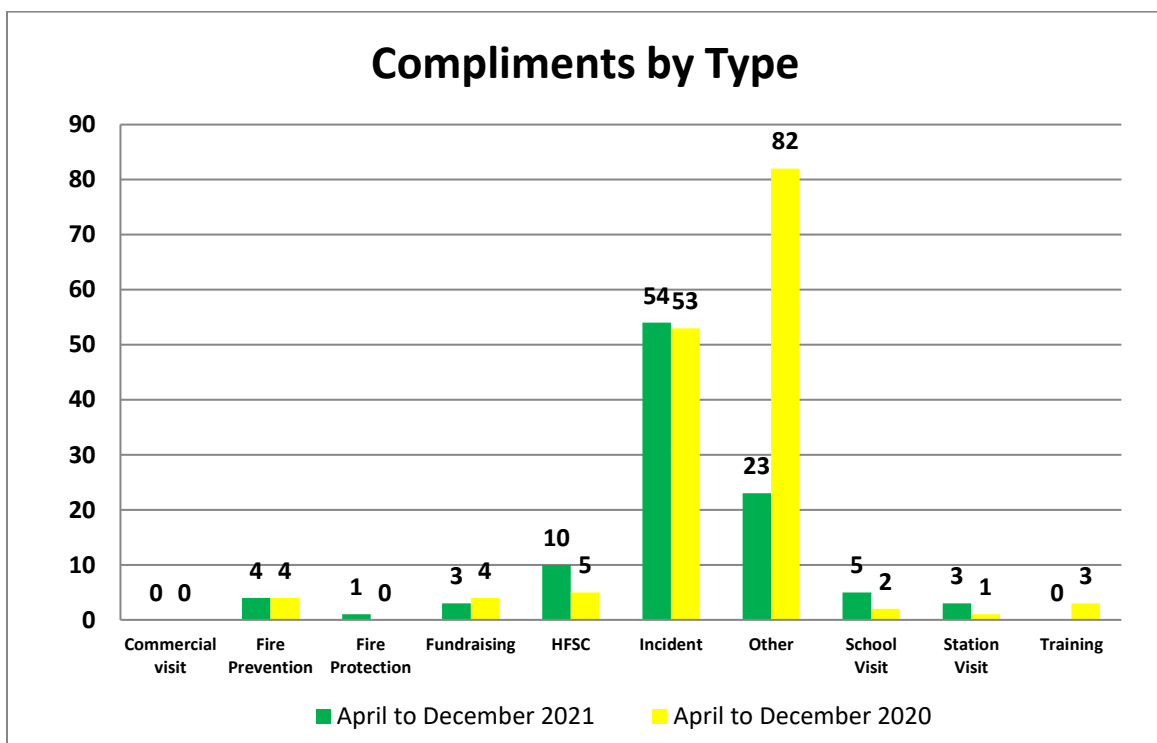
8. Corporate Performance Activity

Details of key corporate performance areas are shown below.

Compliments

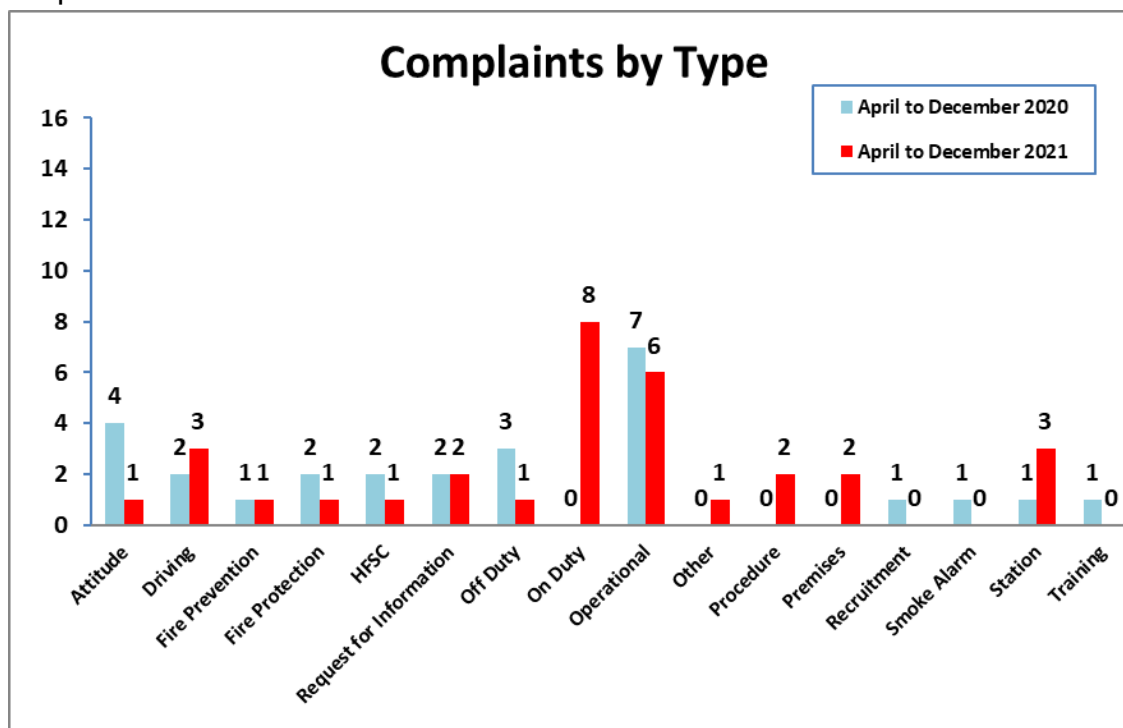
The charts below show by the type and the number of compliments and complaints received by West Yorkshire FRS for the period 1 April to 31 December 2021 and the same period in the year 2020-21.

During this period West Yorkshire FRS has recorded 103 compliments, which is lower than the 154 received in 2020.



Complaints

For the period 1 April to 31 December 2021, we have received 32 complaints, of which 11 were upheld. This compares to 27 received between the same dates in 2020, of which 13 were upheld.



All complaints are dealt with in a consistent manner, being fully investigated with appropriate remedial action where necessary.

The table below shows the number of complaints received and upheld from 1 April to 31 December 2021 and a comparison with the same period during the year 2020.

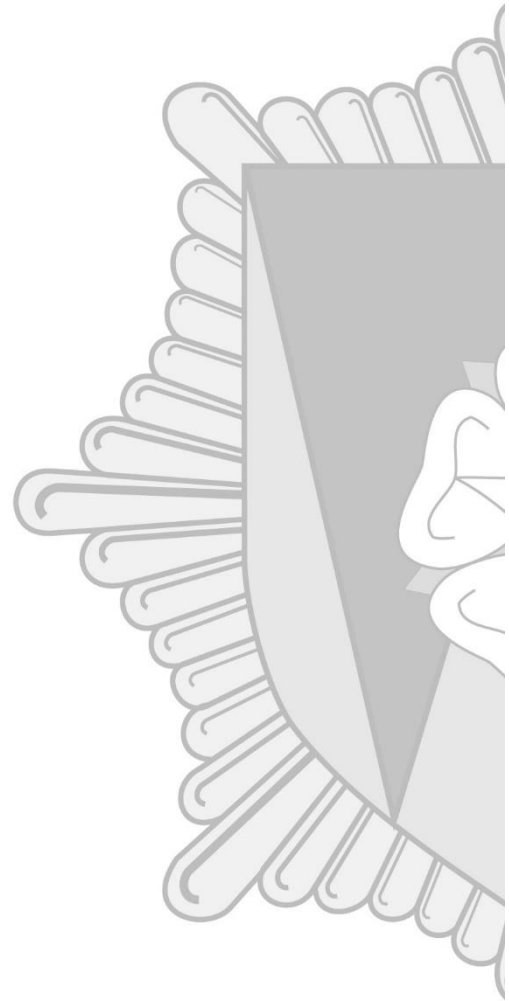
Category	2020-21		2021-22	
	Received	Upheld	Received	Upheld
Attitude	4	3	1	1
Driving	2	2	3	1
Fire Prevention	1	0	1	0
Fire Protection	2	0	1	0
HFSC	2	1	1	0
Request for Information	2	1	0	0
Off Duty	3	1	2	0
On Duty	0	0	1	1
Operational	7	3	8	2
Other	0	0	6	1
Procedure	0	0	1	0
Premises	0	0	2	1
Recruitment	1	0	2	2
Smoke Alarm	1	0	0	0
Station	1	1	3	2
Training	1	1	0	0
TOTALS	27	13	32	11

Freedom of Information and Data Protection

The tables below show the number of Freedom of Information Requests and Subject Access Requests dealt with within the period 1 April to 31 December 2021.

Freedom of Information Requests	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number due for response	13	11	9	6	6	10	1	8	6				70
Number responded to within time limit	13	11	9	6	6	10	1	8	6				70
Number responded to out of time	0	0	0	0	0	0	0	0	0				0
Number suspended or closed due to no clarification from requester	0	0	0	0	0	0	0	0	1				1
Number of Internal Reviews due for response	0	1	0	0	0	0	0	0	0				1
Number of Internal Reviews responded to within time limit	0	1	0	0	0	0	0	0	0				1

Subject Access Requests	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number due for response	0	2	2	1	4	0	0	1	1				11
Number responded to within time limit	0	2	2	1	4	0	0	1	1				11
Number responded to out of time	0	0	0	0	0	0	0	0	0				0



West Yorkshire Fire and Rescue Service
Oakroyd Hall
Birkenshaw
Bradford BD11 2DY



OFFICIAL

Community Risk Management Plan 2022 - 2025

Full Authority

Date: 24 February 2022

Agenda Item:

10

Submitted By: Director of Service Support

Purpose To propose the draft Community Risk Management Plan 2022 – 2025 (CRMP) is released for formal public consultation.

Recommendations The Authority considers the content of the CRMP 2022 – 2025 and approves the 10-week public consultation.

Summary It is proposed that the Community Risk Management Plan 2022-2025 should replace the Integrated Risk Management Plan 2019 – 2022. It presents a strategic overview of how West Yorkshire Fire and Rescue Service (WYFRS) intends to achieve its ambition and manage the risks facing the communities of West Yorkshire.

If approved, the 10-week consultation will start from the 28th March and then close on the 30th May. The final draft Community Risk Management Plan would then be presented to Full Authority on 30th June for their consideration and approval.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: ACO Nick Smith
T: 01274 655603
E: nick.smith@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex 1 – Community Risk Management Plan

1 Introduction

- 1.1 The CRMP 2022- 2025 (See Annex 1) sets out the strategic priorities for West Yorkshire Fire and Rescue Service (WYFRS) and provides an overview of how we intend to achieve our Ambition of 'Making West Yorkshire Safer', manage the risks facing the community and meet the challenges facing the organisation between 2022 – 2025.
- 1.2 WYFRS are requesting the approval from West Yorkshire Fire and Rescue Authority to engage in public consultation regarding this plan.

2 Information

- 2.1 The CRMP 2022–2025 will replace the current Your Fire and Rescue Service 2020 - 2023. It is designed to be a holistic plan, simplifying how we communicate our service strategy. It will inform members of our community on what our 'Strategic Priorities', 'Areas of Focus' and 'Programme of Change' are. It will be a public facing document and will be reviewed each year.

3 Pre-consultation

- 3.1 To support this process, we have pre-consulted with a number of key internal stakeholders. Each stakeholder was asked to review the information within the current document with particular reference to their area of responsibility and to provide up to date relevant information to inform the development of the new 'Your Fire and Rescue Service 2022-2025'.
- 3.2 Pre-consultation has also been targeted at the wider community and our staff through the release of two separate video's. Corporate Communications have led on the PR campaign for the external video with members of the community asked to complete a short survey.
- 3.3 Corporate Communications have also released the internal staff video asking our staff their views giving them the opportunity to contribute to the new CRMP.

4 Consultation

- 4.1 WYFRS will consult in a way that conforms to the Government principles and will inform members of the public of the challenges faced by WYFRS and how we aim to deliver an effective and efficient Service. Information will be delivered in a clear, transparent and accessible format providing for the opportunity to feedback.
- 4.2 A consultation strategy is planned and will be delivered using the following methods:
- Publication and press release on WYFRS website.
 - Advertisements on social media networks (Twitter, Facebook, Instagram)
 - Direct approach to Focus Groups
 - Direct approach to Blue Light Partners
 - Face to face briefings with staff
 - Direct approach to Representative Bodies
 - Direct approach to Local Authority Chief Executives
 - Direct approach to NHS Trusts

- Direct approach to high risk premises such as COMAH sites and Leeds Bradford International Airport
- Direct approach to regional fire and rescue services

5 Legal Implications

- 5.1 The Monitoring 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.

6 Financial Implications

- 6.1 The financial costs for the 10 - week public consultation is still subject to quotations. Consultation costs associated with the previous Integrated Risk Management Plan 2019 (IRMP) when we last publicly consulted in 2019, were £2000. It is unlikely that there will be a significant increase this time. The costs will be met from existing budgets.

7 Human Resource and Diversity Implications

- 7.1 As part of the consultation process, Community Engagement Focus Groups will be used to ensure we reach the most vulnerable members of our community.
- 7.2 The Plan will be accessible on multiple platforms and formats to ensure we increase the reach.

8 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes
Date EIA Completed	24/01/22
Date EIA Approved	25/01/22

The EIA is available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

9 Health, Safety and Wellbeing Implications

9.1 Health, Safety and wellbeing have been considered and there are no implications.

10 Environmental Implications

10.1 By using digital platforms, the use of paper copies will be reduced.

11 Your Fire and Rescue Service Priorities

11.1 Our main priority will always be to meet our ambition in making West Yorkshire Safer. This plan will ensure we continue this work through our main priorities:

- Prevention – Raising awareness about the risks people face to prevent emergencies and reduce vulnerability.
- Protection – Promoting and enforcing the fire safety measures required by law to ensure buildings and occupants are protected.
- Response – Preparing for and responding to emergencies.
- Resilience – Being able to deal with major emergencies and disruptions locally and nationally whilst continuing to deliver our critical services.

12 Conclusions

12.1 This report proposes CRMP 2022-2025. This CRMP will replace the current Your Fire and Rescue Service 2020-2023.

12.2 Approval is being sought from the Authority to carry out a 10-week consultation exercise on this Plan which will start on 28th March and will conclude on 30th May 2022.

12.3 The outcomes from this consultation exercise and the final draft CRMP 2022-2025 would then be reported to the Full Authority on 30th June 2022 for consideration and approval.



West Yorkshire
Fire & Rescue Service

Your Fire & Rescue Service

2022-2025

WYFRS Community Risk Management Plan



Foreword

This document is our Community Risk Management Plan (CRMP).

Our CRMP sets out the essential work we will carry out over the next three years to manage and reduce fire-related risks and other emergencies to protect the communities of West Yorkshire. This plan has been developed to reassure you that we carefully consider how we meet the demands of our ever-changing society.

The Ambition of West Yorkshire Fire & Rescue Service (WYFRS) is “Making West Yorkshire Safer” and to do this we must recognise and understand the challenges and risks that our local communities face now and in the future.

WYFRS will continue to protect the communities of West Yorkshire whether that be through our prevention and protection activities or when responding to operational incidents.

We will continue to work closely with the five local authorities in Bradford, Calderdale, Kirklees, Leeds, and Wakefield and key partner agencies including the Police and Ambulance Services to ensure that together we provide the best service possible for all our communities especially the most vulnerable in society by supporting our community’s wellbeing.

Over recent years we have responded and adapted to numerous challenges with positive and innovative measures. Whether that be as a result of financial cutbacks or most recently during the Coronavirus pandemic.

We continue to make changes to the way that we work to respond to today’s challenges and the ones that may lie ahead.

We ensure that we have the right resources in the right place at the right time, our staff are highly skilled, and that we provide an excellent service to our communities.

Who we are:

WYFRS is one of 44 Fire & Rescue Services in England and Wales and the fourth biggest Metropolitan Service in England.

Our Service is governed by the West Yorkshire Fire & Rescue Authority which has 22 Members from across the five local authorities.

[Link to fire authority page on the website.](#)

WYFRS serves a population of more than two million people spread over almost 800 square miles, providing fire cover 24-hours a day, every day of the year.

Our Chief Fire Officer and Management Board are responsible for delivering the Authorities statutory duties.

[Link to Management Board page on the website.](#)

Why we are here:

Our Ambition: *Making West Yorkshire Safer*

The dedication and commitment of our staff has saved many lives within West Yorkshire.

We continuously work with our communities to prevent fires and other emergencies. We continue to improve community safety and wellbeing, reducing the risk to life, property, and the environment.

[This information to be presented in an image/visual – with links to the guidance/document](#)

All Fire and Rescue Services have duties and responsibilities that are set out in several legal documents.

- Fire Services Act 2004
- The Civil Contingencies Act 2004
- Fire Safety Order 2005
- The National Framework 2018

How we do it:

Strategic Priorities

Our CRMP sets out our priorities for the period 2022 - 25.

We will:

- plan and deploy our resources against risk to provide an efficient and effective operational response.
- constantly review and when necessary, develop new ways of working which improve the safety and effectiveness of our firefighters.
- promote the health, safety and well-being of all our staff in the workplace.
- encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- engage with our communities to focus our prevention and protection activities on reducing risk and vulnerability.
- provide ethical governance and value for money.
- collaborate with partners to improve efficiency and effectiveness of our services.
- contribute to sustainability by implementing environmentally friendly ways of working.
- continue working towards delivering a more inclusive workforce, which reflects the diverse communities we serve.

Areas of Focus

Our 'Areas of Focus' are reviewed annually.

Over the next 12 months we will focus our attention on a number of key areas, which will influence our programme of change and to support continuous improvement:

We will:

- be innovative and work smarter by investing in information, communication, and digital technology.
- invest in our Headquarters to provide a state-of-the-art, energy-efficient Training Centre, Fire Control Room and new Fire Station.
- use data and performance management to understand how and where we can improve.
- prepare and respond effectively to incidents driven by extreme weather events and all other emergencies.
- implement learning from the Grenfell Inquiry to improve how we respond to high-rise emergencies.
- use Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection and assessment programme as a foundation to implement our improvement action plans to deliver an outstanding service.
- implement the new approved Fire Standards to ensure the Service is demonstrating its commitment to continuous improvement.
- embed and share the learning from the Coronavirus pandemic internally and with our partners.
- engage with the community to inform our firefighter recruitment campaign to improve the diversity of our workforce.
- maximise the health, safety and wellbeing of all our staff by investing in innovative fire station and fire engine design.

What we do:

Service Delivery

We provide emergency cover 24/7 throughout the County of West Yorkshire.

To keep our communities safe we deliver the following services: **This information to be presented in an image/visual. (Prevention, protection, response and resilience)**

Prevention - Raising awareness about the risks people face to prevent emergencies and reduce vulnerability.

Protection - Promoting and enforcing the fire safety measures required by law to ensure buildings and occupants are protected.

Response - Preparing for and responding to emergencies

Resilience - Being able to deal with major emergencies and disruptions locally and nationally whilst continuing to deliver our critical services.

District Teams

We deliver these services through our five District Teams who develop local action plans.

Link to the five District Action Plans

Fire Control

Our operators within Fire Control deal with 999 calls and provide 24/7 cover to coordinate our response to all types of emergencies.

Service Support

Our Service Support staff are fundamental to how we operate providing essential services across several functions.

**Insert image from page 11 of the existing document (fire engine with cogs but update the departmental wording where required)
Or this could be an image with hyperlink in the digital version back to the WYFRS website with details of the function/department.**

Our People

We employ approximately 1,400 staff who are empowered to play their part in promoting safety and wellbeing across all the communities in West Yorkshire.

We recognise the importance that our workforce plays in achieving our Ambition. We continue to be one of the country's leading Fire & Rescue Services, supporting and developing our workforce and investing in their future.

Our People Strategy provides a strategic framework to support the Ambition and Strategic Priorities of the Service by ensuring we have the right people with the relevant skills, in the right place at the right time.

[Link to People Strategy](#)

Our Values

This information to be presented in an image/visual.

Teamwork - We recognise everyone's strengths and contributions, working effectively as one team.

Integrity - We are trustworthy and ethical in all that we do, always acting with integrity.

Learning - We learn all the time, we share our experiences, and celebrate success.

Responsibility - We are responsible and take ownership of the work we do.

Communication - We clearly and carefully communicate; in a way everyone understands.

We have developed health and wellbeing, leadership and development, and diversity and inclusion strategies to support all our staff to reach their full potential.

Firefighter Safety

We endeavour to provide our firefighters with the best equipment, training, and relevant operational guidance to enable them to stay safe when responding to emergencies.

Our fire appliance fleet and personal protection equipment will be designed to reduce firefighter exposure to hazards and contamination.

We continue to invest in new fire stations and modern training facilities that are fit for purpose and reflect the requirements of our communities and diverse workforce.

Over the years we have seen the number of emergency incidents reduce. As a result, there is less opportunity for our firefighters to gain real incident experience, however the risk of these emergencies remains.

To overcome this, we have a risk-based training strategy delivered through District Teams and we continue to invest in our central training programme to make sure firefighter skills are kept at the highest level.

Firefighters spend time visiting premises to gather risk information which enhances operational effectiveness.

Firefighters train and exercise in the environments in which they are most likely to attend emergencies.

'Emergency incidents are hazardous environments therefore firefighter safety is at the forefront of all that we do.'

Code of Ethics

This information to be presented in an image/visual.

'Our Values' complement the new National Fire Chiefs Council (NFCC) Core Code of Ethics.

We will continue to work to ensure this new code is at the heart of everything we do.

Putting our Communities First - We put the interests of the public, the community, and service users first.

Integrity - We act with integrity including being open, honest, and consistent in everything that we do.

Dignity and Respect - We treat people with dignity and respect, making decisions objectively based on evidence, without discrimination or bias.

Leadership - We are all positive role models, always demonstrating flexible and resilient leadership.

We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.

Equality, Diversity, and Inclusion (EDI) - We continually recognise and promote the value of EDI, both within the Fire Service and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate differences.

[Link to Core Code of Ethics](#)

Understanding the varied risk and vulnerability that exists within our communities

Our diverse communities and ever-changing environment create a unique mixture of risks. We have large cities and towns including some of the most deprived in the country. Our industrial heritage has seen large mills put to different uses or left unoccupied.

We have many miles of waterways set in steep valleys that flood regularly and rapidly. We have remote communities, large areas of moorland, motorways, major railways, an international airport, large industrial sites, commercial centres, farming, major sporting and cultural events, and much more.

As well as the local risks, our firefighters and resources form part of the national response arrangements to major emergencies.

How we assess risk

Understanding risk in our communities is crucial to achieving our ambition of Making West Yorkshire Safer. We do this by using evidence, foresight, and professional experience to identify risks that we face as a service.

We assess how likely each risk is to threaten life, property, and the environment. We model the level of risk in small geographical areas to create 'risk profiles'. Using this information, we know where to base our people and resources and where to focus our prevention and protection activities.

"Our communities and environment create a unique mixture of risks"

We have created a bespoke database to allow buildings within West Yorkshire to be categorised allowing for more frequent risk visits to be undertaken to the highest risk buildings whilst also reducing unnecessary visits to the lowest risk buildings. This allows us to be more efficient in the service we provide to businesses across the County.

We have carried out a process of assessing every high-rise building in West Yorkshire, liaising with building owners to understand and identify any fire safety deficiencies including those which incorporate external wall systems.

We continue to work closely with government and the NFCC to ensure we are prepared to react to any national work programmes.

We work continually on assessing risk within the built environment to:

- Streamline and update our database on changing levels of property-related risk.

- Further enhance the building risk review to include new and medium-rise buildings.

Risk information is available on all front-line fire engines allowing our operational firefighters to access the most up-to-date risk information on-route to incidents or when required.

Foreseeable Risks

We must assess all foreseeable Fire and Rescue related risks that could affect our communities, whether they are local, cross-border, multi-authority and/or national in nature.

To manage foreseeable risk, WYFRS update and maintain a foreseeable risk register.

This register is used to assess the emergencies that we may be called upon to respond to, and to ensure we are suitably trained, equipped and prepared.

Fire - Fires vary from a small refuse fire to large industrial incidents and historical buildings.

Transport - Accidents on major roads, motorways, railways, and airports.

Technical Rescue - Major transport incidents, building collapse, rescues from height, rescues from water, confined space rescues or animal rescues.

Hazardous Materials - Incidents at major chemical sites or chemical-related leaks, explosives, and spills within buildings or on highways.

Environmental - Climate-driven incidents like widespread flooding and wildfire.

Malicious Attacks/Terrorism - The threat of a terror or malicious attack on people, infrastructure, or transport.

We continually review and update our Foreseeable Risk Register to enable us to plan and prepare for such risks.

Potential overview – presented on a graph – visual – severity and likelihood

Our risk assessment compliments the National Risk Assessment (NRA), National Risk Register (NRR), and the West Yorkshire Community Risk Register (CRR).

Threats and risks to our business continuity are captured within our Corporate Risk Register.

We have and will continue to learn lessons from operational incidents whether that be local, regional, or of national significance.

Planning our Resources against Risk

Our fire engines and specialist resources are located and staffed to provide the optimal level of emergency cover based on local risk.

Insert Map of West Yorkshire with station locations on and include LSOA/RBPA detail to enable the public to understand why resources are where they are located.

WYFRS Stations

Wholetime - 24/7 availability

Day Crewing - Wholetime during the day, respond from home at night (on-call)

Retained (On-call) - Respond from home or place of work during the day and night

Planned Response Times

'We aim to achieve our response times 95% of the time'

Risk Band	Risk to Life	Risk to Property	Other
Very High Risk	7 Minutes	9 Minutes	15 Minutes
High Risk	8 Minutes	10 Minutes	15 Minutes
Medium Risk	9 Minutes	11 Minutes	15 Minutes
Low Risk	10 Minutes	12 Minutes	15 Minutes
Very Low Risk	11 Minutes	13 Minutes	15 Minutes

In 2021 we achieved our response times 95.4% of the time; this is an improvement from 94.4% in 2018/19, the year the Integrated Risk Management Model was developed by WYFRS.

Usually when we arrive at incidents outside our planned response times it is due to the remote location of the incident. We continually monitor response

times to identify areas that require any changes to procedures with a view to improving our service delivery.

The following table breaks down our performance against our planned response times by risk band and incident risk for the most recent fiscal year, 2020/21.

The information within the table can be presented as an image/graphic to simplify the data. Only use the 'total' figures on the bottom row.

Risk Band	Risk to Life	Risk to Property	Other	Total
Total	88.0%	89.8%	96.8%	95.4%

Vulnerability

Trends in society are leading to increasing numbers of vulnerable people living within our communities. These trends include:

- People living longer.
- Health needs, including mental health are becoming more complex.
- Deprivation.
- Increased care in the Community.

All these areas are part of our focus in identifying the most vulnerable within our communities to ensure the risks from fire are reduced. This is carried out in line with our Community Risk Management Model.

Reducing Risk and Vulnerability

We balance our time and resources between reducing local risk, attending incidents, and preparing for the emerging and changing risks we face.

- **Reducing local risks** – We do this through our Prevention and Protection strategies targeting our resources towards the highest risks.
- **Attending incidents** – Although our Ambition is “Making West Yorkshire Safer” there is still a requirement to attend incidents, as a result of this, we will ensure our resources are in the best place to respond to the highest risk areas.

“To reduce risk our main focus is prevention”

Community Engagement

Our community engagement framework will support our prevention activities by improving contact with hard-to-reach communities. It will enable the Service to further understand the benefits of effective community engagement to reduce risk and vulnerability within the County.

Community engagement will improve visibility and transparency and will enable us to cascade key community safety messages, gather research on fire and risk reduction themes, and provide an opportunity for members of the community to feedback on our Service.

Prevention - Educating people about the risks they face to prevent emergencies and reduce vulnerability

Our Safe and Well programme is at the heart of our prevention strategy. It aims to improve the safety and wellbeing of people in their homes and helps us to visit the most vulnerable to help reduce their risk from fire. During these visits, we also look to identify other risks they may face such as cold homes, crime, and falls.

Our firefighters carry out most of our prevention activity when they are not attending and preparing for emergencies. Data and intelligence will inform local decision-making to enable a more agile response to change in risk at a district level. To deal with more complex cases we employ specialist prevention staff who work with our partners to reduce risk within our communities.

All our resources are allocated across the County proportionate to the risk factors, with our prevention initiatives targeted to the needs of the most vulnerable.

Our Corporate Communications Team continue to play a key role in promoting prevention campaigns ensuring our message reaches the most vulnerable members of the community.

Prevention work does not end within the home; for example, we work with young people in schools and through community groups to keep them safe from fire, road collisions, and the dangers of water.

We have invested in our Youth Interventions Team who continue to deliver many initiatives through the Princes Trust Programme and other bespoke courses.

[Link to Strategy](#)

Protection - Promoting and enforcing the fire safety measures required by law to ensure buildings and occupants are protected should a fire occur

We have invested in our Fire Protection Team which allows us to assign the correct resources to the areas which are most at risk. We will continue to support our team to ensure inspecting officers have the capacity to deal with new and emerging risks within West Yorkshire.

Our dedicated team is made up of qualified and experienced fire safety officers who are available to provide advice, support, and investigate complaints relating to poor fire safety. We can demonstrate through initiatives or alternative statutory methods that every premise our inspectors enter, is a safer building when they leave.

We enforce the Regulatory Reform (Fire Safety) Order 2005; the fire safety law that applies to nearly every building other than a single private homes.

Our Risk-Based Inspection Programme utilises data and information to enable us to direct our resources towards those premises which present the greatest risk to occupants should a fire occur.

Through partnership working with local authorities, we support building regulations to ensure new buildings are designed to incorporating the relevant fire safety measures.

Business engagement is key to supporting businesses with their fire safety responsibilities ensuring they can grow and support the local economy. Our Business Fire Safety Advisor roles have been developed to ensure we are able to engage with all business types, not just those which do not comply with legislation, these new roles will continue to develop and increase our protection capabilities by providing ideal opportunities for succession planning within the team.

We support smaller, local businesses to meet their fire safety duties individually and through the work, we do with the Local Enterprise Partnership.

Additionally, our Protection team enforces legislation for the storage of petroleum-spirit by issuing certificates for petrol stations and licenses for the storage of explosives and fireworks. Our approach to the reduction of persistent false alarms has seen a significant decline in numbers over the last 10 years and continues on that trajectory.

[Link to Strategy](#)

Response – Preparing for and responding to emergencies

Our Fire Control Room receives all our 999 emergency calls, and our operators assess each call to determine what emergency response is required. Fire Control sends the fire engine(s) or specialist resource(s) who can respond quickest to deal with the emergency.

Our response time combined with the number of firefighters attending a fire is critical. More serious and complex emergencies usually need more firefighters to deal with them. We call this our 'speed and weight of attack.'

We aim to keep the current number of fire stations and fire engines, to maintain our current 'speed and weight of attack'.

Each station has a shift system based on the level of risk that the local community faces. Higher risk areas are covered by 24/7 'whole time' stations. Lower risk areas are covered by 'on-call' stations. Those areas in between have a combination of both, known as 'day crewing'.

Our 46 fire engines are all equipped to deal with the vast majority of emergencies. If the type of emergency is complex, we have strategically located specialist resources to call upon.

When a fire engine is unavailable due to an emergency or operational training, we have a system and procedures in place to relocate other fire engines to maintain a good standard of cover where it is required most according to risk.

To ensure the nearest fire engines respond to the emergencies that occur close to and over our County border, we have arrangements in place with our neighbouring fire and rescue services to share fire engines and other specialist resources if required.

'Incidents where there is a threat to life receive the quickest response'

[Link to Strategy - Community Response and Resilience Strategy?](#)

Resilience - Being able to deal with major emergencies and disruptions whilst continuing to deliver our critical services

Each of the Fire & Rescue Services across the UK can resolve most emergencies with their own fire engines and firefighters. However, occasionally, major incidents can happen that need the support of Fire & Rescue Services from other areas.

Measures are in place to allow us to call upon other Fire and Rescue Services to support us when major incidents occur.

Nearly all serious emergencies require a 'multi-agency' response. By working with our partners in West Yorkshire, we can respond with the right mix of skills, expertise, and equipment to deal with the risks we expect to face.

We operate in accordance with the Joint Emergency Services Interoperability Principles so that we work effectively with West Yorkshire Police, Yorkshire Ambulance Service and other Partner Agencies at serious and major emergencies.

[Link to Strategy - Community Response and Resilience Strategy?](#)

[Link to JESIP site](#)

Local Resilience Forum

We recognise that the causes of fires and other emergencies and the consequences of such, cannot be addressed by the Fire & Rescue Service in isolation. Working in partnership with other agencies is, therefore, a fundamental part of the way services are delivered at all levels and in all areas; partnership working is therefore regarded as part of our core business.

As a member, WYFRS plays a key role in the West Yorkshire Local Resilience Forum (West Yorkshire Prepared) which was established under the Civil Contingencies Act 2004.

West Yorkshire Prepared coordinates the actions and arrangements between responding services to prepare for and respond to civil emergencies when they occur. It also helps people and communities recover after adverse events. Our partners work collaboratively for the benefit of the communities we serve.

National Resilience Assets

We host a suite of specialist resources that can be deployed anywhere in the UK; likewise, we can call on specialist resources hosted elsewhere across the Country. We have agreements in place to share these resources when needed and we consider our national commitments when making local plans.

Flood Response - Assets are ready to respond to local and national flooding incidents. The High-Volume Pump removes water at incidents of wide area flooding as well as supplying large amounts of water for firefighting. Water Rescue Teams are ready to respond nationally to assist in the search, rescue, and evacuations.

Enhanced Logistics Support - To manage multiple Fire & Rescue Service resources at major incidents.

Urban Search and Rescue - Specialise in locating and freeing people from collapsed buildings and heavy transport incidents.

Chemical Biological Radiological Nuclear (explosives) - To respond to chemical, biological, radiological, or nuclear hazards.

Response to Terrorist Attack - Assisting the police and ambulance in response to an attack.

Collaboration

The Policing and Crime Act 2017 places a duty on Police, Fire, and Ambulance Services to work together to ensure that they can become more efficient and effective. WYFRS has a long history of partnership working to help achieve our ambition of Making West Yorkshire Safer and the

implementation of the Tri-Service Collaboration Board is making this a reality.

We understand the value that working with others can bring and we will continue to work closely with partners such as local authorities, blue light services, health teams, community groups and voluntary organisations to identify and support the most vulnerable people in our communities.

Making the most of collaborative opportunities has enabled us to co-locate services, deliver joint training to staff; underpin more cohesive service delivery, achieve better value for money in procurement, and has facilitated more effective planning for emergencies and pre-planned events.

Current workstreams include a collaborative approach to sharing data and reducing demand on all services allowing for a more holistic approach to preventing risk to the most vulnerable in our society.

Efficiency and Effectiveness

Our Finances

Our services are funded by the taxpayer; we, therefore, have a legal duty to ensure the services we provide offer value for money to the taxpayer and meet the requirements of an ever-changing society.

Our annual budget is £89.349 million, and we believe that we are providing the best affordable service for our communities.

Through the implementation of smarter working and the introduction of an improved budget management system, the Service has achieved a balanced budget during 2021/22, despite facing funding challenges and the financial impact of Covid.

This means that our expenditure is matched by our funding and there is no need to use any of our reserves.

Insert image of where the budget is spent.

Value for Money

WYFRS add social and economic value through our response to fire and non-fire emergencies and through our prevention and protection activities.

At fire-related incidents by preventing further damage to property and secondly, we prevent injuries and save lives. At non-fire emergencies including rescues from water, making environments safer, spills and leaks, extrications and medical assistance.

Our prevention and protection activities include Safe and Well visits, audits and inspections of commercial premises along with fire setter and antisocial behaviour schemes. It has been calculated that each of these activities provide a positive social return on investment.

Our Commitment to tackling Climate Change

The impact of climate change and the increase in extreme weather conditions (heat waves and flooding) continue to have an impact on the number of environmental incidents we attend.

We will balance the environmental, social, and economic impacts of the activities the Service undertakes and will continue to promote environmentally friendly ways of working.

In recent years, we have taken positive steps to reduce carbon emissions by introducing electric cars into the vehicle fleet.

We have designed our new Headquarters site to reflect home working whilst also further rationalising our estate by relocating our Service Delivery Centre and Cleckheaton Fire Station to the same site.

When redeveloping existing premises or designing new buildings we will ensure we maximise opportunities to reduce carbon emissions and improve energy efficiency across our Estate.

Learning - and Improving our Service

We have reviewed our achievements and performance over the last three years. To achieve our Ambition of 'Making West Yorkshire Safer', we will not stand still, we will continue to learn, adapt, and improve in everything we do.

[Link to document about our achievements/performance against 'Your Fire and Rescue Service 2020-23' priorities.](#)

How we learn and improve

We listen to feedback from the public, our staff, their representative bodies, and other interested parties. This feedback helps us to understand what we need to do better and what we might need to change each year and to celebrate our achievements.

We value the scrutiny provided by the West Yorkshire Fire and Rescue Authority, our internal auditors, and welcome external inspections of our Service such as Customer Service Excellence and HMICFRS.

We also commission impartial and independent reviews of what we do to shape our plans if we feel it is in the best interests of our Service.

The key to this is our ability to find the right balance between prevention, protection, response, resilience, and service improvement to reduce the risks facing our communities.

Operational Learning

Operational Learning is a key element of how we improve as a Service highlighting areas of good practice and areas that we can develop to improve both firefighter safety and the service we provide to the communities of West Yorkshire.

We are committed to learning, developing, and adopting best practices in all that we do. Our operational staff follow National Operational Guidance produced by the NFCC.

We evaluate and share operational learning following incidents at a local, regional, or national level.

How we share operational learning and best practice

Our Operational Learning Team is responsible for capturing learning following training and/or operational incidents. This is achieved through our robust debrief process.

We are committed to and will continue to engage in the National Operational Learning programme to ensure best practice is achieved and embedded into both our Service and nationally to allow for continuous improvement across the fire sector.

An example of this is the work that has been produced by our Grenfell Project Team to improve the way we deal with high-rise building incidents.

We will continue to share operational learning through the JESIP joint learning process to support and develop regional and multi-agency working.

Through operational learning, we have been able to implement new initiatives to assist our staff in carrying out their duties more efficiently and with better safety practices in mind.

Fire Standards

“Produced by the Services for the Services”

As part of the reform for Fire & Rescue Service, the Fire Standards Board have established professional standards to help drive continuous improvement across the fire sector.

These standards are a key component to continuous improvement which all Fire & Rescue Authority's in England must implement the standard approved as a point of focus to ensure progress is measured and further improvements and enhancements are identified.

The HMICFRS will have regard to these standards as part of their future inspections.

An internal WYFRS board has been established to oversee the successful implementation of the Fire Standards and to realise the expected benefits of achieving the standards.

[Link to Fire Standards Website](#)

Service Assurance

We have a 'Service Assurance Framework' which is a system in place to make sure we are doing what we say we will and to the standards expected of us. This framework assists in the completion of our annual statement of assurance demonstrating compliance with the National Framework 2018.

The service assurance process provides a holistic view of all teams and departments which captures evidence and provides an overview into outstanding and good practice but also highlights areas that may need developing or improving.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS)

HMICFRS assess and report on how well Fire & Rescue Services prevent and protect against and respond to fires and other emergencies and how they look after their workforce. They carry out inspections of the three pillars Efficiency, Effectiveness and People for the 44 Fire & Rescue Services in England and Wales and report what they find. They also examine and report on critical national issues and themes in an annual State of Fire Report.

[Link to Annual State of Fire Report](#)

Our 2019 HMICFRS report found that we were good in all areas of service. This was a great achievement, but we were not complacent and are currently working through a number of recommendations in an action plan which was established to embed HMICFRS feedback.

As we await the outcomes of our most recent 2021 inspection we continue to review and embed HMICFRS feedback across the organisation, enabling us to continually improve the service we provide to our communities.

Digital and Data

Our Digital and Data Strategy sets the direction that digital investment will take so it is focused on equipping our service with the right systems, technology, and data.

We continue to make major changes to our digital infrastructure: keeping up to date with data and technology developments. This enables us to determine how these could better support the way we transform and deliver our services to our staff, partners, and the community.

We will future proof how we collate and analyse data, enabling us to make informed decisions about how to identify and address risk and vulnerability within our communities.

Access to accurate, 'live' information and data will continue to drive change and continuous improvement whilst also contributing to increased productivity in all areas of the Service.

Our new performance management system will provide transparency, accountability and be the platform in which to share data with our fire service colleagues, partner agencies, and the communities of West Yorkshire.

Smarter Working

Smarter Working philosophy and methodology is embedded throughout WYFRS supporting innovative and more efficient ways of working, thus assisting departments and teams to drive change and continuously improve.

The outcome of our Smarter Working programme demonstrates the value it adds in both time and money increasing productivity ensuring we are the most efficient and effective service we can be.

Covid-19

As we reflect on the impact of the Coronavirus pandemic, we have and will continue learning and adapting to new challenges and embedding new ways of working across the Service.

Responding to the pandemic allowed us to strengthen our partnerships, thus increasing engagement with the most vulnerable in our community.

Programme of Change 2022/23

Moving forward with our programme of continuous improvement, we will focus on efficiency and effectiveness without compromising public safety.

We will update this plan annually to include our approved 'Programme of Change'.

Corporate Identity Refresh

Redesign of existing corporate identity to present a more contemporary, relevant, and engaging image of the Service.

New Fire Service Headquarters

Modern, energy-efficient Headquarters, Training Centre, and Fire Control constructed on the existing site in Birkenshaw.

New Fire Engine Fleet

Introduction of a new fleet of modern fire appliances with provision to reduce firefighter exposure to contamination.

Keighley Fire Station New Build

The construction of a new fire station on the existing site to replace an oversized and outdated fire station.

Halifax Fire Station New Build

The construction of a new fire station on the existing site to replace an oversized and outdated fire station.

Huddersfield Fire Station New Build

The construction of a new fire station on the existing site to replace an oversized and outdated fire station.

Relocation of Cleckheaton Fire Station

The construction of a new fire station at FSHQ in Birkenshaw to replace an oversized and outdated fire station.

Estates Review

Feasibility study at all our fire stations to improve diversity and inclusion and contamination management within the workplace.

OneView

Performance management programme to provide a transparent, timely, and flexible method of sharing performance data with our colleagues, partners, and the communities.

Leadership Strategy

A new approach that will develop and enhance leadership and our Service values at all levels and allow for continuous improvement.

Emergency Services Mobile Communication Programme

Provision of a national radio scheme utilising mobile phone technology.

Service Delivery Development

Improved ways of working through changes to the management structure and realigning responsibilities.

Fire Standards Programme

Implementation of nationally agreed fire standards across Fire & Rescue Service core functions.

Accessibility Project

To ensure that digital content, including websites, mobile apps, and documents that are shared electronically, are accessible to all audiences.

Grenfell Project

Review and implement the recommendations from the Grenfell Tower Inquiry: Phase 1 Report.

Talent Management Strategy Deployment

A new approach designed to identify people within the organisation with talent (transparently and systematically); developing them to progress and/or enhancing skills to fill current and future skills gaps. The programme includes an application and assessment system, a system to capture information, a learning/development (qualification and skills) programme, and opportunities for utilising talent our people possess.

Access HR - Talent (PDR Module)

In two phases, the project is designed to upgrade the systems used to record Annual Appraisals and integrate them within the Access-HR system, supplementing current approaches with an opportunity to capture better quality talent information. The first phase will deploy the Access HR Talent system across the Services staff roles and the second phase will work with Operational colleagues to develop our culture to enable proper development and performance conversations to take place with data captured in the AccessHR Talent system.

Contact us

Contact information to be added



OFFICIAL

Treasury Management Strategy

Full Authority

Date: 24 February 2022

Agenda Item:

11

Submitted By: Chief Finance and Procurement Officer

Purpose

To present the Treasury Management Strategy 2022 - 23

Recommendations

That Members approve;

- a) the investment strategy in section 2.3 and Appendix B
- b) the borrowing strategy outlined in section 2.2
- c) the capital strategy outlined in section 2.1
- c) the policy for provision of repayment of debt outlined in Appendix D
- d) the Treasury Management indicators in Appendix E
- e) the Capital Plan 2021/22 – 2025/26 at Appendix F

Summary

The Authority has formally adopted CIPFA's Code of Practice on Treasury Management and is thereby required to consider a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (DCLG) issued guidance on local authority investments in March 2010, which requires the Authority to approve an Investment Strategy before the start of each financial year.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: CIPFA Treasury Management Code of Practice

Annexes:

- Appendix A – Treasury Management Practices
- Appendix B – Investment Strategy
- Appendix C – Credit Rating Scores
- Appendix D – Provision for repayment of debt
- Appendix E – Treasury Management Prudential Indicators
- Appendix F – Capital Plan 2022/23 to 2026/27

1 Introduction

- 1.1 Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice as:

“the management of the Authority’s borrowings, investments and cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

- 1.2. There are two parts to the treasury management operations, the first is to ensure that the Authority’s cash flow is adequately planned, with cash being available when it is needed. Surplus monies are placed in low-risk counterparties or instruments in line with the Authority’s low risk appetite, providing adequate liquidity initially before considering investment return. The second main function of treasury management is the funding of the Authority’s capital plans. The Capital Strategy provides a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning to ensure that the Authority can meet its capital spending obligations.
- 1.3. The CIPFA Code of Practice on Treasury Management (TM) and the CIPFA Prudential Code require local authorities to determine and set the Authority’s Treasury Management Strategy, its Strategy relating to investment activity, and Prudential Indicators on an annual basis. The Authority currently has cash backed reserves and balances of circa £36m, so it is important that robust and appropriate processes are in place to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund. Set out below are the key elements of the Strategy covering the borrowing requirements and investment arrangements.
- 1.4 The Authority’s Investment Strategy has regard to the TM Code and the Guidance. It has two objectives: the first is security, in order to ensure that the capital sum is protected from loss, ensuring that the Authority’s money is returned; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and liquidity have been determined can the Authority then consider the yield that can be obtained within these parameters.
- 1.5 This Strategy has been created based on the CIPFA 2017 Prudential and Treasury Management Codes, which requires the Authority to prepare a Capital Strategy. This Authority does not envisage any commercial investments and has no non-treasury investments.
- 1.6 Treasury Management activity is governed and managed by using a set of standards which are called Treasury Management Practices. These set out the manner in which the Authority aims to achieve its treasury management policies and objectives and how it will manage and control those activities. It is good practice that these are presented to members for information. These are attached in Appendix A

National Guidance and Governance

- 1.7 This Strategy complies with the CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (“the TM Code”), and Guidance on Local Government Investments issued by the Secretary of State for

Communities and Local Government under section 15(1)(a) of the Local Government Act 2003 (“the Guidance”). Specific decisions on the timing and amount of any borrowing will be made by the Authority’s Director, Finance and Corporate Services in line with the agreed Strategy.

Governance:

The Finance and Resources Committee is required to receive and approve a number of financial reports each year, which cover the following:

(a) **An Annual Treasury Management and Investment Strategy:** This Strategy forms part of the February 2022 budget report to Authority. This Strategy includes:-

- the Capital Programme together with the appropriate prudential indicators;
- the minimum revenue provision (MRP) policy, which details how residual capital expenditure is charged to revenue over time;
- the Treasury Management Strategy, which defines not only how the investments and borrowings are to be organised, but also sets out the appropriate treasury indicators; and
- an Investment Strategy which sets out the parameters on how deposits are to be managed.

(b) **A Mid-year Treasury Management Report:** This is presented to Finance and Resources Committee in February and provides an update on current investments and borrowing, the Capital Programme, reporting on prudential indicators

(c) **A Year-end Annual Report:** This provides the final outturn position for the year in relation to investments and deposits made during the year, prudential and treasury indicators, and a summary of the actual treasury activity during the year.

External Support

1.8 The Authority uses Link Group as its external Treasury Management Advisor. The Authority recognises that the responsibility for treasury management decisions remains with itself and will ensure that undue reliance is not placed upon the external advisor. The Authority appointed Link Group in July when the responsibility for Treasury Management was transferred to the Authority from Kirklees Council, where it was provided as a Service Level Agreement.

The CFPO and the treasury management accountant receive daily, weekly, and monthly reports on treasury management activity within the UK, Europe and Worldwide.

1.9 **Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. A training session was delivered by Link in October which was attended by both members and officers.

The training needs of treasury management officers is ongoing to ensure that knowledge is kept up to date.

2 Information

2.1 Capital Strategy

2.1 The purpose of the Capital Strategy is to demonstrate that the Authority takes capital expenditure and investment decisions in line with corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

Fundamentally, the objective of the code is that the total of an Authority's capital investment remains within sustainable limits, following consideration of the impact on the bottom-line Council Tax.

Each financial year the Authority produces a rolling five-year capital programme, owing to the nature of capital expenditure, a large number of schemes slip between financial years.

The detailed capital plan and associated prudential indicators are included in the Budget Report.

2.1.1 The Capital Strategy comprises a number of distinct, but inter-related, elements as follows:

- **Capital Expenditure**

This section includes an overview of the governance process for approval and monitoring of capital expenditure, including the Authority's policies on capitalisation, and an overview of its capital expenditure and financing plans.

- **Capital Financing and Borrowing**

This section provides a projection of the Authority's capital financing requirement, how this is impacted by capital expenditure decisions and how it will be funded and repaid. It therefore sets out the Authority's borrowing strategy and explains how it will discharge its duty to make prudent revenue provision for the repayment of debt.

- **Chief Finance and Procurement Officer statement**

This section contains the Chief Financial Officer's views on the deliverability, affordability and risk associated with the capital strategy.

2.1.2 Capital Expenditure

Capitalisation Policy

2.1.3 Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset (e.g. land, buildings, vehicles, plant and equipment etc.) that:

- Will be held for use in the delivery of services, for rental to others, investment or for administrative purposes; and
- Are of continuing benefit to the Authority for a period extending beyond one financial year.

Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

2.1.4 There may be instances where expenditure does not meet this definition but would be treated as capital expenditure, including:

- Where the Authority has no direct future control or benefit from the resulting assets but would treat the expenditure as capital if it did control or benefit from the resulting assets. For example, where a grant is provided by the Authority to an external body in order that the body can purchase an asset for its own use. The provision of the grant would be treated as capital expenditure in the accounts of the Authority.
- Where statutory regulations require the Authority to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules. For example, where the Government permits authorities, in special circumstances, to treat redundancy costs as capital costs therefore increasing flexibility as such costs can then be met using their existing borrowing powers or capital receipts.

2.1.5 The Authority operates a de-minimis limit for capital expenditure of £10,000. This means that items below these limits are charged to revenue rather than capital.

Governance

2.1.6 Capital expenditure is a necessary element in the development of the Authority's services since it generates investment in new and improved assets. Capital expenditure is managed through the five-year Capital Programme which is reviewed annually as part of the budget setting process and reviewed in year as part of financial monitoring arrangements.

2.1.7 The Authority's Financial Regulations and Contract Regulations provide a framework for the preparation and appraisal of schemes proposed for inclusion in the Capital Plan, appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Programme within defined resource parameters.

2.1.8 The Chief Finance and Procurement Officer shall determine the format of the Capital Programme and the timing of reports relating to it. The approved Capital Programme will comprise a number of individual schemes each of which will be quantified on an annualised basis. Each directorate will submit capital bids to the finance department which are then collated and presented to the Management Board Star Chamber for scrutiny and approval for inclusion on the proposed capital plan. The bids are then collated for submission to the Full Authority meeting in February.

2.1.9 The capital plan is monitored on a monthly basis with the provision of detailed budget monitoring reports to managers and is reported quarterly to the Finance and Resources Committee.

2.1.10 The Capital Monitoring Management Group meet on a quarterly basis whereby the capital plan is scrutinised, and managers have to report on the progress of each capital scheme for which they are responsible. This is chaired by the Chief Finance and Procurement Officer.

Capital Financing and Borrowing

2.1.11 The Authority's capital expenditure plans as per the Capital Programme are set out in Appendix E and will be presented in the Budget Report for approval.

2.1.12 When expenditure is classified as capital expenditure for capital financing purposes, this means that the Authority is able to finance that expenditure from any of the following sources:

- **Capital grants and contributions** – amounts awarded to the Authority in return for past or future compliance with certain stipulations.
- **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
- **Revenue contributions** – amounts set aside from the revenue budget in the earmarked capital financing reserve.
- **Borrowing** – amounts that the Authority does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.

Chief Finance and Procurement Officer Statement

2.1.13 The Prudential Code requires the Chief Financial Officer to report explicitly on the affordability and risk associated with the Capital Strategy. The following are specific responsibilities of the Chief Finance Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
- submitting quarterly treasury management reports;
- submitting quarterly capital budget reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Authority;
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources;

- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.

Statement of Policy on the Minimum Revenue Provision (MRP)

2.1.14 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into effect on 31 March 2008, replaced the former statutory rules for calculating MRP with a requirement for each local authority to determine a “prudent” provision. The regulations require authorities to draw up a statement of their policy on the calculation of MRP which requires approval by Full Authority in advance of the year to which it applies. The recommended policy statement is detailed at Appendix C.

Capital Financing Requirement

2.1.15 The Capital Financing Requirement (CFR) represents the Authority’s underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. An Authority can choose to borrow externally to fund its CFR. If it does this, it is likely that it would be investing externally an amount equivalent to its total reserves, balances and net creditors. Alternatively, an Authority can choose not to invest externally but instead use these balances to effectively borrow internally and minimise external borrowing. In between these two extremes, an Authority may have a mixture of external and internal investments/external and internal borrowing

Forecasts for CFR as at 31 March are as follows:

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
CFR	45,018	54,610	59,233	64,196

The movement in the CFR can be further explained via the table below:

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
CFR b/fwd	42,412	45,018	54,610	59,233
Capital Expt	15,128	22,071	12,223	9,276
Capital Receipts			-3,500	
Earmarked Reserve	-8,538	-8,505		
Revenue Contribution	-950	-950	-950	-950
MRP	-3,034	-3,024	-3,150	-3,363
Closing CFR	45,018	54,610	59,233	64,196

2.1.16 Prior to 2009/10 the Authority's policy had been to borrow up to its CFR and investing externally the majority of its balances. With the onset of instabilities in the financial markets and the economic downturn, the policy changed to one of ensuring the security of the Authority's balances. This coincided with dramatic falls in investment returns making the budgetary benefit of maximising external borrowing more marginal. Over the past few years, the Authority has chosen to finance its capital expenditure by 'borrowing' internally. This has principally been because of the relatively low rates of interest receivable on investments, less than 0.10%, particularly when compared to the cost of borrowing longer term loans from the PWLB.

2.1.17 The cost of borrowing has been historically low over the past decade and short-term borrowing rates remain very low. In October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt and authorities borrowing to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The PWLB launched a wide-ranging consultation on the PWLB's future direction which closed on 31 July 2020. New lending terms were announced by the PWLB on the 26 November 2020 which returned the cost of certainty borrowing rates back to the same level as October 2019. This practice is made more complicated by the Government's method of funding pension contributions – the year's funding plus any shortfall from the previous year, is paid as a lump sum in July each year. The grant in 2021/22 was £31.3 million.

2.2 Borrowing Strategy

2.2.1 Borrowing Arrangements

The Authority has been using its cash balances by deferring long term borrowing, no new long-term borrowing has been taken out since December 2011. Accountants engaged in treasury management monitor interest rates and receive advice from the Authority's Treasury Management Advisor on changes to market conditions, so that borrowing and investing activity can be undertaken at the most advantageous time. At the time of writing this report, it is not anticipated that the Authority will take out any new external borrowing until 2023/24.

2.2.2 When taking new borrowing, due attention will be paid to the Authority's debt maturity profile. It is good practice to have a maturity profile for long-term debt which does not expose the Authority to a substantial borrowing requirement in years when interest rates may be at a relatively high level. In accordance with the requirements of the Code, the Authority sets out limits with respect to the maturity structure of its borrowing later in this report.

2.2.3 It is predicted that as at the 31 March 2022, the Authority will have total external borrowing and other long-term liabilities of around £45.0 million.

This is analysed as follows:

Estimated Total debt as at 31 March 2022		
	£m	%
PWLB Fixed Loans	43.0	95.6%
LOBO	2.0	4.4%
TOTAL	45.0	100.0%

2.2.4 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for money and also flexibilities to restructure and make possible savings. Although, the Government decided to raise rates for new PWLB loans in October 2010 by around 0.90%, it has since introduced a discounted rate for local authorities joining the new “certainty rate” scheme. The Authority has joined the scheme and will have access to loans discounted by 0.20% in 2021/22.

2.2.5 The Authority also has a LOBO (Lender’s Option, Borrower’s Option) loan. The way this loan works is that the Authority pays interest at a fixed rate for an initial period and then the lender has the option in the secondary period to increase the rate. If the option is exercised, the Authority can either accept the new rate or repay the loan. The Authority’s loan is in its secondary period with intervals of 5 years between options. The next option date is May 2026. There have been moves by some lenders to amend the terms of their LOBO loans to convert them to ‘vanilla’ fixed rate loans. No approach has yet been made by Dexia Credit Local, the lender to the Authority to amend any of the conditions of the loan.

2.2.6 The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

2.2.7 In terms of meeting the Authority’s borrowing requirement over the next three years, as short-term rates are forecast to stay low, it may be opportune to take short-term loans either at fixed or variable rates. However, with long term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.

The table below shows the forecast for PWLB bank rates to March 2024

PWLB	Dec-21	Mar-22	Sep-22	Mar-23	Sep-23	Mar-24
	%	%	%	%	%	%
5 year	1.40	1.40	1.50	1.60	1.70	1.70
10 year	1.80	1.80	1.90	2.00	2.10	2.10
25 year	2.20	2.20	2.30	2.40	2.50	2.60
50 year	2.00	2.00	2.20	2.20	2.30	2.40

2.2.8 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Authority may take advantage of this and replace some of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk. A review is undertaken annually to assess if this is financially advantageous for the authority.

2.2.9 Borrowing in Advance of Need

The Authority will not borrow in advance of its needs in order to profit from any short-term interest rate advantage. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds. The risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual treasury reports.

2.2.10 Debt Rescheduling

Whilst short term interest rates continue to be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of the debt repayment (premiums incurred). The reasons for rescheduling may include the generation of cash savings in annual interest payments or to amend the maturity profile of the portfolio. The premium now charged by the PWLB generally makes restructuring debt for interest rate reasons unattractive. Consideration would be given to debt restructuring if there was a significant change in the PWLB's policy. Any debt rescheduling will be reported to the Authority at the earliest opportunity following the rescheduling.

2.2.11 Borrowing policy and performance will be continuously monitored throughout the year and will be reported to Members.

2.3 Investment Strategy

Overview

2.3.1 Investment guidance issued by MHCLG requires that an investment strategy, outlining the Authority's policies for managing investments in terms of risk, liquidity and yield, should be approved by full Authority or equivalent level, before the start of the financial year. This strategy can then only be varied during the year by the same executive body.

2.3.2 The Authority's Investment Strategy has regard to the CIPFA Treasury Management Code 2017 and the CIPFA Treasury Management Guidance Notes 2018. It has two main objectives: the first is security, in order to ensure that the capital sum is protected from loss; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and portfolio

liquidity have been determined can the Authority then consider the yield that can be obtained within these parameters.

The Authority will ensure that robust due diligence procedures cover all external investment.

The Treasury Management Code of Practice details that the term “investments” used in the definition of treasury management activities also covers other non-financial assets which an organisation holds primarily for financial returns, such as investment property portfolios. The Authority does not hold non-financial assets primarily for financial returns, nor does it propose to do so.

2.3.3 As at 31 March 2022, the Authority is expected to have around £30.0 million invested externally, primarily in instant access accounts or short-term deposits, with local authorities, major British owned banks, building societies or Money Market Funds (MMFs). This will also ensure compliance with The Markets in Financial Instruments Directive II, whereby those maintaining a professional status must keep a minimum of £10 million invested at any point in time.

Guidance

2.3.4 The guidance splits investments into two types – specified and non-specified.

- Specified investments are those offering high security and liquidity. All such investments should be in sterling with a maturity of no more than a year. Investments made with the Government (DMADF) and a local authority automatically count as specified investments, as do investment with bodies or investment schemes of “high credit quality”. It is for individual authorities to determine what they regard as “high credit quality”.
- Non-specified investments have greater potential risk, being investments with bodies that have a credit rating below “high credit quality”; bodies that are not credit rated at all; and investments over a year.

2.3.5 It is estimated that the Authority could have up to £60 million to invest at times during the year which is a combination of cash received in advance, reserves and creditors.

Strategy

2.3.6 It is proposed to continue with a low-risk strategy in line with previous years and where possible to borrow internally. This will help in reducing the amount of money the Authority has invested at any one time and minimise the cost of borrowing.

Key features of the strategy are as follows:

Specified Investments

- The Authority is able to invest up to £6 million on an instant access basis with foreign based banks with a “high to upper medium grade” credit rating.
- The Authority can invest up to £6 million in individual MMFs (instant access or two day notice). MMFs are pooled investment vehicles, having the advantage of providing wide diversification of risk, coupled with the services of a professional fund manager.
- The Authority can invest in Debt Management Account Deposit Facility (DMADF) for up to 6 months.
- The Authority can invest in local authorities for up to 364 days.

Non-Specified Investments

- The Authority is able to invest up to £1 million and up to two months with individual UK banks and building societies with a “medium grade” credit rating.
- The Authority adopts an overall limit for non-specified investments of £2 million.

2.3.7 A maximum limit of £6 million applies to any one counterparty and this applies to a banking group rather than each individual bank within a group.

For illustrative purposes, Appendix B lists which banks and building societies the Authority could invest with based on credit ratings as at the beginning of December 2021.

2.3.8 The policy allowing the Authority to invest up to £6 million with part-nationalised UK banks with mid “medium grade” credit ratings has been removed. With the Government steadily divesting themselves of their stake in these banks and the recent bail-in legislation, it is unlikely that the Government would bail these banks out if they got into further trouble.

2.3.9 There may be opportunities in the future for local authorities to use collateralised products, in particular reverse repurchase agreements (REPOs). These products are secured on the borrower’s assets (such as gilts or corporate bonds) and are exempt from bail-in. The rates are currently comparable to unsecured investments but entry levels are likely to be for investments of £10 million plus. It is proposed that reverse repurchase agreements are available to use under the strategy at the higher level indicated above.

2.3.10 The Authority uses credit ratings from the three main rating agencies - Fitch, Moody’s and Standard & Poor’s to assess the risk of investment defaults (Appendix C). The lowest credit rating of an organisation will be used to determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.

2.3.11 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria:

- No new investments will be made.
- Any existing investments that can be recalled at no cost will be recalled.
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

2.3.12 Where a credit rating agency announces that a rating is on review for possible downgrade (“rating watch negative or credit watch negative”) so that it is likely to fall below the required criteria, then no further investments will be made in that organisation until the outcome is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

2.3.13 Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the approved criteria.

2.3.14 Investments may be made using the following instruments:

- Interest paying bank accounts.
- Fixed term deposits.
- Call or notice deposits.
- Callable deposits.
- Shares in money market funds.
- Reverse repurchase agreements.

2.3.15 Investment of money borrowed in advance of need

The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. However, as this would involve externally investing such sums until required and thus increasing exposures to both interest rate and principal risks, it is not believed appropriate to undertake such a policy at this time.

2.3.16 Annual cash flow forecasts are prepared which are continuously updated. This helps determine the maximum period for which funds may be prudently committed.

2.3.17 Investment policy and performance will be monitored continuously and will be reported to Members during the year and as part of the annual report on Treasury Management.

3 Prudential Indicators

3.1 The Authority is asked to approve certain treasury management indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest

rates or borrowing decision impacting negatively on the Council's overall financial position. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs. The proposed indicators are set out in Appendix E.

4 Financial Implications

4.1 Financial implications are included within the main body of the report.

5 Legal Implications

5.1 The Monitoring 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.

6 Human Resource and Diversity Implications

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

7 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?	No
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8 Health, Safety and Wellbeing Implications

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

9 Environmental Implications

9.1 None

10 Your Fire and Rescue Service Priorities

10.1 Treasury management underpins the financial management of the Authority which affects all the fire and rescue service priorities.

11 Conclusions

11.1 The treasury management strategy determines the framework upon which the Authority manages its borrowing and investments during the year. This is essential for sound financial governance.

TREASURY MANAGEMENT PRACTICES

The following Treasury Management Practices (TMPs) set out the manner in which the Authority aims to achieve its treasury management policies and objectives, and how it will manage and control those activities.

1. TMP 1 Risk management

The Chief Finance & Procurement Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

Credit and counterparty risk management

The Authority regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

Liquidity risk management

The Authority will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives. The Authority will not borrow in advance of need.

Interest rate risk management

The Authority will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements.

It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.

Exchange rate risk management

The Authority will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

Refinancing risk management

The Authority will ensure that its borrowing are negotiated, structured and documented, and the maturity profile of the monies raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Authority as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Legal and regulatory risk management

The Authority will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(i) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Authority.

The Authority recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Fraud, error and corruption, and contingency management

The Authority will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Market risk management

The Authority will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

2. **TMP2 Performance measurement**

The Authority is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Authority's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery and of other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

3 TMP3 Decision-making and analysis

The Authority will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

4 TMP4 Approved instruments, methods and techniques

The Authority will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the Authority intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Authority will seek proper advice when entering into arrangements to use such products.

5. TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Authority considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principles on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Authority intends, as a result of lack of resources or other circumstances, to depart from these principles, the Chief Finance & Procurement Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Chief Finance & Procurement Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The present arrangements are detailed in the schedule to this document.

The Chief Finance & Procurement Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegation to the Chief Finance & Procurement Officer in respect of treasury management is set out in the schedule to this document. The Chief Finance & Procurement Officer will fulfil all such responsibilities in accordance with the Authority's policy statement and TMPs and, as a CIPFA member, the Standard of Professional Practice on Treasury Management.

6. **TMP6 Reporting requirements and management information arrangements**

The Authority will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the Authority and Finance & Resources Committee will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's Treasury Management Policy Statement and TMPs.

The present arrangements and the form of these reports are detailed in the schedule to this document.

7. **TMP7 Budgeting, accounting and audit arrangements**

The Chief Finance & Procurement Officer will prepare, and the Authority will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with the TMPs. Budgeting procedures are set out in the schedule to this document. The Chief Finance & Procurement Officer will exercise effective controls over this budget, and will report any major variations.

The Authority will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of this function's accounts is set out in the schedule to this document.

The Authority will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed in the schedule to this document.

8. **TMP8 Cash and cash flow management**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Chief Finance & Procurement Officer and will be aggregated for cash flow purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance & Procurement Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1(i) Liquidity risk management. The present arrangements for preparing cash flow projections are set out in the schedule to this document.

9. **TMP9 Money laundering**

The Authority is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will ensure that staff involved in treasury management activities are fully aware of their responsibilities with regards this. The present safeguards, including the name of the officer to whom any suspicions should be reported, are detailed in the schedule to this document.

10. **TMP10 Training and qualifications**

The Authority recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The present arrangements are detailed in the schedule to this document.

The Chief Finance & Procurement Officer will ensure that Members of the committee providing a scrutiny function have access to regular training relevant to their responsibilities.

11. **TMP11 Use of external service providers**

The Authority recognises that responsibility for treasury management decisions always remains with the organisation. However, it also recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review. It will also ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements and the Authority's Contract Procedure Rules will always be observed. The monitoring of such arrangements, rests with the Chief Finance & Procurement Officer, and details of the current arrangements are set out in the schedule to this document.

12. **TMP12 Corporate governance**

The Authority is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Authority has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance & Procurement Officer will monitor and, if necessary, report upon the effectiveness of these arrangements

Appendix B

Specified

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at December 2021
	Fitch	Moody's	S & P	£m	Period (1)	
Banks / Building Societies (Reverse Repurchase Agreements)	F1 AAA,AA+,AA, AA-,A+,A,A-	P-1 Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1 AAA,AA+,AA, AA-,A+,A,A-	10	Up to 364 days	
Banks / Building Societies (Deposit Accounts, fixed term deposits)	F1 AAA,AA+,AA, AA-,A+,A,A-	P-1 Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1 AAA,AA+,AA, AA-,A+,A,A-	6	<100 days	
				6	<6mth	Lloyds Group, Santander UK, Handelsbanken
MMF (3)	-	-	-	6	Instant access/ up to 2 day notice	Aberdeen Standard, Aviva, Goldman Sachs
UK Government (Fixed Term Deposits)	-	-	-	Unlimited	<6mth	DMADF
UK local authorities (Fixed Term Deposits)	-	-	-	Unlimited	Up to 364 days	Kingston Upon Hull City Council Warrington Borough Council Rotherham MBC

Non-Specified

	Short-term Credit Ratings /			Investment Limits per Counterparty		Counterparties falling into category as at December 2021
	Long-Term Credit Ratings			£m	Period (1)	
	Fitch	Moody's	S & P			
UK Banks / Building Societies (Fixed Term deposits)	F1,F2 Higher than BBB	P-1,P-2 Higher than Baa2	A-1,A-2 Higher than BBB	6	<2mth	

- (1) The investment period begins from the date on which funds are paid over.
- (2) These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency and means that they are exempt from bail-in. Where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- (3) Overall limit for investments in MMFs of £24 million.
- (4) Overall limit of £18 million.

Credit ratings

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1	P-1	A+	A-1	A+	F1	Upper mediumgrade
A2		A		A		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		
Baa2	P-3	BBB	A-3	BBB	F3	Lower mediumgrade
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1	Not prime	CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				

Ca		CC				In default with little prospect for recovery
		C				
C		D	/	DDD	/	In default
/				DD		
/						

STATEMENT OF POLICY ON THE MINIMUM REVENUE PROVISION (REPAYMENT OF DEBT)

1. Background

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008 which came into force on 31 March 2008, replaced the detailed statutory rules for calculating Minimum Revenue Provision (MRP) with a requirement to make an amount of MRP which the authority considers “prudent”.

2. Prudent Provision

2.1 The regulation does not itself define “prudent provision”. However, guidance issued alongside the regulations makes recommendations on the interpretation of that term.

The guidance provides two basic criteria for prudent provision:-

- Borrowing not supported by government grant (prudential borrowing) – the provision for repayment of debt should be linked to the life of the asset.
- Borrowing previously supported by revenue support grant (supported borrowing) – the provision should be in line with the period implicit within the grant determination (4% reducing balance).

3. MRP Overpayments

As defined in the Code the Authority has always set aside additional funding, on top of the regulated MRP, to repay the borrowing of money to fund capital. This additional funding that is set aside is called a Voluntary Revenue Provision (VRP). A change introduced by the revised DLUHC MRP Guidance, allows for any charges made over the statutory minimum revenue provision (MRP), to be reclaimed for use in the budget. These revised guidelines came into effect from the 1st April 2019. Up until the 31 March 2022 the total VRP overpayments were £3.0m. These overpayments have allowed for prudent voluntary repayments to reduce the indebtedness of the Authority within a shorter timescale providing greater financial stability in the long term

4. Proposed policy for 2022/23

4.1 The Authority has always been prudent when making provision for the repayment of debt. In addition to the minimum revenue provision of 4% of debt outstanding previously required, the Authority had regularly made

additional voluntary contributions. These voluntary contributions have been calculated to reflect asset life. Thus, for example, debt used to finance vehicles and many types of operational equipment has been fully provided for over a 10-year period and all new buildings over 50. These additional voluntary contributions covered all debt, not just unsupported, and have been calculated using an annuity method with reference to asset lives.

4.2 It is proposed that if any MRP/Interest budget becomes available due to for example, capital schemes being re phased, a reduction in the capital programme or the receipt of additional capital receipts, the Authority may choose to make additional MRP payments providing the financial position remains in line with the approved financial plan. In addition, any revenue budget savings identified during the year may also be used to make one off MRP payments.

4.3 It is recommended that this policy is adopted for 2021/22. The features of the policy can be summarised as follows:

- Provision to be made over the estimated life of the asset for which borrowing is undertaken (maximum asset life of 40 years / 50 years on Land)
- To be applied to supported and unsupported borrowing
- Provision will increase over the asset life using sinking fund tables
- Provision will commence in the financial year following the one in which the expenditure is incurred

4.4 The proposed medium term financial plan includes budget provision to meet the MRP and interest payments based on historic and planned future capital spend. The Authority in the past has determined it can afford and sustain prudential borrowing in order to allow the required level of investment in the infrastructure and assets of the Authority to deliver a modern well equipped fire and rescue service.

TREASURY MANAGEMENT INDICATORS

Gross Debt and the Capital Financing Requirement (CFR)

The Code requires that where gross debt is greater than the CFR, the reasons for this should be clearly stated in the annual strategy. This does not apply to this Authority as its gross debt will not exceed the CFR.

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Code requires the setting of upper limits for both variable rate and fixed interest rate exposure.

It is recommended that the Authority sets an upper limit on its fixed interest rate exposures for 2021/22, 2022/23 and 2023/24 of 100% of its net interest payments. It is further recommended that the Authority sets an upper limit on its variable interest rate exposures for 2021/22, 2022/23 and 2023/24 of 40% of its net interest payments.

	Forecasted Actual 2021/22	Limit 2022/23
Interest at fixed rates as a percentage of net interest payments	60% - 100%	100.0%
Interest at variable rates as a percentage of net interest payments	0% - 40%	0.0%

This means that fixed interest rate exposures will be managed within the range 60% to 100%, and variable interest rate exposures within the range 0% to 40%.

Maturity Structure of Borrowing

This indicator is designed to prevent the Authority having large concentrations of fixed rate debt* needing to be replaced at times of uncertainty over interest rates. It is recommended that the Authority sets upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate	Limit Set 2021/22	Forecasted Actual 2021/22
Under 12 months	0% - 20%	0.4%
12 months to 2 years	0% - 20%	2.4%
2 years to 5 years	0% - 60%	8.3%
5 years to 10 years	0% - 80%	12.7%
More than 10 years	20% - 100%	76.2%

*LOBOs are classed as fixed rate debt unless it is considered probable that the loan option will be exercised.

Total principal sums invested for periods longer than 364 days

The Authority is not intending to invest sums for periods longer than 364 days

	TOTAL	2022/23	2023/24	2024/25	2025/26	2026/27
Fire Safety	£2,000,000	£400,000	£400,000	£400,000	£400,000	£400,000
ICT	£2,789,000	£718,000	£429,000	£552,000	£625,000	£465,000
Property (New Builds)	£30,770,200	£8,538,825	£11,885,100	£6,346,275	£3,520,000	£480,000
Property (Refurbishments)	£8,421,000	£1,198,620	£1,822,380	£1,800,000	£1,800,000	£1,800,000
Operations	£6,763,775	£2,272,575	£3,053,875	£509,325	£512,000	£416,000
Transport	£14,354,961	£3,750,183	£3,813,720	£3,255,129	£3,043,546	£492,383
TOTAL	£65,098,936	£16,878,203	£21,404,075	£12,862,729	£9,900,546	£4,053,383
Financed by:						
Borrowing	£36,804,858	£5,389,378	£10,948,822	£11,912,729	£5,450,546	£3,103,383
Reserves	£17,044,078	£8,538,825	£8,505,253	£0	£0	£0
Capital Receipts	£3,500,000	£0	£0	£0	£3,500,000	£0
Revenue Contributions	£7,750,000	£2,950,000	£1,950,000	£950,000	£950,000	£950,000
TOTAL	£65,098,936	£16,878,203	£21,404,075	£12,862,729	£9,900,546	£4,053,383



OFFICIAL

Capital Investment Plan/Revenue Budget and Medium Term Financial Plan

Full Authority

Date: 24 February 2022

Agenda Item:

12

Submitted By: Chief Finance and Procurement Officer

Purpose To present a capital investment plan, a revenue budget and medium-term financial plan.
To set the council tax precept for 2022/23

Recommendations That the resolution set out in section 10 of the report be approved

Summary This report presents details of the revenue budget for 2022/2023 along with the four-year Medium Term Financial Plan and capital programme. Included within the report are details of the Local Government Finance Settlement 2022/2023, a standstill budget, a forecast funding position, and the reserves strategy.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: Local Government Finance Settlement
Budget Working Papers
CIPFA's Code of Practice on Treasury Management in the Public Sector
CIPFA's Prudential Code for Capital Finance

Annexes: Appendix A Capital Plan 2022/23 to 2026/27
Appendix B Revenue Budget 2022/23

1 Introduction

This is a consolidated report which presents the Management Board's proposals for: -

- (i) A Capital Investment Plan for the five years to 2026/2027.
- (ii) The Prudential Indicators to support the financing of the Capital Plan.
- (iii) A Revenue Budget and Medium-Term Financial Plan for the same period.

2 Proposed Capital Investment

2.1 The Local Government Act 2003 sets out a framework for the financing of capital investments in local authorities which came into operation from April 2004, CIPFA developed the Prudential Code to support authorities' decision making in the areas of capital investment and financing. In December 2017, CIPFA updated the prudential code, whilst the majority of the code remains unchanged, there is now a requirement to produce a capital strategy in order to demonstrate that it takes capital expenditure decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability, and affordability. This is detailed in the Treasury Management Strategy which is subject to a separate report on this agenda.

Capital is considered first in the report so members can clearly consider the revenue impacts of capital investment and borrowing decisions as part of the revenue budget and council tax considerations.

2.2 Capital Plan

2.2.1 The Management Board are proposing a five-year capital investment plan of £65.098m which includes expenditure of £16.878m in 2022/2023. This is analysed by section in the table overleaf.

2.2.2 The largest capital scheme is the re-development of FSHQ, which received Authority approval in September 2021; following planning approval, the contractors are expected to be on site in Summer 2022 with a forecast completion date of April 2024.

Following detailed feasibility studies, the plan includes £13.1m for the rebuilding of Keighley, Halifax, and Huddersfield Fire Stations, with Keighley been the first to commence rebuild in 2022.

The plan includes investment in operational equipment, the replacement of fire appliances, improvements to our Information Technology infrastructure and provision for the replacement of the command and control system.

2.2.3 Capital Schemes Slipped from 2021/22

The table excludes those capital schemes that have been slipped from 2021/22, primarily as a consequence of delivery due to Covid19. A total of £5.122m has been approved to slip at Finance and Resources Committee during 2021/22. All schemes will be subject to a detailed business case that will be presented either to Management Board or Finance and Resources Committee for approval.

	TOTAL	2022/23	2023/24	2024/25	2025/26	2026/27
Fire Safety	£2,000,000	£400,000	£400,000	£400,000	£400,000	£400,000
ICT	£2,789,000	£718,000	£429,000	£552,000	£625,000	£465,000
Property (New Builds)	£30,770,200	£8,538,825	£11,885,100	£6,346,275	£3,520,000	£480,000
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TOTAL	£65,098,936	£16,878,203	£21,404,075	£12,862,729	£9,900,546	£4,053,383
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Reserves	£17,044,078	£8,538,825	£8,505,253	£0	£0	£0
Capital Receipts	£3,500,000	£0	£0	£0	£3,500,000	£0
Revenue Contributions	£7,750,000	£2,950,000	£1,950,000	£950,000	£950,000	£950,000
TOTAL	£65,098,936	£16,878,203	£21,404,075	£12,862,729	£9,900,546	£4,053,383

2.2.4 Details of the individual schemes included in the draft capital plan is included in Appendix A to this report.

2.3 Capital Financing

2.3.1 There are four main sources of capital finance available; capital grants, capital receipts, internal and external borrowing, and the use of reserves, all of which are explained below.

2.3.2 Capital Grants

The Authority does not anticipate the receipt of any capital grants in 2022/23.

2.3.3 Capital Receipts

Capital receipts are used to either purchase new capital assets or repay outstanding loans.

2.3.4 Borrowing

The balance of the expenditure will be funded by borrowing and the use of internal reserves, the table shows a total borrowing requirement of £36.805m over the period. The government provides no additional grant to assist the Authority with financing the capital plan.

Over recent years the Authority has been borrowing internally to fund capital expenditure using its revenue balances and reserves, no new external long-term borrowing has been taken out since December 2011.

The Authority will use the pension grant in the early months of the financial year to support the capital programme.

Due to the size of the capital plan over the next four years it is likely that the Authority will be required to take out borrowing in 2023/24, the costs of current and future debt servicing costs have been built into the Medium-Term Financial Plan. The authority does not distinguish between capital and revenue cash flows.

2.3.5 Reserves

The Authority has an earmarked reserve which is specifically for the funding of capital projects. Where authorities borrow to finance capital spend, they are required under regulations to set aside money each year from the revenue account. This is referred to as Minimum Revenue Provision (MRP) and is to ensure that they can afford to repay the principal of their debt. It is proposed that the purchase of long-life assets is funded from the capital earmarked reserve, rather than taking out new loans. This means that the only cost to revenue will be the interest charge and taxpayers of West Yorkshire will not be subject to MRP charges over the next forty years. For example, an asset costing £2m with an estimated life of 40 years the average annual charge of MRP in revenue would be £86k per annum, this saving means that the Authority can spend this money on other areas.

In addition, revenue underspends are either used to make additional voluntary minimum revenue provision charges or transferred to earmarked reserves to support future expenditure plans.

3. Prudential Indicators

- 3.1 The CIPFA Prudential Code requires that local authorities produce a number of prudential indicators before the beginning of each financial year and have them approved by the same executive body that approves the budget. The purpose of the indicators is to provide a framework for capital expenditure decision making, highlighting the level of capital expenditure, the impact on borrowing levels, and the overall controls in place to ensure the activity remains affordable, prudent, and sustainable. Fundamentally, the objective of the Code is that the total of an Authority’s capital investment remains within sustainable limits, following consideration of the impact on the “bottom line” Council Tax

Some of the indicators are specific to the Authority’s treasury management activity and are set out in the Treasury Management Report. The rest of the indicators are set out below.

3.2 Capital Expenditure, Capital Financing Requirement and External Debt

- 3.2.1 The Authority’s capital expenditure projections, detailed in paragraph 2.2, impacts directly on the Capital Financing Requirement (CFR) and the Authority’s debt position. The CFR is a calculation of the Authority’s underlying need to borrow for a capital purpose. When external borrowing is below the CFR, this reveals that the Authority is using some internal balances, such as reserves/creditors, to temporarily finance capital expenditure as is currently the case.

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
CFR	45,018	54,610	59,233	64,196

The table shows an estimated borrowing requirement of £64.196m by 2025/26 which reflects the size of the capital plan.

3.3 Limits to Borrowing Activity

3.3.1 The first key control over the Authority's borrowing activity is a Prudential Indicator to ensure that, over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short-term, exceed the total Capital Financing Requirement in the preceding year, plus the estimates of any additional capital financing requirement for 2021/22 and the next two financial years. This allows some flexibility for limited early borrowing for future years.

The Authority comfortably complied with the requirement to keep net borrowing below the relevant Capital Financing Requirement in 2020/21, and no difficulties are envisaged for the current or future years.

3.3.2 A further two Prudential Indicators control the overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

The Operational Boundary is based on the Authority's plans for capital expenditure and financing and is consistent with its Treasury Management Policy. It allows for sufficient headroom to switch financing for capital projects from reserves, capital receipts and revenue contributions to external borrowing. The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

The Authority is asked to approve the following limits for its total external debt, gross of any investments. These limits separately identify borrowing from other long-term liabilities such as finance leases.

	2022/23	2023/24	2024/25	2025/26
	£000's	£000's	£000's	£000's
Authorised Limit for external debt	53	55	59	65
Operational Boundary for external debt	51	53	58	60

3.4 Affordability Prudential Indicators

3.4.1 The previous sections cover the overall capital and control of borrowing prudential indicators but within this framework prudential indicators are required to assess the affordability of the capital investment plans. The following two indicators provide an indication of the capital investment plans on the overall finances of the Authority:

3.4.2 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream (amounts met from Revenue Support Grant, local taxpayers, and balances):

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Ratio of Financing costs to net revenue stream	6.46%	6.35%	6.20%	6.07%

It is accepted practice that this should not exceed 10%, this is due to the inability to influence capital financing charges once the capital investment has been committed. Other expenditure in the revenue budget can be reduced in the short to medium term if required, there is very little flexibility to do the same with capital financing charges.

4 Revenue Budget and Medium-Term Financial Plan

4.1 Whilst the Authority will only be required to approve the budget and precept for 2022/23 it is important that the Authority consider the medium-term impact of the decision.

This section is split into 5 key areas: -

- 1 Review of the current year's budget and financial performance
- 2 The cost of a standstill budget for 2022/23
- 3 The Local Government Finance Settlement
- 4 Medium Term Financial Plan
- 5 Reserves

4.2 National Overview

4.2.1 In Spring 2020, the Authority, along with all the other fire and rescue services funded the formation of a central spending review team which was a collaborative team comprising the Local Government Association (LGA), National Fire Chiefs Council (NFCC) and the Home Office. The remit of the team was 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.

This business case report, named the Fire Spending Proposal, was submitted to the Treasury in late Summer to support increase to funding for the fire sector. Unfortunately due to the effects of the pandemic on the economy, a one-year settlement was approved for 2021/22. In Summer 2021, the Fire Spending Proposal was updated for current data

and sent to the Treasury in anticipation of a three-year spending settlement commencing April 2022.

- 4.2.2 The pandemic continues to have an effect on the UK economy, current forecasts on the financial impact in terms of borrowing are showing an improvement from previous forecasts. The Office for Budget Responsibility (OBR) in its commentary report on public sector finances in November 2021 predicts that the budget deficit will continue to fall. Government borrowing in November 2021 was £17.4 billion, down £4.9 billion on last November. Year to date borrowing of £136 billion is down 46% on the same period last year and is £7.1 billion below the OBR's October forecast profile.
- 4.2.3 Central government expenditure in November was £67.4 billion, down £2.4 billion on last year, but £3.5 billion above forecast. Year to date spending is down £38.9 billion on last year but still £4.2 billion above forecast. Net debt stood at 96.1% of GDP which is 0.6% higher than the year previous but 0.7% below the OBR October forecast.
- 4.2.4 The OBR has forecast that growth will come in stronger than expected in 2022, thus reducing the amount the Chancellor will need to borrow. GDP will rise 6.5% in 2021, up from its prediction in March of 4%, and climb to 6% in 2022 and then return to pre-Covid levels by the turn of the year.
- 4.2.5 In terms of inflation, the consumer price inflation rate increased to 5.4% in December 2021, from 5.1% in November and above market forecasts of 5.2%, it is the highest reading since March 1992. Inflation is forecast to peak at 7% in April and then fall sharply from June 2022, with Capital Economics forecasting that inflation will return to 2% from 2023.
- 4.2.6 The Bank of England's monetary policy committee at its meeting on the 16th December voted to raise interest rates for the first time in three years, the rate was increased from 0.10% to 0.25%. Then, on the 3rd February, the rate increased to 0.5%, the first back-to-back rate rise since 2004. Economic forecasts predict rates to rise to 1.00% in June 2022, by another 0.25% in December to 1.25% and then remain steady at this rate to March 2025.

4.3 Cost Pressures

Unlike other public services, which are demand led, the Authority needs to have enough resources available to provide an emergency response in times of exceptional demand. This includes the ability to deal with large scale emergencies, a range of smaller incidents that may happen together and/or incidents that are of an extended duration such as the Moorland Fires in April 2021 and the Bradford tyre fire in November 2020.

- 4.3.1 The Authority considered its revenue budget and precept strategy on the 25th February 2021 and approved a precept increase of 1.99% resulting in a Band D property precept of £67.18. West Yorkshire Fire and Rescue still remain the fourth lowest precepting fire authority in England and Wales.

There are a number of financial pressures that continue to impact the Authority's budget:

Pay Awards

- 4.3.2 Following the announcement in the 2020 Spending Review that there would be a pay freeze on public sector pay, with the exception of those earning less than £24k per annum, the Authority made no provision for a pay award in 2021/22. Against this guidance

the National Employers offered fire fighters a 1.50% pay award which was accepted and there is still 1.75% on the table for support staff employees, for which negotiations are ongoing. The final pay award is expected to be higher than the 1.75% currently offered. The cost in 2021/22 of this unbudgeted pay award of £0.890m was funded by a virement from the capital financing charges budget, which had been earmarked to make a revenue contribution to capital in this financial year. Due to the underspend on the revenue budget this contribution was made in advance.

Although the pay award was funded from existing resources in 2021/22, the pay award is an ongoing cost and has to be factored into the base employee budget. The full year effect of the pay award is £1.1m.

In addition, there is pressure on future pay awards to be higher than those paid in 2021/22 to reflect the increase in inflation. To put this into financial context, a 1% pay award that exceeds that provided for in the Medium-Term Financial Plan (MTFP) will cost an additional £0.550m.

More significantly, if the government is to reform employee's roles which is expected to be included in the forthcoming White Paper on Fire Reform. Previous cost estimates have been calculated of an increase of around 15%. For West Yorkshire a 15% increase would be in the region of £7.5m per annum.

Pensions

- 4.3.3 The impact of pensions is two-fold, firstly there is the administrative burden of software and admin costs that has fallen on the Authority to implement the McCloud/Sargeant remedy and secondly, there is currently an actuarial review of the firefighter pension schemes which will review the employer contribution rates.

The employer pension contribution costs will be determined by the 2020 valuation and if there is no change to the methodology applied for the 2016 actuarial valuation, it is predicted there could be a 20% increase in employer pension contribution rates.

These new rates will be implemented from the 1st April 2024. To put this into financial context for West Yorkshire, a 1% increase in employers rates cost £0.228m per annum, so a 20% increase would add £4.6m to ongoing employee budgets. In the previous actuarial valuation in 2016, which saw an increase in employers' contribution rates of 12.6% from April 2020, the government reimburses 90% of this cost in the way of an additional pension grant.

If the same methodology for reimbursement is used, the Authority could face an additional unfunded pension cost of £0.450m. This maybe an optimistic view in terms of government support, if so, the additional cost could be significantly higher which has not been built into the MTFP.

In addition there are the financial burdens from the O'Brien/Matthews case which effects our retained firefighters. The Matthews case will introduce a second options exercise for retained firefighters to join the Firefighters Pension Scheme 2006 from the start date of their employment. This will pose an administrative burden on the Authority and changes to employers' rates will be included in the actuarial valuation explained in the previous paragraph.

Pension Remedy

4.3.4 There is currently much confusion about the pension remedy costs for the age discrimination case of McCloud/Sargeant, especially around the costs of Immediate Detriment payments. On the 29th November, the Home Office withdrew its informal guidance on the processing of certain kinds of immediate detriment cases ahead of legislation. West Yorkshire has already processed eight immediate detriment cases who have retired from the service this year and is looking to process those cases for those affected employees who have already retired. The government has confirmed that it will not reimburse non -legitimate expenditure that has been paid to these employees, meaning that the Authority will be unable to claim these costs via the top up grant system. This could have a significant financial impact on the Authority, in addition, the Authority is likely to be faced with a claim of “injury to feelings” for those effected by the case. These compensation claims could be in the region of between £700 to £7,999 per claimant and there are currently over 1,200 employees, deferred members and pensioners in scope. Based on the bandings the liability could be in the region of £0.840m to £9.6m, with a mid-range payment amounting to £4.8m.

New Burdens

4.3.5 The Authority has received one off grants in 2021/22, to fund the financial pressures of the outcomes of the Grenfell Inquiry, Building Safety Bill and Covid19. Although this funding is welcomed, it is not built into the Authority’s base budget and any spending commitments that extend beyond the grant will have to be funded from existing budgets. This means that long term spending plans cannot be based on one-year grants without no certainty of receiving the grants going forward.

In addition, the Chancellor announced a 1.25% increase in the rate of National Insurance from April 2022. Although this cost is covered by the new Services Grant which was announced in the Spending Review, this is not included in base funding from April 2023 and the method of future distribution is subject to review. This means that the size of grant the Authority has received in 2022/23 may be subject to change. (More detail on this grant is provided in section 5.2.2 of this report)

Inflationary Pressures

4.3.6 The current economic environment is such that certain parts of the economy are experiencing either a shortfall in availability or a hike in prices. Within this Authority we have seen issues with supplies, including increased lead times for the delivery of certain goods, in particular vehicles. A large proportion of the capital budget has already been slipped to 2022/23, but further slippage may occur if goods, which are currently expected to be delivered, aren’t delivered before the end of the financial year. In addition, some planned revenue expenditure may be delayed until next financial year if supplier availability is limited or if there are issues with the supply of materials required to carry out the works.

4.3.7 The Authority has received indication that the rebuild of FSHQ is likely to increase by £4m, this is primarily due to the spiralling cost of materials but also includes changes to the original specification, for example the request for an increase in car parking spaces. The FSHQ Programme Board is currently going through the cost schedule with the aim to bring the increase in cost down. Furthermore, Keighley Fire Station, which is due to begin re-build in 2022, will face the same inflationary pressures and it is unlikely that the current capital budget provision will cover the cost.

In terms of the financial outturn, the Authority is forecast to under-spend the budget by around £0.133m for the current financial year. Any budget underspends will be used to make additional voluntary minimum revenue provision charges or make additional

contributions to the capital finance reserve, which will reduce the Authority's capital financing requirement and reduce the revenue cost of the capital plan over the long term.

4.4 Background on West Yorkshire Central Government Funding

From 2010/11 to the end of the spending review period in 2019/20, the Authority had a total reduction of £26.1m in central government funding. This meant the Authority had to implement a station rationalisation programme and a fundamental review of support services to meet this funding gap. Unlike some fire authorities, West Yorkshire reacted immediately to the governments' austerity programme and suspended the recruitment of wholetime fire fighters in September 2009, recognising the impact on grant cuts would have on the ability to provide a service to the community.

To put the grant reductions into context, the table below shows the reduction in firefighter numbers and assets employed by the Authority from 2010 to date:

	2010	2021	Reduction
Firefighters (Wholetime)	1,490	900	-590
Control Staff	56	48	-8
Support Staff	383	312	-71
Fire Stations	48	40	-8
Fire Appliances	62	46	-16

The one-year settlements in 2020/21 and 2021/22 included no real terms growth in funding as central government grants were only inflated by CPI. Although, the Chancellor has publicly stated that this is the end of austerity, he has made no public commitment to increase fire sector funding in future comprehensive spending reviews. More significantly no assurance has been provided regarding the funding of the implementation of the pensions remedy and the impending White Paper into the reform of fire and rescue services.

4.5 A Standstill Budget for 2022/23 – Maintaining the current level of service

- 4.5.1 A standstill budget has been prepared for 2022/23, for the purpose of providing a baseline from which to measure changes in the proposed budget. This is calculated by updating the 2022/23 budget for increases in pay and prices, new financing charges and other adjustments. A standstill budget for 2022/23 would amount to £89.288

The changes from the 2021/22 budget are detailed in the table below:

	£m
2021/22 Approved Revenue Budget	£89.349
<u>One year growth in 2021/22 Budget</u>	
Pay Award (unfunded)	-£0.890
Capital Financing Charges	-£0.256
Annual Contracts	-£0.080
Consultancy	-£0.062
 Budget Calculations	 -£1.364
<u>Pay and Price Increases</u>	
Operational Employees	£1.662
Support Staff	£0.469
Non employee budgets	£0.460
2022/23 Standstill budget	£89.288

The main changes to the 2021/22 budget are explained below:

- a) **Growth in 2021/22** Included within the 2021/22 was growth in capital financing charges, annual contracts, consultancy fees and equipment. In addition, no provision was made in the base budget for an employee pay award. These were approved growth for the current financial year only and is thus removed from the base budget for 2022/23.
- b) **Pay and Price Increases** These represent the full year effect of the pay award and price increases that have been built into the base budget for 2022/23.
- c) **Approved Transfers at Finance and Resources Committee** In order to ensure accurate budget monitoring, budgets are transferred from the revenue budget into contingencies during the year. This has a net effect on the overall budget and these transfers are re-set during the budget setting process.
- d) **Budget Calculations** The calculated budgets are based on standstill costs and do not include areas for growth and savings which are identified separately in the MTFP.

4.6 Revenue Balances

- 4.6.1 The Authority maintains both earmarked reserves and a general fund reserve, earmarked reserves are amounts set aside for a specific purpose and the general fund reserve is used to manage fluctuations in revenue budgets. The Authority's reserves strategy was approved at F&R in October 2021 and is published on the Authority's website.

The strategy for the use of reserves to support the MTFP is detailed in section 7 of this report.

4.6.2 Minimum Revenue Balance

The Authority needs to maintain a level of general fund reserves as a safety net to meet any unforeseen and/or unplanned expenditure. This would include changes in interest rates, greater than budgeted pay awards, legal challenges and increases in activity.

As at the 1st April 2021 the Authority had £5m of general fund reserves and £32.3m in earmarked reserves.

The minimum level of balances required is calculated using the Authority's corporate risk register. This document identifies all the major risks to business continuity the Authority may face, evaluates the potential cost, and looks at measures to control or limit the risk. The risk register is maintained by the Risk Management Strategy Group, which is chaired by the Deputy Chief Fire Officer and reports quarterly to the Audit Committee. The current risk matrix was approved by the Audit Committee on the 28th January 2022 and identifies a requirement to maintain a minimum revenue balance of £5.0m.

5 Local Government Finance Settlement

- 5.1 The finances of government departments are determined by a process called the Comprehensive Spending Review (CSR); the Authority's last multi-year settlement ended in 2019/20. Since then the Authority has received one-year roll over budgets up to the current financial year. It was expected that a 3-year settlement would be awarded from April 2022 and the NFCC in conjunction with the Home Office and Local Government Association submitted a business case to the Treasury for sustained fire funding in anticipation of this.

The reason as to why the CSR is a one-year deal is that The Secretary of State, in his statement on the 16 December 2021, confirmed that the government is committed to ensuring that funding allocations for local government are based on an up-to-date assessment of their needs and resources, (this has been confirmed in the Levelling Up White Paper which was published on the 2nd February). The data used to assess funding distribution has not been updated for a number of years, dating back to 2013/14 for the majority of the formula. This will result in a consultation on the Fair Funding Review in Spring 2022.

It is worth noting that although fire funding is distributed by the Department for Levelling Up, Housing and Communities (DLUHC), fire is outside the review and work will commence on determining a new formula for fire funding in the next spending review.

- 5.1.1 Following the conclusion of the CSR, funding allocations are distributed by the Local Government Finance Settlement, this is called the Settlement Funding Assessment (SFA). West Yorkshire Fire and Rescue receives its annual SFA via the DLUHC, the SFA is comprised of Revenue Support Grant (RSG) and Baseline Funding levels which is the Business Rates Top Up grant which is the governments projection of the services 1% share of the business rates income raised in West Yorkshire. The Authority also receives specific grants from the Home Office to fund pensions and National Resilience.

5.2 Settlement

The grant allocations for 2022/23 are shown in the table below.

	2021/22 Actual £m	2022/23 £m
Settlement Funding Assessment:		
Top Up Grant central pool	16.922	16.922
Top Up local	7.814	7.814
Base line funding (business rates)	24.736	24.736
Revenue Support Grant	13.631	14.048
Local Government Finance Settlement	38.367	38.784

The revenue support grant has been uplifted by the change in CPI inflation between September 2020 and September 2021, an increase of 3.05%, resulting in an increase of grant from £38.367m to £38.784m. However, the base line funding level is cash flat in real terms as the government announced that the business rate multiplier will be frozen in 2022/23, local authorities are compensated from this freeze by Section 31 grant.

5.2.1 Core Spending Power

The core spending power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement.

In the local government finance settlement, core spending power across the fire sector has increased by 6.2%. The 2022/23 core spending power for West Yorkshire has increased from £83.6m in 2021/22 to £90.7m in 2022/23, an increase of 8.5%. This includes inflationary increases to revenue support grant, allocation of the new Services Grant (explained below) an assumed tax base growth of 1.13% (average increase from 2017/18 to 2021/22), a precept increase, of £5 and increases for the under indexing of the business rates multiplier.

5.2.2 Service Grant 2022/23

This is a new one-off grant for 2022/23 worth £822m for the sector. This is distributed using the 2013/14 shares of the Settlement Funding Assessment which equates to additional funding of £1.700m for West Yorkshire. This grant is un-ringfenced and recognises the inflationary pressures on the sector resulting from pay and prices inflation in 2021/22 and the increase in National Insurance contributions from April 2022. The additional cost of the full year effect of the unfunded pay award in 2021/22 and the National Insurance increase is covered by the grant allocation.

Although the Services Grant is a one year grant its allocation is based on the existing settlement funding formula. In conjunction with the fair funding review, work will be undertaken in 2022/23 to determine the grant's method of allocation from April 2023. Thus the level of additional income from this grant cannot be automatically built into the base

budget and a prudent approach must be taken when forecasting allocations in future years.

The Secretary of State confirmed that this grant will be excluded from any proposed baseline for transitional support as a result of any proposed funding system changes.

5.2.3 Section 31 Grant

At successive Autumn Statements and Budgets since 2013, the Chancellor has announced changes to business rates. In any year, the financial impact of these measures is met by central government, and authorities are compensated for the loss to their local share by means of Section 31 grant.

The purpose of the section 31 grant is to ensure that authorities will be in the same financial position in which they would have been if these measures had not been made.

The Chancellor announced new rate relief schemes at the Autumn Budget and Spending Review 2021 which take effect in 2022/23, these include:

- a Freezing of the Small Business Multiplier for 2022/23. The loss in income that results from freezing the multiplier will be paid as a Section 31 grant which is calculated by multiplying the Top Up Grant by an adjustment factor. For 2022/23 the adjustment factor is 51/499.
- b A relief scheme in lieu of the transitional relief scheme that ends on the 31st March 2022, this scheme is called the 2022/23 Transitional Relief and Supporting Small Business Scheme
- c A business rate relief scheme to support local high street businesses as they recover from the pandemic

The Authority will receive a Section 31 grant of £1.789m in 2022/23 for the freezing of the multiplier explained in section a above.

5.2.4 Pension Grant

Confirmation has been received that the pension grant to cover the increased cost of employer FF pension contributions as a result of a reduction in the SCAPE discount rate will be paid as a cash flat grant in 2022/23. This means that the Authority will receive £4.286m, the same amount as in 2021/22. Following the transfer of responsibility for the grant payment from the Home Office to the DLUHC, it was expected that this would be rolled into base line funding. This has not materialised, and the grant will continue to be paid as a section 31 grant.

5.2.5 Collection Fund

The pandemic has created a number of financial burdens on the Authority, which is around the income the Authority receives from the five district councils, (i.e.) the collection fund and business rates.

The district councils collect West Yorkshire Fire's share of council tax on our behalf and manages this through a collection fund, if the collection rate is higher than expected this generates a collection fund surplus. Conversely, if the collection rate is set higher than actual receipts this will cause a collection fund deficit. Pre pandemic the Authority has in previous years benefited from a collection fund surplus, which is used to support the revenue budget. For prudence, an estimated surplus is not factored into the MTPF due to the potential volatility and due to the fact that the collection rate and policy is beyond our control.

5.2.6 Unfortunately, Covid19 has continued to have a significant impact on the councils' collection funds with the estimated deficit at the 1st April 2022 being £1.803m (£0.201m relating to council tax and £1.602m to business rates). Authorities were able to spread the losses on the council tax collection fund in 2021/22 over three financial years. The amount owing for the council tax collection fund deficit in 2023/24 is £0.310m which has been included in the MTFP.

5.2.7 Tax Base

The tax base is the overall number of properties that each of the five local councils can collect council tax from, a change in the tax base is usually the result of:

- The building and completion of new housing properties
- Changes in council tax banding due to adjustment and appeals
- Discounts, exemptions, and reliefs, for example, changes in the council tax support scheme
- Ending of the discount period on empty properties or their reoccupation.

Both central government and local authority finance directors assume that the tax base will increase each year, which is primarily due to the increase in house building.

5.2.8 The pandemic had a huge impact on the council tax base, with the average tax base reducing in 2021/22 by 1.24%. This negative council tax base and the subsequent effect on precept income was compensated by central government in a one-off Local Council Tax Support grant for which the Authority received £1.176m, although welcomed this grant was £0.171m less than that included in the MTFP.

5.2.9 Declarations from the five district councils have resulted in tax base growth, at an average of 2.0% in 2022/23, the lowest growth been in Bradford at 1.0% and the highest growth in Leeds at 2.5%. This is higher than pre pandemic forecasts and caution must be exercised when forecasting tax base increases in future years as this increase at 2.0% is higher than past experience of 1.5%.

5.3 Referendum Principles

5.3.1 The Local Government Finance Settlement has set the basic referendum limit at 1.99% for 2022/23 with a new referendum principle of £5 introduced for one year only for the eight lowest-charging fire and rescue authorities, of which West Yorkshire is the fourth lowest.

5.3.2 For information, local authorities are able to increase the precept by an additional 1% for adult social care, and shire district councils in two-tier areas will be allowed increases of up to 1.99% or up to and including £5 whichever is higher. None of these additional increases are applicable to the fire sector.

The referendum threshold for the Police and Crime Commissioners has been set at £10

There are no council tax referendum principles for Mayoral Combined Authorities or parish councils.

5.4 Business Rates

- 5.4.1 All business rates used to be paid directly from central government. In order to devolve responsibility locally, from 2013/14 local councils maintain 50% of business income, with the other 50% being redistributed by government via a business rates pool. The fire authorities receive 1% of the business rates collected by the district councils.
- 5.4.2 The settlement indicates the Authority will receive £24.73m in business rate income with £16.92m paid directly from central government in the form of top up grant and the balance of £7.81m being paid by the five district councils which equates to 1% of the income they collect. Following the receipt of the National Non-Domestic Rate (NNDR1) returns from the district councils, the amount of grant from the district councils will be £7.226m in 2022/23. This shortfall is due to increased business rates reliefs been awarded and is compensated by section 31 grant.
- 5.4.3 The Authority in addition receives Section 31 grant to compensate for any policy changes introduced around local business rates. The size of grant is confirmed by the district councils when they submit their NNDR1 to the DLUHC on the 31st January. The government has provided local councils with a number of grants to ease the burden of coronavirus on businesses, this means that the size of section 31 grant attributable to fire may be significantly different than that included in the funding estimates in the MTFP.

The current deficit of £1.602m on business rates collection will be partly offset by a Section 31 grant, which has been estimated to be £1.042m, resulting in a net deficit of business rates of £0.559m. Any variations to the amount of grant received will be managed through the business rates appeal earmarked reserve.

5.5 Precept Income

- 5.5.1 As Members are aware, the Authority is also dependent upon precept income from the five districts which will provide £43.952m of its income in 2021/22. This income is dependent upon two factors, namely the size of the tax base and the precept set by the Authority.

As mentioned in 5.2.9, following a tax base reduction in 2021/22 due to the effects of Covid, a tax growth is forecast in 2022/23.

- 5.5.2 The precept flexibility of £5 afforded to the 8 lowest costing fire and rescue services, would generate an estimated additional £4.1m of precept income from that generated in 2021/22. In comparison, a precept increase of 1.99% would result in an estimated additional precept income of £1.681m.

6 Positive Assurance Statement

- 6.1 Under Section 25 of the Local Government Act (2003) the statutory Chief Financial Officer is required to give positive assurance statements in the robustness of budget estimates and the adequacy of reserves and balances.

- 6.2 If Members approve the recommendations in this report on the level of specific reserves and the strategy for use of balances, I can give the Authority positive assurance on the adequacy of reserves and balances. This assurance is given having considered the following matters: -
- a) This Authority has robust risk management arrangements, and the Chief Finance and Procurement Officer uses a Risk Management Matrix to calculate the minimum level of balances.
 - b) The Authority is single purpose and does not face a full a range of risks to manage as a multi-purpose authority.
 - c) The Authority's revenue reserves have not generally been consumed during the year by overspendings but have been maintained throughout the year.
- 6.3 I can also give you positive assurance on the accuracy and robustness of all the forecasts and estimates in the budget proposals.

In giving these assurances I have considered the following matters: -

- (i) The internal control environment and, in particular, the checks and balances within our budget process and our arrangements for budgetary control. In addition, I am satisfied that the Authority's financial systems provide a sound basis for accurate financial information.
- (ii) The detailed work on risk assessments.
- (iii) The long-term tradition and track record of the Authority in managing its overall budget
Financial Implications

7 Medium Term Financial Plan

- 7.1 The MTFP sets out the framework for understanding the financial challenges faced by the Authority over the medium term. Although the MTFP is a four-year plan it is updated at least annually to consider financial forecasts and factors external to the organisation.
- 7.1.1 As mentioned in the introduction to the report, the Authority will be asked to approve a four-year MTFP, including the Revenue Budget for 2022/23. The MTFP addresses the key issues of central government funding, precept strategy, and use of balances.
- 7.1.2 The table below shows the revenue budget for 2022/23 and shows the impact on funding of a precept freeze, an increase in precept of 1.99% and an increase of £5. If members decide to freeze or increase the precept by 1.99%, the Authority will need use reserves or find efficiency savings totalling £1.486m and £0.592m respectively. If the Authority approves an increase to the precept of £5, the Authority will be able to invest £1.855m into delivering services to the communities of West Yorkshire.

	Precept Freeze	1.99%	£5
Revenue Budget	£m	£m	£m
Standstill Budget	89.392	89.392	89.392
Recruitment and Retirements	0.269	0.269	0.269
Growth and Savings	2.588	2.588	2.588
Cost pressures	1.547	1.547	1.547
Budget 2022/23	93.796	93.796	93.796
Funding			
Revenue Support Grant	14.047	14.047	14.047
Business Rates - Top Up	16.922	16.922	16.922
Business Rates - Local Share	7.226	7.226	7.226
Section 31 Grant	3.998	3.998	3.998
Services Grant	1.700	1.700	1.700
Pension Grant	4.286	4.286	4.286
Precept income	44.891	45.785	48.232
Collection Fund Deficit	-0.201	-0.201	-0.201
Business Rates Deficit (net)	-0.559	-0.559	-0.559
Funding 2022/23	92.310	93.204	95.651
Budget Deficit	-1.486	-0.592	1.855
Use of Reserves	1.486	0.592	0
Service Development			1.855

7.1.3 Service Development

Management Board propose the following areas of service development, if the £5 precept increase was approved:

- Firefighter numbers have reduced from 1490 to 900 since 2009. Whilst this has enabled efficiency savings, it has placed significant pressure on the staffing and flexibility of our operational response service. The opportunity to increase the watch-based establishment of firefighters by thirty-four will enable the service to transition from the current, centralised control of staffing to a localised staffing model, overseen by each district command team. This approach will provide increased flexibility, resilience, and accountability at a local level, whilst reducing the current reliance and expenditure on overtime and detached duties. The savings achieved from a reduced expenditure on overtime will be re-invested in service delivery to improve productivity. A full business case will be developed for the additional fire fighters, which will then be included in the Community Risk Management Plan.

Due to the time delay in the recruitment of firefighters in 2022/23 and the fact that new recruits are paid a development salary for a period of eighteen months, there is

additional monies available in 2022/23 and 2023/24. By 2024/25, the recruitment of the additional firefighters will use all of the additional funding from the £5 precept increase.

- The remaining funding in 2022/23 and 2023/24 will be used to make additional revenue contributions to the Capital Finance Reserve. As detailed in section 4.3.7, the rebuild of FSHQ is potentially facing an increase in cost of £4m against existing capital budget provision. The capital finance reserve currently has a balance of £18.3m which will be fully depleted, and unless the reserve is topped up, the Authority will have to take out new borrowing to complete the development of FSHQ. These additional costs in the form of MRP charges have not been included in the MTFP.

The Authority has included provision in the capital plan to rebuild Keighley, Huddersfield, and Halifax over the next five years, and due to inflation, it is likely that these costs will also increase.

The table below shows the spend profile of the above areas of development:

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Additional Funding	£1.855	£1.855	£1.855	£1.855
Additional 34 Firefighters	£0.927	£1.461	£1.942	£1.996
<u>One off Investments</u>				
Contribution to Capital Reserve	£0.928	£0.394		
TOTAL	£1.855	£1.855		

7.1.4 The table below shows the effect on the precept to a Band D and a Band A council taxpayer based on the three options presented in the MTFP:

Band D		2022/23 Precept Freeze	2022/23 1.99%	2022/23 £5.00
Precept 2021/22	£67.18	£67.18	£68.52	£72.18
Cost per Week	£1.29	£1.29	£1.32	£1.39
Total Increase per week from 2021/22		0	£0.03	£0.10

Band A		2022/23 Precept Freeze	2022/23 1.99%	2022/23 £5.00
Precept 2021/22	£44.78	£44.78	£45.68	£48.12
Cost per Week	£0.86	£0.86	£0.88	£0.92
Total Increase per week from 2021/22		0	£0.02	£0.06

7.2 Budget Calculations

7.2.1 The Authority had a balanced budget in 2021/22 meaning that expenditure was matched by income.

A more detailed budget monitoring system was introduced in 2018/19 which is based on a RAG rating method of reporting. The intention being to make budget holders and managers more accountable for their budgets. Explanations for the variances on the RAG ratings have to be reported to the Chief Finance and Procurement Officer accompanied with an action plan for correction or re-alignment.

7.2.2 The transfer of budgets to contingencies were approved at Finance and Resources in July and October 2021 and January 2022 and increases in support staff employee budgets approved at Human Resources Committee in July, October 2021, and January 2022. These have been incorporated into the base budget for 2022/23.

7.2.3 The budget is not calculated in isolation as it reflects the Workforce Plan, the Community Risk Management Plan (CRMP) and the Programme of Change which ensures that the capital and revenue budget support the Authority's Your Fire and Rescue Service.

7.2.4 Budget holders are actively involved directly in the budget setting process and a system of capital and revenue bids are used to identify areas of growth and savings. This is a thorough process which commences in October and is finalised in January when Management Board meet at a special meeting called the Star Chamber and agree the budget to present to members for approval. Each capital and revenue bid are scrutinised by Management Board to ensure that it meets the service priorities.

7.3 Budget Growth and Savings 2022/23

7.3.1 In addition to the budget adjustments approved at committee during 2021/22 there are a number of areas of growth, savings and cost pressures that have been identified as part of the budget planning process. £2.4m of this growth is unavoidable plus, the cost pressures may have to be met regardless of funding levels.

- Budget Growth

- a) The establishment for Group Managers has been maintained at ten, which is an additional cost of £0.090m, previous budgets had approved that this the number of group managers be reduced to nine in 2022/23.
- b) £0.434m has been included within support staff employee budgets for new support staff posts that will be subject to HR committee approval.
- c) A provision of £0.250m has been included in support staff salaries for the cost of a pay spine review. The aim of the review is to realign the grading structure of our support staff.
- d) £0.186m has been included for the requirement to include overtime in holiday pay resulting from the Bear v Scotland ruling.
- e) £0.260m has been allocated for the transition and enabling costs associated with the new FSHQ development.

- f) The electricity budget has been increased by £0.101m which has been subject to budget reductions in previous years and has had increases to prices during the year.
- g) There is a planned refresh of fire fighter fire gloves costing an estimated £0.180m, which, due to their washable nature are deemed a revenue rather than a capital cost.
- h) In 2021/22, the Authority has an increase in public liability insurance of £0.183m, which, in the current financial year has been met from the insurance reserve as there was no existing budget provision for this cost. Reserves can only be used once, so this has been built into the base budget from 2022/23.
- i) £0.151m has been included for the costs associated with the introduction of the performance management system.
- j) The ICT repairs and maintenance budget has been increased by £0.594m which is for the additional licencing costs for the new wide area network and the development of systems detailed in the Digital and Data Review.
- k) There are a number of smaller growth requests for equipment, subscriptions, and stationery totalling £0.159m relating to ongoing projects.

Cost Pressures

- l) (£0.232m) has been deducted from employee budgets for vacancy management for support staff.
- m) £0.094m has been added to employee contingency budgets to cover the cost of three employees who have exceeded their projected retirement date and are still in employment at the time of budget setting.
- n) £0.350m has been provided for increased overtime costs which will be required to cover for leave that was deferred due to Covid19.
- o) A provision of £0.104m has been included in employer pension contributions to fund the cost of those firefighters who have opted out of a pension scheme, re-joining.
- p) A provision of £0.200m has been included in the employee contingency which will fund the timing differences associated with recruitment prior to FF actual retirement dates. If a number of FF retire before their retirement date, the Authority will need to recruit in advance in order to mitigate the potential reduction in FF numbers.
- q) As mentioned in section 4.3.4, the Authority has already paid some Immediate Detriment pensions, which may not be reimbursed by pension top up grant following the withdrawal of Home Office guidance in November 2021. This cost of ongoing pension payments is £0.081m which may have to be met from the revenue budget pending further Home Office direction.
- r) The ill health retirements budget has been reduced by (£0.100m) which reflects current expenditure.

- s) £1.050m has been included for additional revenue contributions to capital expenditure which will reduce the Authority's capital financing requirement.

Budget Calculation Assumptions

7.4.1 The main financial assumptions underpinning both spending and funding forecasts in the MTFP are:

- Precept increase of £5 in 2022/23 and 1.99% each year thereafter.
- Resumption of growth to the tax base from 2022/23 of 2% and 1.5% from 2023/24 and onwards.
- Pay increases for all staff groups of 4% in 2022/23, 3% in 2023/24 and 2% each year onwards.
- General price inflation of 2%.
- Central government grant to increase by CPI inflation, estimated to be 2% in 2023/24 and 1.3% each year thereafter
- Employees retire as per their projected retirement date and the Authority continues to recruit in order to maintain establishment at 900 whole time employees.

As with any assumptions, those built into the MTFP will be at risk from factors beyond the Authority's control, these can have the effect of increasing or decreasing the projected deficit.

7.5 Financial Planning April 2023 Onwards

7.5.1 Although members are been asked to approve the budget for 2022/23, the longer-term impact on the MTFP also needs to be considered.

The table below shows the impact of a precept freeze, a 1.99% precept increase, and a £5 precept increase over the next three financial years. These forecasts assume a tax base growth of 1.5% and a precept increase of 1.99% from 2023/24 (excluding the precept freeze option).

It has been assumed that government funding will increase by CPI inflation and there will be no cuts to base line funding in the next Comprehensive Spending Review.

		Precept Freeze	1.99%	£5
2023/24	Standstill Budget	95.394	95.394	95.394
	Funding	92.882	94.719	97.26
	Deficit /Surplus	-2.512	-0.675	1.866
2024/25	Standstill Budget	97.714	97.714	97.714
	Funding	94.266	97.099	99.737
	Deficit /Surplus	-3.448	-0.615	2.023
2025/26	Standstill Budget	99.806	99.806	99.806
	Funding	95.308	99.192	101.932
	Deficit /Surplus	-4.498	-0.614	2.126

7.5.2 The table shows that the deficit from a precept freeze and a 1.99% precept increase will require the Authority to use reserves or find efficiency savings over the next three years.

7.5.3 It is expected that following the proposed Fair Funding Review in 2022/23, a multi-year settlement will be in place for 2023/24. Although the Chancellor has publicly stated that austerity is over, he has made no commitment to invest in the fire sector and the current funding settlement does not reverse the nine years of central grant reductions totalling £26.1m.

7.5.4 It has been assumed that there will be no cuts to central base line funding but there has been no guarantee that the Authority will continue to receive the annual grants to cover the costs falling out of Grenfell and the Building Safety Bill for which the Authority received £0.445m in 2021/22, if these grants were ceased the Authority would have to meet these costs from existing budgets or stop the work on these projects.

7.5.5 It has been assumed that the Services grant and the Under Indexing of Business Rates grant, for which the Authority will receive a total of £3.4m in 2022/23 will remain at the same level in future settlements, because these are not built into the base budget, continuation at the same level cannot be guaranteed. It has been confirmed that the one-off services grant would be excluded from any proposed baseline for transitional support as result of proposed funding system changes.

7.5.6 The ongoing impact of the pandemic must also be considered in terms of council tax and business rates revenue for which the Authority has no control over. In addition, the effect on the cost of goods and services from inflation and ongoing supply issues due to Brexit may add further pressure to the revenue budget.

7.5.7 As detailed in section 4.3 of this report

A precept increase, of £5 will enable the Authority to continue to invest in service delivery over the longer term.

7.5.8 As Chief Finance and Procurement Officer and as Section 73 officer there is a statutory duty to present a balanced budget as the use of reserves cannot be sustained over the longer term.

7.6 Reserves

7.6.1 Finance and Resources Committee approved the Reserves Strategy in October 2021

7.6.2 It is proposed that reserves will be used to support the MTFP over the next four years as summarised in the table below:

Reserve Description	Origin	Opening Balance 01/04/2021	Planned Use 2021/22	Planned Use 2022/23	Planned Use 2023/24	Planned Use 2024/25	Planned Use 2025/26	Closing Balance 31/03/2026
General Fund		£5,000						£5,000
Transparency	Grant	£54						£54
Regional Control Funding	Grant	£563		£563				£0
Enhanced Logistical Support	Grant	£202			£150			£52
Decontamination of Body Bags	Grant	£40						£40
Council Tax Reform	Grant	£27						£27
Business Rate Appeals	Grant	£1,114		£350	£350			£414
Tax Income Guarantee	Grant	£922	£307	£307	£307			£0
COVID19	Grant	£1,356	£1,092	£264				£0
Insurance Claims	Internal	£419	£180					£239
Service Support Reserve	Internal	£342	£140	£120	£28			£54
Pension Equalisation Reserve	Internal	£4,583				£4,583		£0
Provision for pay and prices	Internal	£2,127		£1,083				£1,044
Capital Financing Reserve	Internal	£18,306	£1,262	£8,539	£8,505			£0
ESMCP	Internal	£258				£258		£516
Medium Term Funding Impact	Internal	£2,000			£1,000	£1,000		£0
Total Earmarked		£32,313	£2,981	£11,226	£10,340	£5,325	£0	£2,440
TOTAL USABLE RESERVES		£37,313	£2,981	£11,226	£10,340	£5,325	£0	£7,440

It is worth pointing out that those earmarked reserves highlighted in orange in the table are the result of the receipt of a government grant and as such will have to be spent on the purpose specified in the grant terms and conditions. These reserves cannot be used to fund expenditure in other areas.

The rest of the earmarked reserves will be used to support the MTFP as follows.

- a) The Covid19 reserve will continue to be used to pay for the overtime costs for the backfill of employees taking annual leave that was cancelled due to the pandemic.
- b) It is also recommended that costs associated with the implementation of the performance management system and the data and digital strategy are met from the Service Support Reserve. It is expected that these projects will generate ongoing revenue benefits over the longer term even though they will need initial investment in the first instance.
- c) It is proposed that the capital financing reserve is used to fund the rebuilding of the three fire stations and the development of the FSHQ site as detailed in section 2 of this report. This will mean that capital financing charges in the form of statutory MRP is not charged to this £18.3m of capital investment resulting in revenue savings over many years. This is because Minimum Revenue Provision is chargeable to revenue over the life of the asset, in the case of a new fire station, 40 years. It is proposed that the capital finance reserve is maintained and “topped up”, although the reserve will be fully used for the FSHQ development, it is intended this reserve will be used to fund station rebuilds.

- d) As explained earlier in the report there may be some additional revenue costs associated with the McCloud/Sargeant remedy. The Government has not given any indication on how the costs of McCloud will be funded. In the short term, the Authority can call upon the pension equalisation reserve to fund this cost if central funding is not provided. The costs arising from the injury to feelings claim outlined in section 4.3.4 would have to be met from the pension equalisation reserve.
- e) Due to the uncertainty regarding employees pay awards, provision has been made for the funding of an additional 1% pay increase over and above that included in the MTFP costing an estimated £0.550m from the provision for pay and prices reserve, until savings to fund this can be found in the longer term. If there were higher increases in pay awards there would be a greater demand on this reserve.
- f) Until confirmation is received from the Home Office regarding the funding of the replacement of control room servers, the ESMCP reserve has been forecast to be used for this purchase.
- g) It is expected that from 2023/24, the Authority will receive a multi-year funding settlement, if this is not as favourable as expected and results in real terms funding cuts, the Authority will need to call upon its reserves in order to achieve a balanced budget. This will be met from the Medium-Term Funding Impact reserve.

8 Legal Implications

- 8.1 The Authority is required to set a budget/issue a precept for 2022/23 before 1st March 2022. This decision is reserved to the Authority and cannot be taken by the Committee or delegated to officers, although the Finance & Resources Committee has to recommend a budget to the Authority. Before setting the level of the precept, the Authority must have agreed a balanced budget which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. The precept itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.
- 8.2 In addition, the Authority's Chief Financial Officer (under s73 Local Government Act 1985) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Authority must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer is also obliged to report to the Authority if in relation to the previous financial year it appears that a controlled reserve is or is likely to be inadequate. A controlled reserve is one where the Secretary of State has, by regulation, defined the appropriate minimum level of reserve. The S73 officer must report the reasons for that situation, and the action, if any, which she considers it would be appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration. No Regulations defining controlled reserves have been made.
- 8.3 In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered, and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority,

properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Authority's finances. The resources available to the Authority must be deployed to their best advantage. Members must also act prudently.

- 8.4 Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Authority's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
- 8.5 In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Director of Finance as Chief Financial Officer. The Authority may take decisions which are at variance with her advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts, and future liabilities.
- 8.6 The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 to ensure that the Authority's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. She is in addition subject to the requirements set out in paragraph 2 above.
- 8.7 Members must also have regard to, and be aware of, the wider duties placed upon the Authority by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure, specified in the Local Government and Housing Act 1989. The law in relation to the Authority's borrowing was changed by the Local Government Act 2003. The previous regime of capital controls was abolished, and the Authority is required to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable. The prudential indicators include the borrowing limits and Treasury Management Strategy that were formerly set by the Authority as part of the budget process. The implications of this are explained more fully in the body of the report.
- 8.8 In setting the precept for the next financial year and in agreeing the Authority's budgetary requirements, the Authority also needs to take into account the fact that the Government still has power to cap local authority budgets under the Local Government Act 1999. The Government may either set a maximum amount for the budget in the forthcoming year or put an authority on notice to set a maximum budget in the next financial year. If the Government proposes to cap the authority, the authority will be given a short period to put its case. If the cap is then confirmed in the current year, this could require the authority to revisit its budget decisions and would be likely to require rebilling of precept.
- 8.9 Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

9 Recommendations

Members to consider the joint report of the Chief Fire Officer/Chief Executive and the Chief Finance & Procurement Officer, which presents an overview of the financial position for the current year together with the draft revenue budget and capital plan for 2022/23 and four-year financial strategy and the precept options.

The detail of the report advises Members of:

- (i) The content of the five-year capital plan (£65.099m) with a forecast spend by the end of 2022/23 of £16.878m (as set out in Appendix A).
- (ii) Capital Financing Requirement of £45.018m in 2022/23.
- (iii) The Authorised Limit for external debt of £53m and an Operational Boundary of £51m.
- (iv) Capital finance charges of 6.46% of the revenue budget.
- (v) Forecast general fund balances of £5m by 31 March 2022 with a minimum balance to be maintained at £5.0m.
- (vi) A council tax collection fund deficit of £201,245.
- (vii) Details of the Local Government Finance settlement 2022/23.
- (viii) Positive assurance from the Chief Finance Officer under section 25 of the Local Government Act 2003 of the adequacy of balances and the robustness of the budget estimates.

Medium Term Financial Strategy 2022/2023 – 2025/2026 (incorporating revenue budget and capital plan)

- (i) Set a revenue budget of £95.651m incorporating the service development and efficiencies set out in paragraph 7.1.3 and 7.3.1.
- (ii) Approve a precept increase of £5 for 2022/23

10 Resolution

10.1 That Members give approval to the Prudential Indicators in respect of:

- a) the Capital financing Requirement as set out in paragraph 3.2;
- b) the level of External Debt also set out in paragraph 3.3;
- c) the Authorised limit for external debt as set out in paragraph 3.3;
- d) the Operational Boundary for external debt also set out in paragraph 3.3.

10.2 Having considered the recommendations of the Chief Fire Officer/Chief Executive and the Chief Finance and Procurement Officer on service delivery and related budget requirements and, having taken account of the views of the consultees and, acting in accordance with the requirements of the Local Government Finance Act 1992 (as amended) (“the Act”) and, having approved a capital expenditure programme for the financial year 2022/23 of £16.878m and, having calculated its basic amount of council tax for the year by dividing its council tax requirement by its council tax bases, which the Authority notes have been determined by the District Councils, the figures are as follows for financial year 2022/23.

	2022/23
Authority	Tax Base
Bradford	143,420.00
Calderdale	62,507.11
Kirklees	121,906.00
Leeds	235,758.00
Wakefield	104,633.00
TOTAL	668,224.11

10.3 The Authority calculates its council tax requirements under Sections 40 to 47 of the Act for Financial Year 2022/23 as the aggregate of the following:

10.3.1 The Authority calculates the aggregate of (A) as set out in Appendix B.

- £95,651,112 The expenditure the Authority estimates it will incur in the year in performing its functions and will charge to the revenue account for the year in accordance with proper practices.
- £0 The allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to the revenue account for the year in accordance with proper practice.
- £0 The financial reserves which the Authority estimates it will be appropriate to raise in year for meeting estimated future expenditure.
- £0 Financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not been provided for.

10.3.2 The Authority calculates the aggregate of (B) as set out in Appendix B

- £47,418,696 The income which it estimates that will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices other than income which it estimates will accrue to it in respect of any precept issued by it to be.
- £0 The amount of financial reserves which the Authority estimates that it will use in order to provide for the items mentioned.

10.3.3 Council Tax Requirement

- £48,232,416 The aggregate calculated under subsection 42a(2) (aggregate of A) of the Act exceeds the amount calculated under subsection 42a(3) (aggregate of B) which is calculated to be

the council tax requirement for the year.

10.3.4 Basic amount of council tax

- £72.18 The Authority calculates its basic amount of council tax by dividing the council tax requirement by the council tax base. The council tax requirement is £48,232,410 and the council tax base is 668,224.11 which is equal to £72.18 at band D. This calculation meets the requirement under S42B of the Act.

10.4 The Authority calculates the Council Tax sums pursuant to Section 47 of the Act as follows:

Band A	£48.12
Band B	£56.14
Band C	£64.16
Band D	£72.18
Band E	£88.22
Band F	£104.26
Band G	£120.30
Band H	£144.36

10.5 The Authority calculates the resultant precept amounts payable by each constituent District Council pursuant to Section 48 of the Act as follows:

District	Precept
Bradford	£10,352,054
Calderdale	£4,511,763
Kirklees	£8,799,174
Leeds	£17,017,010
Wakefield	£7,552,409
TOTAL	£48,232,410

10.6 Resolved that the precept for each constituent District Council, as calculated and set out above, be issued to them pursuant to Section 40 of the Act.

Appendix A

Directorate	Description	Estimated Total Capital Cost	Estimated Capital Cost 22/23	Estimated Capital Cost 23/24	Estimated Capital cost 24/25	Estimated Capital cost 25/26	Estimated Capital cost 26/27
ICT	Firewall Replacement	£90,000	£90,000	£0	£0	£0	£0
ICT	WAN	£100,000	£100,000	£0	£0	£0	£0
ICT	VDI Resilience	£0	£0	£0	£0	£0	£0
ICT	UPS on Stations	£240,000	£240,000	£0	£0	£0	£0
ICT	Station ICT Hardware	£0	£0	£0	£0	£0	£0
ICT	FF Laptops	£93,000	£93,000	£0	£0	£0	£0
ICT	MDT	£150,000	£150,000	£0	£0	£0	£0
ICT	Management System	£0	£0	£0	£0	£0	£0
ICT	Digital Humans	£70,000	£20,000	£50,000	£0	£0	£0
ICT	Data Centres	£250,000	£0	£250,000	£0	£0	£0
ICT	Internet of Things	£50,000	£0	£50,000	£0	£0	£0
ICT	Drones	£16,000	£0	£16,000	£0	£0	£0
ICT	Resource Booking System	£38,000	£0	£38,000	£0	£0	£0
ICT	One View Performance Management	£50,000	£25,000	£25,000	£0	£0	£0
ICT	ICT Replacement Upgrades	£1,642,000	£0	£0	£552,000	£625,000	£465,000
Operations	Particulate Flash Hoods	£210,000	£210,000	£0	£0	£0	£0
Operations	BA Set Reducer	£46,150	£46,150	£0	£0	£0	£0
Operations	Water Rescue Equipment	£48,000	£0	£12,000	£12,000	£12,000	£12,000
Operations	Washable Fire Gloves	£0	£0	£0	£0	£0	£0
Operations	Lay Flat Hose	£250,000	£50,000	£50,000	£50,000	£50,000	£50,000
Operations	Gas Tight Suits	£51,000	£0	£12,000	£25,000	£0	£14,000
Operations	BA Cleaning & drying Units	£80,000	£40,000	£40,000	£0	£0	£0
Operations	Wildfire Vehicle	£182,000	£182,000	£0	£0	£0	£0
Operations	Water Hydrant	£1,960,000	£360,000	£450,000	£360,000	£450,000	£340,000
Operations	Wildfire PPE	£31,000	£31,000	£0	£0	£0	£0
Operations	BA Sets	£850,000	£0	£850,000	£0	£0	£0
Operations	BA Cylinders	£350,000	£0	£350,000	£0	£0	£0
Operations	BA Ancillary Equipment	£210,000	£0	£210,000	£0	£0	£0
Operations	Ladders	£243,025	£100,825	£79,875	£62,325	£0	£0
Operations	Uniform	£150,000	£150,000	£0	£0	£0	£0
Operations	Body Worn Cameras	£67,500	£67,500	£0	£0	£0	£0
Operations	Mobilising System	£2,000,000	£1,000,000	£1,000,000	£0	£0	£0
Operations	Gas Detector	£35,100	£35,100	£0	£0	£0	£0
Property	Cookridge	£500,000	£477,620	£22,380	£0	£0	£0
Property	CCTV Upgrades	£176,000	£176,000	£0	£0	£0	£0
Property	Health & Safety Upgrades	£300,000	£300,000	£0	£0	£0	£0
Property	L8 Upgrades	£44,000	£44,000	£0	£0	£0	£0
Property	Mirfield Asbestos Removal	£41,000	£41,000	£0	£0	£0	£0
Property	Ludo Charging Points	£30,000	£30,000	£0	£0	£0	£0
Property	EV Charging Points	£65,000	£65,000	£0	£0	£0	£0
Property	Property Projects	£7,200,000	£0	£1,800,000	£1,800,000	£1,800,000	£1,800,000
Property	Stanningley Charging Points	£65,000	£65,000	£0	£0	£0	£0
CRMP	FSHQ & Station Rebuilds	£30,770,200	£8,538,825	£11,885,100	£6,346,275	£3,520,000	£480,000
Transport	Vehicle Replacement	£14,254,961	3,650,183	3,813,720	3,255,129	£3,043,546	£492,383
Transport	Vehicle Telematics Upgrade	£100,000	100,000	0	0	£0	£0
Firesafety	Smoke Alarms	£2,000,000	400,000	400,000	400,000	400,000	400,000
		£65,098,936	£16,878,203	£21,404,075	£12,862,729	£9,900,546	£4,053,383

2021/22	REVENUE BUDGET	2022/23
£55.401	Firefighters	£58.511
£11.725	Support Staff	£12.687
£1.800	Pensions	£1.700
£1.071	Other Employees	£1.113
£4.670	Premises	£5.118
£2.142	Transport	£2.267
£6.151	Supplies and Services	£6.970
£0.331	Lead Authority Charges	£0.285
£8.151	Capital Financing	£6.055
£0.674	Contingency	£0.450
£0.000	Contribution to Capital	£2.928
£92.116	GROSS EXPENDITURE	£98.084
-£2.768	Less Income	-£2.433
£89.349	NET EXPENDITURE	£95.651
	FUNDING	
16.922	Top Up Grant	16.922
13.631	Revenue Support Grant	14.047
3.653	Section 31 Grants	3.998
4.286	Pension Grant	4.286
0	Services Grant	1.700
7.642	Local Business Rates	7.226
-0.737	Collection fund Deficits	-0.760
45.397	GOVERNMENT FUNDING	47.419
43.952	PRECEPT	48.232



OFFICIAL

Statement of Assurance 2020-21

Full Authority

Date: 24 February 2022

Agenda Item:

13

Submitted By: Director of Service Support

Purpose	To present Members with the annual Statement of Assurance 2020/21 for approval.
Recommendations	Members are requested to approve the Statement of Assurance 2020/21 as a valid assessment of West Yorkshire Fire and Rescue Authority's performance.
Summary	This report presents the annual Statement of Assurance 2020/21; the principal aim of which is to provide an accessible way in which communities, Government, local authorities and other partners may make a valid assessment of their local fire and rescue authority's performance.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Alison Davey- Head of Corporate Services
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Background papers open to inspection: Department for Communities and Local Government
Guidance on statements of assurance for fire and rescue
authorities in England

Annexes: Statement of Assurance 2020/21

1 Introduction

1.1 The Government is committed to unburdening local government; eliminating top-down bureaucracy and increasing local flexibility. For fire and rescue authorities, this ethos is demonstrated by the revised Fire and Rescue National Framework for England (the Framework), and in the provisions of the Localism Act 2011, which helps to let them run their services as they see fit.

1.2 This freedom and flexibility is accompanied by the need for accountability and transparency. Providing an excellent service is only the starting point – communities expect to know how their services are being provided.

1.3 It is against this background that the Framework sets out a requirement for fire and rescue authorities to publish Statements of Assurance. It says:

‘Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework.

To provide assurance, fire and rescue authorities must publish an annual statement of assurance’.

2 Information

2.1 Whilst the Government have issued ‘Guidance on statements of assurance for fire and rescue authorities in England’, it is for individual fire and rescue authorities to determine the best way for them to present the information with their communities in mind.

2.2 West Yorkshire Fire and Rescue Authority (WYFRA) consider that the majority of the information required to meet the aim of the Statement of Assurance is already provided in an accessible way in which communities, Government, local authorities and other partners may make a valid assessment of the Authority’s performance and, where this is the case, the attached Statement links to those documents.

2.3 The WYFRA’s Service Assurance Framework details the high level expectations of the service relating to:

- Compliance with the National Framework.
- The assessment of performance via Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).
- The annual completion of the Service Assurance process.
- A comprehensive approach to the assurance of service delivery.

2.4 The Statement of Assurance will be used as a source of information on which to base the Secretary of State’s biennial report under section 25 of the Fire and Rescue Act 2004 and is required to be signed off by an elected member of West Yorkshire Fire and Rescue Authority. The Chair of the Authority is, therefore, requested to sign the statement on behalf of the Authority.

2.5 There is a requirement to publish the statement on an annual basis. The first statement was published in September 2013.

2.6 The Statement of Assurance for the year 2020/21 is attached to this report for Members to approve for signature by the Chair of the Authority and publication on the Authority's website.

3 Financial Implications

3.1 There are no financial implications arising from this report.

4 Legal Implications

4.1 The Monitoring 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

5.1 The Authority remains committed to diversity and inclusion and to maintaining the highest possible standards. It takes a pragmatic and focused approach towards delivery of its legal equality duties.

5.2 The National Fire and Rescue Service Framework is a tool which helps WYFRS set and deliver diversity and inclusion objectives. It enables the Authority to demonstrate compliance with the Public Sector Equality Duty and benchmark its equality performance against other Fire and Rescue Services.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorkfire.gov.uk))	Yes / No
Date EIA Completed	DD/MM/YY
Date EIA Approved	DD/MM/YY

The EIA is available on request from the report author or from diversity.inclusion@westyorkfire.gov.uk

7 Health, Safety and Wellbeing Implications

7.1 There are no health and safety implications arising from this report.

8 Environmental Implications

8.1 There are no environmental implications arising from this report although all future improvements highlighted within the Statement of Assurance will consider environmental implications on each initiative.

9 Your Fire and Rescue Service Priorities

9.1 This report links to all of the priorities in the Your Fire and Rescue Service 2020-2023.

10 Conclusions

10.1 Members are requested to approve the Statement of Assurance 2020/21 as a valid assessment of West Yorkshire Fire and Rescue Authority's performance for signature by the Chair of the Authority prior to publication on the Authority's website.



West Yorkshire
Fire & Rescue Authority

Statement of Assurance- 2020-21

OFFICIAL

Ownership: Corporate Services

Date Issued: 24 February 2022



Table of Contents

Introduction	2
Financial	2
Internal Audit	2
Transparency.....	2
Governance	3
Information Governance	4
Risk and Business Continuity	4
Operational (Service Delivery).....	5
Customer Service Excellence.....	5
Communication and Engagement.....	6
Service Delivery Performance	6
Agreements and Mutual Aid Arrangements	6
Future Improvements.....	6

Introduction

West Yorkshire Fire and Rescue Authority (WYFRA) is required to produce an annual Statement of Assurance as part of the [Fire and Rescue National Framework for England](#). The purpose of the statement is to provide independent assurance to communities and the Government that the service is being delivered efficiently and effectively. Whilst the Fire and Rescue National Framework sets out the Government's priorities and objectives for fire and rescue authorities in England, it does not prescribe operational matters as these are determined locally by fire and rescue authorities.

In April 2020, West Yorkshire Fire and Rescue Service (WYFRS) published [Your Fire & Rescue Service 2020-23](#) which outlines the key priorities and builds upon the delivery and achievements of our previous Service Plan. A report on the programme of change is produced regularly to focus the work of WYFRS and to manage and monitor performance in order to achieve our ambition of 'Making West Yorkshire Safer'.

This Statement of Assurance provides assurance that WYFRA is providing an efficient, effective and value for money service to the community of West Yorkshire in its financial, governance and operational matters.

Financial

In accordance with the 2020/21 Code of Practice on Local Authority Accounting based on International Financial Reporting Standards (IFRS) for 2020/21 and the Accounting Codes of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA), WYFRA has produced the [Statement of Accounts 2020/21](#). As the Authority is funded by public money, it has a responsibility to ensure this money is used lawfully, effectively, efficiently and economically.

The [Annual Governance Statement](#), which is included within the Statement of Accounts, sets out the systems and procedures that are in place to ensure that the Authority's resources are used in accordance with the law and provide best value for the tax payer.

The Authority's governance framework comprises systems and processes, and cultures and values, by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those have led to the delivery of appropriate, cost effective services.

Each year, the external auditors, Deloitte LLP, issue an [audit opinion](#) on the Authority's financial statement. There is a new reporting requirement from 2020/21, which is a separate Value for Money report which is expected to be completed in April 2022.

For 2020/21 the Authority once again received an unqualified opinion on the Statement of Accounts.

The Medium-Term Financial Plan which was approved by the Full Authority in February 2021 shows that the Authority has a balanced budget for 2021/22. This has been assisted by an improved budget monitoring reporting system coupled with the introduction of Command, Leadership and Management. The Authority has received another one year financial settlement in 2022/23, and it is expected that a multi-year settlement will be applied from April 2023 which will facilitate longer term financial planning.

Internal Audit

The Authority's Chief Finance and Procurement Officer has a statutory duty to provide a continuous and effective internal audit. This internal audit service is provided under a service level agreement with Kirklees Council, which provides approximately 160 days of audit time each year.

Internal Audit assesses the adequacy and effectiveness of the Authority's risk management system and internal control environment against an annual audit plan. The plan targets areas of highest risk as determined by the Authority through its risk management process and the resulting risk management matrix. Auditing of these risks accounts for approximately half of the available audit resource, with the other half involving the review of key financial systems and processes. The internal audit plan also considers audit areas where most value can be added.

Internal audit 'opinions' based on the level of assurance concerning each risk, system or process control is reported to the Authority's Audit Committee on a quarterly basis. The [Internal Audit Plan 2021/22](#) resulted in the majority of audits concluding with a 'substantial or adequate assurance', which confirms a robust framework of all key controls exists, that are likely to ensure that objectives will be achieved. Internal Audit provides recommendations where it is thought that risks can be reduced, and the control environment improved.

The audit plan and subsequent audits ensure an independent review is conducted at least once in a year of the effectiveness of the Authority's systems of internal control, which assists with the formulation of the Annual Governance Statement.

Transparency

In accordance with the Local Government Transparency Code 2015, WYFRA is committed to greater openness and financial transparency through the publication, on the website, of information regarding how public money is being spent. This includes payments for goods and services to external bodies and suppliers above £500, details of salaries and allowances paid to staff and Members, transactions made via Government Procurement Cards, tender and procurement information, details of land and assets owned by WYFRA and details relating to Trade Unions.

The data is routinely published on either a quarterly or annual basis in accordance with the requirements of the Code. All published data can be viewed on the [Data Transparency](#) section of the website.

Governance

WYFRA has an approved [constitution](#) which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local citizens. Some of these processes are required by the law, while others are a matter for the Authority to determine.

The Authority is composed of 22 members, all of whom are a Councillor elected to one of the five constituent district councils within West Yorkshire; Bradford, Calderdale, Kirklees, Leeds and Wakefield. The overriding duty of Members of the Authority is to the whole community of West Yorkshire.

Members have an approved [Code of Conduct](#) designed to ensure high standards in the way they undertake their duties and are required to comply with the [Principles of Public Life](#).

- Codes of Conduct and Protocols included within the Constitution are:
- Code of Conduct for Members
- Officer Code of Conduct
- Member/Officer Relations and Procedural Protocol
- Officer Employment Procedure Rules
- Protocol regarding the use of Authority resources by Members
- [Compliments and Complaints Policy](#)
- [Whistle Blowing Policy](#)

In accordance with the Code of Corporate Governance and pursuant to the corporate performance monitoring processes an annual [Corporate Health Report](#) is submitted to the Annual General Meeting of the Authority to enable Members to scrutinise and challenge performance. A [Performance Management Report](#) is also presented quarterly to the Full Authority meeting to enable ongoing performance monitoring, scrutiny and challenge.

Information Governance

The Authority has developed and implemented a robust information governance framework for the effective management and protection of information held by WYFRA.

Data Protection audits are carried out across the Service, which during the Covid period have been via departments self assessing against relevant criteria as part of the Service Assurance process. This ensures appropriate arrangements are in place.

Information governance describes the approach within which accountability, standards, policies and procedures are developed and implemented, to ensure that all information created, obtained or received by WYFRA is held and used appropriately.

The Authority has an [Information Governance Strategy and Policy](#) which describes its commitment to ensuring effective information governance as a means to enable the service, to ensure it can make the best use of its information and to provide a solid foundation to enable it to be open and transparent.

At the same time it takes account of and supports WYFRA's operational objectives and ensures that a balance is struck between operational and compliance objectives.

The Authority has achieved excellent audit reports in respect of the handling and processing of information including the personal information relating to customers. This includes the achievement of the highest level of Compliance Plus within the annual [Customer Service Excellence report](#) for the strategic approach to Information Management particularly relating to our customers' privacy and confidentiality. This standard was first achieved in 2009 and has been maintained at this level over the last eleven years.

The General Data Protection Regulation (GDPR) came into force on 25 May 2018, extending the privacy rights granted to EU individuals. The GDPR placed many new obligations upon organisations that process personal data. The Data Protection Act 2018 incorporated the GDPR and brought it into UK law.

An audit of the Authority's data protection compliance was undertaken by Kirklees Internal Audit in December 2020/January 2021 which resulted in Substantial Assurance for the arrangements in place.

Risk and Business Continuity

WYFRA has a Risk Management Strategy and Policy and [Business Continuity Management Strategy and Policy](#) which provide clear and defined strategies to be implemented, adhered to and developed to aid achievement of the following objectives:

- Implement and maintain risk policy arrangements including a risk framework and processes, which will enable the organisation to identify, assess and manage strategic and corporate risks in an effective, systematic and consistent manner. This also assists in embedding a risk management culture.
- Implement and maintain a business continuity management system to ensure that key services can be maintained in the event of any disruption that threatens the delivery of services to the community of West Yorkshire.
- Protect the organisation from disruptive events and service interruptions and facilitate a co-ordinated recovery of organisational services and critical functions during and following such events.

Operational (Service Delivery)

WYFRA operates within a clearly defined statutory and policy framework and the key documents setting this out are:

- the Fire and Rescue Services Act 2004
- the Civil Contingencies Act 2004
- the Regulatory Reform (Fire Safety) Order 2005
- the Fire and Rescue Services (Emergencies) (England) Order 2007
- the Localism Act 2011
- the Fire and Rescue National Framework for England
- the Fire Safety Act 2021

The Authority's [Statement of Purpose](#) reflects the key documents in highlighting WYFRA's commitments and expectations through its strategic priorities and objectives.

At strategic level, Community Risk Management Planning (CRMP) is an integral part of the business planning process in West Yorkshire Fire and Rescue Service (WYFRS). The Service's strategic assessment of risk covers all foreseeable risk within the County and establishes baseline standards of service.

The [Your Fire & Rescue Service 2020-23](#) explains who we are, what we do, how we identify, assess and manage risk in West Yorkshire and provides information on how WYFRS services are delivered. This document also provides the overarching business case for delivering prevention, protection, response, and resilience in a risk proportional manner. The Community Risk Management Plan provides the means to deliver excellent but cost-effective fire and rescue services to the communities across West Yorkshire. This latest Community Risk Management

Plan continues to underpin a flexible approach to managing risk and deliver future efficiency savings. The 2022-25 Community Risk Management Plan is in draft and subject to formal consultation. It has been updated to reflect the recent national fire standard for Community Risk Management Planning and our updated organisational priorities and programme of change.

Customer Service Excellence

Since 1998, WYFRA has consistently attained the Charter Mark standard; the Government's national standard of customer service excellence for organisations delivering public services. In August 2009 the Authority invited an assessment against the new Customer Service Excellence standard, which was being phased in and which has now fully replaced the Charter Mark standard. The Customer Service Excellence standard is derived from the core concepts of customer focus and the delivery of excellent customer service and assesses, in great detail, the following areas:

- Customer Insight
- The Culture of the Organisation
- Information and Access
- Delivery
- Timeliness and Quality of Service

WYFRA has an independent assessment against the standard annually and in 2021 was awarded full compliance against the 57 elements of the standard including 25 'Compliance Plus' awards, which are awarded for behaviours or practices that exceed the requirements of the standard, and are viewed as exceptional or as an exemplar for others – either within the organisation or in the wider public service arena. The summary of the [Customer Service Excellence report](#) clearly demonstrates the continuous commitment of the Authority to provide an excellent service to customers.

Communication and Engagement

WYFRS follows the Government's Consultation Principles 2018 in delivery and promotions of its consultations. The principles can be found [here](#).

Service Delivery Performance

Service delivery standards are established in the Your Fire & Rescue Service document. Performance against targets is reported to the Fire and Rescue Authority on a regular basis, with the latest annual [Performance Management Report](#) for 2020/21 submitted in June 2021.

[Your Fire & Rescue Service 2020-23](#) includes reference to Risk Based Planning Assumptions (RBPA) for responding to emergencies. These are used to ensure resources are in the best place relative to risk and demand, with life risk incidents being the priority. The impact of any proposed changes can be measured and communicated by reference to the RBPA down to Lower Layer Super Output Area level data available through the Office of National Statistics. These were used in comprehensive consultation on changes to emergency cover in 2011; 2012; 2016; [2019](#) and [2020](#). These changes enable WYFRS to provide appropriate emergency cover and fire prevention activity whilst delivering significant financial savings.

WYFRA discharges its statutory duties in relation to community safety, fire prevention and fire protection, including enforcement of relevant statutory regulations in accordance with the [Safer](#)

[Communities Strategy](#) and [Fire Safety Strategy](#), with firefighters and specialist staff being deployed across districts where most needed based on risk.

In June 2019, Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) carried out a formal inspection to assess how we deliver our service; following which we were rated 'Good' in all areas. On receipt of the inspection report we created an action plan, the majority of which have now been implemented with just one area for improvement outstanding. HMICFRS also carried out a COVID19 thematic inspection. We received a narrative judgement which resulted in two additional actions being added to our action plan which have now been addressed. Our second full inspection took place in October and November 2021 and we are awaiting their findings. The WYFRA's Service Assurance Framework details the high-level expectations of the service relating to:

- Compliance with the National Framework 2018.
- The assessment of performance via Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).
- The annual completion of the Service Assurance process.
- A comprehensive approach to the assurance of service delivery.

This is summarised within the Service Improvement and Assurance Report and provides assurance that the organisation is performing effectively and efficiently.

Agreements and Mutual Aid Arrangements

Sections 13 and 16 of the Fire and Rescue Services Act 2004 provide clear instructions for fire and rescue services regarding mutual assistance and the discharge of functions by others. West Yorkshire Fire and Rescue Authority have Section 13 and 16 agreements with:

- Lancashire Combined Fire Authority
- North Yorkshire Fire and Rescue Authority
- Derbyshire Fire and Rescue Authority
- Greater Manchester Fire and Rescue Authority
- South Yorkshire Fire and Rescue Authority

These agreements are regularly reviewed and updated as necessary and are supplemented by specific agreements on specialist services, for example aerial appliances, and WYFRA is a major contributor to national and regional resilience with the capability to respond to major disasters and terrorist attacks. We are the only service in the country to host every national resilience asset. In addition, we are one of the main providers of national resilience training under the national resilience distributed learning (NRDL) model.

Future Improvements

WYFRA's annual budget is £89.3million and despite cuts of £26.2 million since 2010, we believe that we are providing a high-quality affordable service for our communities. During this time, we have redesigned our service, moving fire station locations, removing fire engines, and ensuring resources remain allocated appropriate to risk and demand. The Authority has received one year financial settlements since 2020/21 and it is expected that a Comprehensive Spending Review in 2022 will result in a multi-year funding settlement from April 2023. As such we face financial uncertainty, and we continue to plan our future to deliver improvements in efficiency and productivity, whilst improving our effectiveness and safety.

Our Community Risk Management Plan, Medium-Term Financial Plan and Workforce Plan are now aligned, and a range of financial planning scenarios have been produced which ensures a joined-up approach to the analysis of risk and the deployment of resources. Subject to budget approval we aim to increase firefighter numbers to provide increased capacity within our operational response service.

All our people are fundamental to WYFRS delivering our ambition. We will continue to develop the culture of the organisation and ensure our service values are used to guide our behaviour and decisions. We have cross mapped our values to the recently published Code of Ethics for the Fire and Rescue Service and we are confident they align closely. Our cultural development will be supported by our leadership and development programme, a clear focus on diversity and inclusion within our recruitment processes and improvements in how we all communicate with each other are key priorities.

We have embarked on a programme of change that will realise new, innovative, and more effective ways of working over the forthcoming years. Some of the initiatives we have been delivering include:

Leadership Strategy

A new approach that develops and enhances leadership and our service values at all levels and allow for continuous improvement.

Emergency Services Network Programme

Provision of a national radio scheme utilising mobile phone technology.

Command, Leadership and Management

Improved ways of working through changes to the management structure and realigning responsibilities.

Smarter Working Programme

Review ways of working and processes in various departments within the organisation to determine efficiencies.

Procurement Review

Implementation of the recommendations from the Local Government Procurement Review.

Fire Station replacement programme

The construction of new fire stations on existing sites to replace oversized and outdated fire stations.

Performance Management Framework

Design and implementation of a performance management and assurance framework which supports organisational improvement.

Voice Over Internet Protocol

Replace existing telephony systems with a single brigade wide Voice Over Internet Protocol (VoIP) based system to provide improved functionality and mobility whilst reducing costs.

Implementation of Office 365

Migrate email and Office applications to the cloud to maximise the benefits of our Microsoft licencing agreement and improve flexible ways of working.

Digital and Data Strategy

Develop and implement a digital and data strategy to maximise the benefit of technology and enable smarter working.

Grenfell Programme

Review and implement the recommendations from the Grenfell Tower Inquiry: Phase 1 report.

Modification of Day Crewing Duty System at Castleford, Normanton and South Kirkby Fire Stations

Implementation of a new duty system at Castleford, Normanton and South Kirkby Fire Stations.

Redevelopment of Fire Service Headquarters and Training Centre and Relocation of Cleckheaton Fire Station

Replace existing outdated Headquarters and Training centre buildings on our existing site at Birkenshaw and relocate Cleckheaton Fire station to the Fire Service headquarters site at Birkenshaw.

The annual planning cycle encourages teams to plan and consider activities and initiatives a year in advance of implementation. This means that stakeholder engagement is carried out earlier, involving those who are impacted and enabling change within the organisation. This assists with capacity planning and benefits realisation from the programme of change.

We are developing a new programme of change which will be finalised once our budget for 2022/23 is approved. This new programme of change will be consulted upon within our Community Risk Management Plan and reported to the Authority for approval in June 2022.

Following the major incidents below, a review of foreseeable risks has taken place and is captured within the Community Risk Management Plan. As the risk from fire has reduced, an increase in other types of emergencies is evident. Work is being carried out to assess these risks to plan for them accordingly. Lessons are learnt from incidents that have occurred, such as:

- The Grenfell Tower tragedy in 2017 and the inquiry into fire safety, building regulations and emergency response arrangements to fires in high rise buildings.
- The terror attack at Manchester Arena in 2017 and the review of the fire and rescue service role at such incidents.

- The heatwave of 2018 and the ability of the fire and rescue service to respond to multiple large moorland fires.
- COVID 19 Pandemic 2020/21 which has a huge impact on our service and resulted in significant changes in how large numbers of our employees are working.

In recent years the dedication and commitment of WYFRS staff has saved many lives within West Yorkshire. Working with our communities as part of an intelligence led approach, we aim to stop fires before they happen. This approach has reduced the number of incidents attended and we wish to continue this trend.

We model the risk of fire across our communities, utilising the very strong correlation between the likelihood of fire and deprivation. We have embedded this over the last three years and building on this, we will introduce new ways of identifying individuals who are at the greatest risk of fire and being injured by fire, wherever they live within West Yorkshire. This will allow us to target assistance to those at greatest risk to ensure our valuable resources are having the greatest impact on community safety.

Reducing the impact of climate related incidents such as flooding, and wildfire continues to be a priority for the service. We have worked collaboratively with local partners to proactively challenge irresponsible behaviour, provide safety advice and where necessary responded quickly and effectively to mitigate the impacts on our communities.

Within the building safety environment, the Authority continues to respond to the needs of business and strives to ensure the safety of relevant persons is maintained. Where we have evidence that this is not the case, we utilise our powers of enforcement to bring about a safe environment. This enforcement can also include prosecution and earlier this year the Authority successfully prosecuted a business for failing to safeguard residents in student accommodation, in this case the defendants received the highest fine for Fire Safety breaches in the UK since the introduction of the Regulatory Reform (Fire Safety) Order 2005.

Since the tragic events of Grenfell, WYFRS has played a significant role in supporting the Government and the National Fire Chiefs Council in assessing and developing new ways of working and bringing about much needed changes in legislation through work we have carried out with the Protection Board.

This work has led to the development of the Building Risk Review programme which set the priorities of Fire and Rescue Service's inspection plans. WYFRS completed this programme of inspections in December 2021 having delivered just under 500 inspections. The Government funding to deliver this work was allocated across both fire protection and operational staff.

The future of Fire Protection is changing, WYFRS are committed to ensuring that our team is ready, willing, and able to pick up the challenges we face. Our commitment is demonstrated within our CRMP and to ensure we achieve this; we are currently investing and recruiting in our fire protection teams structure. This will ensure we have the right people and number in the teams to continue to successfully deliver our statutory duties.

Working with other organisations brings value to the service WYFRS provides. This has been proven during the multi-agency response to COVID 19. There is an ongoing programme of collaboration to improve how we work with the police and ambulance service and evaluation is being carried out on a wide range of opportunities to make more efficient use of resources. This includes sharing buildings, training, and staff to provide community safety work, improve planning

for emergencies and supporting emergency response. Working with local authorities, health teams, community groups and voluntary organisations to support the most vulnerable people in our communities continues. The focus of Tri-Service collaboration moving forwards will be reducing risk and demand through data sharing.

At the time of producing this report the service continues to operate in the context provided by the COVID 19 Pandemic, and at what has been a restricted level in terms of what has previously been considered as 'normal'. Whilst a recovery group has been established to learn from the pandemic and embed new ways of working, there will be further impacts yet to be felt and additional lessons yet to be learnt.

WYFRS are also working more closely than ever with fire and rescue service partners in the region on projects such as the joint procurement of Personal Protective Equipment (PPE) for Firefighters.

We are investing heavily in the health and safety of our firefighters by providing new PPE, appliances, and station upgrades to reduce the risks of contaminants from smoke on their health.

The importance of good health and wellbeing, as opposed to just safety can sometimes be overlooked, but plays a significant role in service delivery. The emphasis on improving mental health and wellbeing by improving our procedures and training, whilst developing a more robust framework of welfare support, continues to be a priority. This was a priority before COVID 19 and is evermore so now, given the impact this pandemic has had on our workforce.

As incident numbers have reduced so has experiential learning. The training priority continues to be to ensure that realistic training and shared learning continues to be developed to bridge this gap. The Authority has a risk-based training strategy and continues to invest in a central training programme to make sure firefighter skills are kept at the highest level. We are planning to invest in training facilities at our Headquarters as well training our firefighters at the Fire Service College to provide realistic training opportunities. The Firefighter Safety Team work to reduce the risk to firefighters and improve knowledge and understanding of tactical options and National Operational Guidance.

The Information and Communication Technology Strategy delivered an ambitious programme of change. The Strategy maximised the use of electronic ways of working, simplifies systems and produces a consistent user experience reducing repetition and exploiting the value of the information held within a secure and resilient infrastructure. We have developed a new Digital and Data Strategy to meet our service ambitions. This will require financial investment and resource allocation. This strategy will be key to supporting our focus on performance management and smarter working for the year ahead.

This Statement of Assurance is signed on 24 February 2022 on behalf of West Yorkshire Fire and Rescue Authority.

Councillor Darren O'Donovan
Chair of West Yorkshire Fire and Rescue Authority



OFFICIAL

Pay Policy Statement

Full Authority

Date: 24 February 2022

Agenda Item:

14

Submitted By: Chief Employment Services Officer

Purpose	To request approval of the Pay Policy Statement under the Localism Act 2011
Recommendations	That Members approve the Pay Policy Statement
Summary	The report sets out the Authority's Pay Policy Statement and requests approval of said statement

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Ian Brandwood, Chief Employment Services Officer
Tel: 01274 682311 x 671358

Background papers open to inspection: None

Annexes: Annex A – Pay Policy Statement 2022-23

1 Introduction

- 1.1 Under Section 38 (1) of the Localism Act 2011, relevant Authorities, (which include Fire and Rescue Authorities) are required to prepare a pay policy statement. These statements must articulate an Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'Chief Officers') and its lowest paid employees.
- 1.2 Pay policy statements must be prepared each financial year. They must be approved by 'Full Council', or a meeting of members in the case of a Fire and Rescue Authority, and published. The statement must be approved by March 31st each year.
- 1.3 Each local Authority / Fire Authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or determine what decisions on pay should be taken or what policies individual employing Authorities should have in place. They require that Authorities are open about their own local policies and how their local decisions are made.

2 Information

- 2.1 The guidance, to which Authorities must have regard when exercising their functions under pay accountability provisions, sets out what the pay policy statements should include and these are:

- The level and elements of remuneration for each Chief Officer
- Remuneration of Chief Officers on recruitment
- Increases and additions to remuneration of each Chief Officer
- The use of performance related pay for Chief Officers
- The approach to the payment of Chief Officers on their ceasing to hold office under, or being employed by, the Authority and
- The publication of and access to information relating to remuneration of Chief Officers

The guidance also sets out what 'remuneration' for these purposes covers.

- The Chief Officer's salary or, in the case of a Chief Officer engaged by the Authority under a contract for services, payments made by the Authority to the Chief Officer for those services
- Any bonuses payable by the authority to the Chief Officer
- Any charges, fees or allowances payable by the Authority to the Chief Officer
- Any benefits in kind to which the Chief Officer is entitled as a result of the Chief Officer's office or employment
- Any increase or enhancement of the chief officer's pension entitlement when the increase or enhancement is as a result of a resolution of the authority, and

- Any amounts payable by the authority to the Chief Officer on the Chief Officer ceasing to hold office, under or be employed by the authority other than the amounts that may be payable by virtue of any enactment

2.2 For the purposes of clarity, Chief Officers in this context will be those officers in this Authority on either gold or blue book conditions i.e. members of the Management Board. The attached pay policy statement addresses all the points and guidance set out above.

2.3 The draft Pay Policy statement for 2022-23 is attached for approval as Annex A

3 Financial Implications

3.1 There are no financial implications arising from this report

4 Legal Implications

4.1 The Monitoring 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

5.1 Demonstrating that the Authority has had due regard to advance equality of opportunity (particularly equal pay for employees with protected characteristics) would provide evidence of compliance with the Public Sector Equality Duty. The job evaluation scheme to which the Authority subscribes aims to deliver this.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes / No
Date EIA Completed	DD/MM/YY
Date EIA Approved	DD/MM/YY

The EIA is available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

7 Health, Safety and Wellbeing Implications

There are no health and safety implications arising from this report

8 Environmental Implications

There are no environmental implications

9 Your Fire and Rescue Service Priorities

- Support, develop and enable our people to be at their best

- Continue working towards delivering a more inclusive workforce, which reflects and serves the needs of the diverse communities of West Yorkshire

10 Conclusions

- 10.1 The attached Pay Policy Statement meets the requirements of Section 38 (1) of the Localism Act 2011. The statement will be published on the West Yorkshire Fire and Rescue Authority website

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY PAY POLICY STATEMENT

1 April 2022 - 31 March 2023

Introduction and purpose

This Pay Policy Statement (the 'statement') sets out West Yorkshire Fire and Rescue Authority's (WYFRA) approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the WYFRA's approach to setting the pay of its employees by identifying:

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior staff i.e. Chief Officers, as defined by the relevant legislation.
- The Committees/Departments responsible for ensuring the provisions set out in this statement are applied consistently throughout WYFRA and recommending any pay policy amendments to the Fire Authority.

This policy statement has been approved by the Fire Authority and is effective from April 1st, 2022. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

Accountability and decision making

The WYFRA Constitution outlines the responsibilities for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of WYFRA.

Responsibility and scale

WYFRA is directly responsible for a budget of circa £80 million and for the employment of 1,435 staff (as at December 31st, 2021).

Pay strategy and design

In determining the pay and remuneration of its employees, WYFRA complies with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings

(Protection of Earnings) Regulations. WYFRA takes the following approach to assessing individual and overall pay levels.

- Salaries of 'Green Book' employees in the Service are set using locally determined pay scales within the nationally determined pay spine and the nationally agreed Job Evaluation Scheme, with the Hay Job Evaluation Scheme being used for posts at Grade EO1 and above.
- Salaries of 'Grey Book' employees in the Service are set using nationally agreed pay levels.
- Where applicable, annual awards are normally made in April for Green Book Employees, July for Grey Book Employees and January for Directors.
- WYFRA does not use performance related pay for its Chief Officers.
- WYFRA does not award bonuses to Chief Officers.

Pay structure

To encourage Green Book employees to develop in their role and to improve their performance, WYFRA has arranged salaries within 16 pay grades. There are also pay increments within each grade. Progression through the pay grade is based on:

- Meeting identified performance goals
- Length of service
- Promotion and development

New employees will usually be appointed to the minimum pay level for the relevant grade unless relevant supporting experience can be identified. Managers have the discretion to recommend an employee for acceleration of increments within the grade when they have demonstrated exceptional performance.

Grey Book employees can move between roles through successfully completing the promotion assessment process. Within role, individuals will either be paid at a competent or development rate. This will be dependent upon them completing the requirements of development for that role.

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract and/or outside of their

employment contract, where specific circumstances require this and where it can be justified in accordance with WYFRA policies.

Other employment-related arrangements

Subject to meeting the qualifying conditions, employees have a right to belong to a pension scheme. The pension schemes WYFRA employees are currently members of include:

- The Local Government Pension Scheme - The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay.
- Firefighters Pension Scheme 1992 – The employee contribution rates currently range between 11 per cent and 17 per cent of pensionable pay.
- New Firefighters Pension Scheme 2006 - The employee contribution rates currently range between 8.5 per cent and 12.5 per cent of pensionable pay.
- Firefighters Pension Scheme 2015 - The employee contribution rates currently range between 11 per cent and 14.5 per cent of pensionable pay.

Under the LGPS, the Authority has the discretion to augment membership of the scheme up to a maximum of ten extra years, or enable early access to the scheme.

Pay arrangements for Chief Officers

West Yorkshire Fire and Rescue Authority Chief Officers' pay is determined by the conditions of service to which officers are subject.

In this case, they are the National Joint Council for Brigade Managers of Fire and Rescue Services (Gold Book) and the Joint Negotiating Committee for Chief Officers of Local Authorities (Blue Book).

The information detailed below is approved by the Full Authority of elected members and the statement is available on the West Yorkshire Fire and Rescue Authority website, www.westyorksfire.gov.uk.

	Salary Point One	Salary Point Two	Salary Point Three	Lease Car
Chief Fire Officer	£163,725	£167,924	£172,123	£7,523
Deputy Chief Fire Officer	£139,167	£142,734	£146,304	£6,595
Assistant Chief Fire Officer	£122,277	£125,943	£129,093	£6,595
Chief Finance and Procurement Officer (CFPO)	£85,253	£87,440	£89,625	£4,710
Chief Employment Services Officer (CESO)	£85,253	£87,440	£89,625	£4,710

The above is based on Full Time Equivalent.

- The Chief Fire Officer is currently paid at salary point 3
- The Deputy Chief Fire Officer is currently paid at salary point 3
- The Assistant Chief Officer is currently paid at salary point 3
- CFPO is paid at salary point 3
- CESO is paid at salary point 3

Chief Officers also receive reimbursement for internet and telephone charges and for professional subscriptions.

Lowest paid employees

The lowest paid persons employed under a contract of employment with WYFRA are employed on full time 37 hours equivalent salaries in accordance with the salary scale currently in use within WYFRA.

As at 1 April 2022, this is scale point 1 within Grade 1 of the Authority's pay scale and has a salary of £17,842 (£9.25 per hour). The Living Wage currently stands at £9.50 per hour which equates to a salary of £18,278 per annum. The Living Wage rates increase in November each year and the Authority has 6 months to implement any increase (the increase will be implemented on April 1st 2022). (It should be noted that the national pay award, effective from April 1st, 2021, is still to be determined. It is likely that any award will ensure the Authority's lowest paid employees remain above the living wage. If this is not the case, then a salary supplement will be paid in accordance with Authority policy.

The term 'lowest paid employees' is defined as a full-time equivalent employee on the bottom scale column point of the Green Book pay scale or the lowest paid role/rank for Grey Book employees.

The Authority adopts this definition because pay arrangements for employees' who are not Chief Officers, are based upon nationally negotiated pay scales from the National Joint Council for Local Authority Fire and Rescue Services ('Grey Book') and the National Joint Council for Local Government Services ('Green Book').

The relationship between Chief Officers' pay and other Authority employees is represented by the pay multiple between the two categories:

- The pay multiple between the highest and lowest paid salaries is 9.09. (9.50 in 2021-22)
- The pay multiple between the highest paid salary and the median salary of the whole of the Authority's workforce is 5.19. (5.23 in 2021-22)

Chief Officers' salaries are determined by reference to appropriate National Joint Council conditions of service, comparison of salaries in similar authorities and occasionally by reference to employment consultants.

All the information relating to the remuneration of Chief Officers is available in West Yorkshire Fire and Rescue Service's Statement of Accounts published on the website and is also available under 'Transparency' in the Finance section on the Authority website.

In addition, the pay scales of all other senior staff within the Authority are available under 'Transparency' in the Finance section on the Authority website.

Payment on termination of employment

Those Chief Officers who are contracted to the National Joint Council for Brigade Managers of Fire and Rescue Services are members of the Firefighters Pension Scheme (FPS). Those within the FPS pay contributions between 12.5% and 17%. Any payments made to them on retirement are subject to the rules and regulations of this pension scheme.

Similarly, those Chief Officers contracted to the Joint Committee for Chief Officers of Local Authorities are members of the Local Government Pension Scheme (LGPS) and are subject to the rules and regulations of that pension scheme. Those within the LGPS pay pension contributions of between 9.9% and 11.4%. In addition, there is provision at a local level for them to request flexible retirement via the Flexible Retirement Policy which is available on the Authority website.

Under the LGPS, the Authority also has the discretion to augment membership of the scheme up to a maximum of ten extra years, or to enable early access to the scheme.

In cases where an employee's contract is terminated on the grounds of redundancy or on grounds of efficiency there is discretion to pay a lump sum of up to 104 weeks' pay. Further details of these payments can be found within the Authority's 'Early Termination Policy' sited within the Human Resources section of the Authority website. This will be reviewed once the Government plans to cap public sector exit payments are enacted to ensure full compliance.

Those Chief Officers who are members of the Firefighters Pension Scheme do not receive any enhancements to redundancy payments.

Publication of pay policy statement

Upon approval by the Fire Authority, this statement will be published on the West Yorkshire Fire and Rescue Authority website; www.westyorksfire.gov.uk. In addition, for posts where the full-time equivalent salary is at least £50,000, the Authority's annual statement of accounts will include a note setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year
- Any bonuses so paid or receivable by the person in the current and previous year
- Any sums payable by way of expenses allowance that are chargeable to UK income tax
- Any compensation for loss of employment and any other payments connected with termination
- Any benefits received that do not fall within the above.