

# Public Document Pack



## Nottinghamshire and City of Nottingham Fire and Rescue Authority Policy and Strategy Committee

**Date:** Friday, 13 May 2022      **Time:** 10.00 am

**Venue:** Nottinghamshire Fire and Rescue Service Headquarters - Bestwood Lodge  
Drive, 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**

A handwritten signature in black ink, appearing to read "M. J. [unclear]". The signature is written in a cursive style.

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

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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 967 0880**

**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:

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<https://committee.nottinghamcity.gov.uk/iedochome.aspx?bcr=1>

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**Nottinghamshire and City of Nottingham Fire and Rescue Authority  
Policy and Strategy Committee**

**Minutes of the meeting held at Joint Fire/Police HQ - Sherwood Lodge, Arnold,  
Nottingham, NG5 8PP on 01 April 2022 from 9.24 am - 9.42 am**

**Membership**

Present

Councillor Michael Payne (Chair)  
Councillor Sybil Fielding  
Councillor Roger Jackson  
Councillor John Lee  
Councillor Jason Zadrozny  
Councillor Nick Raine (Substitute for Councillor Toby Neal)

Absent

Councillor Toby Neal

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

Craig Parkin - Deputy Chief Fire Officer  
Becky Smeathers - Head of Finance and Treasurer to the Authority  
Malcolm Townroe - Clerk and Monitoring Officer to the Authority  
Sean Connor - Derbyshire Fire and Rescue Service HR  
Catherine Ziane-Pryor - Governance Officer

**21 Apologies for Absence**

Councillor Toby Neal (other City Council Business), Councillor Nick Raine substituting.

**22 Declarations of Interest**

None.

**23 Minutes**

Minutes of the meeting held on 04 February 2022 were confirmed as a true record and signed by the Chair.

## 24 Firefighters' Pension Scheme Immediate Detriment Review

Prior to consideration of this item representatives of the Fire Brigades Union were invited to formally ask a question:

Nottinghamshire FBU welcomes the first 5 recommendations of the Chief Fire Officer report. We hope the Fire Authority accepts these recommendations on the grounds of ending the discrimination of its workforce, and not solely on the threat of legal action by the Fire Brigades Union. We understand the position and the risk to the Authority in accepting these recommendations, However, Nottinghamshire Fire Authority can hold its head high, firm in the knowledge that they have done the right thing for its employees. Will the Fire Authority stand in solidarity with the FBU to end discrimination in the workplace wherever this may come from, both now and in the future?

The Chair responded as follows:

As the FBU know from the signed joint commitments on equality and inclusion, discrimination has no place within Nottinghamshire Fire & Rescue Service. Furthermore, the Authority is reassured that the values, behavioural framework, along with the education of employees and visible leadership at all levels, including Authority Members, will ensure a consistent and positive culture remains our aim.

The culture and expected professional standards of a community focused and inclusive organisation is shared with the representative bodies, working together and we have high confidence that wherever evidence of any form of discrimination exists, this will be dealt with robustly.

Becky Smeathers, Head of Finance and Treasurer to the Authority, presented the report and highlighted the following points:

- a) initially, the Home Office had issued guidance to enable Fire and Rescue Services to progress with immediate detriment (ID) pension issues;
- b) following the Fire Brigades Union (FBU) winning a test court case, and prior to the enactment of formal legislation, a memorandum of understanding (MU) was agreed with the FBU;
- c) Shortly after Policy and Strategy Committee adopted the MU in November, the Home Office withdrew its guidance, which has left Services across the country in a difficult position, uncertain as to how to proceed until clarified by the new legislation which is due in October 2023, but also recognising the impact on firefighter pension holders and the potential for further legal challenges on the basis of breaching the Equalities Act;
- d) all Fire Services have paused progress regarding related ID pension issues, however, with 2 retirements imminent, and several more due, approval is sought for NFRS to move forward and take action;

- e) the main areas of uncertainty are what the final tax arrangements and compensation calculations will be. There is significant risk to the Service in progressing whilst these elements are unknown as it is possible that Central Government will consider the Fire Service to be wholly liable for the cost of any reimbursed tax or compensation if not complying with the yet unknown legislation, and yet not addressing the issues, risks infringing the Equalities Act and successful prosecution;
- f) the risks have been outlined in a letter sent to the Home Office regarding the withdrawal of guidance and in which clarity was sought of how to progress. However, although further guidance has been received this week, it presents no further clarity;
- g) until comprehensive guidance and/or the new legislation is in place, there is a potential financial risk of tens of thousands of pounds to the Service if proceeding with work to resolve the issues, although there are likely to be many further, unknown risks;
- h) if the lack of progress is challenged in court, as has already happened, the Service could not defend inactivity, so members are requested to decide if work to address the inequalities identified within the pension scheme should continue, or whether the Service should risk another court case which will require funds to defend;
- i) NFRS has identified 17 retired individuals for whom ID could be claimed and result in legal action, and for which the Service may be unable to claim the cost from Central Government. This would also be the case for all firefighters retiring before the remedying legislation comes into force in October 2023.

Members and Lead Officers commented as follows:

- j) the recommendation of officers is the preferred option. It is a lesser risk, and is the right thing to do for employees;
- k) the impact of pension uncertainty on employees nearing retirement is significant, and whilst claims are naturally retrospective, some of the workforce are making decisions on the near future of their careers based on the level of their pension award, so action should not be delayed;
- l) the situation is not the making of the Authority but needs resolving and although an unenviable decision for members to make, it is not as difficult as the position of those affected;
- m) on the basis of the information provided, to progress with resolving the issues is the most fair and reasonable course of action;
- n) the response and explicit support of the FBU for the recommendations, is welcomed;
- o) Becky Smeathers and the Finance Team are commended for the detailed report and sensitive approach, along with the support of Sean Connor from Derbyshire Fire Service;
- p) an update to members is requested if there is a variance in costs of 20% or more in order that they are kept fully informed.

**Resolved to**

- 1) note the update concerning the age discrimination / immediate detriment remedy position related to the Firefighters' Pension Scheme;**
- 2) approve that firefighters approaching retirement (Cat 1) continue to be offered the option of an immediate detriment remedy;**
- 3) approve that retired firefighters eligible for an immediate detriment remedy (Cat 2) continue to be offered the option of an immediate detriment remedy;**
- 4) delegate to the Head of Finance and Treasurer, as delegated Pension Scheme Manager, authority to adopt a new Memorandum of Understanding, when available, which removes liability from Nottinghamshire Fire and Rescue Service;**
- 1) delegate to the Head of Finance and Treasurer, as delegated Pension Scheme Manager, authority to pause all ID cases if conformation from the government is received significantly increasing the financial liability to Nottinghamshire Fire and Rescue Service.**



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

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Policy and Strategy Committee

# **FUTURES 2025 EFFICIENCY STRATEGY**

Report of the Chief Fire Officer

**Date:** 13 May 2022

**Purpose of Report:**

To provide an overview for Members on the proposed approach to efficiency savings required by the Fire Authority.

**Recommendations:**

It is recommended that Members:

- Support the proposed approach detailed within this report;
- Receive a further report at the Fire Authority meeting in September 2022.

## **CONTACT OFFICER**

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## **1. BACKGROUND**

- 1.1 Members will be aware that following a decade of austerity measures, the financial challenges in developing and securing a balanced budget for the Fire Authority are set to continue, certainly for the period of the current Community Risk Management Plan (CRMP).
- 1.2 Despite those financial challenges, the CRMP sets a clear ambition for Nottinghamshire Fire and Rescue Service (NFRS) to work towards being 'outstanding' by 2032 as its longer-term objective. This is also supported by the duty to continuously improve and the role of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) to inspect, monitor and report on the efficiency and effectiveness of fire and rescue services with the aim of encouraging improvement.
- 1.3 NFRS plans to put its communities first, primarily through balancing the delivery of public services through its prevention, protection and response activities.
- 1.4 The Transformation and Efficiency Strategy considered by Fire Authority in February 2020 agreed the approach to targeting resources over a 2-year period. These investments were built in to both revenue and capital budgets over the last two years and are included in the budget monitoring reports presented to Finance and Resources Committee.
- 1.5 The Medium-Term Financial Strategy and budget proposal reports considered by Fire Authority in December 2021 and February 2022 identified a worsening financial position caused largely by inflationary pressures, anticipated pay increases and a reduction in real term grant. A potential funding gap in excess of £2m has been identified for 2023/24 and beyond, although the situation remains uncertain in the current economic climate.
- 1.6 In February 2022, the Fire Authority approved the CRMP 2022-25 which sets out the strategic goals for the future of the Service. The Service also awaits the outcome of its recent HMICFRS inspection which may identify some areas for change.
- 1.7 The purpose of this Efficiency Strategy is to consider how the Service uses its limited resources to enable it to set a balanced budget, whilst still being able to deliver the CRMP and respond to the findings of the HMICFRS inspection.

## **2. REPORT**

- 2.1 This report provides an overview for Members on the proposed approach to efficiency savings, yet ensures NFRS has a clear, balanced and proportionate approach to the delivery of services to communities, within the available financial resources of the Fire Authority.



- 2.2 Members will also be aware from previous reports, the Service has taken interim measures for the financial year 2022/2023 to assure the Authority's statutory duties and provide a balanced budget, overseen by the Head of Finance/Treasurer to the Authority. This includes provision for the limited use of reserves, on the understating this is not a sustainable and affordable approach longer term.
- 2.3 Continued financial pressures are likely to require sustained reductions in the available budget and this report is the first stage of planning and delivering those reductions, ensuring that Members have full oversight and scrutiny, with full public transparency. The table below, previously presented to the Fire Authority in February 2022, details the funding requirements for the life of the current 2022-25 CRMP.

**Table 1 – Budget Requirement 2021/22 to 2024/25**

	<b>Revised Budget 2021/22 £'000</b>	<b>Budget 2022/23 £'000</b>	<b>Budget 2023/24 £'000</b>	<b>Budget 2024/25 £'000</b>	<b>Budget 2025/26 £'000</b>
Employees	36,147	37,153	39,134	40,856	41,673
Premises	2,797	3,346	3,737	3,860	3,937
Transport	1,794	1,766	1,796	1,788	1,824
Supplies & Services	3,739	3,941	3,941	3,966	4,050
Payments to other Local Authorities	783	908	1,034	1,160	1,183
Support Services	167	167	167	167	167
Capital Financing Costs	2,456	2,761	3,186	3,608	3,680
Income	(2,582)	(4,036)	(3,876)	(3,876)	(3,954)
<b>Total</b>	<b>45,301</b>	<b>46,006</b>	<b>49,119</b>	<b>51,529</b>	<b>52,560</b>

- 2.4 The broad areas of focus to deliver budgetary reductions are detailed below. Specific recommendations will be developed over coming months, with the aim of providing the Authority opportunity to scrutinise the recommendations, based on the advice of the Chief Fire Officer and wider strategic team.
- 2.5 Areas of Futures 2025 focus:
- Service pay budget;
  - Service non-pay budgets.

- 2.6 Clearly, any recommendation around pay means staff, who make up NFRS and this is likely to be felt organisationally, particularly as 'Our People' is a strategic goal within the current CRMP. The Service welcomes the positive relationship with the workforce and representative bodies, and the Chief Fire Officer has a clear focus that the dedication of the workforce should be met with open and transparent engagement, as well as developing solutions collectively.
- 2.7 As part of the work developing its CRMP, a strategic assessment of risk (SAoR) has been completed, and this will be used to inform future recommendations, based upon the risk and demands faced by NFRS in its service delivery activities.
- 2.8 Any proposals which amend the Service's emergency response model may be subject to public consultation and will be dealt with by the consultation framework already in place as appropriate.
- 2.9 The CRMP is constructed to support real ambition for communities, reflecting the ever-changing demand profile facing NFRS across prevention, protection, and response. As such, these demands will also be considered beyond the future efficiencies required, ensuring the Service's structure is capable, affordable, and deliverable to meet those balanced needs.
- 2.10 Current and continued pressures, including those arising from the Grenfell tragedy, Dame Judith Hackitt report and significant increased demand for fire protection will require resources, as such recommendations will seek to take account of this increase and need for investment. Clearly, at this stage it is not anticipated to this will be new funding for the Fire Authority.
- 2.11 Given the budget setting process, recommendations are planned to be presented to the Fire Authority meeting in September 2022, furthermore any public consultation would take place following that meeting, with the aim of being completed by the end of December 2022.
- 2.12 This approach is aimed to compliment the fire funding being announced by Central Government and provide sufficient time prior to the Fire Authority meeting in February 2023, to consider options in both balancing the budget and any supported changes to the Service's structured delivery model.
- 2.13 As detailed in the CRMP, a wider workforce review will be completed, with the initial stage already underway. This primarily focuses upon the support functions of the organisation and will be complimentary to the service delivery elements, due to be reported upon during 2022/23, with both these elements being co-ordinated by SLT officers and focus on delivering to communities.
- 2.14 The Service's 2032 ambition to be 'outstanding', fully aligns with the duty for continuous improvement, however, given the expectations on the sector and growing demands highlighted in this report, it is likely that adjustments will be required to the establishment and structure of it.

- 2.15 With any future proposals that are considered by the Fire Authority, which require public consultation, these will be delivered within the current consultation framework and co-ordinated by Corporate Support, under the leadership of the Assistant Chief Fire Officer.
- 2.16 In the near future, the Service will be receiving its HMI report, following the latest round of inspection, with a focus on three key pillars – effectiveness, efficiency and people. The report will be presented to the Fire Authority separately, but the Chief Fire Officer will ensure the learning identified also informs the approach highlighted in the Futures 2025 efficiency strategy.

### **3. FINANCIAL IMPLICATIONS**

The Authority will be required to set a balanced and robust budget for 2023/24. The Efficiency Strategy is part of the planning process to ensure this can happen and that the Service remains financially sustainable in the longer term.

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

- 4.1 Whilst this report does not present specific recommendations, any future reduction in financial resources will present implications, and these will be provided to the Authority and supporting committees for consideration by Members.
- 4.2 Staff engagement is essential to address concerns and the Service has clearly defined structures, both formally and informally. The pandemic also provided the use of virtual communications, and these will be included in a wider, supporting communications plan.
- 4.3 The Service's policy framework will also be reviewed and further options recommended to Members, for example, arrangements for future compensatory payments scheme and any amendments recommended to the scheme of delegation for the CFO, due to be reported on the review of the constitution by the Clerk to the Authority

### **5. EQUALITIES IMPLICATIONS**

There are no equalities implications arising from this report.

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

This report does not present any additional implications at this stage, these will be reported in future report to Members should they be identified.

## **7. LEGAL IMPLICATIONS**

This report does not present any additional implications at this stage, these will be identified and reported in future reports to Members as part of individual workstreams.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Regardless of the efficiencies required, the Authority has a requirement to meet its statutory duties and by supporting the approach outlined within this report, options can be developed and recommended for Members' consideration as how best those duties can be met, deliver the required efficiencies and best manage risk.
- 8.2 Given the percentage budget allocated to employee costs (detailed within table 1 of this report) and projected savings required, this will require close engagement with the workforce and employee representative bodies. The Service has a positive history of engagement and embedded informal and formal systems that will be fully utilised in developing proposals to deliver efficiencies.
- 8.3 Given the projected funding levels, a do-nothing option is not available, therefore delivering a balanced budget clearly has risk implications for the Authority without making efficiencies. This report seeks support for the proposed efficiencies strategy approach.
- 8.4 As the Service puts communities first, public confidence and Service reputation is currently held in high regard, any recommendations that may amend public service will inevitably and rightly attract attention. Through the communication plan and any supporting consultation processes required, through providing information and re-assurance, this risk is likely to be better mitigated to some degree by the Service.
- 8.5 The ability and capacity to deliver change to meet the budgetary timescales available will need thorough project management and may impact upon the wider CRMP commitments. These will be reported as they arise either to the full Fire Authority or supporting committees and overseen and reported by the Head of Finance/Treasurer within the budget monitoring process and captured within the Annual Statements of Assurance between 2022 – 2025.
- 8.6 Workforce sustainability is already in the Strategic Risk Register with specific factors now growing in risk profile, namely the ability to recruit and retain staff, particularly in On-call and Service Support roles and a point reflected nationally within the sector.

## **9. COLLABORATION IMPLICATIONS**

Whilst this report does not identify additional collaboration implications at this stage, it is fully expected potential collaboration opportunities be explored as part of any future package of efficiencies to deliver the Service and a balanced budget.

## **10. RECOMMENDATIONS**

It is recommended that Members:

- 10.1 Support the proposed approach detailed within this report.
- 10.2 Receive a further report at the Fire Authority meeting in September 2022.

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

None.

Craig Parkin  
**CHIEF FIRE OFFICER**

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