

# Public Document Pack



## Nottinghamshire and City of Nottingham Fire and Rescue Authority - Meeting of the Authority

**Date:** Friday, 28 February 2020      **Time:** 10.30 am

**Venue:** Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham NG5 8PD

**Members are requested to attend the above meeting to be held at the time, place and date mentioned to transact the following business**

**Clerk to the Nottinghamshire and City of Nottingham Fire and Rescue Authority**

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<b>5 Change of Date for the Annual General Meeting</b> To approve the change of date for the Annual General Meeting from Friday 5 June to Friday 12 June 2020.	
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**Any councillor who is unable to attend the meeting and wishes to submit apologies should do so via the Personal Assistant to the Chief Fire Officer at Fire Services Headquarters on 0115 8388900**

**If you need any advice on declaring an interest in any item above, please contact the Governance Officer shown on this agenda, if possible before the day of the meeting.**

**Governance Officer: Cath Ziane-Pryor  
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**Nottinghamshire and City of Nottingham Fire and Rescue Authority**

**Meeting of the Authority**

**Minutes of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham NG5 8PD on 20 December 2019 from 10.33 am – 11.50 am**

**Membership**

**Present**

- Councillor Michael Payne (Chair)
- Councillor Toby Neal (Vice Chair)
- Councillor Andrew Brown
- Councillor John Clarke
- Councillor Sybil Fielding
- Councillor Vaughan Hopewell
- Councillor Gul Nawaz Khan
- Councillor John Longdon
- Councillor Salma Mumtaz
- Councillor Shuguftah Quddoos
- Councillor Mike Quigley MBE
- Councillor Nick Raine
- Councillor Sue Saddington
- Councillor Parry Tsimbiridis
- Councillor Stuart Wallace
- Councillor Jonathan Wheeler
- Councillor Jason Zadrozny (minutes 41- 48 inclusive)

**Absent**

- Councillor John Clarke
- Councillor Jawaid Khalil

**Also in attendance**

Paddy Tipping, Nottinghamshire Police and Crime Commissioner

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

- John Buckley - Chief Fire Officer
- Ian Pritchard - Assistant Chief Officer
- Malcolm Townroe - Clerk and Monitoring Officer to the Fire Authority
- Charlotte Radford - Treasurer to the Fire Authority
- Becky Smeathers - Head of Finance
- Neil Harris ) Ernst and Young LLP Auditors
- Helen Henshaw )
- Catherine Ziane-Pryor - Governance Officer

### **38 Apologies for Absence**

The Chair apologised for any inconvenience caused by the meeting being moved due to the General Election.

Jawaid Khalil - leave  
John Clarke - unwell

### **39 Declarations of Interests**

Chief Fire Officer, John Buckley, and Assistant Chief Officer, Ian Pritchard, declared personal interests in Agenda item 11, Principal Officer Pay Review (minute 48) in so far as the item directly affected them. Both declared that they would withdraw from the meeting prior to the Authority's consideration and for the duration of the item.

### **40 Minutes**

The minutes of the meeting held on 27 September 2019 were confirmed as a true record and signed by the Chair.

### **41 Chairs' Announcements**

Planning permission has now unanimously been granted for the Joint Headquarters and work is expected to start in the New Year with completion predicted in late 2021 or early 2022. The Authority's thanks are extended to the Police and Fire Service colleagues who have displayed a good example of collaboration.

Tranche 3 of the HMICFRS inspection reports have now been published. The Service is now awaiting the 'State Of Fire' report by Sir Tom Windsor which is expected to be laid in Parliament early in the new year, and have also responded to the consultation on the next round of inspections which are expected to start in April next year and conclude in 2021.

On Wednesday the Tribunal convened to consider a remedy to the Firefighters Pension Dispute. As an interim solution, all firefighters that were in employment prior to April 2012 are to be treated as if they had remained in the 1992 Scheme. Guidance from the Home Office is awaited as to how to proceed but the dispute is anticipated to be resolved by mid July 2020. Clearly there could be financial issues that need to be considered by the Authority, and whilst these are referred to in the finance reports, the Chief Fire Officer will bring formal reports to the Authority once more detail and clarity are available.

The Chair offered huge thanks to everyone who had worked during the period of flooding across the City and County, stating that the Chief Fire Officer had kept the Chair informed of activity. Bassetlaw was most significantly affected and residents, businesses and elected members truly appreciated the effort of all frontline staff and those who supported them.

A merry Christmas was wished to everyone, but particularly those staff who will be on duty during the holiday period.

## **42 Final Accounts 2018/19**

Becky Smeathers, Head of Finance, introduced the report which presents the final Audited Accounts for 2018/19.

The following points were highlighted:

- a) with regard to the pensions dispute, it is not anticipated that any direct cost will be borne by the Service;
- b) the valuation of assets has changed since the draft accounts were presented, this is because the value of assets should have been assessed earlier;
- c) there have not been any changes to outturn since the report to Finance and Resources Committee.

Members of the Authority queried whether the extended delay in the completion of the Audit would be reflected by way of a part refund. However, although negotiations were ongoing to determine the final charge, additional charges were to be made for some areas of work and it is a requirement that all audits are undertaken to a standard set by the Chartered Institute of Public Finance and Accountancy (CIPFA).

**RESOLVED to approve the final audited Accounts for 2018/19, as attached as Appendix A to the report.**

## **43 External Auditors' report to those charged with governance 2018/19**

Further to the Interim Audit report presented to the September Authority meeting, Becky Smeathers, Head of Finance, introduced Neil Harris, Associate Partner at Ernst and Young LLP Auditors, and Helen Henshaw, who presented the Audit Results Report for the Audit of the 2018/19 accounts and unqualified audit opinion.

The following points were highlighted:

- a) Other than the timings of asset valuation (which has since been rectified), control observations were minimal (outlined in section 7 of the audit report) and NFRS achieved a high level of assurance throughout the in-depth audit;
- b) it is anticipated that an open letter will be issued today and the audit concluded;
- c) Ernst Young will continue to act as the Service's Audit Lead for the 2019/20 accounts and will assist in planning ahead for next year's audit;
- d) the accounts evidenced the work to ensure a balanced financial outcome for NFRS;
- e) due to the re-valuation of assets, asset value increased significantly:.

The auditors and members of the authority's acknowledged and thanked Becky Smeathers and the Finance Team for their ongoing support during the audit.

**Resolved:**

- 1) **to note the external for external auditors ISA 260 report, as attached as appendix A to report;**
- 2) **for all changes made to the accounts (since their presentation of September Authority meeting) to be reported to the Finance and Resources Committee;**
- 3) **to record the thanks of the Chair and Authority to the Auditors and Finance Team for their work.**

#### **44 Treasury Management Mid-Year Review 2019/20**

Becky Smeathers, Head of Finance, presented the report which provides members with an update on treasury management activity during the first half of the 2019/20 financial year.

The following points were summarised:

- a) £4 million had been borrowed in March so no further borrowing was required since then;
- b) there has been a change in borrowing rates;
- c) if any further borrowing is required thorough market testing will take place;
- d) a review of compliance with Treasury and Prudential limits is presented in section 2.23 of the report and illustrates that all activity remains within the boundaries approved.

Councillor Andrew Brown reiterated thanks to Becky Smeathers and the Finance Team for their work in extremely challenging circumstances.

**Resolved to note the report.**

#### **45 Medium Term Financial Strategy 2020/21 To 2023/24 And Budget Guidelines 2020/21**

Becky Smeathers, Head of Finance, presented the report which

- i. provides an update to the Medium Term Financial Strategy;
- ii. informs members of the predicted budget position for 2020/21, and;
- iii. requests that general guidelines are set for the Finance and Resources Committee to develop a detailed budget proposal for 2020/21.

The following points were highlighted:

- a) Finance and resources committee regularly receives financial monitoring updates;
- b) with a predicted deficit of £810,000, the required savings have been identified and implemented, resulting in a balanced budget;

- c) reserves continue to remain at the agreed £5.5 million and the Service maintains a good financial position going forward;
- d) savings have been achieved through underspends from previous year's budgets;
- e) there is an additional cost on the Local Government Pension Scheme whereby employer contributions will be raised. It is predicted that due to this, a further £200,000 will need to be built into next year's budget, and beyond;
- f) the financial implications regarding the McCloud judgement on firefighter pensions are yet to be confirmed but 10% additional cost has been built into the budget. However it is anticipated that Central Government may at least contribute towards this cost;
- g) although the Central Government Grant Funding Settlement will not be known until February, a 2% inflation increase is predicted on the sum received previously. However, if the additional 2% is not provided, it will result in a £350,000 budget deficit.
- h) With the above taken into consideration the report presents the medium-term financial strategy to 2020-24 and outlines two funding scenarios to achieve a balanced budget.

The Chair commented that if the 2% inflation increase on the central government settlement is not provided, it is likely that an increase in council tax will be required to prevent the service further drawing on reserves. It is anticipated that if this is the case Central Government will support a council tax increase.

#### **Resolved**

- 1) to approve the Medium Term Financial Strategy 2020-24, as set out in Appendix A to the report;**
- 2) to approve the Capital Strategy and Flexible Use of Capital Receipts Strategy contained within the Medium Term Financial Strategy;**
- 3) to task the Finance and Resources Committee with providing guidance to the Fire Authority in February in respect of:**
  - a) the options for Council Tax limited to either a Council Tax freeze or an increase in Council Tax within the referendum limit;**
  - b) the options for addressing any budget deficit to enable the Fire Authority to approve a balanced budget, as required by law.**

#### **46 Reserves Strategy 2020/21 to 2023/24**

Becky Smeathers, Head of Finance, presented the report which requests that the Authority approve the Reserves Strategy for 2020/21 to 2023/24.

Section 2.9 of the report details the changes to reserves and the amounts available for reinvestment. A report will be submitted to the February meeting of the authority with regard to the schemes proposed to be funded from these reserves. This will include work to further address some of the points raised in the HMICFRS Inspection findings.

**Resolved to approve:**

- 1) the Reserves Strategy 2020/21 to 2023/24 attached at Appendix A to the report;
- 2) the proposed minimum level of general fund reserves of £3.9m for 2020/21;
- 3) the transfer of £1,387,124 from the following reserves to create a transformation and collaboration earmarked reserve as follows:

Reserve	£ Amount to be re-invested
LPSA Reward Grant	(38,452)
Safe and Well	6,787
Organisational Transitional One Off Costs	(683,996)
Retained Pay Policy Change	(212,000)
Staffing Resilience	(126,000)
Taxation Compliance	(3,135)
Pension III Health	(309,322)
Hep B Vaccinations	(21,006)
<b>Total</b>	<b>1,387,124</b>

**47 Local Firefighter Pension Scheme Administration**

Becky Smeathers, Head of Finance, presented the report which informs the Authority of the termination of the pension administration contract by the current provider (Leicestershire County Council), on the basis of increasing complexity.

Derbyshire and Leicestershire Fire Services are also looking to identify a new pension administrator, so it is logical for NFRS to work collaboratively with these partners.

The management of pension scheme administration has been delegated to Becky Smeathers as Head of Finance. The time limitations to find an appropriate provider are challenging so initially a short term contract is proposed and Becky is confident that this can be achieved. It is recognised that any new provider will charge more than the current provider, and there is the added requirement that the new provider must operate the same software as the Service to ensure information continuity and ease for sharing.

**Resolved**

- 1) to note the report;
- 2) to endorse the collaborative approach to securing ongoing pension administration services.

**48 Principal Officer Pay Review**

Prior to the Authority's consideration of this item, having declared personal interests John Buckley, Chief Fire Officer, and Ian Prichard, Assistant Chief Officer, withdrew from the meeting and did not return until the item was concluded.

Malcolm Townroe, clerk to the authority, presented the recommendation of the Policy and Strategy Committee in relation to the outcomes from the Principal Officer Pay Review which is required to be undertaken on a two yearly basis.

Having been last considered at the November 2017 meeting of the Authority, and agreed that there should be no change, the current recommendation is also that other than the application of incremental and national pay awards of 2% in each year, there should be no changes to principal officer pay.

The review benchmarks the Service's officer pay levels against the pay levels of eighteen similar Authorities, as outlined in the appendices to the report, and maintains a level only slightly above median at £148,574 per annum.

The Chair commented that whilst the Policy and Strategy Committee did discuss the impact of austerity on the Service, members consider the proposed pay level as appropriate.

**Resolved to agree the continuation of the current principal officer pay level as of 1 January 2020.**

#### **49 Grenfell Inquiry - Phase One Report**

John Buckley, Chief Fire Officer, presented the report which informs members of the Phase 1 public enquiry report following the Grenfell Tower fire on 14 June 2017 which destroyed the 24 story block of flats, and in which 72 people lost their lives.

The following points were highlighted:

- a) Phase 1 had examined the role and approach of the fire service at the incident. A lot has been learnt and changes made to procedures and further work is being undertaken;
- b) The 'staying put' policy of building owners, not fire services, is under review nationally with consideration of at what point and with which extent of circumstances should people exit compartmentalised sections of a building into potentially smoke filled staircases to evacuate;
- c) In the Grenfell incident the smoke from the fire on the 4<sup>th</sup> floor fire spread to the 24<sup>th</sup> floor in just 12 minutes. The fire service attending Grenfell Tower followed the building owner's policy and were restricted in alternative options as the building failed so catastrophically. Due to the ferocity of the fire, if any other course of action had been taken, there would still have been tragic losses;
- d) In a local context, there is only one building remaining which requires recladding and work has now commenced;
- e) It is clear that to prevent further building safety failures, action is required at development level by building control with changes to specifications and legislation essential;

- f) NFRS has is engaged locally and nationally. An officer has been seconded to the City Council as part of the Safer Housing Team, and the Head of Prevention and Protection is engaged in the National Fire Chiefs Council workstreams;

Questions from Authority members were responded to as follows:

- g) With regard to media reports that where firefighters fail annual fitness tests, they are able to continue working, the National guidance states that 97% of firefighters achieve a fitness pass rate, but it is possible that those who fail by a very small margin can temporarily continue to operate but will be supported and are required to meet fitness standards. For firefighters who do not achieve the lowest fitness standard, they are not eligible to operate as active firefighters. Command officers are also required to undergo and achieve an acceptable level of fitness assessments which include determination of competence to command;
- h) The Fire Service is a statutory consultee on planning applications and whilst able to advise, there is no requirement for any fire safety advice to be acted upon;
- i) The Service is training all operational staff to identify issues of concern in commercial and public access premises to help identify low-level issues which may be tackled and prevent incidents;
- j) NFRS has always worked closely with the city's main social housing provider, Nottingham City Homes, which in general, maintains a very good standard;
- k) NFRS are capable of reaching to a height of approximately 100 feet which is the height of an average 10 storeys. For high rise buildings above this, or with constricted access such as the Victoria Centre flats, fire and rescue services can only rely on internal mechanisms;
- l) Generally the Fire Service's advice is not to tackle domestic fires but to get out, close the door and call the Fire Service. It is so easy for people to be overcome by smoke and become casualties, so requiring fire extinguishers to be available in high rise buildings would not be a simple solution;
- m) It is vital that buildings are designed to help ensure that fire can be contained compartmentally.

Members of the Authority also commented as follows:

- n) The disgusting attacks by the media and Parliament on fire officers attending the scene is wrong and totally unacceptable. To criticise them is easy but this was an extreme and unprecedented situation where fire officers risked their lives. Fire services and fire officers were not responsible for the failings on 14 June 2017, and is vital that we as Fire and Rescue Authorities across the country stand together, challenge such behaviour, bring all planning authorities together with relevant ministers and address the issue of such fire traps;
- o) The ridiculous fact that although statutory consultees, the advice of the Fire Services does not need to be acted upon, has been raised by the Chair in writing to the Secretary of State. The Fire and Rescue Service needs to work with newly elected MPs across the City and County to Lobby for action;

- p) The huge mental impact on fire officers attending such incidents is recognised and it is a massive and unacceptable disgrace that serving fire officers, such as Commissioner Cotton, should be made scape goats for failings far beyond their control and responsibility.

It is noted that copies of the full report are available for members to view.

### **Resolved**

- 1) **to endorse the approach being taken by the Chief Fire Officer to address the outcomes of the Grenfell Phase One Report;**
- 2) **to agree to receive updates in relation to further action, associated with the Grenfell Inquiry, through the Community Safety Committee.**

### **50 Committee Outcomes**

John Buckley, Chief Fire Officer, presented the report which provides the minutes of the following sub-committees:

Community Safety Committee 04 October 2019  
Finance and Resources Committee 11 October 2019  
Human Resources Committee 18 October 2019  
Policy and Strategy Committee 08 November 2019

### **Resolved**

- 1) **to note the report;**
- 2) **for the next Community Safety Committee to be held on 17 January 2020 at 11am or the rising of the Finance and Resources Committee, whichever is the later.**

### **51 Exclusion of public**

**RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

### **52 Exempt minutes**

The exempt minutes of the meeting held on 27 September 2019 were confirmed as a true record and were signed by the Chair.

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**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
 Fire and Rescue Authority

# PRUDENTIAL CODE FOR CAPITAL FINANCE 2020/21

Joint Report of the Treasurer to the Fire Authority  
 and Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To inform Members of the Authority’s obligations under the CIPFA Prudential Code for Capital Finance.

To seek the approval of Members to the proposed capital plans, prudential limits, and monitoring processes set out in the report.

**Recommendations:**

That Members approve the Prudential Limits for 2020/21 (see Section 10 for details).

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## **1. BACKGROUND**

- 1.1 The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code.
- 1.2 CIPFA released an updated version of the Prudential Code in December 2017. The revised code is in a similar format to the previous 2011 edition, but includes the removal of some indicators and a new requirement for authorities to produce a Capital Strategy. The 2020/21 Capital Strategy formed part of the Medium Term Financial Strategy which was approved by Fire Authority on 20 December 2019.
- 1.3 The objectives of the Prudential Code are to ensure that the capital investment plans of authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. In exceptional cases, the Code should provide a framework which will demonstrate where the objectives may not be ensured, so that timely remedial action can be taken.
- 1.4 The Prudential Code sets out a number of indicators which authorities must use to support decision making. These are not designed to be comparative performance indicators. In addition, the CIPFA Treasury Management Code of Practice and guidance notes sets out a series of treasury indicators. The prudential and treasury indicators should be considered in parallel and they are therefore included together in this report.
- 1.5 In addition to the indicators that are required by the Prudential Code and the Treasury Management Code of Practice, this report proposes the adoption of a local indicator for internal borrowing and investment benchmarks which will help the Authority to more effectively manage the risks involved with certain elements of treasury management activity.
- 1.6 This report sets out the proposed prudential and treasury limits for the Authority for the 2020/21 financial year along with the implications of the proposed Capital Programme, which will be presented with the budget report also on the agenda.
- 1.7 Reports which monitor the Authority's performance against these indicators will be presented to the Finance and Resources Committee throughout the year.

## 2. REPORT

### PRUDENTIAL INDICATORS FOR AFFORDABILITY

#### 2.1 Estimates of the Ratio of Financing Costs to Net Revenue Stream

	2018/19 Actual £000s	2019/20 Estimate £000s	2020/21 Estimate £000s	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Total Revenue Costs	2,148	2,267	2,437	2,502	2,667	2,745
Net Revenue Stream	41,668	44,583	45,706	46,790	47,963	49,171
	Ratio of Financing Costs to Net Revenue Stream					
Ratio	5.2%	5.1%	5.3%	5.3%	5.6%	5.6%

2.2 On 24 October 2008 the Finance and Resources Committee set a maximum limit of 8% for this ratio in order to meet the Prudential Code requirements of affordability and sustainability (as part of the Sustainable Capital Plans report). This is periodically reviewed by Treasury staff and it is still felt to be appropriate. This ratio is expected to rise over the coming years from 5.2% in 2018/19 to 5.6% in 2023/24. Financing costs include minimum revenue provision (MRP) costs, plus interest payable and interest receivable. The MRP cost is driven by the level of capital expenditure in the previous financial year and the useful life of the assets purchased. Financing costs are expected to increase year-on-year to reflect the increase in borrowing required to fund the ongoing capital programme (see section 2.4). The net revenue stream (comprised of council tax, national domestic rates and non-specific government grants) is expected to increase at a slower rate, hence the increase in the ratio.

2.3 The estimated ratios for 2020/21 onwards assume an annual council tax increase of 1.95%.

## PRUDENTIAL INDICATORS FOR CAPITAL EXPENDITURE AND EXTERNAL DEBT

### 2.4 Estimate of Total Capital Expenditure

	2018/19 Actual £000s	2019/20 Estimate £000s	2020/21 Estimate £000s	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
<b>Capital Expenditure</b>	<b>1,075</b>	<b>2,428</b>	<b>5,576</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>
<b>Funded by:</b>						
Borrowing	0	547	2,787	4,665	1,273	0
Revenue / Reserves	62	240	1,037	0	0	0
MRP Re-investment	897	1,541	1,752	1,702	1,845	1,902
Capital Grant	0	0	0	0	0	0
Capital Receipts	116	100	0	0	300	572
<b>Total</b>	<b>1,075</b>	<b>2,428</b>	<b>5,576</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>

- 2.5 The estimates for 2020/21 to 2023/24 form part of the budget report on this agenda. However, the 2020/21 estimate shown in the above table includes assumed slippage in addition to new capital expenditure and is therefore higher than the estimate included in the budget report.
- 2.6 The Capital Programme is being funded from a mixture of borrowing, capital receipts and reserves. This combination will be reviewed on an ongoing basis to ensure the best long term options are achieved for the Authority. This will include consideration of borrowing rates, reserve levels and revenue and capital receipt availability.
- 2.7 “MRP re-investment” in the above table refers to the use of the minimum revenue provision which is used to reduce the borrowing need rather than for the repayment of debt due to the Authority’s loans being payable on maturity. “Borrowing” refers to the shortfall in funding after other funding sources have been applied. This borrowing may not necessarily take place externally. The Authority may judge it prudent to make use of the cash that it has already invested for long-term purposes. In doing this, the Authority does not reduce the magnitude of the funds it is holding for these long-term purposes but simply adopts an efficient and effective treasury management strategy. This practice, known as “internal borrowing”, is common in local authorities and means there is no immediate link between the need to borrow for capital spending and the level of external borrowing.

## 2.8 Capital Financing Requirement

31/03/2019 Actual £000s	2019/20 Estimate £000s	2020/21 Estimate £000s	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Capital Financing Requirement					
25,739	26,286	29,073	33,738	35,011	35,011

- 2.9 The Capital Financing Requirement is the amount required from external sources to fund Capital Expenditure, and represents the Authority's underlying need to borrow for capital purposes. It will therefore be the aggregate of all capital expenditure, less any revenue contributions, capital grants or capital receipts. The above table shows that the Capital Financing Requirement increases year on year between 2018/19 and 2022/23 as annual capital expenditure exceeds the funding available from capital receipts, government grants and revenue sources. It then remains unchanged in 2023/24 as the funding available from capital receipts and revenue (MRP charges) matches the level of capital expenditure.
- 2.10 The Sustainable Capital Plans report referred to in paragraph 2.2 also concluded that in order to meet the Prudential Code requirements of affordability and sustainability, the capital financing requirement in future years should not exceed £40m.

## Operational Boundary and Authorised Limit for External Debt

- 2.11 The Operational Boundary is the Authority's estimate of its total external debt, including other long-term liabilities (such as finance leases) which are separately identified. This is to reflect the most likely scenario and not the worst case. It is possible for the operational boundary to be temporarily breached to take account of unusual movements in cash flow but this should not be a regular occurrence. A variation from the operational boundary is permissible, but will be reported to the Fire Authority.
- 2.12 The operational boundary includes allowances to borrow to fund the capital programme, replace maturing debt and to allow for any short term borrowing that may be needed to cover the cashflow of the authority.
- 2.13 The Authorised Limit is essentially the same as the Operational Boundary but allows headroom over and above it to take account of unusual movements in cash flow and therefore should be the maximum amount of external debt that the Authority is exposed to at any given time. Any proposed variation from the Authorised Limit must be authorised by the Fire Authority.

## 2.14 Operational Boundary and Authorised Limit

	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Operational Boundary					
Borrowing	30,600	31,850	34,900	36,050	36,050
Other long term liabilities	0	0	0	0	0
<b>Total External Debt</b>	<b>30,600</b>	<b>31,850</b>	<b>34,900</b>	<b>36,050</b>	<b>36,050</b>
Authorised Limit					
Borrowing	32,660	34,035	37,390	38,655	38,655
Other long term liabilities	1,000	1,000	1,000	1,000	1,000
<b>Total External Debt</b>	<b>33,660</b>	<b>35,035</b>	<b>38,390</b>	<b>39,655</b>	<b>39,655</b>

2.15. The 2020/21 CIPFA Code of Practice on Local Authority Accounting will incorporate requirements in respect of IFRS 16 *Leases*. IFRS 16 removes the operating lease categorisation for lessees. With the exception of short-term leases and leases of low value assets, a lessee will be required to recognise a right of use asset and an associated lease liability. This effectively moves all material long-term leases “on balance sheet”. The potential impact of this requirement on the prudential indicators is unknown at this point, but it is not expected to be significant. If necessary, the indicators will be reviewed mid-year and any required changes will be reported to members.

## 2.16 Actual External Debt as at 31/03/19

	2018/19 £000s
Actual borrowing	29,630
Actual other long term liabilities	0
<b>Total – Actual External Debt</b>	<b>29,630</b>
Operational Boundary	29,723
Authorised Limit	32,695

## PRUDENTIAL INDICATORS FOR PRUDENCE

### Gross Debt and the Capital Financing Requirement

2.17 In order to ensure that over the medium term gross debt will only be for capital purposes, this indicator requires that external debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional CFR for the three

subsequent financial years. Performance against this indicator will be monitored throughout the year. At the end of 2023/24, Gross Debt is expected to be in the region of £35m, with the Capital Financing Requirement also estimated at £35m. This shows that this indicator is realistic.

## INDICATORS FOR TREASURY MANAGEMENT

2.18 The Service carries out its own treasury management in accordance with the CIPFA Code of Practice for Treasury Management, which was revised in 2017. The Authority has adopted a low risk approach to treasury management, which seeks to ensure that investments are secure and that there is sufficient liquidity of funds to enable the Authority to carry out its business.

### Gross and Net Debt

2.19 The actual amount of external long term borrowing as at 31 March 19 was £25,512k, with short term borrowing totalling £4,118k. There were no other long term liabilities at the same date. At the same date, the amount of investments was £12,407k, giving a net debt position of £17,223k.

2.20 The Treasury Management Strategy 2020/21 report, also on this agenda, outlines the proposal to borrow over the next three years to finance the capital programme and to replace maturing loans. The decision about when to borrow will depend upon interest rate forecasts. For the purposes of setting indicators, assumptions have been made about when borrowing may take place – the reality of this will be determined by Officers in conjunction with the Authority’s treasury advisers.

2.21 The proportion of net debt to gross debt can highlight where an Authority is borrowing in advance of need, as it shows the extent to which funds have been borrowed and then invested. Whilst the Authority is permitted to borrow in advance to finance the capital programme, where borrowing rates are higher than investment rates this creates a “cost of carry”. Therefore, when investment interest rates are low, as they currently are, this cost is reduced by keeping the proportion of net debt to gross debt as high as is practicable. For information, the proportion of net debt to gross debt as at 31 March 2019 was 58%, and it is forecast to be 77% at the end of the current financial year. It is proposed that the Authority sets the following limits for the proportion of net debt to gross debt:

### 2.22 Proportion of Net to Gross Debt

	2020/21	2021/22	2022/23	2023/24
Lower limit for proportion of net debt to gross debt	50%	50%	50%	50%
Upper limit for proportion of net debt to gross debt	85%	85%	85%	85%

## Interest Rate Risk Exposure

- 2.23 In terms of borrowing, it has been considered prudent to use Public Works Loans Board (PWLB) fixed interest loans on most occasions. This is because the PWLB has generally offered rates which could not be obtained elsewhere in the marketplace. However, in October 2019 the PWLB announced an increase in the margin over gilt yields of 100 basis points on top of the previous margin of 80 basis points. As a result of this increase, cheaper sources of funding may now be available. Unlike lending, borrowing is a low risk activity so future borrowing arrangements will be entered into on the basis of what is most advantageous for the Authority at the time. Any proposals to borrow from alternative sources to the PWLB will be discussed with the Authority's treasury advisors.
- 2.24 Borrowing in the past has been at fixed interest rates although variable rates are not ruled out should they be considered financially advantageous at the time of financing. A maximum limit of 30% of borrowing from variable rate sources is proposed.
- 2.25 The total value of lending is not expected to exceed £12m, which is likely to peak around July and August 2020. However, it is difficult to assess what the likely investment profile might be as this depends upon capital expenditure timings as well as the level of pension top up grant received from the Government, and the timing of borrowing. All investments are made in line with the Treasury Management Strategy.
- 2.26 **Limits for Interest Rate Exposures**

	Benchmark %	2019/20 %	2020/21 %	2021/22 %	2022/23 %	2023/24 %
Interest Rate Exposures						
Upper Limit for fixed rate exposures	100%	100%	100%	100%	100%	100%
Upper Limit for variable rate exposures	30%	30%	30%	30%	30%	30%

- 2.27 In addition to the upper limit for variable rate exposures in relation to external debt, it is proposed that the Authority adopts a local indicator to set a limit for the acceptable level of internal borrowing. This is because the use of internal borrowing exposes the Authority to interest rate risk, as there is a chance that cash balances may need to be replenished at a time when interest rates are higher. In this respect, internal borrowing is effectively variable rate debt. The level of internal borrowing is calculated as follows:

### Capital Financing Requirement – External Borrowing = Internal Borrowing

- 2.28 At 31 March 2019 the Authority was over-borrowed by £3,891k, which means that the level of external borrowing exceeded the capital financing

requirement. This over-borrowed position came as a result of the Authority opting to take additional external borrowing at the end of the financial year in order to take advantage of low interest rates.

2.29 It is proposed that the Authority sets the following limits for internal borrowing:

	2020/21 %	2021/22 %	2022/23 %	2023/24 %
Upper Limit for internal borrowing as a % of the Capital Financing Requirement	20%	20%	20%	20%

### Investment Benchmarking

2.30 The Treasury Management Strategy 2020/21, which is also on this agenda, sets out the following local benchmarks to assess the security, liquidity and yield of its investments:

- **Security:** a risk benchmark of **0.08%** historic default when compared to the whole investment portfolio.
- **Liquidity:** a “Weighted Average Life of investments” benchmark of **approximately 3 months**, with an upper limit of **0.40 years**.
- **Yield:** internal returns to be above a benchmark of the **3 month London Interbank Bid Rate (LIBID)**.

2.31 Further details of these benchmarks can be found in the Treasury Management Strategy 2020/21.

### Loan Maturity

2.32 The code of practice and CIPFA guidelines state that there should be no direct linkage between the assets financed and the term of loans taken out. Upper limits in terms of loan maturity are set to ensure that the Authority is not exposed to the risk of having to repay loans and then re-borrow in the short term when interest rates might be high.

2.33 It is recommended that the maturity structure limits remain unchanged for 2020/21. The Authority holds a loan of £4m which is structured as a “Lender Option Borrower Option” (LOBO) loan. Whilst the end date of the loan is March 2078 there are options every five years for the lender to revise the interest rate. The Authority may choose to repay the loan without penalty if the amended rate is not advantageous. The next opportunity for the revision of the interest rate is 7 March 2023. The limits for these years will be kept under review to reflect that the investment may mature on these dates. However, as the risk of the LOBO rate increasing during the medium term is

low due to downward pressures on interest rates, the re-financing risk arising from the loan maturing within 5 years is currently considered to be low.

### 2.34 Limits on the Maturity Structure of Borrowing

	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months to 5 years	30%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	0%
Over 20 years	100%	30%

### Principal Sums Invested for Periods Longer than 365 Days

2.35 Investments arising from borrowing to support the capital programme are unlikely to exceed one year in duration, however for surplus cash which supports reserves it may be desirable to invest monies for a slightly longer period to achieve a level of certainty around interest receipts and perhaps beneficial interest rates. Such decisions will be influenced by market conditions at the time and the liquidity of funds will be of paramount importance. It is proposed that Officers should be able to invest monies for longer than a year if this appears to be an advantageous strategy, but that a maximum limit of £2m be applied to any such investments. This will contain the Authority's exposure to the possibility of loss arising from having to seek early repayment of investments.

### 2.36 Principal Sums Invested for Periods Longer than 365 Days

2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
Prudential Limits for Principal Sums Invested for Periods Longer than 365 Days			
2,000	2,000	2,000	2,000

## 3. FINANCIAL IMPLICATIONS

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

## 4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

## **5. EQUALITIES IMPLICATIONS**

This is not a new policy or service, so no initial assessment has been completed. A previous assessment has shown that there are no specific equality impacts which arise directly from the Prudential Code.

## **6. CRIME AND DISORDER IMPLICATIONS**

There are no specific crime and disorder implications which arise directly from this report.

## **7. LEGAL IMPLICATIONS**

The Local Government Act 2003 imposes an obligation on the Authority to agree and monitor its prudential indicators.

## **8. RISK MANAGEMENT IMPLICATIONS**

The risk exposures in this report relate primarily to three areas:

- The risk of over exposure of the Authority to interest rate fluctuations;
- The risk that the Authority has an unmanageable or unaffordable level of borrowing;
- The risk of tying up investments, thereby reducing liquidity and exposing the Authority to possible losses arising from early repayment of investments.

This paper serves to set out those risks and ensure that they are managed.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## 10. RECOMMENDATIONS

That Members approve the Prudential Limits for 2020/21 as follows:

Maximum ratio of Financing Costs to Net Revenue Stream	8%
Estimated Ratio of Financing Costs to Net Revenue Stream	5.3%
Estimate of Total Capital Expenditure to be Incurred	£5,576,000
Estimate of Capital Financing Requirement	£29,073,000
Operational Boundary	£31,850,000
Authorised Limit	£35,035,000
Upper limit for fixed rate interest exposures	100%
Upper limit for variable rate interest exposures	30%
Loan Maturity:	<u>Limits:</u>
Under 12 months	Upper 20% Lower 0%
12 months to 5 years	Upper 30% Lower 0%
5 years to 10 years	Upper 75% Lower 0%
Over 10 years	Upper 100% Lower 0%
Over 20 years	Upper 100% Lower 30%
Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000

That Members approve the following local indicators for 2020/21:

Upper limit for internal borrowing as a % of the Capital Financing Requirement	20%
Limit for proportion of net debt to gross debt	Upper 85% Lower 50%
Investment security benchmark: maximum historic default risk of investment portfolio	0.08%
Investment liquidity benchmark: maximum weighted average life of investment portfolio	0.40 years
Investment yield benchmark	Internal returns to be above 3 month LIBID rate

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**

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**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# TREASURY MANAGEMENT STRATEGY 2020/21

Report of the Treasurer to the Fire Authority

**Date:** 28 February 2020

**Purpose of Report:**

To seek the approval of Members for the proposed Treasury Management Strategy for 2020/21, and to seek approval of the Authority's Minimum Revenue Provision Policy for 2020/21.

**Recommendations:**

- That Members approve the Treasury Management Strategy for 2020/21
- That Members approve the Minimum Revenue Provision Policy for 2020/21
- That Members approve a treasury management training session at the rising of the full Fire Authority on 25 September 2020.

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## 1. BACKGROUND

- 1.1 The Local Government Act 2003 requires the Authority to set out its treasury strategy for borrowing and to prepare an annual investment strategy; this sets out the Authority's policies for borrowing, for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.2 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Authority's low risk appetite, ensuring adequate security and liquidity before considering investment return.
- 1.3 The second main function of the treasury management operation is the funding of the Authority's capital plans. These capital plans provide 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. The management of longer term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses.
- 1.4 Treasury management is defined by CIPFA as "*the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*" The treasury management function makes an important contribution to the Authority, as the balance of debt and investment operations ensures the ability to meet spending commitments as they fall due, either on day-to-day revenue or on larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure the adequate security of sums invested, as the loss of principal will in effect result in a loss to the General Fund Balance.
- 1.5 The Authority adopted the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2009 (the Code) on 9 April 2010. The Treasury Management Code of Practice was updated in December 2017 and it now reflects developments arising from the Localism Act 2011, namely the use of non-treasury related investments. It also includes some minor changes around risk management practices. The primary requirements of the Code are as follows:
  1. The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities (see Appendix A).

2. The creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.
  3. Receipt by the Fire Authority of an annual Treasury Management Strategy Statement for the year ahead, a mid-year review report and an annual report covering activities during the previous year.
  4. Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. This Authority delegates the role of scrutinising the treasury management strategy and policies to the Finance and Resources Committee.
- 1.6 A report on the Prudential Code for Capital Accounting is also on this agenda. This report sets out the prudential indicators for 2020/21, which are designed to ensure that the Authority's capital investment plans are affordable, prudent and sustainable and are in accordance with CIPFA's Prudential Code. The Prudential Code was revised in 2017, and now includes the requirement to prepare a Capital Strategy – this was approved as part of the Medium Term Financial Strategy by Fire Authority on 20 December 2019.
  - 1.7 This Treasury Management Strategy report is complementary to the Prudential Code report and the proposed prudential and treasury limits for 2020/21 are included in both reports for completeness.
  - 1.8 This report also sets out the Authority's Minimum Revenue Provision policy for 2020/21 for approval by Members in paragraphs 2.52 to 2.55.
  - 1.9 The Authority has appointed Link Asset Services as its external treasury management adviser. Link Asset Services has provided the Authority with its view on the economic outlook and on anticipated interest rates for the forthcoming year.

## **2. REPORT**

### **TREASURY MANAGEMENT STRATEGY FOR 2020/21**

- 2.1 The Local Government Act 2003 (the Act) and supporting regulations requires the Authority to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
- 2.2 The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an annual investment strategy: this sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

2.3 The suggested strategy for 2020/21 in respect of the following aspects of the treasury management function is based upon Officers' views on interest rates, supplemented with leading market forecasts provided by the Authority's treasury adviser, Link Asset Services.

2.4 The strategy covers:

- Prudential and treasury indicators;
- The borrowing requirement;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- Creditworthiness policy;
- Policy on use of external service providers;
- The Minimum Revenue Provision policy;
- Training of Officers and Members.

2.5 The Authority recognises that whilst there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources, responsibility for treasury management decisions remains with the organisation at all times. The Authority will therefore ensure that undue reliance is not placed upon external service providers.

## **BALANCED BUDGET REQUIREMENT**

2.6 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Authority to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This includes a statutory requirement to make a prudent provision for an annual contribution from its revenue budget towards the reduction in its overall borrowing requirement. This charge is known as the Minimum Revenue Provision (MRP). This means that increases in capital expenditure must be limited to a level whereby increases in the following charges to revenue are limited to a level which is affordable within the projected income of the Authority for the foreseeable future:

- Increases in interest charges caused by increased borrowing to finance additional capital expenditure;
- Any increases in running costs from new capital projects, and
- Any increases in the Minimum Revenue Provision.

## ECONOMIC BACKGROUND

- 2.7 GDP growth has been low during 2019 due to Brexit uncertainty. Quarter 3 growth was a little higher than expected at +0.4% quarter on quarter (+1.1% year on year), but uncertainty during the final quarter appears to have suppressed GDP quarter on quarter growth to around 0.1%. Growth in 2020 is likely to be slow at around 1% year on year until there is more certainty about the UK's future relationship with the European Union.
- 2.8 At their January 2020 meeting the Monetary Policy Committee (MPC) voted for the bank rate to remain unchanged at 0.75%. Their key view was that there was currently "no evidence about the extent to which policy uncertainties among companies and households had declined", i.e. that they would wait and see how the economy performed during the next few months. Two of the nine members of the MPC were sufficiently concerned about the weak global economic growth, and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery, that they voted for a rate cut to 0.5%. The MPC has warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and the EU and by how much global growth rates pick up. The Bank of England revised its inflation forecasts down to 1.25% in 2019, 1.5% in 2020 and 2.0% in 2021. The MPC therefore clearly views inflation as causing little concern in the near future.
- 2.9 If economic growth were to weaken considerably, the MPC has relatively little room to make a big impact with rate cuts, as the current rate is only 0.75%. It would therefore probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost, e.g. by tax cuts, increases in the annual expenditure budgets of government departments, and expenditure on infrastructure projects. The Government has already indicated that it intends to move in this direction by making significant spending promises in its election manifesto that would increase government spending by up to £20 billion per annum. This would add around 1% to GDP growth rates. Details are likely to be announced in the next budget in March. The Chancellor has also amended the fiscal rules in November to allow for an increase in government expenditure.
- 2.10 The Authority's treasury adviser has provided a more in depth analysis of the economic backdrop to this report, which can be found at Appendix B.
- 2.11 Link Asset Services has provided a forecast on the bank interest rate, which draws on current City forecasts and is predicated on an assumption of an agreement being reached on the terms of trade between the UK and the EU:

<b>Link Asset Services Bank Rate Forecasts</b>	
As at 31 March 2020	0.75%
As at 31 March 2021	1.00%
As at 31 March 2022	1.00%
As at 31 March 2023	1.25%

- 2.12 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecast (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

## **MANAGEMENT OF CASH RESOURCES**

- 2.13 The Authority uses a main current account, an investment account and a number of local petty cash accounts. All of these accounts are held with Barclays Bank PLC and are managed online. This system allows the Authority to make transfers to and from accounts in real time and thus allows the current account balance to be maintained at a minimum level. All surplus funds are held either in the investment account for short periods or are lent to institutional borrowers over longer periods.
- 2.14 The bank overdraft level is £200,000 and this is usually sufficient. There are occasions when the overdraft exceeds £200,000 and temporary arrangements are made with the bank to increase the limit to £500,000. The Prudential Code report included an overdraft limit of £500,000 within the authorised limit to allow for such instances. It is proposed that the day to day overdraft facility remains at a level of £200,000.
- 2.15 Part of the treasury management operation is to ensure that cash flows are adequately planned, with cash being available when it is needed. A 3-year cash flow projection is prepared together with a 3 month rolling cash flow forecast. The 3-month forecast is updated regularly and this process reveals when cash surpluses or shortages are likely to arise.
- 2.16 Cash management processes have been examined by internal auditors and have been shown to be robust.

## **BORROWING STRATEGY**

- 2.17 The prudential indicators for borrowing are set out in Appendix C. Background information relating to these indicators is contained within the Prudential Code for Capital Finance 2020/21 report which is elsewhere on this agenda.

- 2.18 The capital financing requirement is the sum of money required from external sources to fund capital expenditure i.e. the Authority's underlying need to borrow or lease. For 2020/21 this figure is estimated at £29,073,000. This figure is comprised of capital expenditure incurred historically by the Authority that has yet to be financed by capital receipts, grants, or contributions from revenue including MRP charges, plus estimated capital expenditure and capital financing for 2019/20 and 2020/21.
- 2.19 The Authority's strategy in the past has been to borrow funds from the Public Works Loan Board (with the exception of a £4m bank loan which was taken in 2007/08). The PWLB is an agent of HM Treasury and its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies. In October 2019 the PWLB announced an increase in the margin over gilt yields of 100 basis points on top of the current margin of 80 basis points which this authority has paid prior to this date for new borrowing from the PWLB. There was no prior warning that this would happen and it now means that every local authority must reassess how to finance their external borrowing needs. Whereas the Authority has previously relied on the PWLB as its main source of funding, alternative cheaper sources of borrowing may now be considered. It is likely that various financial institutions will enter the market or make products available to local authorities in response to the sudden increase in PWLB rates. Officers will work with treasury advisors to carefully consider all funding options before undertaking any further long term borrowing. The Authority will consider fixed rate market borrowing when rates are lower than PWLB rates. The Authority may also consider loans from the UK's Municipal Bond Agency.
- 2.20 The bank loan of £4m referred to in paragraph 2.19 is structured as a "Lender Option Borrower Option (LOBO)" loan. This means that on 7 March 2013 and on that anniversary every five years, the lender may revise the interest rate, which is currently 4.13%. The Authority may choose to repay the loan without penalty if the amended interest rate is not advantageous. If the lender does exercise the option to revise the interest rate, the strategy will be to either agree to continue the loan with the revised interest rate or to repay the loan and replace it with new, long term debt at a lower rate depending on which is the most advantageous option for the Authority. The next opportunity for a revision of the interest rate is 7 March 2023.
- 2.21 Over the next three years, it is anticipated that the Authority will need to borrow up to £11m to finance the capital programme and to replace £1.5m of maturing loans.
- 2.22 Link Asset Services' view on future PWLB interest rates is:

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Mar 22	Mar 23
5 yr PWLB	2.40%	2.40%	2.50%	2.50%	2.60%	2.90%	3.20%
10 yr PWLB	2.70%	2.70%	2.70%	2.80%	2.90%	3.20%	3.50%
25 yr PWLB	3.30%	3.40%	3.40%	3.50%	3.60%	3.90%	4.10%
50 yr PWLB	3.20%	3.30%	3.30%	3.40%	3.50%	3.80%	4.00%

The table above has been adjusted for the PWLB certainty rate, which is a 20 basis points reduction in the interest rate for Authorities such as this one which have applied for it. These forecasts have been based on the assumption that a Brexit deal will be agreed, including an agreement on the terms of trade between the UK and the EU.

2.23 As stated in paragraph 2.12, economic forecasting is particularly difficult at this time. Gilt yields, and therefore PWLB rates, are influenced by geopolitical developments as well as developments in financial markets. These include:

- Timings of Bank of England base rate changes which could impact on the economy if incorrect;
- Inflation levels;
- Post-Brexit trade negotiations;
- Geopolitical risks such as North Korea, Europe and the Middle East;
- European politics, e.g. vulnerable minority governments in Germany, Spain, Portugal, the Netherlands, Finland, Sweden and Belgium, and strong anti-immigration governments in Austria, the Czech Republic, Hungary and Poland;
- A resurgence of the Eurozone debt crisis;
- Weak capitalisation of some European banks;
- A potential financial crisis caused by high levels of corporate debt in major western economies, should world economic growth slow too much.

2.24 In view of the above forecast the Authority's borrowing strategy will be based upon the following information.

- A combination of capital receipts, internal funds and borrowing will be used to finance capital expenditure in 2020/21 and beyond.
- One PWLB loan will mature in the medium term (£1.5m in 2020/21). This will need to be refinanced. It is estimated that total new borrowing in the period 2020/21 to 2022/23 will be in the region of £10.1m.
- Link Asset Services' view is that interest rates are likely to rise over the next three years. It may therefore be advantageous to take out new loans earlier in the period, as this will have a lesser impact on the revenue budget for the periods of the loans. However, if this is in advance of the need to spend, there will be a cost of capital impact as referred to in paragraph 2.28 below.
- Following the decision by the PWLB to increase their margin over gilt yields by 100 basis points to 180 basis points on loans to local authorities, consideration will also be given to sourcing funding at cheaper rates from local authorities, financial institutions and the Municipal Bonds.
- PWLB rates on loans of less than ten years duration are expected to be lower than longer term PWLB rates. However, the existing debt maturity profile of the Authority will also be taken into account when decisions are made regarding the duration of new borrowing. The Authority will strive to

seek a balance between securing the most advantageous rate whilst ensuring that it is not unduly exposed to re-financing risk.

- Maturity loans will continue to be taken if the overall cost of such loans is less than the equivalent Annuity or EIP (equal instalments of principal) loans. If this strategy results in a short term breach of the Gross Borrowing and Capital Financing Requirement indicator, then the reasons for this will be explained to members of the Authority.

2.25 As at 31 March 2019 the Authority was maintaining an over-borrowed position. This means that external borrowing exceeded the capital financing requirement (CFR). This position arose because of short term borrowing taken to cover cash flow shortfalls caused by the timing of the pension grant. Ordinarily the Authority would seek to keep its level of external borrowing in line with its CFR, or to maintain an under-borrowed position where the CFR has not been fully funded by external debt. In an under-borrowed position the Authority uses the cash supporting its reserves and balances to temporarily finance capital expenditure. The use of cash balances in this way is known as “internal borrowing”, and this strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered. However, it is recognised that internal borrowing brings a different kind of risk, as there is a chance that balances may need to be replenished at a time when interest rates are higher. In this respect, internal borrowing is effectively variable rate debt. For this reason, the Authority has a local indicator that limits the level of internal borrowing to 20% of the underlying borrowing requirement.

2.26 Officers, in conjunction with treasury advisors, will continually monitor both the prevailing interest rates and market forecasts, adopting the following responses to a change in position:

- if it were felt that there was a significant risk of a sharp **fall** in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it were felt that there was a significant risk of a much sharper **rise** in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they are projected to be in the next few years.

2.27 The Authority’s gross debt position is projected to be £26.5m by the end of 2019/20, whilst investments of approximately £6m are expected to be in place at 31 March 2020, giving a net debt position of around £20.5m. This projected level of external debt is broadly in line with the projected capital financing requirement, meaning that capital expenditure is expected to be fully funded by the end of the financial year. However, the Authority recognises that there will be a requirement to borrow in the medium term in

order to fund new capital expenditure. Interest rates are forecast to rise slowly over the next three years, and the Authority will monitor rate changes closely when determining when the time is right to borrow.

2.28 The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed, although this scenario is unlikely anyway given that current borrowing rates are higher than current investment interest rates, creating a cost of capital impact. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Authority can ensure the security of funds invested. In determining whether borrowing will be undertaken in advance of need the Authority will:

- Ensure that borrowing is only undertaken to finance the capital programme approved within the current Medium Term Financial Strategy;
- Ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

2.29 Where the Authority has made a decision to defer long term borrowing either in order to benefit from a forecasted reduction in interest rates or to avoid unnecessary carrying costs, it may undertake short term borrowing to alleviate temporary cash shortages caused by internally borrowing cash balances to support capital expenditure.

2.30 The rescheduling of debt involves the early repayment of existing borrowings and their replacement with new loans. As short term borrowing rates will be cheaper than longer term fixed interest rates, this would indicate a potential to generate savings by switching from long to short term debt. However, a premium would be payable which may negate the savings, and the loan maturity profile of the Authority indicates that this would increase exposure to interest rate risk. It is therefore unlikely that rescheduling of debt will take place in 2020/21 although this will be kept under review should circumstances change. Rescheduling will be considered for the following reasons:

- The generation of cash savings and / or discounted cash flow savings;
- Enhancing the balance of the portfolio by amending the maturity profile.

Any rescheduling of debt will be reported to Members at the earliest meeting following its action.

## ANNUAL INVESTMENT STRATEGY

### Investment Policy – Management of Risk

2.31 The Authority will have regard to MHCLG's Guidance on Local Government Investments, the Audit Commission's report on Icelandic investments and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Authority's investment priorities are:

- (a) the security of capital and
- (b) the liquidity of its investments.

The Authority will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Authority is low in order to give priority to security of its investments. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Authority will not engage in such activity.

2.32 The guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor the counterparties are the short term and long term ratings.
2. **Other information:** ratings are not the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
3. MHCLG's Guidance on Local Government Investments groups investments into one of four categories:
  - **Specified investments** are those with a high level of credit quality and are subject to a maturity limit of one year.
  - **Loans** are made to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategic goal. Such loans might not be seen as prudent if adopting a narrow definition of

prioritising security or liquidity, but may be acceptable in the wider context of the Authority's strategic aims.

- **Non-specified investments** are those with a relatively lower level of credit quality, or may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by officers and members before being authorised for use.
- **Non-financial investments** are assets that an organisation holds primarily or partially to generate a profit. Where an organisation holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested.

This Authority will not invest in financial instruments that are categorised as “non-specified”, with the exception of instruments with a maturity of more than one year that would otherwise meet the criteria of a “specified” investment. The Authority will not purchase non-financial investments. The Authority's criteria for specified investments can be found in Appendix D, and the policy regarding loans is detailed in paragraph 2.47.

4. **Lending limits** (amounts and maturity) for each counterparty will be set in accordance with the guidelines detailed in Appendix D.
  5. The Authority will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 2.41).
  6. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 2.39).
  7. The Authority has engaged **external consultants** (see paragraph 1.9) to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield in the context of the expected level of cash balances and the need through liquidity throughout the year, given the Authority's risk appetite.
  8. All investments will be denominated in **sterling**.
  9. As a result of the change in accounting standards for 2018/19 under **International Financial Reporting Standard 9**, the Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the general fund (the government has introduced a five-year statutory override to accounting changes to pooled investments commencing 01/04/18).
- 2.33 The Authority will pursue value for money in its treasury management activity and will monitor yield from investment income against appropriate benchmarks for investment performance (see paragraphs 2.48 to 2.51). Regular monitoring of investment performance will be carried out during the year.

## Creditworthiness Policy

2.34 The Authority applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors forming the core element. It is recognised that ratings should not be the sole determinant of the quality of an institution, and Link's creditworthiness service does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries;

2.35 The modelling approach combines credit ratings, credit watches, and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties and enable diversification in investments. These colour codes are used by the Authority to determine both the credit-worthiness of institutions and the duration for investments. It is regarded as an essential tool, which the Authority would not be able to replicate using in-house resources.

2.36 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Link's weekly credit list of potential counterparties. The Authority will therefore use counterparties within the following durational bands:

- 24 months
- 12 months
- 6 months
- 100 days

2.37 The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just once agency's ratings. Typically, the minimum credit ratings criteria the Authority use will be a Short Term rating (Fitch or equivalent) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical information, to support their use.

2.38 The Authority is alerted to changes to ratings of all three agencies through its use of the Link Assets Services' creditworthiness service. If a downgrade results in the counterparty or investment scheme no longer meeting the

Authority's minimum criteria, its further use as a new investment will be withdrawn immediately and consideration will be given to withdrawing any amounts held in notice accounts. In addition to the use of Credit Ratings the Authority will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

## **Country Limits**

2.39 The Authority has previously determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to or deducted from by Officers should ratings change in accordance with this policy. An exception to this policy will be made for the UK in the event that its sovereign credit rating is downgraded to AA-. If such an event were to occur the Authority would continue to use counterparties from the UK, subject to the creditworthiness criteria outlined in paragraph 2.36.

## **Investment Strategy**

2.40 Investments will be made with reference to the core balance and cash flow requirements of the Authority, and the outlook for short term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage fluctuations in cash flow, it may sometimes be possible to identify cash sums that could be invested for longer periods. Should this be the case, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or at variable rates.
- Conversely, if it is thought that the Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

2.41 Bank Rate is forecast to increase slowly over the next few years to reach 1.25% by quarter 1 of 2023. There is also a considerable amount of economic uncertainty at present as details of the UK's future trade deal with the European Union are still unknown. In the current financial climate no term deposit investments will be made for more a period greater than one year without the prior approval of the Treasurer and Head of Finance. The Authority will avoid locking into longer term deals while investment rates are at such low levels unless exceptionally attractive rates are available which make longer terms deals worthwhile. The proposed upper limit for principal sums invested for periods longer than 365 days is £2m (see the Prudential and Treasury Indicators in appendix C).

- 2.42 The Markets in Financial Instruments Directive (“MIFID I”) came into force in 2007. “MIFID II” is a revision of the Directive which is effective from 3 January 2018. Under the revised regulations, Local Authorities are categorised as “retail clients”. This categorisation limits both the financial instruments and providers available to authorities for treasury management purposes. However, authorities can opt up to become “elective professional clients” if certain criteria are satisfied. This Authority was able to satisfy the criteria, and so has opted up to elective professional status, and has therefore retained its access to a wider range of financial products.
- 2.43 In accordance with its low risk appetite, the Authority may undertake the following types of “specified” investments:
- Deposits with the Debt Management Office (Government);
  - Term deposits with Banks and Building Societies;
  - Call deposits with Banks and Building Societies;
  - Term Deposits with uncapped English and Welsh local authority bodies;
  - Triple-A rated Money Market Funds (CNAV and LVNAV);
  - UK Treasury Bills;
  - Certificates of Deposit.
- 2.44 The risks associated with investing will be reduced if investments are spread e.g. over counterparties or over countries. The Authority will therefore aim to limit its investment with any single counterparty to £2m where possible. However, where a lack of suitable counterparties renders this £2m limit unworkable a maximum of £4m per counterparty is permitted. Despite this Officers will, wherever possible, avoid the concentration of investments with one counterparty or group.
- 2.45 The Authority currently accesses counterparties directly or via a broker, and officers also have the option to access counterparties via Link’s Agency Treasury Service. The Agency Treasury Service pools investments from Link’s clients and places them with counterparties.
- 2.46 A summary of the criteria for specified investments is shown in appendix D. The same criteria shall apply to non-specified investments with the exception of the maximum maturity period, which may exceed 12 months.
- 2.47 In addition to specified investments, the Authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures if doing so would contribute to its wider strategic goals. Before making such a loan the Authority would seek approval from the Finance and Resources Committee, having demonstrated the following:

- The total financial exposure to the loan is proportionate;
- An allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard 9 can be applied to measure the credit risk of the loan portfolio; and
- Appropriate credit control arrangements are in place to recover overdue payments.

## Investment risk benchmarking

2.48 It is proposed that the Authority adopts benchmarks to assess the security, liquidity and yield of its investments. These benchmarks are simple guides to maximum risk, so may be breached from time to time depending on movements in interest rates and counterparty criteria. Any breach will be reported with supporting reasons in the Treasury Management Mid-year or Annual Report.

2.49 **Security** - security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of the creditworthiness service provided by Link Asset Services. Typically, the minimum credit criteria used by the Authority equates to a long-term rating of A- (Fitch or equivalent). This means that the average expectation of default is around 0.08% of the total investment (e.g. for a £1m investment the average loss would be £800). This is only an average, and any specific counterparty loss is likely to be higher, however these figures can be used as a benchmark for the security of the investment portfolio.

The Authority has adopted a maximum security risk benchmark of **0.08%** historic risk of default when compared to the whole portfolio (as part of the Prudential Limits approved in the Prudential Code for Capital Finance 2020/21 report elsewhere on this agenda). The Authority’s current historic of default is **0.014%**.

2.50 **Liquidity** - this is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts and standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Authority seeks to maintain:

- A bank overdraft of £500k;
- Adequate liquid short term deposits available at a week’s notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio. A shorter WAL would generally embody less risk. The current WAL of the Authority’s investments is approximately 2.5 months.

The WAL benchmark is expected to be **approximately 3 months**, with a recommended maximum limit of **0.40 years**.

2.51 **Yield** - the recommended local measure of yield benchmark is:

Investments – internal returns **above the 3 month LIBID rate**.

### **MINIMUM REVENUE PROVISION POLICY 2020/21**

2.52 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. These regulations were an amendment to the 2003 regulations and introduced several changes to the capital finance regime for local authorities (including fire authorities) in England. The most significant of these were provisions dealing with the calculation of Minimum Revenue Provision (MRP), which is the amount an authority charges to its revenue account in respect of the financing of capital expenditure.

2.53 Under the regulations, Authorities must make a “prudent provision” for MRP and guidance is given on the interpretation of this: “provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service”. This guidance translates into the asset life method. Authorities are permitted to continue charging MRP calculated using the old method for borrowing and credit arrangements which funded capital expenditure incurred before 1 April 2007. This method calculates a charge of 4% of the capital financing requirement each year to revenue.

2.54 The following policy on MRP is therefore recommended to members and budgetary provision for MRP has been made on this basis:

- For all borrowing and credit arrangements to fund capital expenditure incurred before or during 2006/07, the minimum revenue provision applied in 2020/21 will continue to be calculated on the basis of the 4% CFR (capital financing requirement) method. This method will continue to be used in future years for capital expenditure incurred during or before 2006/07.
- For all borrowing and credit arrangements to fund capital expenditure incurred from 2007/08 onwards, the minimum revenue provision applied in 2020/21 will be calculated on the basis of the Asset Life method.

2.55 The regulations also allow for Voluntary Revenue Provision (VRP) charges to be made. A VRP charge would be in addition to the MRP charge, and would have the effect of reducing MRP charges in future years, resulting in revenue budget savings. If the situation arises in the year whereby Officers feel that a VRP charge would be advantageous (e.g. if there are revenue budget underspends), then a recommendation will be made to Finance and Resources Committee to approve a VRP charge during the year.

### **TRAINING OF OFFICERS AND MEMBERS**

2.56 Under the Code, good practice is defined as ensuring that all staff involved in treasury management are appropriately trained and experienced to

undertake their duties. Employees within the Finance Department who carry out treasury management activities are suitably trained and experienced and routinely attend at least one treasury management update event each year to ensure that their knowledge keeps pace with changes.

- 2.57 It is also suggested that those tasked with treasury management scrutiny responsibilities also have access to suitable training. A treasury management training seminar has not been held for some years. It is therefore recommended that treasury management is included in the next Member training day.

### **3. FINANCIAL IMPLICATIONS**

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

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources or learning and development implications arising directly from this report.

### **5. EQUALITIES IMPLICATIONS**

There are no equalities issues arising directly from this report.

### **6. CRIME AND DISORDER IMPLICATIONS**

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report, other than the requirement to act within the Authority's powers when undertaking treasury management borrowings and investments.

### **8. RISK MANAGEMENT IMPLICATIONS**

The investment of local authority funds cannot be achieved without some element of risk. Careful choice of borrowers using creditworthiness indices will minimise this risk. This prudent approach will undoubtedly result in some interest rate loss but the principles of security and liquidity are paramount.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

It is recommended that Members:

10.1 Approve the Treasury Management Strategy 2020/21 as set out in this report.

10.2 Approve the Minimum Revenue Provision policy 2020/21 as set out in paragraphs 2.52 to 2.55

10.3 Approve a treasury management training session at the rising of the full Fire Authority on 25 September 2020.

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

None.

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**

## TREASURY MANAGEMENT POLICY STATEMENT

1. The Authority defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. The Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. The Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

**UK. Brexit.** 2019 was a year of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on 31 October 2019, with or without a deal. However, MPs blocked leaving on that date and the EU agreed an extension to 31 January 2020. In late October, MPs approved an outline of a Brexit deal to enable the UK to leave the EU on 31 January. The Conservative Government gained a large overall majority in the **general election** on 12 December; this ensured that the UK left the EU on 31 January. However, there will still be much uncertainty as the detail of a comprehensive trade deal will need to be negotiated by the current end of the transition period in December 2020, which the Prime Minister has pledged he will not extend. This could prove to be an unrealistically short timetable for such major negotiations that leaves open three possibilities; a partial agreement on many areas of agreement and then continuing negotiations to deal with the residual areas, the need for the target date to be put back, probably two years, or, a no deal Brexit in December 2020.

**GDP growth took** a big hit from both political and Brexit uncertainty during 2019; quarter three 2019 surprised on the upside by coming in at +0.4% q/q, +1.1% y/y. However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to probably around zero. The forward-looking surveys in January have indicated that there could be a significant recovery of growth now that much uncertainty has gone. Nevertheless, economic growth may only come in at about 1% in 2020, pending the outcome of negotiations on a trade deal. Provided there is a satisfactory resolution of those negotiations, which are in both the EU's and UK's interest, then growth should strengthen further in 2021.

At its 30 January meeting, the Monetary Policy Committee held Bank Rate unchanged at 0.75%. The vote was again split 7-2, with two votes for a cut to 0.50%. The financial markets had been predicting a 50:50 chance of a rate cut at the time of the meeting. Admittedly, there had been plenty of downbeat UK economic news in December and January which showed that all the political uncertainty leading up to the general election, together with uncertainty over where Brexit would be going after the election, had depressed economic growth in quarter 4. In addition, three members of the MPC had made speeches in January which were distinctly on the dovish side, flagging up their concerns over weak growth and low inflation; as there were two other members of the MPC who voted for a rate cut in November, five would be a majority at the January MPC meeting if those three followed through on their concerns.

However, that downbeat news was backward looking; more recent economic statistics and forward-looking business surveys, have all pointed in the direction of a robust bounce in economic activity and a recovery of confidence after the decisive result of the general election removed political and immediate Brexit uncertainty. In addition, the September spending round increases in expenditure will start kicking in from April 2020, while the Budget in March is widely expected to include a substantial fiscal boost by further increases in expenditure, especially on infrastructure. The Bank of England cut its forecasts for growth from 1.2% to 0.8% for 2020, and from 1.8% to 1.4% for 2021. However, these forecasts could not include any allowance for the predicted fiscal boost in the March Budget. Overall, the MPC clearly decided to focus on the more recent forward-looking news than the earlier downbeat news.

The quarterly Monetary Policy Report did, though, flag up that there was still a risk of a Bank Rate cut; "Policy may need to reinforce the expected recovery in UK GDP growth should the more positive signals from recent indicators of global and domestic activity not be sustained or should indicators of domestic prices remain relatively weak." Obviously, if trade negotiations with the EU failed to make satisfactory progress, this could dampen confidence and growth. On the other hand, there was also a warning in the other direction, that if growth were to pick up strongly, as suggested by recent business surveys, then "some modest tightening" of policy might be needed further ahead. It was therefore notable

that the Bank had dropped its phrase that tightening would be "limited and gradual", a long-standing piece of forward guidance; this gives the MPC more room to raise Bank Rate more quickly if growth was to surge and, in turn, lead to a surge in inflation above the 2% target rate.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5% and then even further to 1.3% in December. It is likely to remain close to or under 2% over the next two years and so, it does not pose any immediate concern to the MPC at the current time. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the **labour market**, growth in numbers employed has been quite resilient through 2019 until the three months to September, where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000 and then a stunning increase of 208,000 in the three months to November. The unemployment rate held steady at a 44-year low of 3.8% on the Independent Labour Organisation measure. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.4% in November (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

**Coronavirus.** The recent Coronavirus outbreak could cause disruption to the economies of affected nations. The Chinese economy is now very much bigger than it was at the time of the SARS outbreak in 2003 and far more integrated into world supply chains. However, a temporary dip in Chinese growth could lead to a catch up of lost production in following quarters with minimal net overall effect over a period of a year. However, no one knows quite how big an impact this virus will have around the world; hopefully, the efforts of the WHO and the Chinese authorities will ensure that the current level of infection does not multiply greatly.

**USA.** After growth of 2.9% y/y in 2018 fuelled by President Trump's massive easing of fiscal policy, growth has weakened in 2019. After a strong start in quarter 1 at 3.1%, (annualised rate), it fell to 2.0% in quarter 2 and then 2.1% in quarters 3 and 4. This left the rate for 2019 as a whole at 2.3%, a slowdown from 2018 but not the precursor of a recession which financial markets had been fearing earlier in the year. Forward indicators are currently indicating that growth is likely to strengthen somewhat moving forward into 2020.

**The Fed** finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment'. It also ended its programme of quantitative tightening in August 2019, (reducing its holdings of treasuries etc.). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%. It left rates unchanged at its December meeting. Rates were again left unchanged at its end of January meeting although it had been thought that as the yield curve on Treasuries had been close to inverting again, (with 10 year yields nearly falling below 2 year yields - this is often viewed as being a potential indicator of impending recession), that the Fed could have cut rates, especially in view of the threat posed by the coronavirus. However, it acknowledged that coronavirus was a threat of economic disruption but was not serious at the current time for the USA. In addition, the phase 1 trade deal with China is supportive of growth. The Fed though, does have an issue that despite reasonably strong growth rates, its inflation rate has stubbornly refused to rise to its preferred core inflation target of 2%; it came in at 1.6% in December. It is therefore unlikely to be raising rates in

the near term. It is also committed to reviewing its approach to monetary policy by midyear 2020; this may include a move to inflation targeting becoming an average figure of 2% so as to allow more flexibility for inflation to under and over shoot.

**“The NEW NORMAL.”** The Fed chairman has given an overview of the current big picture of the economy by summing it up as **A NEW NORMAL OF LOW INTEREST RATES, LOW INFLATION AND PROBABLY LOWER GROWTH.** This is indeed an affliction that has mired Japan for the last two decades despite strenuous efforts to stimulate growth and inflation by copious amounts of fiscal stimulus and cutting rates to zero. China and the EU are currently facing the same difficulty to trying to get inflation and growth up. Our own MPC may well have growing concerns and one MPC member specifically warned on the potential for a low inflation trap in January.

It is also worth noting that no less than a quarter of total world sovereign debt is now yielding negative returns.

**EUROZONE. Growth** has been slowing from +1.8 % during 2018 to nearly half of that in 2019. Growth was +0.4% q/q in quarter 1, +0.2% q/q in quarters 2 and 3; it then fell to +0.1% in quarter 4 for a total overall growth rate of only 1.0% in 2019. Recovery from quarter 4 is expected to be slow and gradual. German GDP growth has been struggling to stay in positive territory in 2019 and grew by only 0.6% in 2019, with quarter 4 potentially being a negative number. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars.

**The European Central Bank (ECB)** ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt. However, the downturn in EZ growth in the second half of 2018 and in 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March 2019 meeting, it said that it expected to leave interest rates at their present levels “at least through to the end of 2019”, but that was of little help to boosting growth in the near term. Consequently, it announced a **third round of TLTROs**; this provides banks with cheap borrowing every three months from September 2019 until March 2021 that means that, although they would have only a two-year maturity, the Bank was making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period.** At its October meeting it said these purchases would start in November at €20bn per month - a relatively small amount compared to the previous buying programme. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and, unsurprisingly, the ECB stated that governments would need to help stimulate growth by ‘growth friendly’ fiscal policy. There have been no changes in rates or monetary policy since October. In January, the ECB warned that the economic outlook was ‘tilted to the downside’ and repeated previous requests for governments to do more to stimulate growth by increasing national spending. The new President of the ECB, Christine Lagarde who took over in December, also stated that a year long review of monetary policy, including the price stability target, would be conducted by the ECB

On the political front, Austria, Spain and Italy have been in the throes of **forming coalition governments** with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The most recent results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU.

**CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.

**JAPAN** - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

**WORLD GROWTH.** Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation. **Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this will militate against central banks increasing interest rates.**

The trade war between the US and China is a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns resulted in **government bond yields** in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries.

*Source – Link Asset Management.*

**PRUDENTIAL AND TREASURY INDICATORS FOR 2020/21**

Maximum Ratio of Financing Costs to Net Revenue Stream	8%
Estimate of Ratio of Financing Costs to Net Revenue Stream	5.3%
Estimate of Total Capital Expenditure to be Incurred	£5,576,000
Estimate of Capital Financing Requirement	£29,073,000
Operational Boundary	£31,850,000
Authorised Limit	£35,035,000
Upper limit for fixed rate interest exposures	100%
Upper limit for variable rate interest exposures	30%
Loan Maturity:	Limits:
Under 12 months	Upper 20% Lower 0%
12 months to 5 years	Upper 30% Lower 0%
5 years to 10 years	Upper 75% Lower 0%
Over 10 years	Upper 100% Lower 0%
Over 20 years	Upper 100% Lower 30%
Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000

**LOCAL INDICATORS FOR 2020/21**

Upper limit for internal borrowing as a % of the Capital Financing Requirement	20%
Lower limit for proportion of net debt to gross debt	50%
Upper limit for proportion of net debt to gross debt	85%
Investment security benchmark: maximum historic default risk of investment portfolio	0.08%

Investment liquidity benchmark: maximum weighted average life of investment portfolio	0.40 years
Investment yield benchmark	Internal returns to be above 3 month LIBID rate

**APPENDIX D**

**SPECIFIED INVESTMENTS: CREDIT AND COUNTERPARTY RISK**

<b>Investment category</b>	<b>Minimum credit criteria / colour band</b>	<b>Sovereign credit rating</b>	<b>Category as a % of total investments</b>	<b>Total limit per institution* / fund</b>	<b>Max. maturity period</b>
Term deposits with banks and building societies	Blue (1 year – only applies to nationalised or semi nationalised UK banks) Orange (1 year) Red (6 months) Green (100 days)	Fitch AA or equivalent	100%	£4m per institution	As per durational banding, subject to limit of 12 months
Notice accounts with banks and building societies	Blue (1 year – only applies to nationalised or semi nationalised UK banks) Orange (1 year) Red (6 months) Green (100 days)	Fitch AA or equivalent	100%	£4m per institution	Minimum notice period to be as per durational banding (subject to limit of 12 months). The total period of investment may be greater than 12 months
Local authorities	N/A	N/A	100%	£4m per institution	12 months
Money Market Funds CNAV (government debt)	AAA	N/A	50%	£4m per fund	Liquid
Money Market Funds LVNAV	AAA	N/A	50%	£4m per fund	Liquid
UK Government Treasury Bills	UK sovereign rating	N/A	100%	N/A	12 months
Certificates of Deposit with banks and building societies	Blue (1 year – only applies to nationalised or semi nationalised UK banks) Orange (1 year) Red (6 months) Green (100 days)	Fitch AA or equivalent	50%	£4m per institution	As per durational banding, subject to limit of 12 months
Debt Management Account Deposit Facility (DMADF) – UK Government	N/A	N/A	100%	N/A	6 months

\* The institution limit applies across all categories, i.e. it is the total amount that may be invested in the institution at any point in time (excluding any amounts invested in that institution by money market funds).

**APPROVED COUNTRIES FOR INVESTMENTS**

<b>AAA</b>	<b>AA+</b>	<b>AA</b>
Australia	Finland	France
Canada		United Arab Emirates
Denmark		United Kingdom
Germany		
Netherlands		
Singapore		
Sweden		
Switzerland		
United States		



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **BUDGET PROPOSALS FOR 2020/21 TO 2023/24 AND OPTIONS FOR COUNCIL TAX 2020/21**

Report of the Chief Fire Officer and  
Treasurer to the Fire Authority

**Date:** 28 February 2020

**Purpose of Report:**

- To present Fire Authority with proposals for Revenue and Capital budgets for 2020/21 to 2023/24 to allow Members to determine the level of Council Tax for 2020/21.
- To set out fees and charges for 2020/21 for Members' approval.
- To seek Members' approval to the continued payment of Members Allowances for 2020/21 in accordance with the approved scheme.

**Recommendations:**

It is recommended that Members:

- Agree the recommendation of the Finance and Resources Committee to the Fire Authority that there be a 1.95% Council Tax increase.
- Approve the 2020/21 precept level to be notified to the Billing Authorities based on the information set out in Section 2 and Appendix D as required by statute.
- Approve the fees and charges for 2020/21, as set out in Appendix E.
- Approve the payment of Members Allowances for 2020/21 in accordance with the approved scheme.

## CONTACT OFFICER

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## **1. BACKGROUND**

- 1.1 At its meeting on 17 January 2020 the Finance and Resources Committee considered a report setting out the latest budget position based on the provisional grant settlement and the indicative position with regard to the Council Tax base.
- 1.2 The Finance and Resources Committee was asked to consider options for Council Tax between a Council Tax freeze and an increase in Council Tax, up to the maximum of 1.95% and make recommendations to the full Fire Authority. This report sets out the implications of the option selected by the Finance and Resources Committee at its January meeting.
- 1.3 The budgetary position presented to the Finance and Resources Committee has been updated to reflect the final announcements regarding Government grant, Business Rates, Council Tax base and surplus on Collection Fund, as well as other minor adjustments. It includes a statement by the Authority's Treasurer in relation to the robustness of estimates and the adequacy of reserves and balances as required by S25 of the Local Government Act.
- 1.4 The Fire Authority is required to set a precept before 1 March 2020 and notify this to the billing authorities.

## **2. REPORT**

### **CAPITAL BUDGET PROPOSALS 2020/21 TO 2023/24**

- 2.1 The Authority maintains a sustainable Capital Programme that reflects and supports the Strategic Plan and associated annual Action Plans.
- 2.2 The property programme flows directly out of the Property Strategy. The programme covers the construction of a new fire station at Worksop which is due to be replaced. Planning permission for the new building at Joint Headquarters was approved early in December 2019. Much of the building work on this project will be undertaken during the 2020/21 financial year and early 2021/22.
- 2.3 The ICT programme has been developed from the Digital Strategy. It includes replacement equipment and software and supports the specific schemes which underpin the strategy.
- 2.4 The fleet replacement programme is derived from the Fleet Strategy and reflects current and future expected demand. Where possible, alternative fuel vehicles will form a major part of future light vehicle replacement strategy.
- 2.5 The proposed Capital Programme for 2020/21 to 2023/24 is detailed in Appendix A. The 2020/21 programme totals £3.988m prior to any slippage

from 2019/20 yet to be approved by Fire Authority. It is summarised in Table 1 below.

**Table 1 – Capital Programme 2020/21 to 2023/24**

	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Transport	321	999	2,163	1,653
Equipment	110	100	250	50
Estates	3,011	4,888	775	551
ICT & Communications	546	380	230	220
<b>Total</b>	<b>3,988</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>
<b>Funded by:</b>				
Capital Receipts	0	0	300	1,750
Reserves	1,037	0	0	0
Borrowing	2,951	6,367	3,118	724
<b>Total</b>	<b>3,988</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>

- 2.6 Sources of funding for the capital programme include grant, revenue contributions, reserves, capital receipts and borrowing.
- 2.7 **CAPITAL RECEIPTS** – these are received from the sale of assets and can be used to fund either the revenue cost of transformational projects, to fund capital expenditure or to reduce borrowing. No capital receipts are expected to be available for investment in the 2020/21 capital programme.
- 2.8 **GRANT FUNDING** – there is no anticipated grant funding available at present to support the capital programme.
- 2.9 **REVENUE AND RESERVES** – The reserves strategy approved by Fire Authority on 20 December 2019 included the allocation of the Capital Earmarked Reserve (£1.037m) to be used to fund the 2020/21 capital programme.
- 2.10 **BORROWING** – the proposed 2020/21 to 2023/24 capital programme set out in Appendix A is largely funded from borrowing. The related costs will be tested for affordability as part of the prudential code report elsewhere on this agenda. Estimated costs have been built into the revenue programme considered in this report.

## REVENUE BUDGETS 2020/21 TO 2023/24

2.11 The Medium Term Financial Strategy and Budget Guidelines report considered by Fire Authority on 20 December 2019 provided the economic backdrop for the budget process.

2.12 Since the December report, budgets were updated and reported to the Finance and Resources Committee on 17 January 2020. These have now been finalised and detailed budgets can be found in Appendix B. These are summarised in Table 2 below.

**Table 2 – Budget Requirement 2019/20 to 2022/23**

	<b>Revised Budget 2019/20 £'000</b>	<b>Budget 2020/21 £'000</b>	<b>Budget 2021/22 £'000</b>	<b>Budget 2022/23 £'000</b>	<b>Budget 2023/24 £'000</b>
Employees	35,469	35,905	36,929	37,748	28,692
Premises	2,462	2,562	2,645	2,741	2,810
Transport	1,864	1,636	1,598	1,560	1,599
Supplies & Services	3,580	3,547	3,586	3,587	3,677
Payments to other Local Authorities	703	783	723	723	741
Support Services	192	192	197	197	202
Capital Financing Costs	2,488	2,537	2,602	2,767	2,836
Income	(4,062)	(1,997)	(2,147)	(2,147)	(2,201)
<b>Total</b>	<b>42,696</b>	<b>45,165</b>	<b>46,133</b>	<b>47,176</b>	<b>48,356</b>

2.13 The main pressures on budgets are detailed in the paragraphs below.

## PENSIONS

2.14 The Service has received draft revised Local Government Pension Scheme (LGPS) superannuation rates following the triannual revaluation of the fund. These have increased from 14.8% to 18.4%. This will increase costs by approximately £200k per year from 2020/21.

2.15 On 14 December 2018, the Court of Appeal found that the transitional protections in the 2015 Fire Pension Scheme (FPS) (which provide protections based on age allowing older members to remain in their former final salary scheme) are unlawfully discriminatory on the grounds of age. The case was therefore returned to the Employment Tribunal to determine remedy.

- 2.16 The Employment Tribunal held a preliminary hearing on 18 December 2019 and has released a draft interim order. This, in effect, provides that members who transferred into the new scheme are entitled to be treated as if they remained in the 1992 and 2006 FPS. However, this remains a draft agreement at present and the final determination is not expected to be resolved until around mid-July 2020. The remedy may require further legislation which will further delay implementation.
- 2.17 There is likely to be a significant increase in the cost of the firefighters' pension scheme resulting from the case. These are expected to be largely funded by Central Government, but additional costs falling to the Fire Authority cannot be ruled out. This has been added to the general fund reserves risk register.
- 2.18 **FIREFIGHTER PAY INCREASE** – a pay award of 2% has been assumed for all years to 2023/24. If an agreement is settled at a higher rate than 2%, there will be a further pressure on firefighter pay related budgets in total of £270k per 1% increase.
- 2.19 **WHOLETIME PAY** – the pay budget has been budgeted on full establishment. As fire fighters are recruited, there will be periods where the ridership will be over-established as courses finish and newly trained firefighters gain competency. These additional costs have been built into the budget for 2020/21.
- 2.20 **OVERTIME** – this budget has been under significant pressure during 2019/20 and has consistently overspent due to some under-establishment of wholetime crews and high sickness levels. The overtime budget has been increased from £300k to £500k.
- 2.21 **ON CALL PAY** – following significant underspends in 2019/20, the on-call budgets have been reduced to reflect the planned three recruitment courses and a reduction in the drills and training budget, which has also consistently underspent in recent years. Budgets have been increased to allow an increase in community fire safety work in line with the Safer Communities Strategy and HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services) inspection action plan (see Paragraph 2.23).
- 2.22 **ADMINISTRATIVE AND SUPPORT PAY** – these budgets include a vacancy factor of 3% and a pay increase of 2%. The vacancy factor has increased from 1.5% used for 2019/20 budgets to reflect vacancy levels in previous years more accurately. This has reduced administrative and support pay by approximately £100k.
- 2.23 **HMI INSPECTION** – the Authority was inspected by HMICFRS in January 2019. The Service received an overall grading of 'Requires Improvement'.

An action plan was endorsed by Fire Authority in September 2019 to address the specific areas requiring improvement. Much of this work was already included in the Service's Strategic Plan and associated annual action plans. Costs associated with this work have been included in the budgets, with specific one-off projects being funded from the transformation and collaboration reserve created as part of the reserves strategy approved by Fire Authority on 20 December 2020.

- 2.24 **ICT LICENCING COSTS** – the increasing reliance on technology and the advancement in ICT capability have enabled the Service to work in an increasingly more efficient way. Systems have become more integrated, reducing the need for paperwork and dual input. However, the increasing use of technology has resulted in an increase in software licencing costs. These have been increased in the 2020/21 budget by £100k.
- 2.25 **JOINT CONTROL ROOM** – the Nottinghamshire and Derbyshire Fire Services joint control room project was opened in June 2020. This was expected to result in savings in the region of £350k per year once implementation is complete. However, due to high levels of sickness and staff absence, additional temporary staff have been employed, resulting in additional one-off costs in the region of £80k for 2020/21. These are being funded from earmarked reserves. There are expected ongoing additional costs in the region of £30k to cover other recharged costs from Derbyshire Fire and Rescue Service. These are built into revenue budgets for 2020/21 and future years.
- 2.26 **MINIMUM REVENUE PROVISION (MRP)** – MRP is the amount charged to revenue for the repayment of debt required to fund prior years' capital expenditure. The revenue impact of the capital programme detailed in Appendix A has been built into the MRP. The MRP is £181k less than originally anticipated due to slippage in the 2019/20 capital programme.
- 2.27 **BUDGET MANAGER REDUCTIONS** – miscellaneous reductions in excess of £200k have been identified by careful scrutiny of existing budgets by finance staff and budget managers as part of the budget process.

## **RESERVES AND BALANCES**

- 2.28 Taking account of the expected 2019/20 outturn position reported to Finance and Resources Committee in January 2020, total reserve levels held at 1 April 2020 are expected to be £9.8m. This consists of £5.2m general fund reserves and £4.6m earmarked reserves.
- 2.29 The General Fund Reserve is expected to be in the region of £5.2m by 31 March 2020. This is £1.3m above the minimum level agreed by Fire Authority in December 2020. This represents the maximum level of available reserves to support any shortfalls in future years' budgets.

- 2.30 The general fund reserve is adequate to support the Authority's budgets going forward providing that the Authority sets a balanced budget.
- 2.31 The earmarked reserves are expected to be in the region of £4.6m by 31 March 2020. These reserves are earmarked for known projects or items of one-off expenditure. They include a £1.4m transformation and collaboration reserve which was created as part of the Reserves Strategy approved by Fire Authority on 20 December 2019. This reserve has been created to fund projects related to the Strategic Plan, HMICFRS inspection action plan and the outcomes of the Grenfell Tower and Hackitt inquiries. More details on the allocation of this reserve can be found in the Transformation and Efficiency Strategy report elsewhere on this agenda. £173k allocation of the reserve has already been included in the budgets (see also section 2.23). This includes:
- Temporary Organisation, Development and Inclusion officer to support the HMICFRS team on the Human Resources strand - £30k;
  - Improvement and development work to the Community Fire Risk Management Information System (CFRMIS), to address issues in the HMICFRS inspection - £24k;
  - One off remedial work across the estate resulting from the Fire Risk Assessment recently undertaken - £30k;
  - Funding to cover NHS Occupational Therapist Secondment into Prevention team - £54k;
  - Additional one off staffing costs for Joint Control which formed part of the Sustainability Strategy 2020 - £80k (see section 2.25).

## **FINANCING THE BUDGET**

- 2.32 The Authority primarily receives income from Revenue Support Grant, Business Rates and Council Tax. The government announced the final Local Government finance settlement on 06 February 2020 covering 2020/21.
- 2.33 The council tax increase threshold, above which a referendum would be triggered has remained at 2% for 2020/21 and 2023/24.
- 2.34 The precepting authorities also submitted their estimates for 2020/21 Business Rate income on 31 January. The Fire Authority receives 1% of this income.
- 2.35 The budget includes £721k Section 31 grant received to compensate for changes to various changes made to Business Rates announced in the Autumn Statement. This grant has been partly estimated by the precepting authorities and will not be confirmed until the summer.

- 2.36 For 2020/21 the Authority received Section 31 grant to cover the increased costs of fire fighter pension employer contributions introduced in 2019/20. The level of grant received has been maintained at £2.34m which is the same in cash terms as 2019/20. Actual costs are in the region of £280k higher than this and the shortfall has been built into the budgets. In future years, it is expected that this will form part of the 2021/22 Comprehensive Spending Review (CSR). For the purposes of forecasting, it has been assumed that the grant will be maintained at the same cash level. There is a risk that this may not be the case and any decrease will need to be addressed as part of the 2021/22 budget process.
- 2.37 A reformed business rates retention scheme has been delayed for several years. It is now expected to be implemented in April 2021 to coincide with the CSR. The final details of the scheme are still to be determined but it is anticipated that the level of business rates being retained by local government will increase from the current 50% to 75%. The Business Rates top up grant will be adjusted accordingly. It is still to be determined whether Fire will continue to receive funding from business rates or whether this will be replaced with a fire grant in a similar way to the police.
- 2.38 Funding for 2021/22 to 2023/24 will be determined as part of the CSR which will not be announced until mid 2020. The revision of the fire funding formula will not be implemented in time to feed into the CSR as more time is required to collect data and undertake work to determine suitable cost drivers. For the purposes of budgeting, a 2% inflationary increase in government funding has been assumed for the three years 2021/22 to 2023/24.
- 2.39 Table 3 shows the likely budget provision assuming that:
- There is a 2% increase in government funding between 2021/22 and 2023/24;
  - Pension grant remains at £2.34m (regardless of whether it is consumed within the Spending Review or kept as a separate Section 31 grant);
  - The revised Business Rates retention scheme is implemented and the level of business rates retained by the authority is increased from 50% to 75%. Business Rates top up grant will be reduced accordingly;
  - There is no increase in Council Tax in each of the four years.

**Table 3 – Projected Budget Position with Nil Council Tax Rise**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Government Funding	12,496	12,699	10,969	11,188	11,412
Business Rates	3,668	3,778	5,723	5,780	5,838
Pension Grant	2,340	2,340	2,340	2,340	2,340
<b>External Funding</b>	<b>18,504</b>	<b>18,817</b>	<b>19,032</b>	<b>19,308</b>	<b>19,590</b>
Budget Requirement	(45,037)	(45,165)	(46,133)	(47,176)	(48,355)
<b>Balance to be met locally</b>	<b>26,533</b>	<b>26,348</b>	<b>27,101</b>	<b>27,868</b>	<b>28,765</b>
Projects funded from Earmarked Reserve	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 0% increase per year*	25,293	25,574	25,920	26,269	28,766
<b>Budget Surplus / (Deficit)</b>	<b>0</b>	<b>(500)</b>	<b>(1,181)</b>	<b>(1,599)</b>	<b>(2,141)</b>

\*Assumes a rise in tax base but no rise in Council Tax (2019/20 figures are actual).

Table 3 shows that a budget deficit of £0.5m will need to be eliminated to create a balanced budget for 2020/21 if there is no increase in Council Tax. The deficit figure would rise to £2.1m by 2023/24.

2.40 In January, the Finance and Resources Committee recommended a 2020/21 Council Tax increase of 1.95% to Fire Authority, which is the maximum increase permitted without invoking a referendum. Table 4 demonstrates that this would enable the Authority to deliver a balanced budget for 2020/21. This assumes that:

- There is a 2% increase in government funding between 2021/22 and 2023/24;
- Pension grant remains at £2.34m in future years (regardless of whether it is consumed within the Spending Review or kept as a separate Section 31 grant);

- The revised Business Rates retention scheme is implemented and the level of business rates retained by the authority is increased from 50% to 75%. Business Rates top up grant will be reduced accordingly;
- There is an increase in Council Tax of 1.95% in each of the four years.

**Table 4 – Projected Budget Position with 1.95% Council Tax Increase**

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Government Funding	12,496	12,699	10,969	11,188	11,412
Business Rates	3,668	3,778	5,723	5,780	5,838
Pension Grant	2,340	2,340	2,340	2,340	2,340
<b>External Funding</b>	<b>18,504</b>	<b>18,817</b>	<b>19,032</b>	<b>19,308</b>	<b>19,590</b>
Budget Requirement	(45,037)	(45,165)	(46,133)	(47,176)	(48,355)
<b>Balance to be met locally</b>	<b>26,533</b>	<b>26,348</b>	<b>27,101</b>	<b>27,868</b>	<b>28,765</b>
Projects funded from Earmarked Reserve	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 0% increase per year*	25,293	26,074	26,943	27,840	28,766
<b>Budget Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>(158)</b>	<b>(28)</b>	<b>1</b>

2.41 The table demonstrates that a balanced budget can be set with a 1.95% increase in Council Tax. Assuming a further 1.95% Council Tax increase in 2021/22, there is an anticipated shortfall of £158k. This represents 0.3% of the total budget. Some savings are expected out of the Transformation and Efficiency Strategy (elsewhere on this agenda) and the revenue savings resulting from the joint Head Quarters are also still to be quantified. The situation will be addressed as part of the 2021/22 budget process when this information is available and the outcome of the CSR, business rates review and pension grant become more certain. It is anticipated at this stage that the deficit can be addressed to enable a balanced budget to be delivered. The shortfall reduces in future years to the point that a balanced budget is expected in 2023/24.

2.42 The figures in Tables 3 and 4 assume a 2% year on year increase in government grant from 2021/22 onwards. Given the level of uncertainty

around future funding levels, the impact of a nil increase in government funding and a 2% cut is considered in Appendix C.

- 2.43 Under the scenario of no increase in government funding, there would be a deficit position for 2021/22 of £373k. A 2% cut would leave a deficit position of £636k. Both of these scenarios assume a 1.95% increase in Council Tax. The ongoing budget position will be monitored as more information becomes available regarding the potential savings identified in section 2.41 and regarding the CSR. Any deficit will be addressed as part of the 2021/22 budget process.

## RESERVES

- 2.44 Taking account of anticipated use of reserves in the current financial year, total reserve levels held at 1 April 2020 are expected to be £9.8m. This consists of £5.2m general fund reserves and £4.6m earmarked reserves.
- 2.45 The general fund reserve level of £5.2m is £1.3m above the minimum level agreed by Fire Authority in December 2020. This represents the maximum level of available reserves to support future years' budget deficits.
- 2.46 The general fund reserve is adequate to support the Authority's budgets going forward providing that the Authority is able to set a balanced budget. If Council Tax is not increased, the General Fund Reserve would reduce to £4.7m by the end of 2020/21 and fall below the £3.9m minimum level during 2021/22.

## PROPOSAL FOR COUNCIL TAX INCREASES 2020/21

- 2.47 The recommendation of a 1.95% increase in Council Tax proposed by the Finance and Resources Committee is set out in tabular form in Appendix D.
- 2.48 Council Tax for the Fire Authority is currently £79.80 at Band D. A 1.95% increase in this would raise it by £1.56 per year to £81.36. The effects of such an increase on other bands per year is as follows:

**Table 5 – Impact of 1.95% increase on Council Tax**

<b>Band</b>	<b>Annual Council Tax Current £</b>	<b>Annual Council Tax 1.95% Increase £</b>	<b>Increase £</b>
A	53.20	54.24	1.04
B	62.07	63.28	1.21
C	70.93	72.32	1.39
D	79.80	81.36	1.56
E	97.53	99.44	1.91
F	115.27	117.52	2.25
G	133.00	135.60	2.60
H	159.60	162.72	3.12

The majority of the homes in the City and County of Nottinghamshire fall into Bands A and B.

## **FEES AND CHARGES**

2.49 At its meeting on 13 November 2015 the Policy and Strategy Committee approved a scale of fees and charges for Special Service Charges and for the use of Service facilities. That Committee also approved the increase of these fees and charges by annual inflation. Appendix E sets out the current scale of fees and charges as well as proposed fees and charges for 2020/21, which have had an inflationary increase applied. It is recommended that the Authority approve these charges for implementation from 1 April 2020.

## **APPROVAL OF MEMBERS ALLOWANCES**

2.50 The allowances that Members can claim are set out in the Members' Allowance Scheme. At its meeting on 22 September 2017 Fire Authority approved that Member's basic allowance and special responsibility allowances would increase on an annual basis linked to increases set by the National Joint Council for Local Government Service.

2.51 It is recommended that members allowances continue to be paid in line with the approved scheme.

## **COMMENTS OF THE TREASURER**

2.52 Under Section 25 of the Local Government Act 2003, the Treasurer is required to report to the Authority on the following two matters:

- The robustness of the estimates made for the purposes of calculations; and
- The adequacy of reserves.

2.53 The Treasurer is satisfied that, on the basis of the financial risk assessments, the working balances are adequate to support the budget in 2020/21.

2.54 The Treasurer has been consulted fully concerning the build up and calculation of the budget, and is content that these have been prepared in an accurate and robust manner, such that the Authority will have adequate resources to discharge its responsibilities under various statutes and regulations.

2.55 A statement by the Authority Treasurer is included as Appendix F to this report.

## **3. FINANCIAL IMPLICATIONS**

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

#### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources or learning and development implications arising directly from this report, although the achievement of budgetary savings in future years will undoubtedly have an impact.

#### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service.

#### **6. CRIME AND DISORDER IMPLICATIONS**

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

#### **7. LEGAL IMPLICATIONS**

- 7.1 The Authority has a statutory duty to notify its precept to Billing Authorities by 1 March 2020 and has no power to issue a supplementary precept.
- 7.2 Section 114 of the Local Government Finance Act 1988 requires the Treasurer to report to Members and the External auditor if the Authority or one of its officers has made, or is about to make, a decision that involves unlawful expenditure. Not setting a balanced budget would be classed as being unlawful.
- 7.3 The Authority must also comply with the Accounts and Audit Regulations 2011 and ensure that the financial management of the Authority is adequate and effective, and has a duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

#### **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Risks associated with budget setting are always significant. Budgets are by their very nature estimates of future activity and these estimates can sometimes be incorrect. Changes involving contraction of activities may not be made on the envisaged timescales, public consultation may vary policy and external issues such as national pay awards may not align with the assumptions.
- 8.2 There can be no control over external issues however the Authority has sufficient reserves to cope with any in year changes which alter these budget assumptions significantly.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

It is recommended that Members:

- 10.1 Agree the recommendation of the Finance and Resources Committee to the Fire Authority that there be a 1.95% Council Tax increase.
- 10.2 Approve the 2020/21 precept level to be notified to the Billing Authorities based on the information set out in Section 2 and Appendix D as required by statute.
- 10.3 Approve the fees and charges for 2020/21, as set out in Appendix E.
- 10.4 Approve the payment of Members Allowances for 2020/21 in accordance with the approved scheme.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**

## PROPOSED CAPITAL PROGRAMME 2020/21 TO 2023/24

Capital Programme Item	2020/21 Proposed* £'000	2021/22 Proposed £'000	2022/23 Proposed £'000	2023/24 Proposed £'000
Special Appliances	0	115	625	100
Pumping Appliance	95	700	1,060	1,325
Light Vehicle Replacement	226	184	478	228
<b>Transport Total:</b>	<b>321</b>	<b>999</b>	<b>2,163</b>	<b>1,653</b>
Breathing Apparatus sets	0	0	250	0
CCTV - Vehicles	40	0	0	0
Gas Tight Suits	0	0	0	50
Air bag replacements	70	0	0	0
Water Rescue Kit	0	100	0	0
<b>Equipment Total:</b>	<b>110</b>	<b>100</b>	<b>250</b>	<b>50</b>
Hucknall Fire Station	11	0	0	0
Worksop Fire Station	500	2,638	62	0
New Headquarters (HQ)	2,500	1,500	0	0
Eastwood Fire Station	0	750	713	38
Ashford Fire Station	0	0	0	488
Arnold Fire Station	0	0	0	25
<b>Estates Total:</b>	<b>3,011</b>	<b>4,888</b>	<b>775</b>	<b>551</b>
ICT Capital Programme	250	150	100	110
Mobile Computing	75	50	30	30
HQ Link ICT replacement	100	100	0	0
Business Process Automation	50	30	30	30
Cyber Security	20	20	20	20
One Off Projects			50	
<b>ICT &amp; Communications Total:</b>	<b>495</b>	<b>350</b>	<b>230</b>	<b>190</b>
Agresso Upgrade (Finance)	0	30	0	30
HR System Upgrade	51	0	0	0
<b>IT Systems Total:</b>	<b>51</b>	<b>30</b>	<b>0</b>	<b>30</b>
<b>Total Capital Programme:</b>	<b>3,988</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>
<b>Funding</b>				
Grant	0	0	0	0
Capital Receipts	0	0	300	1,750
Revenue / Reserves	1,037	0	0	0
Borrowing	2,951	6,367	3,118	724
<b>Total</b>	<b>3,988</b>	<b>6,367</b>	<b>3,418</b>	<b>2,474</b>

\* 2020/21 relates to new projects only and excludes slippage from 2019/20.

## APPENDIX B

## CASH LIMIT

	Revised Budget 2019/20	Budget Requirement 2020/21 £000's	Budget Requirement 2021/22 £000's	Budget Requirement 2022/23 £000's	Budget Requirement 2023/24 £000's
<b><u>Employees</u></b>					
Direct Employee Expenses	34,019	34,486	35,438	36,265	37,172
Indirect Employee Expenses	493	501	501	501	514
Pension	957	918	990	982	1,007
	<b>35,469</b>	<b>35,905</b>	<b>36,929</b>	<b>37,748</b>	<b>38,692</b>
<b><u>Premises-Related Expenditure</u></b>					
Repairs and Maintenance	572	609	590	601	616
Energy Costs	410	458	512	574	588
Rents	1	1	27	27	28
Rates	996	1,009	1,029	1,050	1,076
Water	81	83	85	87	89
Fixture and Fittings	1	1	1	1	1
Cleaning and Domestic Supplies	316	316	316	316	324
Grounds Maintenance Costs	30	30	30	30	31
Premises Insurance	16	16	16	16	16
Refuse Collection	39	39	39	39	40
	<b>2,462</b>	<b>2,562</b>	<b>2,645</b>	<b>2,741</b>	<b>2,810</b>
<b><u>Transport-Related Expenditure</u></b>					
Direct Transport Cost	1,224	1,045	1,007	969	993
Recharges	47	45	45	45	46
Public Transport	44	37	37	37	38
Transport Insurance	188	188	188	188	193
Car Allowances	361	321	321	321	329
	<b>1,864</b>	<b>1,636</b>	<b>1,598</b>	<b>1,560</b>	<b>1,599</b>
<b><u>Supplies &amp; Services</u></b>					
Equipment Furniture and Materials	616	570	606	596	611
Catering	72	68	68	68	70
Clothes Uniforms and Laundry	303	289	289	289	296
Printing Stationery & Office Expenses	41	45	45	45	46
Services	536	588	589	589	604
Communications and Computing Expenses	1,557	1,653	1,653	1,664	1,706
Grants and Subscriptions	45	44	44	44	45
Miscellaneous Expenses	52	54	54	54	55
	358	236	238	238	244
	<b>3,580</b>	<b>3,547</b>	<b>3,586</b>	<b>3,587</b>	<b>3,677</b>
<b><u>Third Party Payments</u></b>					
Other Local Authorities	703	783	723	723	741
Private Contractors	-	-	-	-	-
	<b>703</b>	<b>783</b>	<b>723</b>	<b>723</b>	<b>741</b>

	Revised Budget 2019/20	Budget Requirement 2020/21 £000's	Budget Requirement 2021/22 £000's	Budget Requirement 2022/23 £000's	Budget Requirement 2023/24 £000's
<b><u>Support Services</u></b>					
Finance	147	147	151	151	155
Corporate Services	45	45	46	46	47
	<b>192</b>	<b>192</b>	<b>197</b>	<b>197</b>	<b>202</b>
<b><u>Depreciation and Impairment Losses</u></b>					
Depreciation	-	-	-	-	-
Amortisation of Intangible Fixed Assets	-	-	-	-	-
	-	-	-	-	-
<b><u>Sales Fees &amp; Charges</u></b>					
Customer and Client Receipts	448	405	405	405	415
	<b>448</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>415</b>
<b><u>Other Income</u></b>					
Government Grants	3,219	1,161	1,161	1,161	1,190
Grants/Reimbursements	329	331	481	481	493
Interest	66	100	100	100	103
	<b>3,614</b>	<b>1,592</b>	<b>1,742</b>	<b>1,742</b>	<b>1,786</b>
<b><u>Capital Financing Costs</u></b>					
Interest Payments	875	785	900	922	945
Debt Management Expenses	1,613	1,752	1,702	1,845	1,891
	<b>2,488</b>	<b>2,537</b>	<b>2,602</b>	<b>2,767</b>	<b>2,836</b>
	<b>42,696</b>	<b>45,165</b>	<b>46,133</b>	<b>47,176</b>	<b>48,355</b>

## VARIATION ANALYSIS – NO INCREASE / 2% CUT IN GOVERNMENT FUNDING

Table 1 below shows the impact of no increase in government funding on the budget for 2021/22 onwards.

**Table 1 – Impact of no increase in government funding 2021/22 onwards**

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24
Government Funding	12,496	12,699	10,754	10,754	10,754
Business Rates	3,668	3,778	5,723	5,780	5,838
Pension Grant	2,340	2,340	2,340	2,340	2,340
<b>External Funding</b>	<b>18,504</b>	<b>18,817</b>	<b>18,817</b>	<b>18,874</b>	<b>18,932</b>
Budget Requirement	(45,037)	(45,165)	(46,133)	(47,176)	(48,355)
<b>Balance to be met locally</b>	<b>26,533</b>	<b>26,348</b>	<b>27,316</b>	<b>28,302</b>	<b>29,423</b>
Projects funded from Earmarked Reserve	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 0% increase per year*	25,293	26,074	26,943	27,840	28,766
<b>Budget Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>(373)</b>	<b>(462)</b>	<b>(657)</b>

Table 2 on the following page shows the impact of a 2% drop in government funding on the budget position.

**Table 2 – Impact of 2% cut in Government Funding 2021/22 onwards**

	<b>2019/20</b> <b>£'000</b>	<b>2020/21</b> <b>£'000</b>	<b>2021/22</b> <b>£'000</b>	<b>2022/23</b> <b>£'000</b>	<b>2023/24</b>
Government Funding	12,496	12,699	10,538	10,328	10,124
Business Rates	3,668	3,778	5,723	5,780	5,838
Pension Grant	2,340	2,340	2,293	2,247	2,202
<b>External Funding</b>	<b>18,504</b>	<b>18,817</b>	<b>18,554</b>	<b>18,355</b>	<b>18,164</b>
Budget Requirement	(45,037)	(45,165)	(46,133)	(47,176)	(48,355)
<b>Balance to be met locally</b>	<b>26,533</b>	<b>26,348</b>	<b>27,579</b>	<b>28,821</b>	<b>30,191</b>
Projects funded from Earmarked Reserve	0	274	0	0	0
General Fund Reserve	1,240	0	0	0	0
Council Tax Yield 0% increase per year*	25,293	26,074	26,943	27,840	28,766
<b>Budget Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>(636)</b>	<b>(981)</b>	<b>(1,425)</b>

## PROPOSAL FOR COUNCIL TAX INCREASE OF 1.95%

An increase in Council Tax of 1.95% would require the Authority to set a Band D Council Tax of £81.36 per annum in 2020/21.

Specifically, in 2020/21 Council Tax would be set at the following levels:

Band A	54.24
Band B	63.28
Band C	72.32
Band D	81.36
Band E	99.44
Band F	117.52
Band G	135.60
Band H	162.72

The level of Council Tax at Band D is then multiplied by the taxbase to calculate the precept to be set for each of the District Councils and the City Council as follows:

	<b>Taxbase</b>	<b>Percentage</b>	<b>Precept £</b>
Ashfield	33,695.30	10.6%	2,741,449.61
Bassetlaw	35,373.06	10.9%	2,877,952.17
Broxtowe	34,039.14	10.7%	2,769,424.44
Gedling	37,387.44	11.7%	3,041,842.13
Mansfield	29,407.70	9.2%	2,392,610.48
Newark and Sherwood	39,229.76	12.3%	3,191,733.28
Rushcliffe	43,987.70	13.6%	3,578,839.28
Nottingham City	67,360.00	21.0%	5,480,409.61
<b>Total</b>	<b>320,480.10</b>	<b>100.0%</b>	<b>26,074,261.00</b>

The above figures are calculated after taking account of the declared surplus/deficit on collection for each of the billing authorities.

**FEES AND CHARGES –  
SPECIAL SERVICES AND USE OF FACILITIES 2020/21**

	2019/20 Charges £	2020/21 Proposed Charges £
<b>Personnel: per hour, or part of an hour:</b>		
Full Crew	282.40	288.00
Station Manager and above	63.00	64.30
Watch Manager	51.70	52.70
Crew Manager	49.20	50.20
Firefighter	46.60	47.50
<b>Appliances and Vehicles: per hour, or part of an hour:</b>	43.30	44.30
<b>Loan of Salvage Sheet:</b>		
Charge for fitting	282.40	288.00
Charge for removing	282.40	288.00
Charge for salvage sheet	94.40	96.50
<b>Copy of a Fire Report</b>	69.40	70.80
<b>Hire of Meeting Room:</b>		
Full day	246.60	252.00
Half day	127.20	130.00

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

**STATEMENT BY AUTHORITY TREASURER**

Under Section 25 of the Local Government Act 2003, the Treasurer is specifically required to report to the Authority on the following two matters:

- The robustness of the estimates made for the purposes of calculations; and
- The adequacy of reserves and working balances.

I have consulted with the Head of Finance and note that the required level of working balances is calculated using a risk assessment methodology. I am satisfied that, on the basis of those risk assessments, the proposed level of balances is adequate.

Earmarked Reserves are held for specific purposes, and include amounts for the Emergency Services Mobile Communications Programme, Transformation and Collaboration.

I have also been consulted fully concerning the build up and calculation of both the Revenue and Capital budgets and am content that these have been prepared in an accurate and robust manner such that the Authority will have adequate resources to discharge its responsibilities under various statutes and regulations.

Charlotte Radford CPFA  
**FIRE AND RESCUE AUTHORITY TREASURER**

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**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
 Fire and Rescue Authority

# TRANSFORMATION AND EFFICIENCY STRATEGY

Report of the Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To provide Members with details of how the £1.4m transformation and collaboration reserve will be used to transform the service and increase efficiency and effectiveness.

**Recommendations:**

It is recommended that Members:

- Agree the approach of the Chief Fire Officer to target resources over the next two years in line with the transformational work streams identified within the report.
- Agree to receive updates on the expected efficiency and effectiveness outcomes.

## CONTACT OFFICER

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 Chief Fire Officer

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## 1. BACKGROUND

- 1.1 An outcome from the recent inspection of the Service by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) identified a number of areas of improvement across all three pillars of the inspection matrix.
- 1.2 There are also a number of learning outcomes following the Grenfell Tower Inquiry which the Service is responding to, and it is anticipated that more will follow as the Inquiry moves through the second phase of the process.
- 1.3 Collaboration is a continuous theme for the Authority with a number of workstreams being delivered to improve efficiency and outcomes for the communities of Nottinghamshire. The new Joint Headquarters is an overt programme of works, but there are also many others workstreams involving partners.
- 1.4 Another point to note is that as part of the National Framework Document (2018) Authorities are required to consider strategies to deliver ongoing efficiencies.
- 1.5 This report identifies where improvements in the Service are being pursued and how resourcing will be allocated from the transformation and collaboration reserve previously approved by the Authority. The report also articulates where longer term efficiencies will be made, either through direct reduction of costs or through increased productivity.

## 2. REPORT

- 2.1 At the meeting of the Authority on 20 December 2019, Members approved the amalgamation of a number of earmarked reserves to form the transformation and collaboration reserve totalling £1.4m. This was created to demonstrate clear strategic commitment to transform the Service and strive for continuous improvement through the workstreams within the Strategic Plan over the next two years.

### TRANSFORMATIONAL WORKSTREAMS

- 2.2 **Digital Technology £325k** – building on the previous focus on technology infrastructure and security, a number of workstreams will be delivered to enable the more efficient and effective working of staff; increasing productivity and improving outcomes for communities. This will include a rationalisation of systems, improved data, training and improved end user experience.
- 2.3 Mobile working will be enhanced through the provision of Wi-Fi and Sim-card enabled devices for all wholtime stations. This will enable multiple activities to be undertaken when away from the station, leading to real-time data input and retrieval, and reducing the need for subsequent manual data entry.

- 2.4 Currently, there are a number of systems in use to access training and record competencies. These will be rationalised to provide greater consistency and accuracy in the measurement of competence.
- 2.5 Data management, in terms of collecting, cleansing and presenting information will be improved to support the new performance management software being implemented within the Service. Furthermore, investment will be made to integrate performance management to enhance scrutiny and drive continuous improvement through effective evaluation.
- 2.6 In recognition of the breadth of digital technology available and in use, there is a requirement to deliver training to users to ensure the maximum benefits can be realised. This will result in a blended approach utilising on-line learning as well as traditional face to face input.
- 2.7 The vast amount of operational equipment deployed across the Service requires continuous and robust asset tracking. The current barcode system is effective in this regard; however, it does require significant input from equipment users. This will be assessed to identify if an automated process can be introduced to increase accuracy, provide real time data and reduce the burden on staff.
- 2.8 **Evaluation of Community Outcomes £100k** – the Service currently engages a whole host of activity to drive down risk in the community, save money and also support staff in their daily roles. Much of this work is based on previous experience and good intention, however it has been identified through the inspection that more robust evaluation is required to ensure activity is having the correct and sustained impact.
- 2.9 A number of areas will be subject to in-depth evaluation; this will include benefits realisation of collaboration activities, the outcomes of safe and well visits in domestic properties; the effectiveness of the new business safety Checks being rolled out in commercial properties, and the post-incident and wellbeing support put in place for staff.
- 2.10 **Workforce Development, Diversity and Culture £350k** – a clear outcome from the local HMICFRS inspection, and also in the State of Fire and Rescue national report, is the need to focus on the workforce to ensure staff are capable and supported to deliver the objectives of the Service.
- 2.11 Training and development is required to meet the continuous improvement challenge and ensure staff are able to deliver within an effective performance management framework. This will include enhanced progression and support processes to ensure talent is recognised and grown within the Service.
- 2.12 The value of diversity needs to be more broadly understood in pursuit of inclusion and improve delivery of services. This will require a shift in culture and a temporary role will be created to support the delivery of the organisational development workstreams, the behavioural framework and community engagement.

- 2.13 The move to the new Joint Headquarters in early 2022 is a significant change for staff, and to achieve the full benefits of collaboration, work is required to ensure staff are prepared and have a full understanding of the direction of travel. This will be undertaken through focused workshops involving staff from the two organisations with the expectation of enhancing the productive relationships between Police and Fire colleagues.
- 2.14 In recognition of the need to increase the productivity of staff, a number of workstreams are focused on reducing duplication, providing greater clarity on expectations and automating processes. This will form part of the organisational performance management framework and staff will need to be upskilled to fully engage with it.
- 2.15 To ensure the Service is able to deliver the required performance improvements, it is anticipated that structural changes may be required across corporate functions. This could involve permanent changes in the establishment which will be subject to the appropriate governance processes within the Authority.
- 2.16 **Collaboration £250k** – a number of collaborative workstreams are ongoing, including the delivery of the joint control with Derbyshire Fire and Rescue Service, tri-service response hub at Hucknall, Joint Headquarters and shared stations with Nottinghamshire Police.
- 2.17 To support the ongoing work, a temporary role to support the delivery of collaboration will be put in place, and additional funding invested in the joint control to support transition and the harmonisation of operational procedures.
- 2.18 **Performance Management £100k** – the HMICFRS inspection recognised that the Service needs to improve the procedures and processes in place to clearly demonstrate that its activities are focused on risk, and that outcomes are evaluated to drive continuous improvement. This will require additional short-term capacity to deliver a robust performance management framework and support the Service in its preparation for future HMICFRS inspections.
- 2.19 **Grenfell Tower Inquiry Response £275k** – the Inquiry and subsequent Hackitt review has identified that much work is needed to address the issues within the built environment. This will result in increased workload for the Service and the requirement to develop competency and capacity.
- 2.20 It is proposed that the recently agreed national framework for the competencies of fire inspectors will be adopted which will provide a consistent and assured approach to the inspection of commercial premises. This framework will also underpin the foundation training currently being delivered to operational supervisory managers to enable them to deliver business safety checks.
- 2.21 Fire protection solutions in the built environment are increasingly complex due to new and innovative construction techniques being deployed; and also major infrastructure projects like HS2. To enhance the competence of the

Service, a Fire Engineer (funded from revenue) will be employed to provide specialist advice within the Fire Protection department thus reducing the need to buy in the service, and also develop the competence of the organisation.

- 2.22 Training is underway for supervisory managers to enable them to undertake business safety checks. This will create capacity for specialist inspectors to focus on the high-risk premises, such as residential and complex commercial buildings. The training delivery creates costs regarding operational cover, and also the attainment, validation and quality assurance of the qualification process.

## **EFFICIENCY AND EFFECTIVENESS EXPECTATIONS**

- 2.23 **Safe and Well Visits** – during 2018, the Service expanded the focus of the previous home fire safety check to become a safe and well visit (SWV). The number undertaken per annum was then 4,500; growing to 6,000 in 2019. With the implementation of mobile working, automated data input and enhanced targeting, it is expected that this will increase by 100% to 12,000 per annum by 2022, with 80% of those being delivered to medium and high risk households.
- 2.24 **Fire Safety Audits** – currently, the Fire Protection Department undertakes all business fire safety inspections within the Service. To increase capacity and ensure that the specialist inspecting officers are able to focus on the highest risk, operational crews will commence the business safety checks in lower risk premises. This should lead to a 100% increase in fire safety audits by 2022.
- 2.25 **Creation of a Joint Inspection Team** – through collaboration with Nottingham City Council, a joint inspectorate has been created to work with the Safer Housing Team to focus on those premises which present the greatest risk to residents. This is a collaborative team that will help drive down risk and reduce the number of fires and resultant injuries. Evaluation of the work will be undertaken to assess the outcomes achieved to identify efficiencies.
- 2.26 **On-Call Availability Improvements** – On-Call crews provide the majority of fire cover across the county and targeted effort is ongoing to increase their availability and effectiveness. The aspiration for 2022 is to achieve an average availability of 85% with no section falling below 70%. Work will focus on recruitment, retention and targeted support to maintain appliance availability. Other workstreams are also ongoing investigating alternative working arrangements and contract models.
- 2.27 **Collaboration Outcomes** – collaboration is an integral part of the drive for efficiency and effectiveness. A number of workstreams are already in place which will help drive costs for the Service. The Joint Headquarters programme will be delivered by 2022 leading to annual revenue savings, but more importantly lead the way for greater integration and savings over the longer term.

- 2.28 Other opportunities are also being considered with a number of partners with the focus on driving down costs and increasing effectiveness. Work is ongoing to identify the savings achieved so far, and this will be built upon to demonstrate the efficiencies being delivered for the future through evaluation work being undertaken.
- 2.29 **Procurement Collaboration and Frameworks** – the Service already excels in procurement, but work in this area will continue with the adoption of more joint procurement activities. The recent purchase of structural firefighting personal protective equipment has been secured through a national framework. As well as securing the most competitive price, this also negates the need to undertake market research, staff consultation and procurement processes, therefore reducing hidden costs and increasing productivity.
- 2.30 Further collaborative approaches are being considered for the procurement of other goods and services, and savings are expected in both actual purchase prices and increased efficiency of procurement staff. Thorough evaluation will be required to provide the analysis of savings however, a target equivalent to offsetting inflation is considered achievable by 2022.
- 2.31 **Technology** – costs within this area are rising, not least because the Service increasingly relies upon technology to create efficiency and effectiveness within working practices, and also because the security of systems is a critical part of the infrastructure. It is difficult to demonstrate efficiencies; however, technologies will be integrated to increase security, reduce complexity, duplication and failures, resulting in a user-centric platform that is mobile and agile.
- 2.32 Accurate and accessible data is key to support the implementation of organisational performance management. Operational crews and their managers will be able to use better targeted data, work with greater mobility and agility, therefore increasing their productivity.
- 2.33 Consideration will also be given to emerging firefighting technologies and protective equipment to determine if operations can be improved and risks to firefighters reduced.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 In December 2019, Members agreed to combine a number of earmarked reserves to support a strategic programme of activity to transform the Service and deliver efficiencies. The resultant transformation and collaboration reserve is £1.4 in total.
- 3.2 This report provides indicative figures on where that reserve will be targeted over the life of the Strategic Plan and the expected efficiencies resulting from it. Spend will be monitored through the normal reporting processes within the Finance and Resources Committee.

#### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no direct human resources or learning and development implications arising from this report, however there may be some that arise as a result of the individual workstreams. These will be dealt with in line with normal service policy and procedures.

#### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report does not change policy or service delivery procedures.

#### **6. CRIME AND DISORDER IMPLICATIONS**

Greater focus on prevention and protection activities will ensure the Authority continues to meet its responsibilities with regard to crime and disorder.

#### **7. LEGAL IMPLICATIONS**

The Local Government Act 1999 requires fire and rescue authorities to deliver best value. Focused targeting of resources to drive improvement in efficiency and effectiveness will support the Authority in meeting that duty.

#### **8. RISK MANAGEMENT IMPLICATIONS**

Continually striving for improvements and efficiencies will support the Service's improvement journey with regards to the HMICFRS inspections. This report provides clear strategic intention to transform the Service and strive for improvements across all three pillars of the inspection process, therefore driving down risk within the community.

#### **9. COLLABORATION IMPLICATIONS**

The collaboration implications are articulated within the body of the report.

## **10. RECOMMENDATIONS**

It is recommended that Members:

- 10.1 Agree the approach of the Chief Fire Officer to target resources over the next two years in line with the transformational work streams identified within the report.
- 10.2 Agree to receive updates on the expected efficiency and effectiveness outcomes.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **STRATEGIC PLAN (INTEGRATED RISK MANAGEMENT PLAN) REFRESH**

Report of the Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To seek Members approval for a refreshed Strategic Plan, and the Year Two Action Plan to reflect the changes over the past year within the Service.

**Recommendations:**

It is recommended that Members:

- Approve the refreshed Strategic Plan (IRMP) at Appendix A.
- Approve the Year Two Action Plan at Appendix B.

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## **1. BACKGROUND**

- 1.1 In February 2019 Members approved the Authorities Integrated Risk Management Plan (IRMP) for 2019-2022. This is known as the 'Strategic Plan'. This document sets out the vision and Service objectives for the organisation, reflecting the consultation that was carried out throughout its development with the community, workforce, representative bodies and partners.
- 1.2 Each fire and rescue authority is required to produce an IRMP which identifies and assesses all foreseeable fire and rescue related risks that could affect its communities, including those of a cross-border, multi-authority and/or national nature.
- 1.3 The principle of an IRMP is now well embedded since its introduction and inclusion in the Fire and Rescue Services Act 2004 and supporting National Framework Documents (NFD). The NFD states that every Fire and Rescue Service must produce an IRMP that covers at least three years, is publicly available, reflects consultation and utilises up to date risk information.
- 1.4 The Strategic Plan is also a significant document that is used by Her Majesty's Inspectorate of Constabularies and Fire & Rescue Service's (HMICFRS) to assess the effectiveness and efficiency of the Service in delivery of statutory functions to Communities.

## **2. REPORT**

- 2.1 The NFD is explicit in its expectations of what is contained in the IRMP which includes the accessibility of the document and the consultation arrangements which must be undertaken prior to the document being published.
- 2.2 There is also an expectation that the IRMP is reviewed and revised as often as it is necessary to ensure that fire and rescue authorities are able to deliver the requirements set out in the Framework. This includes ensuring that the document contains up to date risk analyses and evaluation of service delivery outcomes.
- 2.3 Even though the Strategic Plan was only produced in 2019 the Service has seen significant changes over the last year. It is therefore necessary to reflect these changes within an updated Strategic Plan to comply with the requirements placed on the Authority by the NFD.
- 2.4 The revised Strategic Plan is attached at Appendix A and reflects the following:
  - The appointment of a new Chair of the Authority;
  - Changes to the services governance structure;
  - Changes to the corporate planning cycle;

- To ensure stronger links to the annual action planning process;
- Progress on initiatives such as the Joint Fire Control and duty system changes;
- Updated statistical information;
- New imagery.

2.5 The Service will be increasing the transparency of its annual action plan to the public. The annual action plan details the objectives necessary to deliver the ambitions of the Strategic Plan in the year ahead. This will be held as an appendix to the Strategic Plan and updated each year. See Appendix B.

2.6 The current 'year one' action plan outcomes will be reported to the Authority later in the year and will inform the annual statement of assurance.

2.7 The refreshed Strategic Plan does not however set out any revised Service level objectives and as such there is no requirement for any further consultation to be undertaken on the document.

### **3. FINANCIAL IMPLICATIONS**

Whilst there are no direct financial implications arising from the refresh of the IRMP, funding has been allocated through the budget process to enable the delivery of the annual action plans.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources or learning and development implications arising from the refresh of the IRMP.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because the IRMP refresh does not propose any changes to service delivery.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no crime and disorder implications arising from the refresh of the IRMP.

### **7. LEGAL IMPLICATIONS**

It is a statutory duty to prepare an IRMP under the National Framework Document issued by the Secretary of State under the provisions of Part 3, Section 21 of the Fire Services Act 2004. This report seeks to reassure Members that this is being considered as part of the refresh of the IRMP.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Any Service who the Secretary of State deems to be failing under the provisions of the National Framework Document, may be subject to intervention by the Secretary of State. The refresh of the plan is therefore an integral part of the Authority's obligations under the Fire Service Act 2004.
- 8.2 As detailed in the statutory duties, failure to update and implement the IRMP could leave the Service open to criticism through the formal inspection of the Service by the HMICFRS.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from the refresh of the IRMP.

## **10. RECOMMENDATIONS**

It is recommended that Members:

- 10.1 Approve the refreshed Strategic Plan (IRMP) at Appendix A.
- 10.2 Approve the Year Two Action Plan at Appendix B.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



# Strategic Plan

## 2019-2022

Refreshed January 2020



## **Welcome From the Chief Fire Officer and Chair of the Fire Authority**

It is our pleasure to present to you our Service's strategic plan for the next three years. This sets out how we are going to ensure we achieve our vision of creating safer communities.

This Strategic Plan outlines how we will meet the Fire and Rescue National Framework for England which sets out the Government's expectations and responsibilities for fire and rescue services. We are required to produce an Integrated Risk Management Plan (which we call our Strategic Plan) which identifies foreseeable risks to communities and the arrangements we have put in place to mitigate those risks.

Our last plan highlighted that we were going to maintain and support our workforce, continue to improve upon previous achievements, ensure that our Service has an appropriate infrastructure for governance to support our future successes, and maintain our strategic partnerships. We also aimed to reduce our impact on the environment and invest in new technologies, whilst making sure that our services were tailored to meet our communities and their needs through promoting equality and diversity.

It is pleasing to see that we have made great progress in all of these areas; however, we know there is still work to be done to increase efficiencies, maintain our high-quality services, strong governance and financial sustainability, and ensure that our workforce remain engaged and motivated. Our plan for 2019 – 2022 builds on our achievements and sets out how we will navigate the next three years as a modern fire and rescue service, adapting to the demands of evolving risks.

We know that there are some challenging times ahead, but we are confident that our plan considers risks from all areas and outlines how we intend to move your Service forward. We look forward to building on the aims and actions set out in this plan to provide you with a safer Nottinghamshire for the next three years and beyond.

The 2020 refresh of this plan reflects the following:

- The appointment of a new Chair of the Combined Fire Authority
- Progress on initiatives such as the Joint Fire Control and duty system changes
- Changes to our Corporate Planning cycle
- To ensure stronger links to annual business planning
- Changes to the Service governance structure
- Responding to the findings of our first HMICFRS report
- Updated statistical information
- New imagery.

## **Who are we?**

Nottinghamshire Fire and Rescue Service (NFRS) is dedicated to the safety, care and protection of the county's 1.15 million residents through the delivery of high quality services which are responsive to local need, accessible to all citizens – especially the most vulnerable - and effective in keeping people safe and well.

Since the introduction of the last plan, we have seen an overall decrease in the number of fires we have attended and we are working hard to reduce these numbers even further. Putting safety at the heart of our delivery has meant we are increasing our focus on prevention and protection, whilst ensuring we respond to the everchanging demands and requirements of those we serve. We aim to maintain the unique level of trust we have built up with the residents of Nottinghamshire.

## **Our Vision**

Our vision is to create safer communities across Nottinghamshire. Throughout the life of this plan and beyond, we will work to provide the best possible service to you, with the resources that we have. Our strategic planning cycle is underpinned by an annual Action Plan which is communicated across the Service. This details our ambitions for the year ahead. Progress against each Action Plan is monitored by the IRMP Programme and Performance Board and reviewed through Fire Authority governance. Every year we produce a Statement of Assurance which tells you how we have performed against our objectives. Everything that we do is led by our three strategic aims which set out to provide high quality services, offer strong governance and financial sustainability, and ensure that our employees are engaged and motivated.

### **High quality services**

Whether it is our operational crews working in the community or responding to an incident, or our support staff working in different functions across our Service, we strive to make sure that the service we provide is of the best possible quality.

We invest in the right technologies and infrastructures to help us do the best job we can and review all our activities to maximise efficiencies. By collaborating with blue light and non-emergency services partners to share knowledge and best practice, we ensure that our services to you will remain of a high quality as we look into the future.

### Engaged and motivated workforce

Our people are at the heart of what we do, and their engagement and motivation strengthens the service that we provide to you. Communicating to our staff in the most effective way possible ensures that we are all working as one team across NFRS. We make sure that all of our people are supported throughout their career by providing appropriate training and development, providing accessible well-being services and offering support for our employees' needs.

### Strong governance and financial sustainability

We carefully monitor and assess all that we do to ensure that value for money is achieved across the Service. Our risk plans and financial strategies ensure our preparation for dealing with risks to our governance and finances, and our work to collaborate, particularly with fellow emergency services in Nottinghamshire, continues to develop the service we provide and strengthen our governance arrangements and financial sustainability.

Our four core values underpin our strategic aims. These values are: being open to change, working as one team, being professional, and valuing and respecting others.

### How do we keep you safe?

Our county covers 838 square miles and is home to major transport networks, large scale businesses and industries, national sporting venues and sites of heritage, all of which present their own unique risks.

To prepare for this, we use both local and national registers to help us plan for and adapt our resources to future risks.

The National Risk Register helps us to identify risks over the next five years where the consequences would lead to a civil emergency. The Community Risk Register assesses the main risks across our county.

We are also able to analyse our own risk information to map the areas of highest risk across Nottinghamshire. Through our in-depth fire cover review we can ensure that we have the right resources, in the right places to provide an efficient and effective emergency response to deliver our aim of creating safer communities.

The last 20 years has seen our response times to fires increase gradually, and this is due to a range of reasons. When you need us in an emergency, you will be speaking to one of our highly-trained Fire Control team, who will take the details of your location and the incident, before immediately mobilising the most appropriate resources.

Whilst the fire appliances or specialist vehicles are on their way, our Fire Control team will often remain on the phone with you until the fire crews arrive to give you advice and support.

### Our Population

Within Nottinghamshire, the projected increase in the number of older people from 2016 – 2026 is 35,000, an increase of over 21%. For those aged 85 and over, this is projected to increase by over 38%, to nearly 29,000 people. The Nottinghamshire Health and Wellbeing Board's 'People of Nottinghamshire' report (21/12/2017) anticipates that 'increasingly, older

people in Nottinghamshire will live alone (increasing by 21% between 2017 and 2026).’ We know that people’s vulnerability to fire is increased as they age, and increased even further by living alone, so we will look to target our resources at these individuals through our prevention activities.

### Property fires

No two properties are the same, and that’s why we analyse and train to lessen the risks to both you and our firefighters for all kinds of buildings. This includes flats, houses, commercial buildings, derelict properties or those that are home to vulnerable people. It is important that we are aware of the hazards these properties might present to us when attending an incident. We regularly train at sites across Nottinghamshire to familiarise ourselves with locations, and to share best practice with each other to inform ourselves of the risks we might face.

### Water risk

NFRS also regularly mobilises to incidents involving water. We analyse all areas of open water in Nottinghamshire and the risks associated with them, playing an active role in our local water safety partnership to highlight the dangers.

With a variety of rivers, canals, lakes, reservoirs and weirs across our county, it is not unusual for us to attend water rescue incidents and perform searches with our specialist equipment and highly trained crews.

Since 2014, we have attended 236 incidents involving water and, nationally, there has been an increase in water related fatalities. We have led various campaigns to raise awareness of the dangers and will continue to educate our communities about staying safe around the county’s waterways in the future.

### Transport risk

Nottinghamshire is home to a stretch of the M1 motorway, a large section of the A1 from Newark up to Harworth, as well as other roads including the A52, which links us to Derby and Grantham. Recent years have seen an increase in fatal road traffic collisions in our county, so we continually analyse incident data and work with partners to plan initiatives and target areas which present the most risk.

But it’s not just roads which make up our transport risk. Being located on the border of Leicestershire means we are close to East Midlands Airport and are likely to be called to assist with an incident there. That’s why we make sure we are prepared to respond to all kinds of incidents, even though many are rare.

A large rail network runs through our county, as well as a tram system through Nottingham City centre and the surrounding areas. Working alongside agencies responsible for the maintenance and management of these systems, we make sure we familiarise ourselves with their structure should we be called to an incident involving either a train or a tram. The future looks set to bring a high-speed rail network through Nottinghamshire and we are already involved in the planning process for this.

### High rise risk

Nottinghamshire has a number of buildings which are over six floors in height. These buildings present their own set of risks and, following the fire at the Grenfell Tower in London in June 2017, there has been an even greater focus nationally on the associated risks. We recently reviewed our high-rise procedure and risk analysis and, following this, we increased our 'standard' attendance of resources that would be mobilised if there was a confirmed fire at these locations.

### Heritage risk

Thankfully, incidents involving our most historic and treasured buildings across the county are rare. Wollaton Park, Newstead Abbey and Nottingham Castle, to name just a few, are considered to be sites of national heritage and, to ensure we are familiar with their layout and structure, we ensure we work closely with each site to gather risk information and formulate emergency plans. This enables us to limit damage to these sites in the event of a fire or other emergencies.

### National risks

National risks affect local communities, which in turn affect how we, as a Service, allocate some of our resources.

Issues including mental health, smoking and drugs and alcohol are becoming more and more recognised. We know that smoking accounts for 8.5% of fatal fires nationally, and that drug and alcohol abuse and mental health problems can put people at a higher risk of being affected by fire, and that's why we deal with these issues at a local level.

As an emergency service, a significant national risk is whether our future funding will allow us to sustain the level of resources and services we provide to keep you safe. The recent financial climate has brought some uncertainty to all public sector organisations, and to prepare for this risk we are always reviewing and monitoring our finances and will continue to make sure that we provide the most efficient and effective services, whilst providing value for money.

### Terrorism

We are all aware of the increasing threat of terrorism. These events have led us to prepare our response in the event of such an attack here, or in one of our neighbouring counties. In conjunction with our partners, our firefighters play a role in preparing for and responding to acts of terrorism and, as the risks change, we continually review our procedures and capabilities to ensure we are able to act effectively and safely.

Operationally, we work together with our partner agencies to prepare and plan for risks, and a joint response to such risks means that we can share best practice with other services as well as a greater level of communication and coordination across all that we do.

### National Resilience

As a UK fire and rescue service, we also have agreements in place should our neighbouring fire and rescue services need our assistance and, vice-versa, we are able to call on other services to provide resources and personnel.

We are part of the Nottinghamshire Local Resilience Forum, which is led by Nottinghamshire

Police, and is made up of senior managers from the principle emergency planning and response organisations. Playing an active role in this group means that we help to plan and take part in multi-agency exercises based on real risks to Nottinghamshire residents.

### Cyber risks

The risk of a cyber-attack threatens our operational capabilities. We know that recent years have highlighted how ICT infrastructures have been breached in public services, and that is why we have made significant investments in ensuring our systems are safe.

As a result, we have been awarded a Cyber Security Essentials Plus certificate, which means that we have a strong security network in place.

### Our People

It would be impossible to protect our communities without the dedicated and professional staff that we employ across our Service.

Our workforce is our biggest asset, and we are absolutely committed to continuing to develop and improve them to meet the demands of a modern and diverse fire and rescue service.

Our People Strategy underpins this commitment. The strategy aligns itself to the National Fire Chiefs Council's requirements for training and development and is focused on ensuring we have the professional and skilled workforce needed to deliver high quality services that are resilient and flexible to respond to current and future challenges.

The Strategy also recognises our determination to become a more representative organisation to better reflect our communities, and it is a priority of ours to improve the diversity of our workforce.

We will focus on ensuring our workforce are healthy, happy and engaged at work with the right skills, knowledge and experience to carry out their roles and keep people safe.

Through our Workforce Plan we will be able to align the future needs of the Service with the resources available. Future retirements will mean a loss of some technical knowledge and specialist understanding, so it is imperative we ensure the Service plans in order to remain resilient.

### What we do

What does 'safer communities' actually mean? If you see us in your community, we will be doing one of the following: preventing incidents, protecting businesses and people or responding to emergencies.

Our staff are involved in a variety of roles from education, to raising awareness about safety, to working with other emergency services.

## Prevention

Every part of our Service feeds into the work that we do to prevent incidents from happening. Our Prevention Team, as well as our operational firefighters, bring the focus of this work right into the heart of our communities.

Working with residents to raise awareness is a key part of our work. Through the lifetime of our 2014-2019 plan, our prevention activities saw our staff deliver road safety education in schools, work with partner agencies to raise awareness of water safety and run campaigns in response to incidents in the community.

Through the continued delivery of Safe and Well Checks, education programmes, community events and our work alongside our partner agencies to target the most vulnerable in society, we ensure that our safety messages are far-reaching, raise awareness of everyday risks and help to keep our citizens safe.

## Protection

Providing fire safety advice and enforcing fire safety legislation is an important part of our role, and our Fire Protection Team has a statutory responsibility for auditing premises and enforcing fire safety legislation, under the Regulatory Reform (Fire Safety) Order 2005. We will continue to focus our resources on the higher risk commercial premises through our risk-based inspection programme.

We work with local businesses, landlords and those responsible for public buildings in-line with the Statutory Code of Compliance for Regulators for better regulation to reduce risk and ensure compliance with safety regulations.

We also undertake extensive planning so that we are prepared for incidents should they arise. This role extends to professional engagement during the planning of new buildings and the redevelopment of existing ones across Nottinghamshire, to build in fire safety.

## Response

We have 24 fire stations across the county and the personnel who work on each station form part of our operational response to emergencies. The majority of this response is to fires or traffic collisions, but our crews also attend rescues from water, height and confined spaces as well as incidents involving hazardous materials and environmental protection. Our Operational Assurance and Training department helps ensure our crews are well trained in order to be able to effectively respond to a broad range of incidents.

The Service also ensures it is able to develop through its on-going experiences and nation-wide learning.

## **Our journey so far**

In our previous plan, we set out the challenges we faced during a time of change for the emergency services sector. Over the last five years we have worked hard to maintain the services we provide, to ensure they are professional, effective and deliver value-for-money.

Since 2010, we have reduced our operating costs by 25%, while still making sure that we are there for you when you need us. We have looked at all areas of the service to make

savings and increase efficiency and effectiveness, such as:

- Introducing new ways to deliver our services, for instance through a 'day shift crewing' model at Ashfield and Retford fire stations and 'alternative crewing' for the majority of our on-call appliances.
- Collaborating with other emergency service partners by sharing premises, resources and working more closely with neighbouring fire and rescue services. This includes the new Joint Fire Control based in Derby which came into operation in 2019.
- Actively reducing operating costs of our sites by rationalising the estate and the use of efficient green technologies.
- Replacing our older vehicles with more economical alternatives in conjunction with reducing the number of vehicles we operate within our fleet.

Potentially far-reaching and fundamental changes now being implemented across the emergency sector mean we need to look at new ways of working. This means progressing initiatives that will transform our service delivery and ensure a greater degree of accountability and transparency.

The Policing and Crime Act 2017 provides a framework for these changes, including a new statutory duty to collaborate for each emergency service. Our 2019-2022 plan will keep this requirement in mind as we set out our priorities on how we will keep you safe for the next three years.

## How our budget is spent

The budget for providing our services to you across Nottinghamshire in 2020/21 is £45m. £36m, or 79.5%, of our income is spent employing the people who provide our fire and rescue services to the public. £3.5m is spent on supplies and services.

This includes operational equipment, protective clothing, training equipment, consumables and ICT licence costs, etc. The running costs of our 24 fire stations, training centre and Headquarters are £2.6m and running our fire appliances, specialist vehicles and cars costs £1.6m.

The proportion of the 2020/21 Annual Council Tax charge for a band D house that is paid to the fire and rescue service is £81.36 (this equates to 22p a day). This provides £26.1m of income to the Fire Authority – 58% of our total income. Other income comes from Business Rates and government grants.

As part of its budget management, the Fire Authority produces a Medium-Term Financial Strategy (MTFS) covering a four-year period. The MTFS is updated annually to reflect emerging local, regional and national issues.

This helps us to make informed assumptions about issues such as future pay, inflation, government funding and Council Tax levels, and future risks. The MTFS forms the basis for setting the annual budget for the Service.

## Our People

It would be impossible to protect our communities without the dedicated and professional staff that we employ across our Service.

Our workforce is our biggest asset, and we are absolutely committed to continuing to develop and improve them to meet the demands of a modern and diverse fire and rescue

service.

Our People Strategy underpins this commitment. The strategy aligns itself to the National Fire Chiefs Council's requirements for training and development and is focused on ensuring we have the professional and skilled workforce needed to deliver high quality services that are resilient and flexible to respond to current and future challenges.

The Strategy also recognises our aspiration and determination to become a more diverse organisation which better reflects and is representative of our communities.,

We will focus on ensuring our workforce is healthy, happy and engaged at work with the right skills, knowledge and experience to deliver a high level of service to the people of Nottinghamshire.

Through our Workforce Plan we will be able to align the future needs of the Service with the resources available. Future retirements will mean a loss of some technical knowledge and specialist understanding, so it is imperative we ensure the Service plans in order to remain resilient.

## **What are we going to do?**

Over the coming years we will continue to make sure that we are always ready to work with you to prevent incidents from happening, protect you from hazards and respond to you in an emergency. The broad ambitions outlined here will drive each annual Action Plan which will detail the specific aims of this Strategic Plan.

### **DELIVERING AN EFFICIENT SERVICE**

#### **Improving your Service**

Our commitment to continuous improvement means we will be in the best position possible to face new and emerging challenges and opportunities. This is of particular importance in the light of the Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services results, which reflect the improvements we must make, and the National Framework, which seeks greater transparency and accountability from all fire and rescue services. In addition, the Home Office, which has responsibility for national fire policy, has been clear about its intention to reform the way in which fire and rescue authorities provide their services, focusing on improving efficiency and effectiveness.

The instability of the national economy will continue to impact on our finances. At present, the Authority is working hard to plan budgets and align resources to the risks to ensure that services can be maintained whilst delivering a balanced budget throughout, and after, the life-cycle of this plan. If funding restrictions continue into the future, then it may be necessary to review how our services are delivered to the communities of Nottinghamshire.

We will continually strive to improve the Service by utilising feedback from:

- Service users
- Internal audits and debriefs
- HMICFRS
- Peer reviews and national trends.

We will also seek to introduce new ways of working to improve efficiency and increase our effectiveness. The Service is also striving to deliver an adaptable working environment that

will facilitate a connected workforce. This will ensure our people have the right information, on the right device, at the right time with the right skills.

### Collaborating to provide a better service

Through the Policing and Crime Act 2017, there is now a legal requirement for UK fire and rescue services to seek out ways to collaborate with other emergency services. This is likely to bring some changes to the way we operate and bring about a greater integration of services.

Throughout the life of this plan, we will make sure that we review all opportunities to collaborate, whether this is through sharing estates and equipment or running joint campaigns to raise awareness of safety messages.

We are actively seeking collaboration, not just because we have to, but because we believe that we can provide a unified approach to delivering public services and making our communities safer.

## Preventing Incidents and Protecting You

### Supporting those in greatest need

We know that, as a Service, we have a trusted reputation within the communities we serve. We are working closely with other agencies to support early intervention for those who are most vulnerable to fire and other incidents, particularly where this would help people to live independently and safely in their homes.

Our targeted Safe and Well visits offer information on a number of recognised factors which may impact a person's vulnerability to fire or injury. These include smoking cessation, alcohol addiction, falls prevention and keeping warm during winter, in addition to fire safety advice.

We will continue to refine our targeted data-led approach and work with our partners to identify emerging needs, looking for ways to increase the number and effectiveness of visits to the most vulnerable in our communities.

As the scope for Safe and Well visits develops nationally, we will also look to review what we offer within Nottinghamshire.

We want to make sure you are as safe as possible and, by working alongside our partner agencies, we aim to make every contact count for those in need.

We focus our prevention activities around protecting people in their home. Our intelligence-led CHARLIE profile (which stands for Care and support, Hoarding, Alcohol, Reduced mobility, Lives alone, Inappropriate smoking, Elderly) identifies the main contributory factors that increase a person's risk of experiencing a fire in the home. We use this profile to raise awareness with partners and refine our use of data to generate targeted Safe and Well visits.

**Over the life of our Strategic Plan we will increase the number of Safe and Well visits we deliver each year and, by 2022, aim to deliver 12,000 per year.**

### Information gathering within the built environment

Knowing about hazards and risks before we are called to deal with emergencies is a vital part of our prevention and protection role.

As our crews have a unique knowledge of the communities they serve, we will utilise their skills and knowledge to implement what we call 'hazard spotting.'

This means that firefighters will go out to premises and assess how safe they are from fire. If an incident occurs following this visit, our Fire Control staff will have better knowledge of the hazards involved and will be able to send the most appropriate resources.

Through the use of our Risk Based Inspection Programme we will focus our resources on the highest risk premises to which the Fire Safety Order (2005) applies. Our Fire Safety Inspectors will continue to work closely with businesses to reduce the impact of fire in commercial premises and ensure that the protection of people is at the heart of their activities.

### Reviewing our prevention and protection departments

Our prevention and protection teams are one of the main points of contact between us and our communities, and our focus will be on making them more accessible. That is why we plan to review our prevention and protection teams to make them even more effective, building stronger working relationships with our partner agencies and aligning our activities.

### Implementing recommendations post-Grenfell

In June 2017, the fire at the Grenfell Tower led to the loss of many lives. Since then, there has been an increased focus on how fire services protect the public from fire, particularly in high rise buildings, and how fire safety measures are assessed.

The outcomes of the Dame Hackitt and Grenfell Tower inquiries may lead to changes in how fire services undertake inspections of buildings. We will be working to implement any changes from these inquiries, as well as engaging in developments and consultations which may affect the way we work.

## Responding to you

### Strengthen the sustainability of on-call

Over a third of our operational staff are on-call firefighters. Working in primary employment and devoting time to keeping our communities safe is a big commitment. As a Service we recognise this, and will continue to do so, as we focus on the future sustainability of our on-call provision.

We will do this by investing in the training and development of our on-call staff. The life of this plan will see these staff play a key role in helping us to deliver day shift and alternative crewing, and we will continue to develop and support this part of our workforce to deliver services within the communities where they live and work.

**It is our aim to improve the availability of our on-call appliances to an average of 85% with no station falling below 70%**

### Assure our operational resourcing

Making sure that we have the best equipment to deal with the challenges we face and also to keep our firefighters safe is another ongoing priority for us.

To ensure that we have the right resources in the right places, we carried out a fundamental review of our operational model in 2010, and again in 2015.

In 2021, we will carry out a comprehensive risk analysis of our county. This data will help us ensure we are allocating our resources to the foreseeable risks within our communities. This will enable us to provide an efficient and effective response to help create safer communities.

**Throughout the life of this plan we will continue to aim to arrive at all incidents in an average of eight minutes from the time an appliance is mobilised to you.**

### Resilience Interoperability and Business Continuity

NFRS hosts a range of National Resilience assets which may be deployed to support national incidents as a result of accidents, natural hazards or terrorism.

We will ensure that our staff are trained, prepared and have the right equipment to professionally respond to emergencies with Nottinghamshire and the wider UK.

We will work with other emergency services and non-emergency organisations to ensure, in the event of an incident, that there are effective working arrangements in place and that Joint Emergency Services Interoperability Principles (JESIP) are being applied and effective inter-agency working is common practice.

We will do this by carrying out cross border and multi-agency exercises and training, taking an active part within Nottinghamshire's Local Resilience Forum and the sharing of information and learning.

Because our service to you is provided 365 days a year, we make sure that we have plans in place to detail how we are going to keep things running in the event of a significant disruption.

We will continue to review these plans or unforeseen events, and it is our commitment to you that we will do all that we can to remain resilient.

### Delivering the Emergency Services Network

As technology moves forward, we need to keep up-to-date with this across our Service. Part of this will be a transition to the new Emergency Services Network (ESN), which will replace our existing Airwave radios with the latest mobile communications technologies.

Developed nationally but delivered regionally, ESN will be a shared technology with all emergency services across the country and will allow us to communicate seamlessly across all blue light services at incidents.

### Professional standards

The National Framework outlines the Home Office agenda to develop a coherent and comprehensive set of professional standards across all areas of fire and rescue services,

drawing on existing standards where appropriate.

The development of new national standards will be on an on-going basis and we will work to ensure that this Service aligns itself to the national agenda.

## Looking after our People

We are proud to be an organisation which provides our staff with modern technologies, access to health and wellbeing services and opportunities to develop within their roles, and we will carry on ensuring that everyone who is part of our Service remains engaged and motivated across the life of this plan.

We recognise that the Service is currently not representative in terms of the number of women, LGBT and Black and Minority Ethnic employees, particularly in operational roles, and that this is a long-standing issue. We will work to improve the diversity of our workforce by promoting the benefits of a career in the fire and rescue service, understanding the particular issues which impact upon those who are under-represented in our workforce, and continue to implement Positive Action measures to support applications from the widest range of applicants.

A more inclusive and representative Service is able to positively draw upon a wider range of perspectives, experiences and viewpoints to better serve our communities.

To ensure they perform at their best, we will also actively promote employee well-being, supporting our employees to maintain their physical, emotional and mental health. The extension of the retirement age will bring challenges aligned to a longer working life, and maintaining good health and fitness will be central to positive employee engagement and good employee morale.

This also includes ensuring that the Service promotes opportunities to enhance job satisfaction, personal development, work-life balance and a culture of workplace inclusion which is underpinned by our core values.

## Looking after your Service

To ensure we continually develop and progress as a Service we will continue to refurbish and rebuild our estate in order to safeguard modern, energy efficient buildings that provide operational response bases and community hubs.

We will meet future challenges by adopting digital best practice and delivering an agile, flexible and user-centric working environment. We will strive to use mobile technology to its maximum potential to ensure that information is available through resilient and secure means to our people.

We review progress against these actions through our IRMP Programme and Performance Board and through Fire Authority governance. Key service updates can be viewed by reviewing our Fire Authority meeting minutes ([hyperlink](#)).

Each year we report on progress against the previous year of our Strategic Plan. You can review our progress through our annual Statement of Assurance ([hyperlink](#)).

**Contact details:**

For further information or guidance, you can contact us through any of the following;

Nottinghamshire Fire and Rescue Service  
Bestwood Lodge Drive, Arnold,  
Nottingham  
NG5 8PD

Telephone: 0115 967 0880

Text: 07766299999

Email: [enquiries@notts-fire.gov.uk](mailto:enquiries@notts-fire.gov.uk)

If you require this document in an alternative format, please email us.



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

# Strategic Plan

## Year 2 Action Plan



# Year 2 Action Plan

Nottinghamshire Fire and Rescue Service has a three-year Integrated Risk Management Plan (2019-2020), which we call our Strategic Plan. Each year key service ambitions are delivered to ensure we continue to provide an efficient and effective service to the communities of Nottinghamshire and deliver our aim of 'creating safer communities'.

Over the next year, we are going to continue to make sure that we are always ready to work with you to prevent incidents from happening, protect you from hazards and respond to you in an emergency.

For 2020, year two of our Strategic Plan, our key ambitions are:

## Responding to you

### Assure our operational resourcing

- Assure our response model by undertaking an evaluation of changes to our operational model
- Ensure our crews have universal access to fully embedded operational risk information

### Strengthen the sustainability of on-call

- Explore alternatives to help deliver a sustainable and resilient On-Call system

### Resilience and business continuity

- Continued development of our operational training to ensure we can work effectively with local and national partners

## Preventing Incidents and Protecting you

### Supporting those in greatest need

- Further development of our Safer Communities Strategy to ensure continued focus on supporting those individuals at the highest risk of fire and other emergencies

### Information gathering within the built environment

- Review our programme for identifying high risk buildings to ensure we protect persons from the risk of fire

### Reviewing our Prevention and Protection departments

- Continued development of the evaluation framework to enable us to review the effectiveness of our prevention and protection activities.
- Respond to the recommendations of the Grenfell inquiry

## Delivering an efficient service

### Improving your service

- Continuous improvement of our service by delivering on the recommendations from our last inspection
- Develop a new corporate governance planning cycle and review all corporate documentation
- Develop a performance management framework to help drive improved levels of community outcomes
- Further develop technological solutions to help drive improved organisational effectiveness

### Collaborate to provide a better service

- Continue to develop our joint headquarters collaboration programme

## Looking after our people

### Looking after your service

- Develop and launch our new People Strategy.
- Implement a new appraisal process as means of enhancing performance and meeting the development and welfare needs of our workforce.
- Enhance positive engagement to recruit a more diverse workforce and promote better understanding and links to our local communities.
- Develop effective support systems to maintain the health and wellbeing of our workforce.
- Further develop and embed our service values to create an inclusive and supportive workplace for all our employees.
- Undertake a review of our development and promotion processes to ensure we have appropriate pathways for the development of all our workforce, including those with high potential.

We review progress against these actions, through our corporate governance structure, throughout the year. Key service updates can be viewed by reviewing our Fire Authority meeting minutes.

Each year we report on progress against the previous year of our Strategic Plan. You can review our progress through our Statement of Assurance.



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# WELLBEING STRATEGY 2020-22

Report of Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To set out the Service's Wellbeing Strategy.

**Recommendations:**

That Members approve the Wellbeing Strategy 2020-22 to promote health, wellbeing and fitness as part of the Services commitment to its employees.

## CONTACT OFFICER

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Deputy Chief Fire Officer

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## 1. BACKGROUND

- 1.1 Supporting employee health, fitness and wellbeing is a stated aim within the Service's Strategic Plan and forms part of the People Strategy. The Service has a long-standing commitment to maintain and enhance the health, wellbeing and fitness of its employees and has provided an in-house Occupational Health (OH) service for several years to support this aim.
- 1.2 The Occupational Health team is comprised of a OH and Fitness Manager who is a state registered nurse, a Fitness Advisor, an OH Promotion Officer and a part-time administrator. A Fitness Apprentice has also recently joined the team. The Service also contracts an OH Consultant who operates a clinic twice monthly and provides medical advice to the Service on more complex or long-term ill health referrals, as well as undertaking statutory medicals for operational employees.
- 1.3 The Service also provides complementary support through its Employee Assistance Programme, membership of the Simply Health Cash Back Plan for all its employees, physiotherapy and access to counselling via Relate.
- 1.4 The Wellbeing Strategy, attached as Appendix A to this report has been developed to set out in one place the Service's commitment to employee well-being and the support available to employees and to reiterate the importance of maintaining good physical, mental and emotional health to achieve an effective work-life balance.

## 2. REPORT

- 2.1 Wellbeing is a term which encompasses "a positive physical, social and mental state" and emphasises an integrated approach to looking after the whole person, as opposed to simply being physically healthy. There is robust evidence that health, work and wellbeing are closely connected and that if these are not in balance that this can lead to a mis-alignment that may lead to physical or mental illness.
- 2.2 A focus on well-being should ensure that employees are better able to deal with issues at work or in their personal life and in turn this benefits the individual, their colleagues, the Service and the wider public. The business case for investing in wellbeing is a more productive, healthy workforce with reduced absence rates and higher levels of morale.
- 2.3 The Wellbeing Strategy has been developed by the OH and Fitness Manager covering 4 priority areas: mental wellness, fitness for role, healthy lifestyle and communication/engagement.
- 2.4 In terms of **mental health**, the Service provides access to counselling through Relate, Simply Health and via the Employee Assistance Programme (Life & Progress). The Firefighters Charity also provides mental health

support and employees who are experiencing more severe mental health issues can be referred for specialist trauma support.

- 2.5 Prevention and early intervention is often the most effective way of reducing the progression of mental ill health conditions and information is available to enable self-help through on-line questionnaires and web-based platforms such as the Resilient Me Blue Light site, which will be rolled out in the New Year.
- 2.6 The Service also supports a Peer Support programme, facilitating a network of trained employees who can offer non-clinical social support to individuals or groups who may be experiencing psychological/emotional concerns or distress. Talking through issues in a non-judgemental and confidential environment can help to provide perspective and prevent problems escalating into ill health.
- 2.7 There is also an established approach to dealing with post-Incident support which is centred on group debriefing and defusing, which is put in place following potentially traumatic events. This is undertaken at station level and an overview taken by the OH team, supported by peer support facilitators, to identify immediate or post-occurring symptoms of distress that may require further support or intervention.
- 2.8 One of the primary roles for the OH function is to ensure that employees are **fit for role** by undertaking health surveillance, supporting those who are returning from illness or injury, implementing workplace adjustments where required, and providing professional advice to managers.
- 2.9 By reviewing absence and referral information, the Service has identified that musculo-skeletal injury and mental health are primary reasons for long-term absence and focus is therefore given to prevention activities to reduce the likelihood of such injury or illness in the workplace.
- 2.10 Work is currently being progressed to review the likely impacts of an ageing workforce on health, fitness and wellbeing so that the Service can seek to address these, for example, by providing advice on maintaining a healthy lifestyle and developing policy around managing the menopause or other age-related conditions.
- 2.11 The promotion of a **healthy lifestyle** is integral to health promotion work undertaken by the Fitness Advisor and a healthy lifestyle programme has recently been rolled out to address the importance of physical activity and nutrition. There is a comprehensive programme of support to promote core fitness and a network of Physical Training Instructors on each station supports this on a day-to-day basis. Promotion of specific health topics is undertaken by the OH Support Officer through the MyNet Health and Wellbeing site, and are linked in to specific events to tie in with national health promotion campaigns.

- 2.12 The key to embedding a culture which supports wellbeing is the effectiveness of **communication** which engages and informs the workforce. The strategy sets out ways in which this will be achieved and full use will be made of the various channels by which information can be shared. This includes regular emails to staff, articles in the newsletter, MyNet information, leaflets, social media, presentations at engagement events and contact visits to all sites.
- 2.13 Ahead of the launch of the Strategy the OH team continue to deliver a roadshow across all stations, Headquarters and Service Development Centre to promote the work being undertaken to maintain health, fitness and wellbeing and highlight the provisions available to employees. This also included the opportunity to undertake an individual health assessment, stress risk assessment and a mental health questionnaire. Feedback from employees has been very positive, particularly from on-call staff and it is intended that these visits will continue to take place throughout 2020.
- 2.14 The health, fitness and wellbeing provision provided to NFRS employees is of a high quality, as acknowledged by the attainment of the Employer Wellbeing Gold Award in 2018, and the publication of this Wellbeing Strategy will ensure that all our employees are informed about the support available to them, and the ways in which they can improve their own lifestyle choices.
- 2.15 Developing a Well-being strategy will also address an area for improvement following Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) inspection and therefore the strategy will be shared with the Service' Liaison Officer to ensure that it is in line with HMICFRS expectations.

### **3. FINANCIAL IMPLICATIONS**

Funding for the services referenced within the Wellbeing Strategy is already built into the Occupational Health budget.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

The importance of supporting employee well-being is a central tenet of the Service's People Strategy and reflects the commitment to support the physical, mental and emotional health of NFRS employees.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken as the well-being strategy does not represent a change to policy or service delivery. However, the provisions set out within the strategy are person-centred and support offered by the service considers individual needs, including any adjustments which can be put in place to support individuals in the workplace to maintain their physical, mental or emotional health.

## **6. CRIME AND DISORDER IMPLICATIONS**

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

## **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

Maintaining effective employee support, and promoting healthy lifestyle practices, is a factor in reducing the likelihood of long-term absence and enhancing the well-being and performance of employees in the workplace. Early intervention and guidance to maintain good physical and mental health can help to mitigate the escalation of conditions and the provisions within the Strategy are designed to offer this support and guidance.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

That Members approve the Wellbeing Strategy 2020-22 to promote health, wellbeing and fitness as part of the Services commitment to its employees.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

# Wellbeing Strategy

## 2020-2022





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This Wellbeing Strategy for Nottinghamshire Fire & Rescue Service (NFRS) is designed to support the wellbeing of all employees.

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The success of our Wellbeing Strategy will be measured in a variety of ways to ensure it remains appropriate for any challenges and changes faced by employees of NFRS.





# Wellbeing at NFRS

This Wellbeing Strategy is designed to support the wellbeing of all employees. A wellbeing strategy does not just benefit individuals but also raises levels of employee engagement helping to create a workforce where everyone is committed to achieving organisational success. Focusing on employee wellbeing will help NFRS to achieve our vision of “Creating Safer Communities” across Nottinghamshire.

Our wellbeing strategy is aligned with the latest NFRS Strategic Plan, launched in April 2019, highlighting how it intends to meet the Fire and Rescue National Framework for England. The plan is underpinned by three strategic aims which are reflected in this strategy:



### High quality services:

***“Whether it is our operational crews working in the community or responding to an incident, or our support staff working in different functions across our Service, we strive to make sure that the service we provide is of the best possible quality.”***

In order to make this possible, we are absolutely committed to supporting our people in achieving optimal wellbeing to be able to meet the demands of a modern and diverse fire and rescue service.

### Engaged and motivated workforce:

***“Our people are at the heart of what we do, and ensuring their engagement and motivation strengthens the service that we provide to you. Communicating to our staff in the most effective way possible ensures that we are working as one team across NFRS. We make sure that all our people are supported through their career by providing training and development, providing accessible wellbeing services and offering support for our employee’s needs.”***

### Strong governance and financial sustainability:

Our workforce is our biggest asset and healthy employees are central to delivering our Service’s Strategic Plan. Focusing on wellbeing is not only essential in creating a healthier, happier, more motivated workforce but also has other benefits for the Service including:

- Reduced absence and injuries
- Greater effectiveness with increased productivity
- Reduced staff turnover, maintaining skills and knowledge within the Service and as a result reduced recruitment costs

This strategy has also been developed to support the NFRS People Strategy, with a focus on ***“Developing and maintaining a healthy workforce”***. The service is ***“committed to providing the highest standards of workplace safety and support for our employees and place the health, safety and well-being of our workforce at the very top of our agenda.”***



# Introduction

## What is Wellbeing?

'A positive physical, social and mental state; it is not just the absence of pain, discomfort and incapacity. It requires that basic needs are met, that individuals have a sense of purpose and that they feel able to achieve important personal goals and participate in society. It is enhanced by conditions that include supportive personal relationships, strong and inclusive communities, good health, financial and personal security, rewarding employment, and a healthy and attractive environment' (DEFRA 2010)

## Why is Wellbeing at work important for individuals?

Wellbeing matters to everyone. We want to stay healthy, feeling both physically and mentally well. There is evidence to support that health, work and wellbeing are closely connected. For all age groups, work generally makes people healthier and helps those who have a health problem to improve.

Most of us spend the biggest proportion of our lives at work and for many, work is how we define ourselves. It is where we gain a sense of satisfaction as well as achievement and being happy in our work has a very positive effect on our overall wellbeing.

## Why is Wellbeing at work important for NFRS?

NFRS is committed to supporting employees with improving their wellbeing and to achieve a good balance between work and other interests and responsibilities. We already offer a wide range of services to help employees in maintaining healthy lifestyles. This strategy has been developed with the aim that these support activities are focused under a framework which optimises take up and maximises the mutual benefits to employees and the Service.



# How will we do it?

## Commitment

Improving our wellbeing throughout the service requires us to work as one team with commitment from both the organisation and the employee.



### NFRS will:

- Deliver outcomes that matter to our people and take responsibility for improving health and wellbeing.
- Listen to and involve our people in any improvements.
- Ensure that wellbeing sits at the core of what we do.
- Monitor our wellbeing initiatives continually to provide the best possible service.
- Be committed to removing the stigma previously attached to mental health.
- Actively support physical and psychological health & wellbeing.
- Clearly communicate and signpost the services we provide.

### NFRS asks our people to:

- Look after their mental and physical wellbeing.
- Be proactive if they have any wellbeing concerns.
- Encourage a working environment where everyone can speak freely about mental health without fear of prejudice.
- Provide feedback on where the Service can do better and what we are doing well.



## Policies and Practice

Effective policies and good practices are essential in maintaining and developing a healthy workplace. NFRS recognises the connection between the control of health risks, the health of employees and the overall success of the service.



We will aim to make a positive impact on the health of our employees, and in turn the health of the Service, by not only remaining compliant with all relevant legislation and industry standards, but also by:

- developing excellent policies and best practices that support the wellbeing of all employees
- setting clear expectations about wellbeing
- contributing to a workplace that protects employee wellbeing and promotes a positive working environment.

The OH and fitness team will review internal policies and procedures with the intention of including all aspects of wellbeing, making them more accessible and user friendly, placing employees at the heart of what we do. Further information on our policies is available on our Health and Wellbeing MyNet page.

In an environment where teamwork is central and where we value collaboration, we will work closely with other areas of the Service, as well as blue light and other non-emergency services partners to:

- offer relevant expertise
- increase awareness of positive health actions
- embrace difference.

## Our Values

Keeping in mind our four core values - **Being open to change**, **Working as one team**, **Being professional**, and **Valuing and respecting others**, will also help to ensure that wellbeing becomes part of everyday thinking at NFRS.



# The core aspects of Wellbeing at NFRS



At NFRS we provide a range of opportunities, interventions and support to all employees, to drive the development of a fulfilled, healthy and motivated workforce.

To achieve this, we ensure that employees feel safe and secure. The NFRS working environment is a positive one, which promotes both a healthy body and mind.

Employees are treated fairly and appropriately regardless of age, gender or gender identity, ethnic origin, disability, sexual orientation, religion, ability, job role or work patterns.

This strategy will ensure that wellbeing is at the forefront and helps create a culture where all health issues can be identified and managed. By working together across all areas of NFRS, building on underpinning research and evidence-based knowledge, will ensure a great wellbeing culture throughout our service.

Mental Wellness



Communication



Fitness for Role



Healthy Lifestyle



The strategy focusses on four core aspects above, which all directly impact on each other, to further develop a culture of sustainable wellbeing throughout NFRS. We are creating and embedding a network of employees who are passionate about wellbeing to foster a supportive environment across NFRS. We are ensuring governance, bringing together key stakeholders across the Service, is in place to make our strategy a success.



## Mental Wellness

NFRS proactively supports our people to maintain good mental health and encourage early action to manage any issues that may arise. We already have online toolkits available and e-learning modules, such as managing stress but we will continue to add resources. Our aim is that employees and managers can seek information when they most need it.

We provide a range of information resources on topics including bereavement, resilience, trauma and suicide, amongst others so that employees can seek support in a way that is most comfortable for them and at a time that is convenient.

We will continue to ensure that up-to-date information on mental health is accessible to all increasing awareness of potential issues along with the relevant self-management steps where available. We are developing a network of ambassadors who will have both the confidence and knowledge to listen to colleagues reporting concerns and signpost them to appropriate help.

Our Peer Support provides an informal system of non-clinical social support which enables individuals or groups to explore and process areas of psychological/emotional concerns or distress in a safe and confidential environment. It is available to all our people as an alternative option to, or before accessing other formal routes. The content of every peer support session will be kept strictly confidential.



**Life & Progress**

**Employee Assistance Programme**

We will continue to promote our Employee Assistance Programme (EAP) to employees along with other support routes such as:

- Resilient Me Blue Light
- The Fire Fighters Charity
- Relate



NFRS is actively involved with Time to Change, to help remove mental health stigma and improve attitudes towards mental health problems. We aim to nurture a culture where people feel able to talk as openly about their mental health as they would their physical health.



## Mental Wellness – What we plan to do

### Awareness and Promotion

Incorporate at least 3 national mental health awareness campaigns into our annual health promotion calendar.

Relaunch # Resilient Me – Blue Light resource and encourage participation.

Keep employees updated on the development of mental health support through The Fire Fighters Charity.

Ensure all locations have up-to-date information on support routes available to seek further help with common mental health issues.

### Organisational Input

Increase awareness in new supervisory line management:

- Training through external training provider
- Develop and launch E-learning stress module.

Develop a network of ambassadors who will be able to signpost colleagues for help.

Work with Relate on specific rebranding for our Service to be more appealing to our people.

Develop and implement a programme to offer mindfulness across the Service on an individual basis and evaluate whether this is something that could be progressed to team delivery.

## How will we know we are successful?



### Short-term Outcome Measures

Positive feedback from employees after promotion events.

A greater awareness amongst employees of The Fire Fighters Charity mental health support.

Data from # Resilient Me – Blue Light detailing interest, participation and completion of programme.

Data from EAP, Relate and peer support, showing increased engagement.

A reduction in short-term and long-term absence in relation to common mental health issues.

### Long-term Outcome Measures

Reduction in the number of referrals to OH for common mental health issues.

Earlier management referrals in cases where mental health issues have a persistent impact on performance.

Reduced number of employees being considered for ill-health retirement with mental health conditions.

Reduced number of employees being considered for ill-health capability with mental health conditions.

*(National FRS absence data 2018-2019 indicates common mental health issues accounted for lost time of 20% for WDS, 15% for on-call and 27% for support staff)*



## Communication



At NFRS, we currently provide a wide range of services to support wellbeing but our people may not always be aware of what we do. Through our desire to continuously improve the way we deliver our wellbeing message, a focus on improved communication is included within the core aspects of this strategy. We have excellent support mechanisms available for those wishing to improve and maintain their own wellbeing, however, it is essential we promote these

more effectively to encourage engagement.

Our strategy will be reflected on our Health and Wellbeing intranet page, enabling access to health promotion messages, self-help tools and signposting for support both internally and external to NFRS. It is already a great place for our management teams to seek help when trying to support team members with difficulties but we aim to improve the user experience.

In addition, this core aspect reflects the aim of the NFRS Digital Strategy which **“will facilitate a connected workforce”** and enable **“our people to have access to the right information, on the right device, at the right time”**. We will use technology to help reach our people in the most relevant ways for them, including:

- Email newsletters
- Social media
- Apps for mobile devices

For our people who are less comfortable with the latest technology, we will ensure our messages are delivered in more traditional methods such as:

- Wellbeing notice boards
- Hardcopy leaflets or letters if required



However, in this technological era, we should not forget how important making time to talk is. Over the next 2 years, the OH and fitness team will be delivering information in the following ways:

- Dropping into stations and offices for coffee and a chat
- Delivering some of our services on station where appropriate
- Being involved in internal and external conferences to deliver workshops on wellbeing
- Going on “Tour” for periods of time to offer wellbeing information to as many of our people as we can.

We feel that excellent communication across all areas of the Service is a vital part of a positive wellbeing culture where our people are keen to engage.

## Communication – What we plan to do

<b>Organisational Input</b>
<p>Develop new ways to reach employees, which work better for them</p> <ul style="list-style-type: none"> <li>• Traditional methods:               <ul style="list-style-type: none"> <li>• Quarterly Wellbeing newsletter (email subscription)</li> <li>• Regular Fitness newsletter (email subscription)</li> <li>• Refresh existing wellbeing notice boards</li> <li>• Install new noticeboards where there are none at location.</li> </ul> </li> <li>• Digital and social media:               <ul style="list-style-type: none"> <li>• Create a Facebook / Twitter account available across multiple platforms</li> <li>• Introduce relevant Mobile apps</li> <li>• Revamp MyNet Health &amp; Wellbeing intranet page to reflect core aspects.</li> </ul> </li> </ul>

## How will we know we are successful?



<b>Outcome Measures</b>
<p>Positive feedback from employees and management about the ease of access to information.</p> <p>Increased suggestions for ongoing campaigns, improvements in methods of sharing information and what is important to employees in all roles.</p> <p>Organisational survey results which indicate a greater awareness of wellbeing support and activities.</p> <p>An increase in passionate people coming forward to volunteer and assist in future initiatives</p>



## Fitness for Role

### Work is good for us!

The maintenance of health is the responsibility of the individual but in the workplace this responsibility is shared with the employer. The function of the OH and fitness team is to consider the influence of the employee's state of health on their ability to perform their role and the effects of the working environment on their health.

We aim to identify and remove barriers in returning to work for those who are absent, restoring normality for the employee as soon as possible. We do this by:



- Assessing if employees are fit for work and suggesting modifications where appropriate.
- Advising on plans to help employees to return to their normal duties after illness.
- Promoting active participation in wellbeing activities.
- Informing employees about sources of support and advice.
- Undertaking statutory health surveillance where necessary.
- Supporting line managers.

Wellbeing is a key influencer on an employee being able to perform their role. We need to ensure employees can think clearly and react safely, under pressure at times, together with the physical health and fitness to carry out their work. We will encourage employees to take responsibility for improving their own health by providing the support, tools and opportunity needed.

Over the last few years, it has become evident that the demographics of the UK workforce is changing, with people having to work longer and NFRS is no different. An ageing workforce, whilst offering experience and knowledge, also brings some challenges related to health and wellbeing. It is essential that we consider how best to support our employees who may be affected by physical and mental health changes. For example:

- Programmes to prevent age-related musculo-skeletal concerns
- Advice for gender specific issues such as the menopause
- How to support employees with cognitive deterioration or a diagnosis of dementia



## **Fitness for Role – What we plan to do**

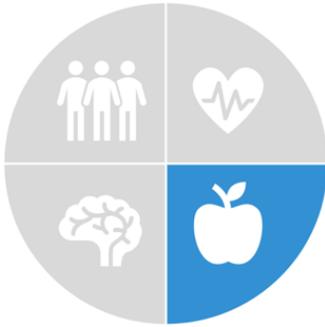
<b>Organisational Input</b>
<p>Review current health standards considering:</p> <ul style="list-style-type: none"> <li>• National requirements</li> <li>• Best practices</li> <li>• The use of vocational tests where appropriate</li> <li>• Changing model of physiotherapy provision to be more accessible to our people</li> </ul> <p>Review current fitness standards considering:</p> <ul style="list-style-type: none"> <li>• Strength and conditioning support to maintain national requirements</li> <li>• Develop E-learning training material for PTI competencies</li> <li>• Develop 2<sup>nd</sup> part of healthy lifestyle course aimed specifically at rehabilitation and self-help tools “In a nutshell”</li> </ul>

## **How will we know we are successful?**



<b>Short-term Outcome Measures</b>	<b>Long-term Outcome Measures</b>
<p>Smoother recruitment process with less delay due to medical and fitness concerns for potential recruits</p> <p>Demonstrate that safety has not been compromised by undertaking task-related and job-relevant equivalent tests when necessary</p> <p>Data from physiotherapy provider, showing increased engagement with service and reduced period of ill-health / injury effect</p> <p>All NFRS PTIs to be assessed competent to support individuals and undertake fitness testing</p> <p>A reduction in short-term and long-term absence in relation to musculo-skeletal issues</p>	<p>Employees remaining active in role despite potential age-related deterioration due to improved accountability for health and fitness</p> <p>Earlier management referrals in cases where physical health issues or reduced fitness or strength have a persistent impact on performance</p> <p>Reduced number of employees being considered for ill-health retirement with physical health conditions</p> <p>Reduced number of employees being considered for ill-health capability with physical health conditions</p>

*(National FRS absence data 2018-2019 indicates musculo-skeletal issues accounted for lost time of 38% for WDS, 45% for on-call and 19% for support staff)*



## Healthy Lifestyle

We promote healthy lifestyle behaviours, supported by public health messages, in the form of online resources and workshops. The key to making successful lifestyle change is having the tools to be able to implement that change whilst making it sustainable. Often, we know what we need to be doing but struggle to make it happen. A healthy lifestyle course has been designed by our Fitness Advisor to address the importance of physical activity and nutrition, and is available to everyone.

Embedding workplace health promotion will help to support and encourage health behaviour change for specific issues such as the menopause and pregnancy as well as aid optimum recovery from illness or injury.

Often, the latest fad for fitness can cause confusion or even be unsafe, whereas a



training programme should motivate an individual, meet their needs and be something they enjoy. Our Fitness Advisor, working alongside passionate employees, Physical Training Instructors and external physiotherapists, will continue to provide support and interventions that focus on improving the physical health of all employees. Our evidence-based programmes encompass fitness components such as flexibility, balance, strength and cardiovascular

conditioning. They promote many benefits including improved fitness, strength, functional mobility, reducing risk of injury and helping the individual reach their full potential.

A programme of exercise classes (Pilates & circuits) is now being rolled out at several locations, expanding to meet increasing enthusiasm from our people. We are delivering a programme of strength and conditioning, available to all, no matter where their starting point is. We believe that this proactive approach, will not only help to reduce the likelihood of injuries occurring but also help to delay the progression of chronic conditions related to the natural ageing process.



Let's not forget the importance of developing good routines, including sleep and rest. We provide advice about sleep hygiene on our Health and Wellbeing intranet page.

We also recognise the impact that social and financial wellbeing has on an individual's general wellbeing and support to help people manage with difficult situations can be found through our EAP provider as well as the Firefighter Charity.



## Healthy Lifestyle – What we plan to do

Awareness and Promotion
Incorporate at least 3 national lifestyle awareness campaigns into our annual health promotion calendar
Keep employees updated with current and emerging lifestyle trends

Organisational Input
Regular classes / sessions: <ul style="list-style-type: none"> <li>HQ fitness classes</li> <li>Support station PTIs with operational fitness sessions</li> </ul>
New / developing support options: <ul style="list-style-type: none"> <li>Run healthy lifestyle workshops at HQ</li> <li>Develop video training material for employees to follow at their own pace</li> </ul>

## How will we know we are successful?



Short-term Outcome Measures
Positive feedback from employees after promotion events
A greater awareness amongst employees of lifestyle trends
Data from classes and sessions noting interest, participation and completion of programmes
Positive feedback from PTIs after operational fitness sessions
Data from access of video and online resources
A reduction in short-term and long-term absence in relation to lifestyle-related issues and chronic health conditions

Long-term Outcome Measures
Employees remaining active in role despite potential age-related deterioration due to improved accountability for general health
Earlier management referrals in cases where general health issues have a persistent impact on performance
Reduced number of employees being considered for ill-health retirement with general health conditions
Reduced number of employees being considered for ill-health capability with general health conditions

*(National FRS absence data 2018-2019 indicates health issues [not including mental health or musculoskeletal] accounted for lost time of 42% for WDS, 40% for on-call and 54% for support staff)*

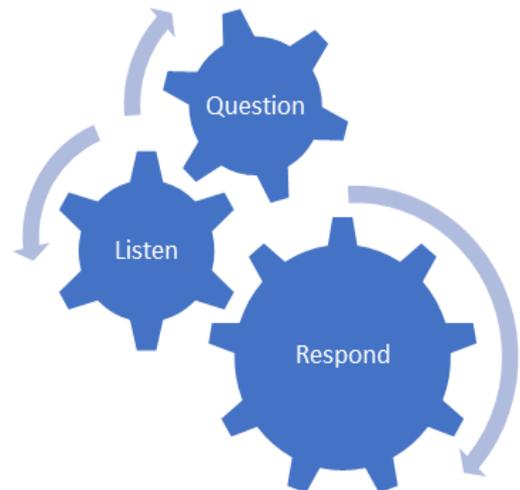
# Does it work?

The success of our Wellbeing Strategy will be measured in several different ways as mentioned in the previous sections to ensure it remains appropriate for any changes and challenges faced by our people at NFRS.

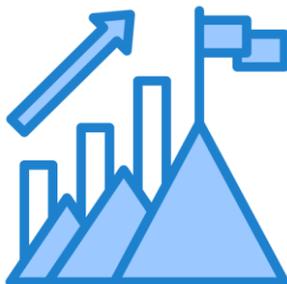
It is important to ensure that at regular intervals all activities conducted as part of this strategy, through the four core aspects, are monitored to ensure we understand the value they add and to ensure that they are meeting the needs of the Service.

This will include an analysis of:

- Performance of contract / usage rates of service providers.
- The nature of external health referrals and their outcomes.
- (Cash plan, physiotherapy, EAP, additional counselling).
- Absence figures.
- (key reasons for absence; duration of absence - short / long term).
- Employees undertaking modified duties
- Feedback from staff – reported via informal feedback following OH, fitness or wellbeing input.
- Staff satisfaction and engagement levels through NFRS surveys or focus groups.



Using this analysis, we will be able to shape our future strategies ensuring that Wellbeing remains a top priority as our Service adapts to meet any potential challenges ahead.



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# APPOINTMENT OF ASSISTANT CHIEF FIRE OFFICER

Report of the Chair of the Appointments Committee

**Date:** 28 February 2020

**Purpose of Report:**

To seek the approval of the recommendation of the Appointments Committee to the appointment of Ms Candida Brudenell as the next Assistant Chief Fire Officer.

**Recommendations:**

That Members agree to the appointment of Ms Candida Brudenell to the position of Assistant Chief Fire Officer, with effect from 01 June 2020, as recommended by the Appointments Committee.

## CONTACT OFFICER

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Chief Fire Officer

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Contact :** (0115) 967 0880  
Therese Easom therese.easom@notts-fire.gov.uk

## **1. BACKGROUND**

- 1.1 At the meeting of the Fire Authority on 27 September 2019 it was agreed that the position of Assistant Chief Fire Officer (ACFO) would be advertised to seek a substantive appointment to the vacancy.
- 1.2 Furthermore, it was agreed that the vacancy would be made available to candidates who do not have the tactical operational expertise from within the sector, in order to extend the opportunity to many more potential candidates.
- 1.3 The strategic decision to open the vacancy to candidates from outside the sector significantly increased the diversity and quality of applicants. Although not without its challenges, this approach demonstrates clear commitment and leadership to expand the diversity of thinking and expertise within the Strategic Leadership Team.

## **2. REPORT**

- 2.1 The selection process for the ACFO post was extensive and involved the convening of the Appointments Committee to assess the candidates and provide recommendations to the full Fire Authority.
- 2.2 The Service commissioned Gatenby Sanderson to support the process and maximise the exposure for the vacancy and thereby attract greater interest from a wide range of candidates. A budget of £20k was created from anticipated in year underspends to support this.
- 2.3 The process commenced in December and attracted 21 high quality applicants. A robust selection process involved applicant screening, initial interviews, profiling, media exercise, strategic operational assessment, stakeholder panel interview, report, presentation and Member panel interview. This process was facilitated by Gatenby Sanderson, supported by the in-house human resources team. The strategic operational assessment was undertaken by Local Resilience Forum members.
- 2.4 The Appointments Committee convened on Tuesday 04 February 2020 and following the process, the Committee came to the unanimous decision that Ms Candida Brudenell should be offered the post of ACFO with effect from 01 June 2020.
- 2.5 Ms Brudenell has extensive experience within the local authority environment and is currently operating at Assistant Chief Executive level. However, she currently does not have the operational fire and rescue competencies required for the role. Therefore, an extensive process of learning and development will commence on her appointment, which will result in her inclusion on the Principal Officer rota as a strategic operational officer providing multi-agency support at Strategic Command Group.

- 2.6 The current temporary incumbent will remain in post until 14 July to support the new appointment and provide operational resilience. Beyond that point the Chief and Deputy Chief Fire Officer will provide additional operational cover until the new appointee is able to satisfy the full operational requirements of the role.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 Gatenby Sanderson were appointed to provide professional recruitment services at a final cost of £25k. This is a slight overspend on the original forecast, in part due to the high number of initial applicants. This will be met by in year underspends within the revenue budget.
- 3.2 The salary range for the ACFO post is £105,572 to £117,303 (90 – 100%). Appointment to the post would normally be at the lowest point and increase proportionally over two years, however, due to Ms Brudenell's current position and extensive experience it has been agreed to appoint her on the mid-point (£111,437) and review after six months. This will be contained within the normal pay budgets.
- 3.3 As Ms Brudenell already lives in the county there will be no relocation costs applicable to the appointment.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT**

All human resources implications arising from this process were managed by the internal human resources team with the assistance of specialist external support as detailed above.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken as this report does not suggest any changes to policy or service delivery functions. However, by opening the role to potential candidates from outside the sector, this has resulted in greater diversity within the applicant group.

### **6. CRIME AND DISORDER IMPLICATIONS**

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Permanent appointment to the post, and overlap with the current temporary incumbent, will provide continuity and immediate capacity to ensure the Service is able to continue with current workloads.
- 8.2 As the new appointment is from outside of the fire and rescue service, extensive development will be undertaken following the good practice that already exists within the sector, to ensure they are able to discharge the strategic operational capabilities required from the role.

## **9. COLLABORATION IMPLICATIONS**

There are no direct collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

That Members agree to the appointment of Ms Candida Brudenell to the position of Assistant Chief Fire Officer, with effect from 01 June 2020, as recommended by the Appointments Committee.

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

None.

Councillor Michael Payne  
**CHAIR OF THE APPOINTMENTS COMMITTEE**



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# PERMANENT CHANGES TO THE ESTABLISHMENT

Report of the Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To seek approval for the creation of 2.5 support roles as permanent changes to the establishment.

**Recommendations:**

It is recommended that Members approve the recommendation of the Human Resources Committee to establish:

- The role of iTrent Development Support Officer.
- The roles of Specialist Home Safety Operatives.

## CONTACT OFFICER

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Deputy Chief Fire Officer

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## 1. BACKGROUND

The Human Resources Committee, at its meeting on 24 January 2020, supported the creation of 2.5 new roles, subject to final approval from the Fire Authority.

## 2. REPORT

- 2.1 The i-Trent system is a critical system which supports all Human Resources and Payroll activities and links to many other systems, including the mobilising system (Systel). System support is provided by a dedicated team of 1.5 full time equivalent (fte) working within the Human Resources department (1.5 fte).
- 2.2 Due to reductions in working hours within the team and an increase in system development and reporting requirements, the capacity of the existing team is no longer sufficient to meet demands. The HR Systems Officer is therefore engaged in routine maintenance tasks rather than engaging in higher level development work, which is not an efficient use of their time.
- 2.3 On this basis, it is proposed that an additional full-time technical role is created to ensure that vital system maintenance is undertaken and further support provided for system development and helpdesk tasks.
- 2.4 The reduction in hours of current team members has provided an underspend which means that the majority of additional salary costs can be contained within the existing salary budget for iTrent support. The additional cost is therefore £2,640 per annum, which will be built into the 2020-21 salary budget.
- 2.5 The Persons at Risk Team, based within the Prevention and Protection Department, undertakes safe and well referrals to those identified as high risk. Three Specialist Home Safety Operatives (SHSOs) currently deliver this activity, of these one SHSO is dedicated to the Child Home Equipment Scheme on a 12-month fixed term basis.
- 2.6 The Service has previously commissioned services from external partners to provide the safe and well visits (SWVs) alongside the Service's. However, SWVs provided by external providers are not counted toward completion statistics recorded by Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services and do not support the Service's ambition to increase the number of SWVs by 200% in the next three years.
- 2.7 It is proposed that the funding currently used to commission external providers is used to create a further two SHSO roles (1.5 fte) to conduct high risk SWVs and manage follow-up activities to persons most at risk.
- 2.8 It is anticipated that this would result in approximately 500 SWVs per year and would provide additional capacity within the Persons at Risk Team. This

model would also ensure consistency in delivery, placing the function under direct service performance management control and lead to an increase in the number and quality of visits undertaken.

- 2.9 Nottinghamshire Fire and Rescue Service would continue to work with external providers as referring partners and the cost of the new posts would be fully met by the funding currently paid to external providers.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The cost of creating the iTrent support post is £30,075 including on-costs. However, the current salary underspend within the iTrent team means that £27,435 can be offset, leaving an additional £2,640 per annum to be built into the 2020/21 salary budget. Any additional salary costs in 2019/20 can be met from in-year underspends within the iTrent salary budget.
- 3.2 The cost of creating 1.5fte Specialist Home Safety Operatives is £40,692 per annum including on-costs. The cost of providing an additional vehicle would be £3,400 per annum, bringing overall costs to £45,000. This cost would be fully met by using the budget set aside for commissioned services.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

- 4.1 The posts would be advertised internally and externally in line with the Services' recruitment policy.
- 4.2 The iTrent support role has been subject to job evaluation which has resulted in a Grade 4 grade. The Specialist Home Safety Operative roles are already graded at Grade 3.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken as this does not constitute a change to policy or service delivery.

### **6. CRIME AND DISORDER IMPLICATIONS**

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications arising from this report.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report.

## **10. RECOMMENDATIONS**

It is recommended that Members approve the recommendation of the Human Resources Committee to establish:

10.1 The role of iTrent Development Support Officer.

10.2 The roles of Specialist Home Safety Operatives.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



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# PROVIDED CAR SCHEME

Report of the Clerk and Treasurer to the Fire Authority

**Date:** 28 February 2020

**Purpose of Report:**

To provide an update to Members of a recent review of the Principal Officers' Provided Car Scheme and consider options to align the scheme to current strategies.

**Recommendations:**

That Members approve the revisions to the Principal Officers' Provided Car Scheme as articulated in Section 2.7 of the report.

## CONTACT OFFICER

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Chief Fire Officer

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## **1. BACKGROUND**

- 1.1 Principal Officers are provided with cars in recognition of their contractual requirement to be continually available for duty, and also the high level of business mileage undertaken on behalf of the Authority. The provision of a car is also part of the package offered to the officers and is therefore considered contractual.
- 1.2 Since the formation of the Fire Authority in 1998 the Chief Fire Officer has been provided with a car to the value of 33.3% of their salary. Furthermore, all other Principal Officers are provided with a car to the value of 70% of the Chief Fire Officers'. If items such as phone connection, satellite navigation, rubber mats, front and rear parking sensors are not included within the vehicle, these are added and funded above the value limit.

## **2. REPORT**

- 2.1 The provision of a provided car has been a long-standing arrangement for Principal Officers in recognition of their continuous duty arrangements and the amount of mileage undertaken on behalf of the Authority.
- 2.2 The Principal Officers' Provided Car Scheme was last considered by Members in 2012. Since that time, a number of changes have taken place within the organisation and it was therefore considered appropriate to review the scheme.
- 2.3 Since 2012, the changes include the reduction in the number of officers from five to three, therefore reducing the overall cost of the scheme, and also increasing the amount of individual operational cover for each officer.
- 2.4 In recent years there have also been changes in the fleet strategy of the organisation with much more emphasis on the environment, safety and operational resilience. This means the fleet now contains vehicles with all-wheel drive capability, high level safety ratings for passengers and other road users and, hybrid, electric or alternatively fuelled vehicles.
- 2.5 These changes are not reflected in the current scheme and officers have a free choice in the vehicles they are provided with. It is therefore considered appropriate for the scheme to be updated to reflect the organisational aspirations, and stricter parameters put in place to ensure that the vehicles are fit for purpose and align with the organisational fleet strategy.
- 2.6 The current scheme also differentiates between the allowance for the Chief Fire Officer (CFO) and that of the Deputy and Assistant Chief Fire Officers. Furthermore, the limit is based on list price and does not allow for the Government incentives in place for low emission vehicles, or the significant discounts which can be achieved through procurement frameworks.

- 2.7 It is therefore proposed that the scheme is revised to include the following parameters:
- Principal Officers are provided with cars limited to a purchase cost of 30% of the CFO salary. This includes VAT and any cost associated with fitting home chargers for plug-in vehicles etc;
  - Also, the vehicle must have:
    - A hybrid, electric or other alternatively fuelled, low emission engine;
    - All wheel drive capability;
    - Integrated phone connectivity;
    - Satellite navigation;
    - High level safety ratings and features in line with the fleet strategy such as parking sensors, protective mats etc.
- 2.8 The revised scheme removes the differential between the CFO and the other two posts by lowering the CFO limit and increasing the limit of the others. It also moves to actual purchase price and must include all the features required by the Service. Although the overall purchase costs could be slightly higher for the Assistant and Deputy roles, this does create budget certainty and may reduce whole life costs of the scheme due to the increased economy of the vehicles, and reduction in the CFO budget.
- 2.9 In terms of implementation, the two officers currently in post and their Trade Union have been consulted and are accepting of the changes. All future appointments will be based on the revised scheme.
- 2.10 The revisions promote the Authority's commitment to the protection of the environment and road safety, as well as supporting operational resilience. Two of the current vehicles are scheduled for renewal immediately, and the third next year so the implementation time period will be short.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The current allowance for the Chief Fire Officer is £52,135 and the allowance for the Deputy and Assistant Chief Fire Officers is £36,495. This is based on list prices and the Service can generally achieve discounts on these.
- 3.2 Additional costs are also incurred for features such as rubber mats, satellite navigation, parking sensors and phone connectivity etc. These are in addition to the allowance available to the officers and can vary dependent of the specification of vehicle.
- 3.3 The revised scheme provides an actual purchase allowance of £46,921 each for all three officers and will include the features required by the Service. This will create certainty in budget forecasting and could result in whole life costs being reduced due to the increased fuel economy of the vehicles.

#### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

Provided cars is part of the package offered to Principal Officers and is therefore contractual. The officers and their trade union have been consulted and they are accepting of the proposed changes.

#### **5. EQUALITIES IMPLICATIONS**

There are no equalities implications arising from this report, however, it should be noted that if an officer required adaptations to a vehicle, or a variation of the specification due to a recognised disability, then reasonable adjustments would be considered with any costs being met by the Service.

#### **6. CRIME AND DISORDER IMPLICATIONS**

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

#### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

#### **8. RISK MANAGEMENT IMPLICATIONS**

Officers undertake a significant amount of travel on behalf of the Authority and ensuring that the vehicles used are appropriately maintained, have high safety standards and are fit for operational purposes assists in reducing associated risks.

#### **9. COLLABORATION IMPLICATIONS**

- 9.1 Where possible collaborative procurement frameworks will be used to secure the best purchase price possible.
- 9.2 The Service has invested in electric vehicle charging points and will continue to expand this provision in support of the environmental agenda. These facilities are available for use by staff, partners and visitors to the Services' premises. Further expansion of electric vehicles in the fleet will support this agenda.

#### **10. RECOMMENDATIONS**

That Members approve the revisions to the Principal Officers' Provided Car Scheme as articulated in Section 2.7 of the report.

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

None.

Malcolm Townroe  
**CLERK TO THE FIRE AUTHORITY**

Charlotte Radford  
**TREASURER TO THE FIRE AUTHORITY**

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# **GRENFELL INQUIRY – GOVERNMENT RESPONSE**

Report of the Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To update Members with developments in relation to the Grenfell Tower Inquiry and the publication of the Government's response to recommendations.

**Recommendations:**

It is recommended that Members:

- Note the contents of the report.
- Agree to receive further updates as the Government enact the actions outlined in their response.

## **CONTACT OFFICER**

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## 1. BACKGROUND

- 1.1 On 14 June 2017, a fire occurred at Grenfell Tower, London, which destroyed the 24-storey block of 129 residential flats, resulting in 72 people losing their lives.
- 1.2 The Right Honourable Sir Martin Moore-Bick was appointed as Chairman of the public inquiry; set up to examine the circumstances leading up to, and surrounding, the fire at Grenfell Tower.
- 1.3 The Phase One report was published on 30 October 2019. The first part of the report focused on three main areas;
  - An account of the building, its surroundings and the standard working practices of London Fire Brigade (LFB);
  - A detailed description of events on 14 June 2017 including events within the Tower and action by emergency services, the council and the Tenant Management Organisation; and
  - Conclusions about the fire and fire spread, the actions by emergency services, systemic failings of LFB, and failings in the fire safety regulations applied to the refurbishment of the building.
- 1.4 The second part of the Phase One report pays tribute to those who lost their lives in the fire and makes recommendations which can be dissected in to three audiences: LFB directly, the wider fire sector and emergency services, and other responsible persons such as building owners, Government and Local Authorities.
- 1.5 Phase Two of the inquiry will take place during 2020 and focus upon the circumstances leading up to the fire including the Tower's design, construction, composition, modifications and fire safety measures within the building.
- 1.6 Members were presented with a report at the December 2019 Fire Authority meeting outlining the Service's actions and the recommendations from phase one of the inquiry.

## 2. REPORT

- 2.1 On 21 January 2020, the Government published its response to the Phase One inquiry recommendations. The response is available here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/859389/Government\\_Response\\_to\\_Grenfell\\_Inquiry\\_Phase\\_1\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/859389/Government_Response_to_Grenfell_Inquiry_Phase_1_Report.pdf)

- 2.2 The response sets out the actions taken by the Government in addressing the recommendations from the inquiry, and captures actions which have already been taken to date.
- 2.3 The first section of the response outlines the work that has been undertaken in response to the use of combustible materials on the exterior of buildings; noting the £600 million funding which has been made available for the removal of unsafe cladding from high rise residential homes. It also notes the work undertaken by fire and rescue services (FRSs) and local authorities, to ensure that appropriate interim measures are in place whilst remediation works are completed.
- 2.4 The document then references the recommendations that will require changes in law. The forthcoming Fire Safety Bill from the Home Office is quoted as putting 'beyond doubt' that building owners or managers of multi-occupied residential buildings of any height will be required to fully assess and mitigate any fire safety risks of external wall systems and front doors to individual flats. This section also points towards further developments to fire safety legislation and the testing of other, non-ACM, cladding types on building exteriors.
- 2.5 In relation to 'stay put and evacuation', the response highlights ongoing work by the Home Office to conduct an evidence review which will be followed by a technical 'operational' research with FRSs to assist the development of national operational guidance.
- 2.6 The response refers to future changes to fire safety (Approved Document B) legislation, including the requirement for sprinklers in buildings and reviewing the height requirement for certain prescribed fire safety solutions.
- 2.7 The Government makes several recommendations to building owners, within the response, for actions to take prior to being required to by law. This includes appropriate signage within landing areas of high rise premises, the testing of cladding and fire doors and the provision of evacuation alert systems.
- 2.8 The Government announces within the document, that work will begin immediately to establish a new Building Safety Regulator within the Health and Safety Executive, including the appointment of a Chief Inspector of Buildings and the establishment of a board, chaired by Dame Judith Hackitt, to oversee the transition to this new regime.
- 2.9 The response finishes with an overview of the recommendations made to LFB, and the steps that are being taken to address these under the new Commissioner, the implementation of the Protection Board (chaired by NFCC) and the work of the Home Office to ensure greater interoperability and communications between emergency services, as detailed in the recommendations by Sir Martin Moore-Bick.
- 2.10 This response from Government does not alter or affect any of the steps put in place by the Service to address the recommendations from Phase One of

the inquiry. It does, however, highlight the continuing changing landscape in relation to fire safety, the developments that are anticipated for the next 12 months and the increased demand on the Service, particularly the Fire Protection function.

### **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources or learning and development implications arising from this report.

### **5. EQUALITIES IMPLICATIONS**

There are no equalities implications arising from this report as no changes to existing, or introduction of new arrangements of the delivery of services are proposed.

### **6. CRIME AND DISORDER IMPLICATIONS**

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

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report, however, Members should be aware that proposed changes to fire safety legislation, and statutory requirements of fire and rescue services, are likely to have a future impact on the resourcing requirements of the Service.

### **8. RISK MANAGEMENT IMPLICATIONS**

Learning from local and national incidents is essential to ensure the Service continues to mitigate the risk presented by fire to both communities and employees. The co-ordinated response with local partners, and the wider fire sector, is designed to ensure that a proportionate, risk-based approach to actions concerning fire spread in the built environment is adopted.

### **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report, however, the Service is working with Nottingham City Council in addressing the risks posed by multi-occupancy residential buildings in the City area. Additionally, the Service will

continue to work with Derbyshire Fire and Rescue Service in the enactment of recommendations from the Phase One report.

## **10. RECOMMENDATIONS**

It is recommended that Members;

10.1 Note the contents of the report.

10.2 Agree to receive further updates as the Government enact the actions outlined in their response.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

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**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# COMMITTEE OUTCOMES

Report of the Chief Fire Officer

**Date:** 28 February 2020

**Purpose of Report:**

To report to Members the business and actions of the Fire Authority committee meetings which took place in January and February 2020.

**Recommendations:**

That Members note the contents of this report.

## CONTACT OFFICER

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## **1. BACKGROUND**

As part of the revised governance arrangements the Authority has delegated key responsibilities to specific committees of the Authority. As part of those delegated responsibilities, the chairs of committees and the management leads report to the Authority on the business and actions as agreed at Fire and Rescue Authority meeting on 1 June 2007.

## **2. REPORT**

The minutes of the following meetings are attached at Appendix A for the information of all Fire Authority Members:

Community Safety Committee	17 January 2020
Finance and Resources Committee	17 January 2020
Human Resources Committee	24 January 2020
Policy and Strategy Committee	31 January 2020
Appointments Committee	04 February 2020

## **3. FINANCIAL IMPLICATIONS**

All financial implications were considered as part of the original reports submitted to the committees.

## **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

All human resources and learning and development implications were considered as part of the original reports submitted to the committees.

## **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service. Its purpose is to update the Fire Authority on the outcomes of committee business.

## **6. CRIME AND DISORDER IMPLICATIONS**

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

## **7. LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

The Service's performance in relation to matters addressed through the committee structure is scrutinised through a range of audit processes. The Service needs to continue to perform well in these areas as external scrutiny through Comprehensive Performance Assessment and auditors' judgement is key to future Service delivery.

## **9. COLLABORATION IMPLICATIONS**

There are no collaboration implications arising from this report, as the report seeks to provide Members with an update on the business and actions of Fire Authority committee meetings which have taken place in the last quarter.

## **10. RECOMMENDATIONS**

That Members note the contents of this report.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**



## **Nottinghamshire and City of Nottingham Fire and Rescue Authority Community Safety Committee**

**Minutes of the meeting held at Fire and Rescue Service Headquarters, Bestwood Lodge, Arnold, Nottingham, NG5 8PD on 17 January 2020 from 11.17 am - 12.12 pm**

### **Membership**

#### Present

Councillor Nick Raine (Chair)  
Councillor Parry Tsimbiridis  
Councillor Sue Saddington  
Councillor Stuart Wallace  
Councillor Gul Nawaz Khan  
Councillor Jason Zadrozny

#### Absent

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

Ian Pritchard - Assistant Chief Officer  
Mick Sharman - Area Manager for Service Delivery  
Damian West - Area Manager for Prevention  
Catherine Ziane-Pryor - Governance Officer

### **10 Apologies for absence**

Craig Parkin, Deputy Chief Fire Officer

### **11 Declarations of interests**

None.

### **12 Minutes**

The minutes of the meeting held on 4 October 2019 were confirmed as a true record and signed by the Chair.

### **13 Service Delivery Performance**

The Fire Brigades Union (FBU) submitted a question which was responded to at the end of the item.

Mick Sharman, Area Manager for Response, presented the report which provides the Committee with performance data for the period between 1 July and 30 September 2019.

Nottinghamshire and City of Nottingham Fire and Rescue Authority - Community Safety - 17.01.20  
The following points were highlighted:

- a) a total of 2,579 incidents were attended, which is a decrease of 1,020 incidents for the same period in 2018. A breakdown of these is included in the report;
- b) whilst the locally set response target is 8 minutes, the average attendance time was 8.25 minutes;
- c) on-call availability increased by an average of 1.36% to 83.31%, with the East Leake Station reporting the highest availability of 96.54%;
- d) the call answering time exceeded the '90% within 7 seconds' target at 96.5%;
- e) the mobilisation system target of 99% was met;
- f) annual training was completed on schedule with 14 of the 26 planned exercises completed;
- g) safe and well visits exceeded the target and there has been a range of community engagement and prevention activity, particularly around smoke alarm ownership and fire safety in the home;
- h) non-domestic premises fire protection regulation activity continues, including activity to support the recommendations of the Phase 1 Grenfell Tower report.

Members' questions were responded to as follows:

- i) the majority of accidental dwelling fires are cooking related. All incident data is collated and analysed and then targeted prevention campaigns introduced where appropriate;
- j) a question was raised about the cause of a fire at a solar farm which was reported; this information was not to hand but would be found and confirmed to the Members.
- k) training exercises take place at a variety of locations each year. For NHS hospitals, site specific information is available to fire fighters. Work is continuing with all non-domestic premises, including the hospitals in Nottingham, to reduce the number of unwanted fire signals.

The FBU posed their question, for which a response was provided. There was a brief adjournment of 5 minutes when an additional question was posed (in line with the requirements). It was agreed for a response to be provided in writing and also circulated to members of the Committee. Both questions and the responses are issued with the initial publication of the minutes.

Members of the Committee welcomed the reduction in unwanted (automated) alarms.

## **Resolved**

- 1) to note the report;**
- 2) for a summary of the planned response to a fire at a solar farm to be circulated to Members of the Committee by the Area Manager for Service Delivery following the meeting.**

## **14 Safer Communities Strategy**

Damien West, Area Manager for Prevention, Protection and Fire Investigation, introduced the report which presents the Safer Communities Strategy to members for approval and sets targets to work towards by 2022.

The following points were highlighted, members' questions responded to and comments made;

- a) members expressed that the objectives within the strategy needed to be tangible so that progress against them could be reported, captured and monitored.
- b) there appeared to be a lack of understanding of the risk of not having and maintaining a fire alarm but with a persistent campaign, significant progress has been made;
- c) for some more vulnerable residents, the Fire Service will provide and fit fire alarms with 10 year battery life (as part of the safe and well visits scheme);
- d) although recommended where appropriate, the Service does not provide carbon-monoxide alarms as Cadent take the lead on this within the sector.

**Resolved to support the adoption of the Safer Communities Strategy.**

## **15 Unwanted Fire Signals Update**

Damien West, Area Manager for Prevention, Protection and Fire Investigation, presented the report which informs the Committee of the progress in reducing Unwanted Fire Alarm Signals (UwFSs) since the Services' change in policy as of 3 December 2018.

The following points were highlighted, responses given to members' questions, and comments made:

- a) there has been a reduction of 18% attendance to UwFSs against the same period last year;
- b) of the 2,510 calls received, 2,169 were UwFSs. 1365 of these incidents only had one appliance attend;
- c) hospitals continue to present the largest proportion of UwFS but this is reducing with 53 fewer calls against the same period last year;
- d) 519 premises owners have been contacted where UwFS occur, and for the most common occurrences, fire safety audits are undertaken;
- e) whilst some members expressed continued concern that school premises alarms were challenged and not automatically responded to, they were assured that prior to placing schools in this category, thorough risk assessments had been undertaken to ensure this response was most appropriate. However, this can be reviewed and if significant additional risks are found, the categorisation can be amended.

**Resolved to note the report and support the continuation of the Tri-Service Unwanted Fire Signals Policy.**

## **16 Combined Campaign Calendar**

Damien West, Area Manager for Prevention, Protection and Fire Investigation presented the Services' combined campaign calendar which lists engagement, support, and activity by the Service and with partners, in response recommendations made in the HMICFRS report to promote the greater efficiency for all partners.

The themes of campaigns and activity range from safety awareness such as drowning prevention, road safety and home fire safety, to community and faith focus including Holocaust Memorial Day and British Sign Language Week.

**Resolved to endorse the approach being taken in relation to campaigns across 2020.**

## **17 Update on the Service's Response to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services Inspection**

Damien West, Area Manager for Prevention, Protection and Fire Investigation presented the report which includes the Services' responses to the findings of inspection by her Majesty's Inspectorate for Constabulary Fire and Rescue Services (HMICFRS).

In total there were 25 areas highlighted for improvement by the inspection, 12 of which are relevant to the Community Safety Committee. These have been charted with commentary outlining the issues and how they are to be addressed.

Questions from Committee Members were responded to as follows:

- a) there has been a long-standing agreement whereby firefighters from several fire stations towards the edges of the county cross borders to support neighbouring services, which is reciprocated when appropriate. This is a practical solution to best supports citizens;
- b) where the Service may be the first to attend a multi-agency incident, it will take initial control and if not a Fire Service focused incident, will hand over incident management to the relevant agency on their arrival. For instance, fires are obviously responsibility of the Fire Service, whilst the main responsibility in responding to terrorism incidents usually sits with the Police;
- c) training on critical skills is continuous with a 14 week course for starters, and then ongoing throughout their career with a risk based approach resulting in annual refresher training for some skills, and lower frequency training for other skills.

Members of the committee expressed an interest in the different types of training undertaken and were invited to attend some future sessions.

**Resolved to note the progress made against the agreed action plan.**

**Community Safety Committee (Agenda 17 January 2020)****FFBU Question to the**

SERVICE DELIVERY PERFORMANCE, Page 15, Appendix A

Prior to implementation of mixed crewing at Retford and Ashfield stations and the removal of wholetime cover from the hours of 18:00-08:00 the availability of the second appliance at those stations was around 90%. Since then this has fallen dramatically to 18% at Retford and 39% at Ashfield. When this proposal was brought forward to the fire authority, it was done so on the premise that it would not cause a reduction in fire cover at these stations.

The table contained in appendix A does not reflect the second appliance availability at Retford and Ashfield, total On Call availability is 68% at Ashfield and 61% at Retford. This dramatically reduces the overall On call availability figures, this shows a reduction of availability and not an increase as reported.

Does the Fire Authority agree that that all On Call availability should be reported and that an updated table should be made available to Authority members that accurately reflects the actual availability?

**Authority Response**

The Authority is committed to providing transparent performance reports to the communities it serves. On-Call availability is a key performance measure, particularly when assessing and monitoring changes to the services we provide. The Fire Authority agreed to the implementation of the Day Shift Crewing (DSC) crewing model following public consultation, which was implemented from 1 April 2019. It has always been the Service's intention to carry out a review of the DSC crewing model at both Ashfield and Retford, after a period of twelve months. The collection of twelve months of data will enable the Authority to understand the wider impacts of the DSC crewing model at these two stations. The review will include any impact on the On-call availability and will present the results of the DSC review to the Fire Authority.

Within the report presented to the Community Safety Committee on the 17 January 2020, the Service reports against On-call availability per station, this is consistent with previous reports and performance data. The Service is currently working towards implementing a data collection and performance management system called PowerBi. This system is being developed to provide accurate and timely information reports on a number of key performance measures, one of these being more timely and robust performance of On-call availability data.

The Chief Fire Officer recognises that on-call appliances provide the highest proportion of fire cover in the Service and maintaining On-Call fire cover in all areas of the county is an ongoing challenge, also recognised notionally in the 2019 State of Fire report. Investment continues with the On-Call Sustainability Team, tasked to further improve availability and resilience at all on-call stations and is a key focus for Service Delivery. To develop the On-Call for the benefit of Nottinghamshire communities, the Service welcomes further dialogue with Trade Unions to work collectively on the flexibility of its delivery model to improve outcomes for communities, whilst maintaining positive working conditions for staff.

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## **FBU question.**

### **Agenda item 4, SERVICE DELIVERY PERFORMANCE, Page 9, 2.4**

Is the authority aware that 10 out of the 16 stations have shown a reduction in availability (As shown in appendix A), with greater responsibility being placed on firefighters that undertake this duty as a secondary employment what is being done to prevent this trend from continuing?

## **Authority reply.**

The Service, along with the wider fire sector, continues to seek solutions to the challenges faced to maintain On-call availability. Over the past 12 months the Authority has invested in a Sustainability of On-call Team, whose sole focus is sustaining and improving On-call availability. The Sustainability Team have a clear objective on improving both the recruitment and retention of all On-call employees.

The On-call performance data contained within today's report covers reporting quarter 2, 1 July to the 30 September 2019. The summer period is always the most challenging time of the year to maintain On-call availability, mainly due to family and school holidays. The Service has done much work to improve On-call availability, the result being that this year's quarter 2 average availability is 1.36% greater than the same period in 2018, with 12 of the 16 stations having improved availability this year compared to the same period in 2018.

The Chief Fire Officer recognises that On-Call appliances provide the highest proportion of fire cover in the service, and the Sustainability team have been tasked to consider alternative On-call models to further improve availability and resilience. To support this, the Service always welcomes further dialogue with Trade Unions to work collectively on improving outcomes for communities, whilst maintaining positive working conditions for staff.

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

**Minutes of the meeting held at Nottinghamshire Fire and Rescue Service HQ, Bestwood Lodge Drive, Arnold, Nottingham, NG5 8PD on 17 January 2020 from 10.00 am - 11.13 am**

**Membership**

Present

Councillor John Clarke (Chair)  
Councillor Toby Neal (from minute 21 to 27 inclusive)  
Councillor Nick Raine  
Councillor Andrew Brown  
Councillor John Longdon

Absent

Councillor Mike Quigley MBE

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

Becky Smeathers - Head of Finance  
Charlotte Radford - Treasurer to the Authority  
Ian Pritchard - Assistant Chief Officer  
Gavin Harris - Head of Digital Transformation  
Terry Scott - Head of Procurement and Resources  
Catherine Ziane-Pryor - Governance Officer

**18 APOLOGIES FOR ABSENCE**

Councillor Mike Quigley – Councillor John Longdon substituting

**19 DECLARATIONS OF INTERESTS**

None.

**20 MINUTES**

The minutes of the meeting held on 11 October 2019 were confirmed as a true record and signed by the Chair.

## **21 Revenue, Capital and Prudential Code Monitoring Report to 30 November 2019**

Becky Smeathers, Head of Finance, presented the report which informs members of the financial performance of the Service in the year 2019/20 to the end of November 2019.

Committee members' questions were responded to as follows;

- a) With regard to the transport overspend of £57k, this relates to the efforts to get the vehicle maintenance backlog cleared under the new contract, but also with regard to the accidental damage of a water carrier. Further, more detailed information will be provided to members at a later stage once a full review has taken place to identify any potential cost recovery from the previous contract. Any potential benefit of any cost recovery can be assessed at this time. Members should be assured that contractual clauses have been added to the new maintenance contract to protect the Service;
- b) There will be a report brought to the Committee regarding the future disposal options for the old Hucknall Fire Station;
- c) The upgrade and replacement of vehicle CCTV system will allow the download of footage automatically when the vehicles return to the station.

Members of the Committee welcomed the overall budget underspend.

### **Resolved to**

- 1) note the report;**
- 2) approve the transfer of £170k CCTV in vehicles project funding, to fund the PPE helmets to enable them to be purchased in 2019/20 rather than 2020/21 as originally anticipated;**
- 3) approve slippage of £160k for the CCTV in vehicles capital project.**

## **22 Budget Proposals for 2020/21 To 2023/24 and Options for Council Tax 2020/21**

Becky Smeathers, Head of Finance, presented the report which provides the budget proposals for 2020/2021 to 2023/24 including the impact of funding variations, and requests that Members consider and select the preferred council tax option for recommendation to the full Fire Authority.

The following anticipated elements were recognised for having a potential impact on future budgets:

- i. An unconfirmed grant allowance;
- ii. The required upgrade of ICT equipment, including on appliances;
- iii. The final determination Local Government Pension Scheme superannuation following the McCloud case;
- iv. Pension administration (as a new provider is required and the cost will increase);
- v. Pay increase;

- vi. Additional overtime pay;
- vii. ICT licenses;

The potential options for setting Council Tax and the impact on future year budgets are set out in the report.

Members of the Committee made the following comments and questions were responded to:

- a) The report is well presented and given the number of citizens served, and the service provided, the option to increase Council Tax by 1.95% was recommended;
- b) The further use of reserves is not supported but the proposed Council Tax increase of 1.95% is supported;
- c) The compensation element of pensions could be an area that will impact on the Income and Expenditure Account, as is the same across the whole of the Public Sector. The extent of the impact is not yet known so it's not possible to look for a remedy yet and as pension funds are not eligible to pay compensation, the cost may be borne by the Service unless Central Government provide a grant;
- d) Advice has been sought from the precepting Authorities with regard to business rates, but clarity cannot be provided until the end of January;
- e) Following a review of earmarked reserves, £1.4m has been reallocated to create a Transformation and Collaboration earmarked reserve. There will be a report to the full Fire Authority with further details on how this will help support the Service's efficiency and transformation plans over the coming years.;
- f) The Service has finite resources and once the reserves are spent, it will be difficult to replace them.

**Resolved to recommend the Fire Authority that a 1.95% increase in Council Tax is approved.**

### **23 Digital Strategy 2019-2022 (Information and Communications Technology (ICT) Department)**

Gavin Harris, Head of Digital Transformation, presented the report which seeks approval for the new Digital (ICT) Strategy 2019 to 2022.

The following points were highlighted and responses provided to members' questions:

- a) Whilst the last ICT Strategy was for a 4 year period, it has been reviewed and re-written to align with the latest Integrated Risk Management Plan (IRMP);
- b) The 7 principals of the strategy are:
  - i. Access from anywhere with any device;
  - ii. Innovation and responsiveness built in;
  - iii. User-centric solutions;

- iv. Digital skills development;
  - v. Digital-first;
  - vi. Microsoft –first;
  - vii. Cyber security is essential;
- c) Whilst one of the principals is to enhance the agility of staff, cyber security will remain a priority;
- d) It is proposed that new tablets, 2 to each fire appliance, will increase the flexibility and efficiency of staff particularly when attending Safe and Well visits. This will remove the need to update forms and paperwork on return to the station and provide access to real-time data;
- e) The roll-out of the new systems will be managed as projects with an analysis of performance and effectiveness through staff feedback.

**Resolved to approve the Digital (ICT) Strategy 2019 to 2022.**

**24 Update on the Service Response to Her Majesty's Inspectorate of Constabulary and Fire And Rescue Services Inspection**

Becky Smeathers, Head of Finance, presented the report which provides responses to the recommendations of the Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) with regard specifically to the Finance and Resources Committee and the improvement plan schedule.

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

- a) The Service is confident that the improvement work can be completed in time for the next inspection;
- b) With regard to the need to accelerate ICT to support efficiency and effectiveness, there is a small team focusing on digitalisation and ensuring that an 'incident ready' system can be used 'on the go' as fire appliances travel back to the station rather than the updates being required on return to stations;
- c) With regard to ensuring sufficiently robust plans are in place to consider the medium term financial challenges beyond 2020, processes are being examined to determine if digitalisation will be of benefit, with an additional focus on ICT training and an improved use of statistics;
- d) The proposed computers have an expected lifespan of approximately 5 years; the current tablets in use are approximately 10 years old;
- e) Issues around the implementation of the new emergency services network (ESN) are complicated but the financial implications will be considered within a comprehensive spending review.

**Resolved to note the progress made against the Action Plan.**

**25 Exclusion of the public**

**Resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

**26 Disposal of surplus land at Newark Fire Station**

Terry Scott, Head of Procurement and Resources, presented the report.

**Resolved to approve the option determined at the meeting.**

**27 Installation of an electrical substation by Western Power Distribution at Bingham Fire Station**

Further to minute 20 of the Finance and Resources Committee on 19 October 2018, Terry Scott, Head of Procurement and Resources, presented the report which informs members of the requested amendments to the lease agreement for Western Power to install an electrical substation at Bingham Fire Station.

**Resolved to approve the recommendations as set out in the report.**



## **Nottinghamshire and City of Nottingham Fire and Rescue Authority Human Resources Committee**

**Minutes of the meeting held at Nottinghamshire Fire and Rescue Service HQ,  
Bestwood Lodge Drive, Arnold, Nottingham, NG5 8PD on 24 January 2020 from  
10:03am to 11:34am**

### **Membership**

#### **Present**

Councillor Shuguftah Quddoos (Chair)  
Councillor Vaughan Hopewell  
Councillor Jawaid Khalil  
Councillor John Longdon  
Councillor Salma Mumtaz

#### **Absent**

None

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

Tracy Crump - Head of People and Organisational Development  
Adrian Mann - Governance Officer  
Craig Parkin - Deputy Chief Fire Officer  
Matt Sismey - Organisational Development and Inclusion Manager

### **17 Apologies for Absence**

None.

### **18 Declarations of Interests**

None.

### **19 Minutes**

The Committee confirmed the minutes of the meeting held on 18 October 2019 as a correct record and they were signed by the Chair.

### **20 Permanent Change to Establishment: i-Trent Development Support Role**

Tracy Crump, Head of People and Organisational Development, presented a report on the proposed creation of an additional i-Trent technical support role, to provide resilience for the i-Trent support team. The following points were discussed:

- (a) the i-Trent Human Resources (HR) database was introduced in 2014. The system is developed and supported by a dedicated i-Trent team, with technical input from ICT. In addition to holding employee and post information, the system supports the administration and reporting of training, payroll, absence management and establishment management. Employees have access to an employee portal that enables them to review their personal details, book leave and register for training courses. The i-Trent system interfaces with many internal databases, including the mobilising system. Developments over the next year include Payroll Phase 2 (expense management), time recording, employee development and Performance Review, and all of these require i-Trent support;
- (b) the current i-Trent support team consists of a part-time HR Systems Officer, a part-time System Administrator and a Systems/Absence Administrator, who commits up to 18.5 hours to i-Trent support. The demands on the i-Trent team since its introduction have increased significantly due to internal requests for system enhancements, the increasing complexity of reporting arrangements/data analysis to support the performance management system and external inspection requirements, and the need for i-Trent to interface and transfer information with other internal systems. Additionally, there is an ongoing requirement to implement system upgrades so that the system can operate at its optimum level;
- (c) to achieve the required capacity, and to enable the Systems Officer to focus more on strategic issues, the creation of a new Grade 4 technical Development Support role is proposed. The original funding for the i-Trent support team was based on a full-time Systems Officer role and a 30-hour Systems Administrator role. However, the current post-holders have since reduced their hours. As such, the funding for the role will be covered largely by the under-spend from the existing salary budget.

**Resolved to recommend the establishment of a full-time i-Trent Development Support post to the Fire Authority.**

**21 Amendments to Maternity Provisions**

Tracy Crump, Head of People and Organisational Development, presented a report on the proposed amendments to the current occupational maternity and adoption provisions. The proposed changes relate to maternity leave only, as provision is made for paternity and shared parental leave under different policies. The following points were discussed:

- (a) the current maternity provisions are based upon the public sector national agreements set out for operational and support employees, which enhance the statutory regulations. Additionally, local enhancements are set out within the Service's Maternity Policy and Procedure, which apply to all employees. The National Fire Chiefs' Council has circulated a new best practice document, which has consolidated practice across all English Fire and Rescue Services. Although this is a guidance document, all Services have been encouraged to review their own practice against the guidance;
- (b) the Service's existing provisions are, largely, in line with the guidance documents. The layout and wording of the existing policies has been changed to reflect the

template in the guidance document more closely, to provide more clarity and make it easier to follow. However, some recommendations are not covered in the Service's maternity provisions currently, in areas such as premature births; miscarriage, termination or still birth before 24 weeks; parental bereavement leave; surrogacy; and fertility treatment;

- (c) the proposed changes to the policy do not represent a significant additional cost in themselves, but they do extend current leave arrangements, which will have salary cost implications. The most significant proposal is the extension of occupational maternity (OMP) and adoption pay (OAP). The suggested approach set out in the national guidance extends the paid leave period to 26 weeks' full pay, followed by 13 weeks' statutory pay. This would also be applied to Adoption Leave and pay, which follows broadly the OMP/OAP provisions. The other options would be to keep the current provision or, as has been done at a small number of Services, apply local enhancement to extend full pay to 39 weeks and half pay for 13 weeks, taking paid entitlement to the full maternity leave period of 52 weeks;
- (d) it is difficult to predict the exact cost of increasing occupational maternity/adoption payments, as it will vary based on the numbers taking the leave in a period, their service length, their pay level and the length of the maternity/adoption leave. The current cost of £4132.75 could rise to £11,663.60, but this indicative figure does not include backfilling roles during maternity leave periods which, if maternity pay is increased, would also cost proportionately more, as the cost could not be off-set by reduced or no-pay periods. It is not possible to claim any further costs from central Government beyond the statutory payments;
- (e) the enhanced maternity benefits are a key issue for the recruitment and retention of female employees between the ages of 16 and 45. Enhanced maternity benefits is also an important step towards closing the gender pay gap. The enhancement of provision does have a financial cost, but it is a positive step in supporting and retaining women, particularly in operational roles;
- (f) the Committee felt that the further provision for parental bereavement leave is a very positive step. In the event of miscarriage, the policy will not give the father an automatic right to paid leave, but all situations will be considered for compassionate leave on a case-by-case basis.

**Resolved to support the proposed changes to maternity provisions as set out under 'Option 2' in the report and approve the associated changes to local occupational maternity and adoption pay.**

## **22 Review of Commissioned Services for Safe and Well Visits**

Craig Parkin, Deputy Chief Fire Officer, presented a report on the proposed changes to the Service's Safe and Well Visit delivery model. The following points were discussed:

- (a) the recent inspection of the Service highlighted that, at 3.3 per 1,000 population, the number of Safe and Well Visits (SWVs) being completed is lower than the England average of 10 visits per 1,000 population. However, SWVs completed by external providers did not count towards the Service's completion statistics as recorded in the latest inspection;

- (b) over the last 16 months, work has been carried out to improve protection and prevention services, with a priority to increase the number of SWVs carried out by 2022 while retaining the high proportion that are delivered to those at high or very high risk. The Service has exceeded its target of completing over 6,000 SWVs in 2019/20 and hopes to reach 8,500, which represents an increase of over 50% in productivity, with a proportionate increase in the number of high-risk referrals. Consideration is being given to how the Service can continue to improve its productivity by completing 9,000 visits in 2020/21 and 12,000 in 2021/22. However, it is vital to ensure that the focus remains on addressing the needs of the most vulnerable as fully as possible;
- (c) it is proposed that the £45,000 that is used currently to commission external providers is used instead to increase the Service's establishment of Grade 3 Specialist Home Safety Operatives (SHSOs) by 1.5 posts. These SHSOs will conduct high-risk SWVs and manage the follow-up activities. The additional 1.5 SHSOs will complete approximately 500 SWVs per year and each of these visits will count towards inspection statistics. In addition, the new roles will provide additional capacity within the Persons at Risk Team to assist with the increased follow-up activities, which will grow with increased SWV productivity;
- (d) this model will place the function under direct Service performance management control to assure consistency in delivery and accurate recording, driving the ambition to increase Service productivity to address community risk. The Service will continue to work with external providers as referring partners, with more partnership and joint working measures in place with Council housing officers, Nottingham City Signposting and the NCHA Homeless Prevention Service. Appropriate information sharing agreements are in place and the database systems will be upgraded. Further training opportunities will be introduced for SHSOs with partners around engaging with vulnerable people, including those suffering from alcohol issues or the threat of homelessness, in addition to the existing training for age-related issues;
- (e) if any councillors are interested in joining the SWVs, the senior officers would be glad to discuss this with the Persons at Risk Team.

The Committee extended its thanks to the Persons at Risk Team for their significant work in this vital area.

**Resolved to support bringing the delivery of Safe and Well Visits (supplied currently through commissioned services) in-house and recommend the associated creation of an additional 1.5 full-time equivalent Grade 3 Specialist Home Safety Operative posts within the establishment to the Fire Authority.**

## **23 Update on the Service Response to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services Inspection**

Craig Parkin, Deputy Chief Fire Officer, presented an update on the Service's response to the outcomes of the recent inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services. The following points were discussed:

- (a) each of the 25 areas for improvement identified within the inspection report have been allocated to a lead officer, with clear milestones and expected outcomes in place, and 8 of the areas are under the remit of Human Resources. The Chief Inspector has now published an overall report on the Fire and Rescue Services in England to identify trends across the country and a cross-mapping exercise is underway to ensure that the Service is addressing all of the issues;
- (b) Area 17 (“The Service should put appropriate mechanisms in place to enable closer monitoring of hours worked by staff”): the issues highlighted by the inspection relate primarily to dual contractors, who are whole-time firefighters who also provide support to on-call stations, and the lack of overview of the hours they have worked and rest breaks they have taken across both roles. To address this, a weekly timesheet has been for dual contractors that will be reviewed locally and by the On-Call team. An annual welfare review meeting for dual contractors and those undertaking secondary employment via an i-Trent workflow will be undertaken by line managers and will include a health and stress questionnaire. The system will rely on self-declaration, so it will be monitored closely. The requirement for staff to take adequate breaks will be managed carefully with the need to ensure full operational coverage for Nottingham and Nottinghamshire;
- (c) Area 18 (“The Service should develop a wellbeing strategy and a system to improve understanding of health, safety and wellbeing trends”): the inspectors felt that there was a strong level of good practice within the Service, but that there was not an over-arching health and wellbeing strategy to draw it all together, and that the effectiveness of the wellbeing measures were not evaluated consistently. A Wellbeing Strategy has been drafted for publication and a programme of Occupational Health site visits will take place throughout 2020 to promote the strategy and the support available through Occupational Health provision. The Occupational Health and Fitness Manager will provide an update report on a quarterly basis to analyse sickness and wellbeing trends;
- (d) Area 19 (“The Service should ensure its values and behaviours are understood and demonstrated at all levels of the organisation”): the inspectors felt that the Service promotes its values to improve behaviour, but 15% staff reported witnessing recent behaviour not in line with Service values in the staff survey. To address this, there will be a consistent promotion of core values with a focus on the theme of ‘One Team’. The Harassment Policy and Procedure has been reviewed in consultation with the representative bodies. A forum for discussing harassment and bullying issues has been scheduled to establish the employee experience and identify steps to promote a workplace culture where inappropriate language and behaviour is recognised as unacceptable and challenged. A Behavioural Competency Framework will be introduced alongside the new Planning, Development and Review process, which will set out expectations of positive behaviours, including Value and Respect for Others. Further training will also be provided to supervisory managers so that they are more confident in resolving issues informally, through conversations and mediation, rather than escalating incidents to the formal process when this may not be required or proportionate;
- (e) Area 20 (“The Service should develop a training plan that clearly aligns and supports its workforce plan”): each department has established its training needs for 2020/21 and an ICT Training Plan will be implemented. A review has been undertaken of

current leadership development processes and a revised Middle Management programme will be introduced, to increase diversity in leadership roles. A Supervisory Development Programme has been scheduled to provide support for newly promoted Crew and Watch Managers. A new Planning, Development and Review process is in place to identify the training and development requirements for all staff, including non-operational employees, and individual training plans will be produced. Work will be carried out to align the operational training planner with wider aspects of workforce development and training;

- (f) Area 22 (“The Service should improve communication around positive action through all levels of the organisation”): a Joint Statement on Positive Action has been drafted for circulation via the internal communications channels, following consultation with representative bodies. A positive action programme will be implemented as part of the planning and resourcing for whole-time recruitment in 2021, to seek to achieve a strong level of representation amongst the candidates. Events will be held at stations and will involve station personnel in supporting them. A briefing will be issued to explain fully what the Service aims to achieve through the proposed positive action and to challenge any negative assumptions, and middle management is being engaged in ensuring that this is successful. However, turnover in the Service is low, recruitment is irregular and there is a geographical requirement for on-call rolls, so it will take time for the effects of positive action to be reflected in the workforce;
- (g) Area 23 (“The Service should ensure individual performance targets clearly support objectives within the Integrated Risk Management Plan”): a new Performance and Development Policy has been published and will be promoted as part of the launch of the Performance Development Review process, with training on how this will be accessed through the i-Trent system. Departmental plans are in place, with a new progression procedure;
- (h) Area 24 (“The Service should improve staff awareness and understanding of promotion and selection process”): a progression process to higher-level operational roles is undertaken annually. A Progression Procedure is in place, but further mentoring and coaching will be provided to prospective candidates to ensure that they understand the process and selection criteria clearly;
- (i) Area 25 (“The Service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders”): a review will be undertaken to identify the options and potential benefits of introducing a high-potential talent management scheme. However, the Service is a relatively small organisation with low staff turnover, so it may only be viable to introduce this kind of scheme in partnership with another Service or Services. Informal development programmes are in place, such as Aspiring Leaders. Steps will be taken to make this provision more formal, using a mix of internal and external management development trainers. External providers are giving general management training, while a trainer is being tendered for to provide additional training for middle and senior managers. The Service has good links with Nottingham Trent University and bursaries are available for staff who are looking to develop other work-related skills and proficiencies.

The Committee noted the report.

## **24 Human Resources Update**

Tracy Crump, Head of People and Organisational Development, presented a report on the key Human Resources metrics for the period of 1 October to 31 December 2019, including absence reporting from the period of 1 July to 30 September 2019. The following points were discussed:

- (a) sickness absence has decreased since the preceding period, but is slightly higher than the same period in the previous year. Long-term conditions (often musculoskeletal and mental health related) account for 70% of sickness absence. Sickness absence within the Service is slightly higher than the sector average, but work is underway to reduce this. Conversations are taking place with the Services with the lowest levels of long-term sickness absence, to seek to improve 'return to work' provision;
- (b) the new Joint Control Room with the Derbyshire Fire and Rescue Service has seen relatively high sickness absence during the early period of its establishment. As the team is small and specialised, it is difficult to provide cover. However, it is anticipated that the situation will improve once the new ways of working become established;
- (c) 20 members of staff left the Service (mainly due to retirement) and 6 new staff joined. One Employment Tribunal has been registered, following an employee's departure. As part of the process, an internal investigation is underway.

The Committee noted the report.

## **25 Equalities Monitoring Report**

Matt Sismey, Organisational Development and Inclusion Manager, presented a report on the breakdown of the workforce by protected characteristics between 1 January and 31 December 2019, and the work being done to improve diversity at Nottinghamshire Fire and Rescue Service. The following points were discussed:

- (a) the number of women in the workforce has increased to 15.54% over the last two years, with 43 (6.13%) employed in operational roles (including management roles). However, 35.85% of the new starters in 2019 were women. The proportion of Black, Asian and Minority Ethnic (BAME) employees has also increased slightly, but less significantly than hoped. Declarations of sexuality, disability and mental health are also low, so work is underway to ensure that employees are comfortable discussing these subjects in the work environment. Further reasonable adjustments to improve accessibility at work are under consideration, in addition to improvements in equalities monitoring;
- (b) the number of women and BAME employees in middle management and above is low, so positive action is in place to help create pathways for potential management candidates who are at fire fighter level, currently. A low number of BAME candidates have been successful in applying for support roles. An audit system is in place for these applications and a Human Resources representative is in place on appointment panels, to ensure that the process is fair. It is also a primary aim to

ensure diversity on the interview panels. Work is taking place to explore ways to attract more BAME citizens to apply for roles in the Service.

The Committee noted the report.

## **26 Apprenticeship Update**

Tracy Crump, Head of People and Organisational Development, presented a report on apprenticeships within the Service. The following points were discussed:

- (a) it has been Government policy since 2016 to increase the number of apprenticeships available, particularly within the public sector. Significant progress has been made in the numbers of apprentices employed by the Service since January 2019 in both operational firefighter and support roles, for which the Service is able to draw down funding from the apprenticeship levy;
- (b) this has been due primarily to the intake from the 2018 firefighter selection process, which has seen 19 apprentice firefighters contracted to the Level 3 Operational Firefighter Apprenticeship Standard. This is a 26-month apprenticeship that, subject to successful completion, covers the full development period (including spending time on station), so that the apprentice firefighters become competent at the end of the assessment period. The first cohort of eleven apprentice firefighters commenced their apprenticeship in January 2019. A further cohort of eight apprentice firefighters commenced in September 2019;
- (c) public sector employers have been set a target of 2.3% of the workforce as new apprenticeship starters. Based on a Service workforce of 798 (excluding those with dual contract arrangements), this would require 18 new apprenticeships each year. From 1 April 2018 to 31 March 2019, 16.67% of all new starters were on apprenticeships, representing 1.32% of the total workforce. Overall, apprentices account for 2.4% of the total headcount. Despite the increase in new-start apprenticeships, which saw 11 new apprenticeship start between September 2018 and September 2019, the Service did not meet this target during 2018-19;
- (d) while the target is based on a headcount and includes the whole workforce, the Service is unable to register on-call trainees onto the Operational Firefighter Apprenticeship, as they are not able to comply with the eligibility criteria due to their hours of work. This means that the majority of appointments made each year cannot be counted against the target. However, the overall headcount figure (against which the percentage of new starts is calculated) does include on-call employees. This has been recognised by the National Fire Chiefs' Council as a sector issue and lobbying is taking place to address this anomaly;
- (e) the apprenticeship programme is inspected by Ofsted, to ensure that the right standards of education are maintained. The Service is now also an accredited training provider at a national level, giving access to the Government's training levy. Five members of staff in support roles are undertaking new qualifications.

The Committee noted the report.

**27 Exclusion of the Public**

**Resolved to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraphs 1 and 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.**

**28 Exempt Minutes**

The Committee confirmed the exempt minutes of the meeting held on 18 October 2019 as a correct record and they were signed by the Chair.

**29 Regrading of Posts**

Craig Parkin, Deputy Chief Fire Officer, presented a report on the outcomes of the job evaluation process that has led to a permanent change to the support (non-uniformed) establishment.

The Committee noted the report.



**Nottinghamshire and City of Nottingham Fire and Rescue Authority  
Policy and Strategy Committee**

**Minutes of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge, Arnold  
Nottingham NG5 8PD on 31 January 2020 from 10.01 am - 10.39 am**

**Membership**

Present

Councillor Michael Payne (Chair)  
Councillor Andrew Brown  
Councillor Sybil Fielding  
Councillor John Clarke  
Councillor Toby Neal  
Councillor Stuart Wallace (as substitute for Councillor  
Jonathan Wheeler)

Absent

Councillor Jonathan Wheeler

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

John Buckley - Chief Fire Officer  
Charlotte Radford - Treasurer to the Authority  
Malcolm Townroe - Clerk and Monitoring Officer to the Authority  
Becky Smeathers - Head of Finance  
Catherine Ziane-Pryor - Governance Officer

**14 Apologies for absence**

Councillor Jonathan Wheeler – Councillor Stuart Wallace substituting

**15 Declarations of interests**

None.

**16 Minutes**

The minutes of the meeting held on 8 November 2019 were confirmed as a true record and signed by the Chair.

**17 HMICFRS Update: Publication of the State of Fire And Rescue Report**

John Buckley, Chief Fire Officer, presented the report which provides members with an overview of the newly published HMICFRS State of Fire and Rescue report which refers to all 45 Fire and Rescue Services.

In addition to the link within the report, a complete paper version is available for members of the Authority to view.

It is noted that the report is not legally binding on Fire and Rescue Services nor Central Government, and is clear that it has been issued in an advisory role, although there will be further consideration of the recommendations.

The following points were highlighted:

- a) Four main recommendations have been made to the sector as a whole, which are summarised as follows:
  - i. review with precision and determine the roles of: (a) FRSs; and (b) those who work in them. (by June 2020);
  - ii. consideration of the current pay negotiation machinery and whether an independent pay review body and the future of the 'grey book' should be revised. (by June 2020);
  - iii. consideration of whether Chief Fire Officers should have operational independence. In the meantime, clear guidance on demarcation between those responsible for governance and operational decision making by the Chief Fire Officer. (by September 2020);
  - iv. production of a code of ethics for all FRSs to be considered as part of each employee's progression and annual performance appraisal. (by December 2020).
- b) recommendation 'i' refers to co-responding and the broadening role of firefighters and the services which they deliver. Not all Services had diversified and as there is an element of localisation whereby Services can adapt to serve the needs of their specific communities, so there are different models operating but not all Services which have diversified have met their statutory requirements;
- c) with regard to 'iii', CFOs having operational independence, currently the statutory powers are in the control of the Fire Authority and the CFO works on behalf of the Authority. It is clear that the report is written with a Policing background whereby the Chief Police Officer has the overriding responsibility and control. Across Services procedures vary greatly, to the extent that one CFO is not authorised to spend above £500 outside the agreed budget without the authorisation of the Authority. This target completion date of September 2020 is extremely tight and may not be achieved;
- d) establishment of the code of ethics (recommendation 'iv') has resulted from finding some 'toxic' cultures within the Sector. NFRS is working with the LGA and is expected to be a consultee in formulating the code;
- e) HMICFRS will undertake a full audit of all Services, which will start for NFRS in July 2020 with a self assessment and then an inspection which is predicted for November/December. Members will be kept informed;

- f) appendices A and B to the report provide bullet point summaries of the overall findings from the inspection of the sector.

Members' questions were responded to and comments made as follows:

- g) with regard to 'toxic cultures' it is known that there have been some issues identified (in other Services) with overbearing management styles which leaves individuals feeling oppressed. 'Closed watch cultures' can emerge where small watch teams experience very little change. This can be a strength, but it can also create independent cultures. In addition, the overt nature of some aggression expressed on some social media sites has been raised as an issue by respondents to the National Survey who have said that they have been the victim of, or witnessed, bullying in the past year;
- h) Localisation means that each Fire Service can agree terms with their own population and there is no standard definition of what a Fire Service does. Front line service and demands in the City vary significantly from those in rural areas. In addition, the way in which risk is assessed varies from Service to Service. Standardisation across the Sector of common tools such as risk assessment and recording of incidents will make overall monitoring, tracking and comparisons much easier;
- i) to prevent the embedding of watch cultures, the Service moves trainees around to gain experience at different stations. It is not possible to move established staff around, although when this has been done, despite initial resistance and even registering of grievances, the outcome has been positive. A lot of staff have perceptions that other stations and sites are not as good as their own, but once they have experienced other stations/sites, have found this not to be the case. The Service is working hard to promote its values and where some staff do act inappropriately, this is addressed. It's reassuring that staff do challenge behaviours and feel confident to raise concerns;
- j) Staff Conferences, which are attended by Senior Officers and sometimes elected members, are working well at bringing staff together who they may otherwise not encounter, with activities to encourage verbalisation, break bias, and re-enforce confidence that where issues are raised, the Chief Officer Team will respond;
- k) apart from the use of confrontational language, which is not necessary, clarity is required of some of the points made, such as the comment on trades' union influence not always being in the interest of the public. Although in some services the relationship with trades unions vary significantly to that of this Service, Trade Unions such as the Fire Brigades Union (FBU) are partners to this Service so such comments are not helpful, particularly without elaboration and possibly direction;
- l) the comment that better performance and talent management is needed, seems strange when it is common practice within the Police Service that once a member of staff reaches 30 years' service (and therefore experience) they are then 'let go';
- m) the timelines given to address the points raised are unrealistically tight but the Service is happy to engage in the required work, many of which is already underway.

Members of the Committee commented that the language used in the HMICFRS is unnecessarily insulting and confrontational and terms such as 'toxic' are very emotive, and

suggested that the Inspection report authors actually meet the staff on the front line and then reconsider if such language is appropriate.

Members of the Committee requested that a seminar be held specifically to look at the points raised by the inspection, and how they are to be addressed.

## **Resolved**

- 1) to note the report;**
- 2) to endorse the approach to consider the recommendations contained within the State of Fire and Rescue Report;**
- 3) for a members seminar to be arranged to consider the recommendations of the inspection and how they are to be addressed within this Service;**
- 4) to agree to receive any additions to the formal HMICFRS action plans through the Fire Authority Committees.**

## **18 Collaboration Update**

John Buckley, Chief Fire Officer, presented the report which updates members on the progress of collaboration activities.

The following points were highlighted:

- a) planning permission has been passed for the new Joint Headquarters. Enabling work has started and a contractor for the building work is being sought. It is noted that with regard to traffic safety concerns, the A60 junction will be modified but details are yet to be confirmed;
- b) work is ongoing with regard to the Limited Liability Partnership (LLP) agreement which will be submitted to the Fire Authority for final approval;
- c) collaboration with the Police Service continues to develop, as can be seen by the draft 'info-graphic' which was available to view at the meeting. Collaboration is not just about sharing buildings and resources but is much broader, for the benefit of citizens;
- d) the West Bridgford joint Police and Fire and Rescue site is progressing. Parking issues were initially a concern for the Planning Authority but this has now been resolved. Once completed all police operational resources will move into site and the current central City base will close;
- e) Police colleagues will move into the shared service Hucknall site along with East Midlands Ambulance Service colleagues within the next few weeks and establish the first operational tri-service hub in the country. A formal opening ceremony will be held in March. Consideration is taking place with regard to options for disposal of the former Hucknall Fire Station site;
- f) joint prevention work is ongoing with consideration for a joint safeguarding operation;

- g) the Police and Fire Services' shared drone was deployed at a water rescue incident in Gunthorpe last week, and with its HD and thermal imaging, proved an excellent resource which prevented putting firefighters in danger of having to enter the water, as the drone was able to search the riverbanks;
- h) the Service already has border sharing arrangements in place with the South Yorkshire Fire and Rescue Service, by which the nearest available appliance is mobilised, now work is underway to share appliance availability between respective control rooms.

**Resolved**

- 1) to note the report;**
- 2) to endorse the Service's proactive approach to collaboration.**



**Nottinghamshire and City of Nottingham Fire and Rescue Authority  
Appointments Committee**

**Minutes of the meeting held at Fire and Rescue Service Headquarters - Fire and  
Rescue Service Headquarters, Bestwood Lodge, Arnold, Nottingham, NG5 8PD on  
4 February 2020 from 9.15 am - 6.02 pm**

**Membership**

Present

Councillor Michael Payne (Chair)  
Councillor Andrew Brown  
Councillor Vaughan Hopewell  
Councillor Shuguftah Quddoos  
Councillor Toby Neal

Absent

Councillor John Clarke  
Councillor Jason Zadrozny

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

John Buckley - Chief Fire Officer  
Malcolm Townroe - Clerk and Monitoring Officer to the Authority  
Tracy Crump - Head of People and Organisational Development  
Emma Law - Gatenby Sanderson

**1 Apologies for absence**

Councillor John Clarke (Councillor Toby Neal substituting)  
Councillor Jason Zadrozny - unwell

**2 Declarations of interests**

None.

**3 Minutes**

The minutes of the last meeting were confirmed as a true record and signed by the Chair.

**4 Exclusion of the public**

**Resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Paragraphs 1 and 3 of Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

**5 Selection process for the appointment of Assistant Chief (Fire) Officer**

Five candidates were assessed and interviewed for the post.

**Resolved to appoint Candida Brudenell to the post of Assistant Chief Fire Officer.**

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