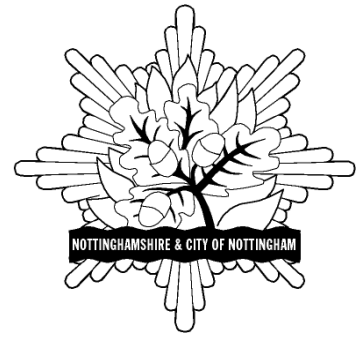


Public Document Pack

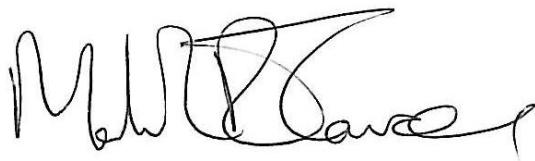


Nottinghamshire and City of Nottingham Fire and Rescue Authority - Meeting of the Authority

Date: Friday, 24 February 2023 **Time:** 10.30 am

Venue: Dunkirk and Beeston Suites - Highfields Fire Station, Hassocks Lane,
Beeston, Nottingham. NG9 2GQ

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

<u>Agenda</u>	<u>Pages</u>
1 Apologies for Absence	
2 Declarations of Interest	
3 Minutes Of the meeting held on 16 December 2022 (for confirmation)	provided separately
4 Chair's Announcements	
5 Treasury Management Strategy 2023/24 Report of the Treasurer to the Fire Authority	3 - 32
6 Prudential Code for Capital Finance 2023/24 Joint Report of the Treasurer to the Fire Authority and Chief Fire Officer	33 - 48
7 Budget Proposals for 2023/24 to 2026/27 and Options for Council Tax 2023/24 Report of the Chief Fire Officer and Treasurer to the Fire Authority	49 - 74
8 Futures 2025: Efficiency Strategy Update Report of the Chief Fire Officer	75 - 150

9	Appointment of Assistant Chief Fire Officer Report of the Chair of the Appointments Committee	151 - 154
10	Report of the Independent Remuneration Panel Report of the Clerk and Monitoring Officer to the Authority	155 - 158
11	Committee Outcomes Report of the Chief Fire Officer	provided separately
12	Exclusion of the Public To consider excluding the public from the meeting during consideration of the following item in accordance with Section 100A of the Local Government Act 1972 (under Schedule 12A, Part 1, Paragraphs 1, 2 & 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.	
13	Exempt Minutes Exempt minutes of the meeting held on 16 December 2022 (for confirmation)	provided separately
14	Proposed Compensation Payments - Futures 25 Phase One Outcomes Report of the Chief Fire Officer	159 - 166

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
0115 8764298
catherine.pryor@nottinghamcity.gov.uk

The agenda, reports and minutes for all meetings of the Fire and Rescue Authority can be viewed online at:

<https://committee.nottinghamcity.gov.uk/ieListMeetings.aspx?CId=224&Year=0>

If you would like British Sign Language interpretation at the meeting, please contact the Service at least two weeks in advance to book this, either by emailing enquiries@notts-fire.gov.uk or by text on SMS: 0115 824 0400



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

TREASURY MANAGEMENT STRATEGY 2023/24

Report of the Treasurer to the Fire Authority

Date: 24 February 2023

Purpose of Report:

To seek the approval of Members for the proposed Treasury Management Strategy for 2023/24, the Policy on Environmental, Social and Governance and the Authority's Minimum Revenue Provision Policy for 2023/24.

Recommendations:

It is recommended that Members approve:

- The Treasury Management Strategy for 2023/24.
- The policy on Environmental, Social and Governance (ESG) considerations.
- The Minimum Revenue Provision Policy for 2023/24.

CONTACT OFFICER

Name: Becky Smeathers
Head of Finance and Treasurer to the Fire Authority

Tel: 0115 967 0880

Email: becky.smeathers@notts-fire.gov.uk

Media Enquiries Contact: Corporate Communication Team
0115 967 0880 corporatecomms@notts-fire.gov.uk

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, 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. It has subsequently been updated, with the most recent revision being published in December 2021. Many of the changes in the revised Code are concerned with commercial and service investment practices and so will have a limited impact on the Authority. Other changes include:
 1. A requirement for the Authority to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. Details of this indicator can be found in the separate report on the Prudential Code for Capital Finance, also on the agenda.

2. Ensuring that any long-term treasury investment is supported by a business case.
 3. An amendment to Treasury Management Practice (TMP) 1 to address Environment, Social and Governance policy within the treasury management risk framework.
 4. An amendment to the knowledge and skills register for individuals involved in the treasury management function.
- 1.6 The 2021 edition of the Code recommends that the following clauses are adopted by public service organisations prior to the 2023/24 financial year as part of their financial regulations or other formal policy documents:
1. The creation and maintenance of a Treasury Management Policy Statement which sets out the policies, objectives and approach to risk management of the Authority's treasury management activities (see Appendix A).
 2. The creation and maintenance of suitable Treasury Management Practices (TMPs) which set out the manner in which the Authority will seek to achieve those policies and objectives and prescribing how it will manage and control these activities.
 3. The creation and maintenance of suitable investment management practices for any investments that are not for treasury management purposes.
 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.
 5. 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. Members of the Finance and Resources Committee will receive a quarterly monitoring report comprised of updated Treasury/Prudential Indicators.
 6. This Authority nominates the Treasurer to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 1.7 The Authority's Financial Regulations and Treasury Management Practices are currently under review and will be updated to reflect the clauses identified in 1.5 and 1.6. In practical terms the clauses have already been built into treasury management procedures.
- 1.8 A report on the Prudential Code for Capital Finance is also on this agenda. This report sets out the prudential indicators for 2023/24, 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 December 2021. One of the key changes in the 2021 edition of the Prudential Code is the explicitly stated requirement that authorities must not borrow to invest primarily for financial return. The Prudential Code includes a requirement to prepare a Capital Strategy – this was approved as part of the Medium Term Financial Strategy by Fire Authority on 16 December 2022.

- 1.9 This Treasury Management Strategy report is complementary to the Prudential Code report and the proposed prudential and treasury limits for 2023/24 are included in both reports for completeness.
- 1.10 This report also sets out the Authority's Minimum Revenue Provision policy for 2023/24 for approval by Members in paragraphs 2.53 to 2.57.
- 1.11 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 2023/24

- 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 2023/24 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 32 of the Local Government Finance Act 1992 for the Authority to produce a balanced budget. A local authority must 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 remain 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 UK inflation reached a 40 year high during 2022, with the annual CPI rate peaking at 11.1% in October. This surge in inflation has been caused largely by increased demand resulting from the lifting of pandemic restrictions, and by the Russian invasion of Ukraine which has impacted both energy and food prices. In December the Bank of England reported that it expected inflation to fall from the middle of 2023, as previous increases in energy prices drop out of the comparison and there is less demand for goods and services in the UK. The CPI rate for December was 10.5%.

2.8 The Bank of England base rate has increased from 0.25% in January 2022 to 3.50% in December in response to the increase in inflation. The market expects bank rate to hit 4.5% by May 2023.

2.9 In its latest bulletin the Office of National Statistics reported that UK GDP fell by 0.3% in the three months to November 2022, although the additional bank holiday due to the death of the Queen will have had an impact. In November,

the Bank of England's Monetary Policy Committee projected eight quarters of negative growth lasting throughout 2023 and 2024, but with the bank rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to the next Parliament to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

- 2.10 A more comprehensive economic summary prepared by Link Asset Services can be found at Appendix B
- 2.11 The latest interest forecasts from Link Asset Services can be found at Appendix C.

MANAGEMENT OF CASH RESOURCES

- 2.12 The Authority uses a main current account, an investment account and a petty cash account. 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.
- 2.13 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.
- 2.14 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.
- 2.15 Cash management processes have been examined by internal auditors and have been shown to be robust.

BORROWING STRATEGY

- 2.16 The prudential indicators for borrowing are set out in Appendix D. Background information relating to these indicators is contained within the Prudential Code for Capital Finance 2023/24 report which is elsewhere on this agenda.
- 2.17 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 2023/24 this figure is estimated at £30.646m. This figure is comprised of capital expenditure incurred historically by the Authority that has yet to be financed plus estimated capital expenditure and capital financing for 2022/23 and 2023/24.

- 2.18 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. PWLB rates are set at a margin of 80 basis points above gilt yields. Officers will work with treasury advisors to carefully consider all funding options before undertaking any further long-term borrowing. The newly introduced Liability Benchmark indicator also provides a guide to the level and duration of borrowing that is required. Information about the Liability Benchmark can be found in the report on the Prudential Code for Capital Finance which is also on this agenda. 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 and other local authorities.
- 2.19 The bank loan of £4m referred to in paragraph 2.18 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. Based on current forecasts it is possible that the rate will be increased. If this were to happen it is likely that the loan would be repaid and refinanced by short-term borrowing until the medium to longer term interest rates reduce to a more affordable level (rates are currently expected to decrease steadily from September 2023 onwards).
- 2.20 Over the next four years, it is anticipated that the Authority will need to borrow up to £6.0m to finance the capital programme. The plan is to finance the repayment of maturing loans through a combination of capital funding surpluses (minimum revenue provision cash and capital receipts) and some of the advanced borrowing that was taken in 2021/22. However, any changes to planned expenditure and forecasted cash flows may require further borrowing to be taken in order to refinance maturing loans.
- 2.21 Link Asset Services’ view on future PWLB interest rates is:

	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Mar 25
5 yr PWLB	4.20%	4.20%	4.10%	4.00%	3.90%	3.40%
10 yr PWLB	4.40%	4.40%	4.30%	4.10%	4.00%	3.50%
25 yr PWLB	4.60%	4.60%	4.50%	4.40%	4.20%	3.70%
50 yr PWLB	4.30%	4.30%	4.20%	4.10%	3.90%	3.50%

The table above has been adjusted for the PWLB certainty rate, which is a 0.2% reduction in the interest rate for Authorities such as this one which have applied for it.

2.22 Since the start of 2022 there has been a lot of volatility in gilt yields, and hence PWLB rates. As the table above shows, there is forecast to be a steady but slow decrease in rates during the period from September 2023, though there will doubtless be a lot of unpredictable volatility during this forecast period making rates difficult to predict with any certainty.

2.23 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 2023/24 and beyond.
- Three PWLB loans will mature in during the next five years (£3m in 2023/24, £1m in 2026/27 and £1m in 2027/28). These repayments will need to be financed. It is estimated that total new borrowing in the period 2023/24 to 2027/28 will be in the region of £6.0m.
- Link Asset Services' view is that interest rates are likely to decline over the next three years, albeit slowly. It may therefore be advantageous to defer new loans where possible or to take short-term borrowing initially and then replace it with longer-term loans when rates become more favourable, as this will have a lesser impact on the revenue budget for the periods of the loans.
- Whilst the PWLB will remain the main source of borrowing, consideration will also be given to sourcing funding from local authorities, financial institutions and the Municipal Bonds Agency.
- PWLB rates on loans of 25 years duration are expected to be higher than the rates for shorter- and longer-term loans. However, the existing debt maturity profile of the Authority will also be considered when decisions are made regarding the duration of new borrowing, as will the new Liability Benchmark indicator. 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.
- The whole-life costs of maturity loans can be less than those of equivalent annuity or EIP (equivalent instalments of principal) loans. However, sole reliance on maturity loans can increase the risk of future breaches of the capital financing requirement. It can also lead to future levels of excess borrowing which then have to be invested, resulting in a level of treasury investments above that reasonably required for liquidity. This can increase the Authority's exposure to risk. All these factors will be considered before future borrowing decisions are made.

2.24 Ordinarily the Authority will 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 can be prudent if investment returns are lower than borrowing rates. It also eliminates counterparty risk. 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.

Occasionally the Authority may maintain an over-borrowed position where the level of borrowing exceeds its CFR. For example, if interest rates are expected to rise sharply it may be prudent to borrow in advance of future need in order to secure borrowing at a reasonable rate.

2.25 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 then long-term borrowings will be postponed.
- 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, 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.

2.26 The Authority’s gross debt position is projected to be £32.9m by the end of 2022/23. This exceeds the estimated CFR, which is £31.7m. This is largely due to a decision to borrow in advance of need in 2021/22 in order to take advantage of the prevailing low interest rates at a time when they were projected to increase sharply (which they did). However, the Prudential Code requires that external debt does not exceed the CFR in the previous year plus the estimates of any increase in the CFR at the end of the current and next two financial years. By this measure, the level of projected debt at the end of 2022/23 is reasonable. Despite the capital programme currently being fully funded, 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 decrease slowly over the next three years, and the Authority will monitor rate changes closely when determining when the time is right to borrow.

2.27 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. 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 such 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.

2.28 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.

2.29 The rescheduling of debt involves the early repayment of existing borrowings and their replacement with new loans. There is still a large difference between premature redemption rates and new borrowing rates, therefore it is unlikely that rescheduling of debt will take place in 2023/24. 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

2.30 The Authority will have regard to the Department of Levelling Up, Housing and Communities (DLUHC) Guidance on Local Government Investments, the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021, and the CIPFA Treasury Management Guidance Notes 2021. 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. In the current economic climate, it is considered appropriate to keep investments relatively short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Authority will also consider the value available for longer periods with high credit rated financial institutions, as well as local authorities. 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.

2.31 The DLUHC and CIPFA have extended the meaning of “investments” to include both financial and non-financial investments. This Investment Strategy deals solely with financial investments. The Authority does not currently have non-financial investments. Any future non-investment activity (essentially the purchase of income yielding assets) would be covered by the Capital Strategy.

2.32 The guidance from the DLUHC 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. The DLUHC’s Guidance on Local Government Investments groups financial investments into one of three categories:
 - **Specified investments** are those with a high level of credit quality and are subject to a maturity limit of one year. They are denominated in sterling and any payments or repayments in respect of the investments are payable only in sterling.
 - **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 any financial investments that are not a loan and do not meet the criteria to be treated as a specified investment.

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’s criteria for specified investments can be found

in Appendix E, and the policy regarding loans is detailed in paragraph 2.48.

4. **Lending limits** (amounts and maturity) for each counterparty will be set in accordance with the guidelines detailed in Appendix E.
5. The Authority will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 2.43).
6. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 2.40).
7. The Authority has engaged **external consultants** (see paragraph 1.10) 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 2022/23 under IFRS 9, this 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. In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023. It has not yet been determined whether a further extension to the override will be agreed by the Government. This Authority holds no investment instruments that are affected by this change.

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 2.49 to 2.52). Regular monitoring of investment performance will be carried out during the year.

Creditworthiness Policy

2.34 The Authority applies the creditworthiness service provided by the Link Group. 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 creditworthiness 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:
- Purple band - 24 months
 - Blue band - 12 months (only applies to nationalised or semi-nationalised UK banks)
 - Orange band – 12 months
 - Red band - 6 months
 - Green band - 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.

2.39 Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Country Limits

2.40 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 F. This list will be added to or deducted from by Officers should ratings change in accordance with this policy. An exception to this policy is made for the UK, which is currently rated as AA-. The Authority continues to use counterparties from the UK, subject to the creditworthiness criteria outlined in paragraph 2.36.

Environmental, Social and Governance

2.41 One of the requirements of the revised Treasury Management Code of Practice (see paragraph 1.6) is that the Authority includes a policy relating to Environmental, Social and Governance (ESG) considerations. Fire Authority is requested to approve this policy which is set out in Appendix G.

Investment Strategy

2.42 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.

2.43 Bank Rate is forecast to peak at around 4.50% during 2023 and then steadily reduce to 2.50% by the latter half of 2025. In the current financial climate, it's appropriate to maintain an agile investment strategy, so no term deposit investments will be made for a period greater than one year without the prior approval of the Head of Finance and Treasurer to the Authority. The Authority will avoid locking into longer term deals 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 D).

- 2.44 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.
- 2.45 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.
- 2.46 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.
- 2.47 A summary of the criteria for specified investments is shown in Appendix E. The same criteria shall apply to non-specified investments with the exception of the maximum maturity period, which may exceed 12 months.
- 2.48 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

- 2.49 The Authority has adopted 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. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach will be reported

with supporting reasons in the Treasury Management Mid-year or Annual Report.

2.50 **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.

It is suggested that the Authority adopt a maximum security risk benchmark of **0.08%** historic risk of default when compared to the whole portfolio.

2.51 **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 WAL benchmark is **approximately 3 months**, with a recommended maximum limit of **0.40 years**.

2.52 **Yield** - the local measure of yield benchmark is:

Investments – internal returns **above the 3-month SONIA compounded rate**

MINIMUM REVENUE PROVISION POLICY 2023/24

2.53 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.

2.54 Regulation 27 of the 2003 Regulations requires a local authority to calculate in each financial year an amount of MRP that it considers to be prudent. An underpinning principle of the local authority financial system is that all capital

expenditure has to be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income. The broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their CFR. In doing so, local authorities “should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits”. 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.

- 2.55 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 2023/24 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 borrowing and credit arrangements (excluding leases) to fund capital expenditure incurred from 2007/08 onwards, the minimum revenue provision applied in 2023/24 will be calculated on the basis of the Asset Life method.
 - The minimum revenue provision for capital expenditure funded by leasing will match the payment of principal over the lease term.
- 2.56 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.
- 2.57 A change introduced by the revised MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 22 the total VRP overpayments were £1.312m.

TRAINING OF OFFICERS AND MEMBERS

- 2.58 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. A knowledge and skills register is being developed which will help to identify any further training needs and enable employees' training activities to be monitored more effectively.

2.59 It is also suggested that those tasked with treasury management scrutiny responsibilities have access to suitable training. A training session will be planned during 2023/24.

3. FINANCIAL IMPLICATIONS

The financial implications 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

There are no equalities implications arising from this report.

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, 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 approve:

10.1 The Treasury Management Strategy 2023/24 as set out in this report.

10.2 The Policy on Environmental, Social and Governance (ESG) considerations as set out in Appendix F.

10.2 The Minimum Revenue Provision policy 2023/24 as set out in paragraphs 2.53 to 2.57.

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

None.

Becky Smeathers
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.

ECONOMIC SUMMARY

Prepared by Link Asset Services December 2022

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%/y/y)	+0.2%q/q Q3 (2.1%/y/y)	2.6% Q3 Annualised
Inflation	10.7%/y/y (Nov)	10.1%/y/y (Nov)	7.1%/y/y (Nov)
Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

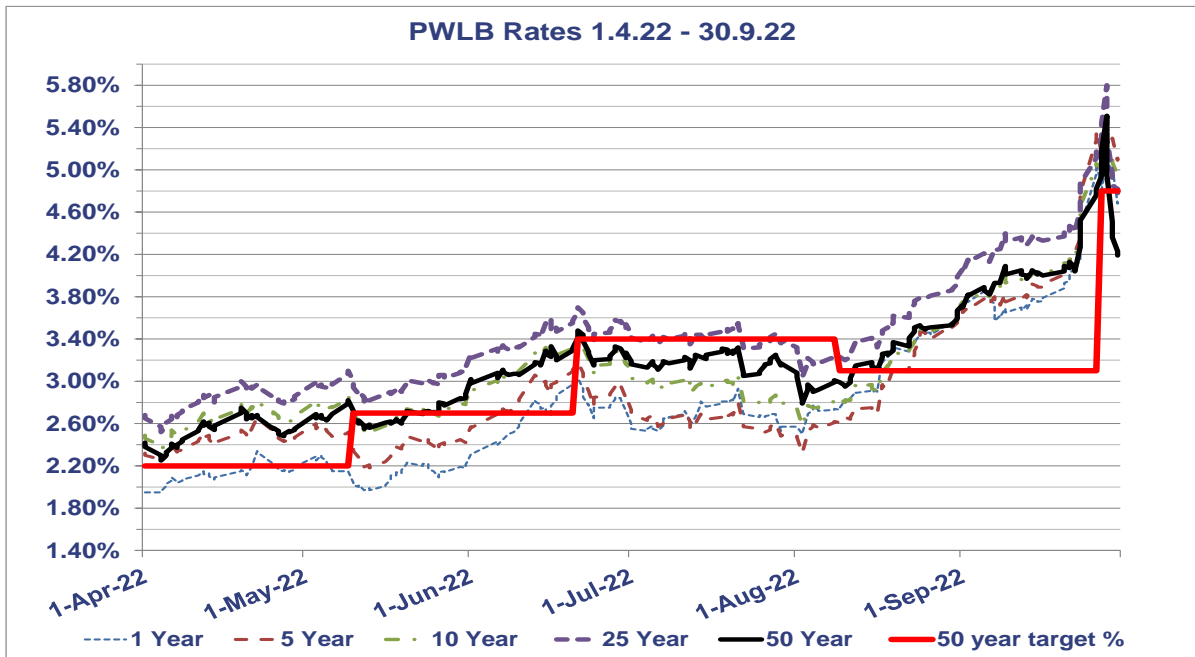
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17 November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.22. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28 September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

INTEREST RATE FORECASTS 2022-2025

APPENDIX C

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

PWLB forecasts are based on PWLB certainty rates.

PRUDENTIAL AND TREASURY INDICATORS FOR 2023/24

Maximum ratio of Financing Costs to Net Revenue Stream	8.0%
Estimate of Ratio of Financing Costs to Net Revenue Stream	5.0%
Estimate of Total Capital Expenditure to be Incurred	£3,995,000
Estimate of Capital Financing Requirement	£30,646,000
Operational Boundary	£36,901,000
Authorised Limit	£41,591,000
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 2023/24

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 compounded SONIA rate

SPECIFIED INVESTMENTS: CREDIT AND COUNTERPARTY RISK

Investment category	Minimum credit criteria / colour band	Sovereign credit rating	Category as a % of total investments	Total limit per institution* / fund	Max. maturity period
Term deposits with banks and building societies	Purple (24 months) 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	Purple (24 months) 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	Purple (24 months) 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

AAA	AA+	AA
Australia	Canada	Abu Dhabi (UAE)
Denmark	Finland	France
Germany	USA	
Netherlands		
Norway		
Singapore		
Sweden		
Switzerland		

This list is correct as at 19/12/2022

Policy on Environmental, Social and Governance (ESG) Considerations

- 1.1 Current investment guidance, both statutory and from CIPFA, makes it clear that all investment strategies must adopt Security, Liquidity and Yield (SLY) principles and that ethical principles must play a subordinate role to these key principles. Priority will therefore be given to security, liquidity and yield when investment decisions are made. ESG principles will only be accommodated once SLY requirements have been met.
- 1.2 ESG factors that are considered by Credit Rating Agencies, such as Fitch, Moody's and Standard & Poor's when assigning credit ratings to counterparties are detailed below. The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties.
- **Environmental:** *Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.*
 - **Social:** *Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.*
 - **Governance:** *Management structure, governance structure, group structure, financial transparency.*
- 1.3 Currently, the assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve.
- 1.4 The Authority is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring ESG factors into the decision making process for investments where possible. The Authority is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Authority uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement, which is as follows:
- “We, the undersigned, recognise that environmental, social and governance (ESG) factors can affect borrowers’ cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. For corporates, concerns such as stranded assets linked to climate change, labour relations challenges or lack of transparency around accounting practices can cause unexpected losses, expenditure, inefficiencies, litigation, regulatory pressure and reputational impacts.*”

At a sovereign level, risks related to, inter alia, natural resource management, public health standards and corruption can all affect tax revenues, trade balance and foreign investment. The same is true for local governments and special purpose vehicles issuing project bonds. Such events can result in bond price volatility and increase the risk of defaults. In order to more fully address major market and idiosyncratic risk in debt capital markets, underwriters, credit rating agencies and investors should consider the potential financial materiality of ESG factors in a strategic and systematic way. Transparency on which ESG factors are considered, how these are integrated, and the extent to which they are deemed material in credit assessments will enable better alignment of key stakeholders. In doing this the stakeholders should recognise that credit ratings reflect exclusively an assessment of an issuer's creditworthiness. Credit rating agencies must be allowed to maintain full independence in determining which criteria may be material to their ratings. While issuer ESG analysis may be considered an important part of a credit rating, the two assessments should not be confused or seen as interchangeable.

*With this in mind, we share a common vision **to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness.***"

- 1.5 For short term investments with counterparties, this Authority utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Authority will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

This page is intentionally left blank



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

PRUDENTIAL CODE FOR CAPITAL FINANCE 2023/24

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

Date: 24 February 2023

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 2023/24 (see Section 10 for details).

CONTACT OFFICER

Name : Becky Smeathers
Head of Finance and Treasurer to the Fire Authority

Tel : 0115 967 0880

Email : becky.smeathers@notts-fire.gov.uk

Media Enquiries Contact : Corporate Communications Team
0115 967 0880 corporatecomms@notts-fire.gov.uk

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 The objectives of the Prudential Code are to ensure that:
 - Capital plans and investment plans are affordable and proportionate;
 - All borrowing and other long-term liabilities are within prudent and sustainable levels;
 - Risks associated with investment are proportionate to financial capacity;
 - Treasury management decisions are in accordance with good professional practice.
- 1.3 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 was revised in December 2021. One of the key changes in the 2021 edition of the Prudential Code is the explicitly stated requirement that authorities must not borrow to invest primarily for financial return.
- 1.5 The Prudential Code includes a requirement for authorities to produce a Capital Strategy. The 2023/24 Capital Strategy formed part of the Medium-Term Financial Strategy which was approved by Fire Authority on 16 December 2022.
- 1.6 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.
- 1.7 In addition to the indicators that are required by the Prudential Code and the Treasury Management Code of Practice, this report includes local indicators 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.
- 1.8 This report sets out the proposed prudential and treasury limits for the Authority for the 2023/24 financial year along with the implications of the

proposed Capital Programme, which will be presented with the budget report also on the agenda.

- 1.9 Reports which monitor the Authority's performance against these indicators will be presented to the Finance and Resources Committee throughout the year.

2. REPORT

- 2.1 Due to changes agreed by CIPFA in relation to the adoption of International Financial Reporting Standard 16, which will apply from 1 April 2024, some leased assets may be brought onto the balance sheet during 2024/25. It's currently not possible to estimate the impact of these changes but they may affect some of the estimated indicators shown below, especially the Capital Financing Requirement, Operational Boundary and Authorised Limit.

PRUDENTIAL INDICATORS FOR AFFORDABILITY

2.2 Estimates of the Ratio of Financing Costs to Net Revenue Stream

	2021/22 Actual £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Total Revenue Costs	2,387	2,351	2,566	3,023	3,834	4,040
Net Revenue Stream	48,038	48,552	51,481	53,575	54,857	56,225
	Ratio of Financing Costs to Net Revenue Stream					
Ratio	5.0%	4.8%	5.0%	5.6%	7.0%	7.2%

- 2.3 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 5.0% in 2021/22 to 7.2% in 2026/27. Financing costs include minimum revenue provision (MRP) costs, plus interest payable. The MRP cost is driven by the level of capital expenditure in the previous financial year and the useful life of the assets purchased. With the exception of 2022/23, 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.

- 2.4 The estimated ratio for 2023/24 assumes a council tax increase of £5, and the estimates for 2024/25 onwards assume an annual council tax increase of 2.95%.

PRUDENTIAL INDICATORS FOR CAPITAL EXPENDITURE AND EXTERNAL DEBT

2.5 Estimate of Total Capital Expenditure

	2021/22 Actual £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Capital Expenditure	6,499	3,498	3,995	8,054	1,680	1,361
Funded by:						
Borrowing	3,932	1,080	0	5,995	0	0
Revenue / Reserves	528	296	0	0	0	0
MRP Re-investment	1,551	1,609	685	2,049	1,670	1,351
Capital Grant	16	13	0	0	0	0
Capital Receipts	472	500	3,310	10	10	10
Total	6,499	3,498	3,995	8,054	1,680	1,361

- 2.6 The estimates for 2023/24 to 2026/27 form part of the budget report on this agenda
- 2.7 The Capital Programme is 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.
- 2.8 “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.

2.9 Capital Financing Requirement

31/03/22 Actual £000s	31/03/23 Estimate £000s	31/03/24 Estimate £000s	31/03/25 Estimate £000s	31/03/26 Estimate £000s	31/03/27 Estimate £000s
Capital Financing Requirement					
30,600	31,680	30,646	36,641	35,710	34,336

- 2.10 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 (CFR) fluctuates during the period from 2021/22 to 2026/27. The CFR increases when annual capital expenditure exceeds the funding available from capital receipts, government grants and revenue sources, and decreases when the funding exceeds the expenditure. The movement in the estimated CFR figures is mainly driven by the varying levels of estimated capital expenditure for each year, with the most significant increase taking place in 20204/25 when capital expenditure is expected to peak at £8.05m.
- 2.11 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. Based on current estimates the capital financing requirement is not expected to breach this limit.

Operational Boundary and Authorised Limit for External Debt

- 2.12 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 Fire Authority.
- 2.13 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.
- 2.14 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.

2.15 Operational Boundary and Authorised Limit

	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
Operational Boundary					
Borrowing	33,907	36,901	36,401	38,901	38,901
Other long-term liabilities	0	0	100	100	100
Total External Debt	33,907	36,901	36,501	39,001	39,001
Authorised Limit					
Borrowing	37,298	40,591	40,041	42,791	42,791
Other long-term liabilities	1,000	1,000	1,000	1,000	1,000
Total External Debt	38,298	41,591	41,041	43,791	43,791

2.16 Actual External Debt as at 31/03/22

	2021/22 £000s
Actual borrowing	32,907
Actual other long-term liabilities	0
Total – Actual External Debt	32,907
Operational Boundary	33,959
Authorised Limit	38,255

PRUDENTIAL INDICATORS FOR PRUDENCE

2.17 Gross Debt and the Capital Financing Requirement (CFR)

	2021/22 Actual £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
External debt	32,907	32,901	30,901	34,401	36,901	35,901
Cumulative CFR	31,680	37,675	37,675	36,641	36,641	35,710
Under/(over) borrowing	(1,227)	4,774	6,774	2,240	(260)	(191)

2.18 Except in the short term, external debt should not exceed the CFR in the previous year plus the estimates of any increase in the CFR at the end of the current and next two financial years (shown as “Cumulative CFR” in the table above). If in any of these years there is a reduction in the CFR, this reduction is excluded when estimating the cumulative CFR. External debt did exceed the cumulative CFR in 2021/22. This was due to a decision to borrow earlier than planned in response to a significant increase in forecasted borrowing costs. PWLB interest rates have doubled in the 12 months since this borrowing was taken in January 2022, so this action has been justified. The estimated figures show that borrowing might also exceed cumulative CFR in 2025/26 and 2026/27. However, as the estimated year end external debt figures include an allowance for short-term cashflow purposes, debt would only exceed cumulative CFR for a period of a few months and therefore would not breach the indicator, which allows for debt to exceed cumulative CFR in the short-term.

INDICATORS FOR TREASURY MANAGEMENT

2.19 The Service carries out its own treasury management in accordance with the CIPFA Code of Practice for Treasury Management. 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

2.20 The actual amount of external long-term borrowing as at 31 March 22 was £32.9m, with short-term borrowing totalling £7k. There were no other long-term liabilities at the same date. At the same date, the amount of investment was £9.6m, giving a net debt position of £23,307k.

2.21 The Treasury Management Strategy 2023/24 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.

2.22 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 this is that case the cost of carry 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 2021 was 71%, and it is forecast to be 82% 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:

2.23 Proportion of Net to Gross Debt

	2023/24	2024/25	2025/26	2026/27
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

2.24 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 generally offers rates which cannot be obtained elsewhere in the marketplace. 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.

2.25 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.

2.26 The total value of lending is not expected to exceed £13m, which is likely to peak around July and August 2023. 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.

2.27 Limits for Interest Rate Exposures

	Benchmark %	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %
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%

2.28 In addition to the upper limit for variable rate exposures in relation to external debt, the Authority has adopted a local indicator which sets 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

2.29 At 31 March 2022 the Authority’s total borrowing of £32.9m exceeded the closing CFR, which was £30.6m. This was due to the Authority opting to borrow in advance of need in January 2022 in order to take advantage of the prevailing low interest rates.

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

	2022/23 %	2023/24 %	2024/25 %	2025/26 %
Upper Limit for internal borrowing as a % of the Capital Financing Requirement	20%	20%	20%	20%

Investment Benchmarking

2.31 The Treasury Management Strategy 2023/24, 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 compounded Sterling Overnight Index Average (SONIA) rate**

2.32 Further details of these benchmarks can be found in the Treasury Management Strategy 2023/24.

Loan Maturity

2.33 There is no requirement for a 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.

2.34 It is recommended that the maturity structure limits remain unchanged for 2023/24. 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. The risk of the lender revising the rate on 7 March is increasing due to current interest rates being relatively high. If the rate were to be increased the Authority would repay the LOBO without penalty, refinancing it with short-term borrowing until medium- and longer-term rates decrease to more affordable levels (the Treasury Management Strategy 2023/24 contains forecasts of future borrowing rates).

2.35 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

2.36 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.

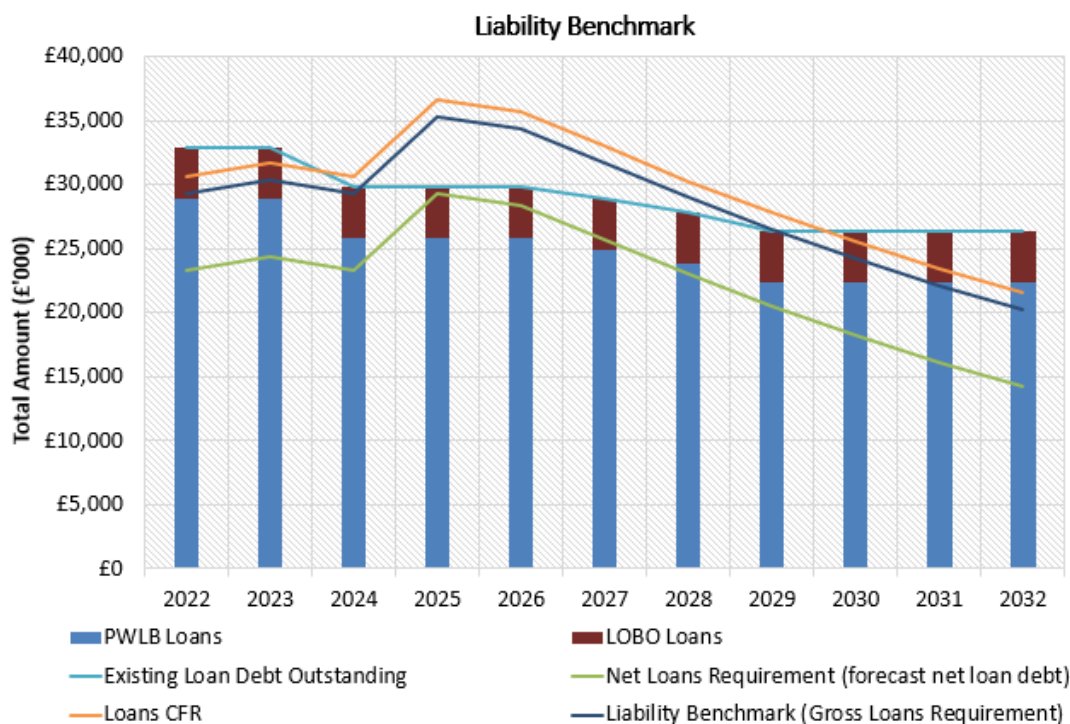
2.37 Principal Sums Invested for Periods Longer than 365 Days

2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
Prudential Limits for Principal Sums Invested for Periods Longer than 365 Days			
2,000	2,000	2,000	2,000

2.38 Liability Benchmark

The liability benchmark is a projection of the amount of loan debt outstanding that the Authority needs each year to fund its existing debt liabilities, planned prudential borrowing for capital expenditure and other cash flows. This is shown by the gap between the Authority's existing loans that are still outstanding at a given future date and the Authority's future need for

borrowing (as shown by the liability benchmark). It therefore shows how closely the existing loans book fits the future need of the Authority based on its current plans. Any shortfall will have to be met by future borrowing; any excess will have to be invested unless borrowing is prematurely repaid. However, the Treasury Management Code of Practice does not require authorities to always minimise risks by closely matching their loan debt to the liability benchmark. Factors such as interest rate expectations may lead an authority to prudently conclude that it is appropriate to have a maturity profile that does not exactly match the benchmark, or to borrow in advance of need to secure affordable interest costs. The liability benchmark is simply a tool to help the authority manage risk.



2.39 The above chart shows that the Authority's outstanding debt currently exceeds the liability benchmark. This is due to the fact that £4m was borrowed in advance of need in January 2022 to manage the risk posed by rising interest rates. By 2024 the Authority's liability benchmark exceeds debt levels, indicating a requirement to borrow. The chart shows that it would be prudent to borrow at relatively short maturities between 2024 and 2029 in order to avoid excessive debt levels from 2029 onwards. Outstanding debt is projected to exceed the liability benchmark from 2029 onwards as things currently stand, although the benchmark will change as medium term capital plans are developed and enacted. Debt levels are regularly reviewed and opportunities for debt rescheduling will be explored if required. The data on which the chart is based can be found in Appendix A.

3. FINANCIAL IMPLICATIONS

The financial implications 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 report 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 2023/24 as follows:

Maximum ratio of Financing Costs to Net Revenue Stream	8.0%
Estimated Ratio of Financing Costs to Net Revenue Stream	5.0%
Estimate of Total Capital Expenditure to be Incurred	£3,995,000
Estimate of Capital Financing Requirement	£30,646,000
Operational Boundary	£36,901,000
Authorised Limit	£41,591,000
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 2023/24:

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 compounded SONIA rate

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

None.

Craig Parkin
CHIEF FIRE OFFICER

Becky Smeathers CPFA
TREASURER TO THE FIRE AUTHORITY

DATA FOR LIABILITY BENCHMARK CHART

	£'000 2022 (actual)	£'000 2023 (estimate)	£'000 2024 (estimate)	£'000 2025 (estimate)	£'000 2026 (estimate)	£'000 2027 (estimate)	£'000 2028 (estimate)	£'000 2029 (estimate)	£'000 2030 (estimate)	£'000 2031 (estimate)	£'000 2032 (estimate)	£'000 2033 (estimate)
Figures as at 31 March												
PWLB Loans	£28,906	£28,900	£25,900	£25,900	£25,900	£24,900	£23,900	£22,400	£22,400	£22,400	£22,400	£22,400
LOBO Loans	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000
Existing Loan Debt Outstanding	£32,906	£32,900	£29,900	£29,900	£29,900	£28,900	£27,900	£26,400	£26,400	£26,400	£26,400	£26,400
Opening Loan Debt	£32,906											
Less: opening treasury investments	-£9,600											
Plus: planned prudential borrowing		£3,498	£3,995	£8,054	£1,680							
Less: MRP & Capital Receipts set aside		-£2,418	-£5,029	-£2,059	-£2,611	-£2,725	-£2,680	-£2,457	-£2,311	-£2,078	-£1,912	-£1,835
Net Loans Requirement (forecast net loan debt)	£23,306	£24,386	£23,352	£29,347	£28,416	£25,691	£23,011	£20,554	£18,243	£16,165	£14,253	£12,418
Opening Loans CFR	£30,600											
Plus: planned prudential borrowing		£3,498	£3,995	£8,054	£1,680							
Less: MRP & Capital Receipts set aside		-£2,418	-£5,029	-£2,059	-£2,611	-£2,725	-£2,680	-£2,457	-£2,311	-£2,078	-£1,912	-£1,835
Loans CFR	£30,600	£31,680	£30,646	£36,641	£35,710	£32,985	£30,305	£27,848	£25,537	£23,459	£21,547	£19,712
Liquidity allowance above net debt (liquidity buffer)	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
Liability Benchmark (Gross Loans Requirement)	£29,306	£30,386	£29,352	£35,347	£34,416	£31,691	£29,011	£26,554	£24,243	£22,165	£20,253	£18,418
(Over)/Under Liability Benchmark	-£3,600	-£2,514	-£548	£5,447	£4,516	£2,791	£1,111	£154	-£2,157	-£4,235	-£6,147	-£7,982

This page is intentionally left blank



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

BUDGET PROPOSALS FOR 2023/24 TO 2026/27 AND OPTIONS FOR COUNCIL TAX 2023/24

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

Date: 24 February 2023

Purpose of Report:

- To present Fire Authority with proposals for Revenue and Capital budgets for 2023/24 to 2026/27 to allow Members to determine the level of Council Tax for 2023/24.
- To set out fees and charges for 2023/24 for Members' approval.
- To seek Members' approval to the continued payment of Members Allowances for 2023/24 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 £5.00 Council Tax increase.
- Approve the 2023/24 precept level to be notified to the Billing Authorities based on the information set out in Section 2 and Appendix C as required by statute.
- Approve the fees and charges for 2023/24, as set out in Appendix D.
- Approve the payment of Members Allowances for 2023/24 in accordance with the approved scheme.

CONTACT OFFICER

Name: Becky Smeathers
Head of Finance/Treasurer to the Fire Authority

Tel: 0115 967 0880

Email: becky.smeathers@notts-fire.gov.uk

Media Enquiries Contact: Corporate Communication Team
(0115) 967 0880 corporatecomms@notts-fire.gov.uk

1. BACKGROUND

- 1.1 It is a statutory requirement under the Local Government Finance Act for the Authority to produce a balanced budget.
- 1.2 At its meeting on 20 January 2023 the Finance and Resources Committee considered a report setting out the latest budget position based on the provisional grant settlement and the indicative position regarding the Council Tax base.
- 1.3 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 £5 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.
- 1.4 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.
- 1.5 The Fire Authority is required to set a precept before 1 March 2022 and notify this to the billing authorities.

2. REPORT

CAPITAL BUDGET PROPOSALS 2023/24 TO 2026/27

- 2.1 The Authority maintains a sustainable capital programme which reflects and supports the Community Risk Management Plan (CRMP). This programme seeks to replace appliances and vehicles when they are approaching the end of their useful life, maintains a rolling programme of ICT replacements and a property programme which will ensure that property remains fit for purpose and is appropriately located.
- 2.2 A summary of the proposed capital programme for 2023/24 to 2026/27 is shown in Table 1 and further detail is attached at Appendix A. The 2023/24 programme totals £6.336m. This includes slippage from 2022/23 already approved by Finance and Resources Committee which predominantly relates to the Aerial Ladder Platform (ALP) replacements (£755k) and fire appliances (£2.006m) which have been affected by extended delivery times following Covid-19.
- 2.3 The Finance and Resources Committee also approved the pre-ordering of the Command Support Unit (included in the Special Appliances budget) and fire

appliances to ensure delivery in 2023/24. Any further slippage from the 2022/23 programme will increase the 2023/24 programme accordingly.

Table 1 – Capital Programme 2023/24 to 2026/27

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Transport	4,621	4,533	520	526
Equipment	150	550	950	285
Estates	1,075	600	0	0
ICT & Communications	490	2,371	210	550
Total	6,336	8,054	1,680	1,361
Funded by:				
Capital Receipts	3,310	10	10	10
Borrowing	3,026	8,044	1,670	1,351
Total	6,336	8,054	1,680	1,361

- 2.4 The £2.5m transport capital programme includes significant investment in the Service's appliances and special appliances in line with the renewal programme. The programme includes slippage identified in section 2.2.
- 2.5 There has been a purposeful 2 year delay in the estates programme to manage Minimum Revenue Provision (MRP) which is the service's debt costs. This will be reviewed once the Futures 25 efficiency strategy is further developed and the impact on services is known.
- 2.6 The ICT programme has been developed in line with the CRMP commitments. Alongside the ongoing replacement and updating of equipment and software, the programme includes plans to replace the Tri Service Control and Mobilising system. This is a joint procurement exercise with Derbyshire Fire and Rescue Service. The £2m budget for the replacement system is indicative only at this stage and may require revising once the procurement exercise is finalised.
- 2.7 The capital programme can be funded from capital receipts, grant funding, contributions from revenue, reserves and borrowing.
- 2.8 **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. The flexible use of capital receipts strategy was approved at Fire Authority on 16 December 2022. It is not proposed to fund any transformational projects using capital receipts during 2023/24.

- 2.9 **GRANT FUNDING** – there is no anticipated capital grant funding available at present to support the 2023/24 capital programme, although the Service does sometimes use revenue grants to help fund capital projects.
- 2.10 **REVENUE AND RESERVES** – the 2023/24 to 2026/27 programme does not propose the use of funding from revenue or reserves.
- 2.11 **BORROWING** – the proposed 2023/24 capital programme set out in Appendix A will be largely funded from borrowing. The related costs have been tested for affordability as part of the Prudential Code for Capital Finance report presented elsewhere on this agenda. Estimated costs have been built into the revenue programme considered in this report.

REVENUE BUDGETS 2023/24 TO 2026/27

- 2.12 Detailed expenditure budgets can be found in Appendix B. These are summarised in Table 2 below.

Table 2 – Budget Requirement 2022/23 to 2025/26

	Revised Budget 2022/23 £'000	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000
Employees	37,145	39,939	41,448	42,213	43,057
Premises	3,345	4,111	4,468	4,912	5,010
Transport	1,778	2,219	2,247	2,272	2,317
Supplies & Services	3,938	4,394	4,514	4,689	4,783
Payments to other Local Authorities	908	950	1,086	1,105	1,127
Support Services	167	172	172	172	175
Capital Financing Costs	2,761	2,692	3,149	3,960	4,039
Income	(4,036)	(4,512)	(4,359)	(4,268)	(4,353)
Total	46,006	49,965	52,725	55,055	56,156

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

ECONOMIC CLIMATE

- 2.14 The current economic climate remains very uncertain with many external influences. The war in Ukraine has impacted fuel and food supplies across the world. The emergence of new variants of Covid has impacted on supply chains, particularly in China. Collectively, these has caused inflationary pressures across the world.

- 2.15 In December 22, CPI (Consumer Price Index) inflation fell back to 10.5% after reaching a peak of 11.1% in October 22. The Bank of England are expecting inflation to fall gradually over the first quarter of 2023 as earlier increases in energy and other goods prices drop out of the annual comparison. Inflationary pressures have had a significant impact on expected pay awards in 2022/23 and 2023/24.
- 2.16 The Bank of England interest rate has increased from 0.75% in April 2022 to 4.00% on 2 February 2023. There are further increases to come, and markets are currently expecting rates to peak around 4.5%.
- 2.17 The quarterly estimate of Gross Domestic Product (GDP) fell by 0.2% in Quarter 3 (July to September) 2022. With the drag on economic activity from high inflation having grown in recent months, GDP is at risk of contracting further through the winter. There are already signs that economic activity is losing momentum as production fell due to rising energy prices. The Bank of England has warned that the UK could be in recession from Q4 2022 until the first half of 2024.

COMMUNITY RISK MANAGEMENT PLAN (CRMP)

- 2.18 The 2022-2025 CRMP was approved by Fire Authority on 25 February 2022. The delivery of the CRMP is linked closely to the Medium Term Financial Strategy (MTFS) to ensure that resources are matched to key workstreams. The annual delivery plan, which sits behind the CRMP identifies priority areas where investment is needed. An additional £150k has been included in the 2023/24 proposed budget to support areas such as additional investment in operational training (£72k), and investment in ICT (£41k).

FUTURES 25 EFFICIENCY STRATEGY

- 2.19 The service made £1.6m of temporary savings in order to set a balanced budget for 2022/23. This included carrying vacant posts, and temporary reductions in repairs and maintenance. These savings were not sustainable in the long term and were built back into 2023/24 budgets. After one off grant was also removed it was anticipated that there would be a shortfall of £2m in 2023/24, rising to over £3m in 2024/25. On the back of these projected shortfalls, work commenced on developing an efficiency strategy.
- 2.20 In the months following the 2022/23 budget approval, revised inflation and pay award assumptions during the autumn increased amount of required savings from the efficiency strategy.
- 2.21 The Futures 25 efficiency strategy was initially presented to Policy and Strategy Committee in May 2022 with a further report being considered by Fire Authority in September 22. In its initial phase the Workforce Review has identified £250k of savings through the disestablishment of support staff posts across several departments through the consolidation of primary management grade posts. This has been built into budget projections.

- 2.22 The Workforce Review has identified that a wider change and improvement programme is required. This will include structural redesign and business process improvement to maximise the efficiency and effectiveness of the Service. This is a significant piece of work and is expected to be completed during 2023/24.
- 2.23 The third strand of Futures 25 was a Fire Cover Review which has looked at the structure and budget associated with the operational wholetime establishment. This work resulted in a proposal to save £2m from operational budgets by reducing the number of appliances in the Service from 30 to 28 and reducing the ridership by 44 posts. This proposal was in a period of public consultation until 23 December 2022.
- 2.24 Given the improving financial position, the option to remove appliances is not recommended to balance the budget in 2023/24 although there remains a significant deficit in future years which still needs to be addressed. The Service has been holding vacant firefighter posts during 2022/23 pending decisions around the wholetime establishment. Recruitment has now been planned for 2023/24 but the Service will remain below establishment until recruits begin training. A temporary saving of £450k has been built into the 2023/24 budget to reflect this.
- 2.25 The Home Office have requested that Authorities who seek to raise council tax up to the £5 limit set out a productivity and efficiency plan. Phase 2 of the Futures 2025 programme is the vehicle through which the Service intends to deliver this plan and further information relating to Phase 2 of the programme is set out in the report.

CORPORATE RISK REGISTER

- 2.26 The corporate risk register is regularly reported to the Finance and Resources Committee. The five highest risks facing the Authority at present are:
- Employee Engagement – due to pay dispute, equality and diversity engagement and pension disputes;
 - Mobilising – procurement of new mobilising system;
 - Inability to set a balanced budget in current economic climate;
 - Firefighters Pension Scheme – impact of and uncertainty around ongoing national legal cases;
 - Workforce Sustainability.
- 2.27 The financial implications of these risks have been addressed in both the capital and revenue proposed budgets and in the Reserves Strategy approved by Fire Authority in December 2022.

PAY AWARD

- 2.28 A national strike ballot of the Fire Brigades Union (FBU) resulted in an overwhelming support for industrial action following a 5% offer made by the National Joint Council representing employers. A revised offer was made on

8 February of 7% for 2022/23 and 5% in 2023/24. The FBU have recommended that firefighters accept this offer in a ballot that ends on 6 March 2023. The budgets have been updated to reflect the revised offer.

- 2.29 Support staff received a flat rate increase of £1,925 for 2022/23 which averages around a 4% increase. This is reflected in the budget figures included in this report. A 5% pay award has been assumed for 2024/25 in line with the recent offer to firefighters.

ENERGY COSTS

- 2.30 The Service procures both gas and electric from a not-for-profit public sector framework which purchases energy in bulk, and usually outperform market averages on our behalf. Gas costs are expected to increase by 70% in 2023/24 and electricity by 48%. Work is ongoing to improve the efficiency of buildings and minimise usage of energy.
- 2.31 Fuel inflation was 22% in October 22 but has dipped down to 11% in December 22. The Service's fuel budget for 2022/23 was 470k per year but expenditure is set to be nearer £700k (excluding that recharged to the Police). The 2023/24 budget has been increased accordingly.

PENSIONS

- 3.32 The remedying legislation for the McCloud case is expected to be passed in October 2023. This will address the transition arrangements into the 2015 firefighters' pension scheme were found to be discriminatory. As an interim measure, the Service has implemented a Memorandum of Understanding (MoU) between the Local Government Association (LGA) and the Fire Brigades Union (FBU), although the original endorsement of this by the government has since been withdrawn. There is a risk that additional costs could be incurred as a result of implementing the MoU but this was felt to be justified given the risk and associated costs, of further court cases against the Authority. The Service has a £200k earmarked reserve to mitigate against these costs. Further information on this can be found in the Firefighter Pension Scheme Immediate Detriment Review report considered by Policy and Strategy Committee on 1 April 2022.
- 3.33 The remedying legislation is expected to increase the overall costs of the firefighters' pension scheme. These are expected to be largely funded by Central Government but additional costs falling to the Fire Authority cannot be ruled out. This is included in the General Fund reserves risk register.
- 3.34 Another pensions case, Matthews and O'Brien, has identified discriminatory conditions against part time workers. Once rectifying legislation has been passed through Parliament, this is expected to lead to further backdating of the Modified pension scheme from 2006 to when on-call firefighters first joined the fire service. When the Modified scheme was created, backdated costs were met by the Government, but as of yet there is no certainty that this will happen if the scheme is backdated further.

- 3.35 Both of these remedies are having a large impact on the workload of staff dealing with the cases and additional resources were allocated in 2022/23 in order that this work can be undertaken.
- 3.36 There will also be a significant impact on the pension administration team who will be implementing the changes required. This will require a very significant amount of additional work and costly amendments to the software used to support the pension administration function. These costs will be re-charged to the Service. The Service received a £125k grant to help fund these costs which is currently being held in Earmarked Reserves.
- 3.37 The 2016 Government Actuaries Department (GAD) revaluation of the firefighter's pension fund resulted in a headline rate increase of 12.4% of employer pension costs, which equated to £2.5m for the Service. The Home Office agreed to fund £2.3m of this pressure in 2019/20 but has been kept at the same cash value, leaving increases in costs due to pay inflation to be met by the Service. The £2.3m grant is expected to continue into 2023/24, and discussions are ongoing for this now to be added to the baseline funding for the authority rather than being paid as a Section 31 grant. The results of the 2020 valuation are expected over the coming months and could potentially result in a similar increase in employer pension costs which would need to be built into future years budgets.

MINIMUM REVENUE PROVISION (MRP)

- 2.38 Minimum Revenue Provision (MRP) is the amount required to pay debt costs relating to prior year capital programmes. MRP levels in 2023/24 slightly reduce from 2022/24 due to some older capital projects now being fully accounted for and no longer attracting MRP. These exceed the new projects for which MRP now needs to be paid. However, there are increases of £328k and £552k in 2024/25 and 2025/26 respectively to reflect the new additions as the vehicle programme catches up.

COUNCIL TAX

- 2.39 The Council Tax base is calculated on the estimated full year equivalent number of chargeable dwellings expressed as the equivalent number of Band D dwellings in the Council's area after allowing for dwelling demolitions and completions during the year, Council Tax exemptions, discounts, disabled reliefs and premiums, and the estimated collection rate. The Council Tax base has increased in line with that expected in the MTFS.
- 2.40 There remains a £97k deficit charged to the Council Tax Collection Fund in 2023/24 due to the £291k 2020/21 deficit caused by the impact of Covid-19 which is being charged over a three-year period. There is a corresponding additional government grant of £48k to help cover these losses.
- 2.41 It was announced in the Autumn Statement that the government would give local authorities in England additional flexibility in setting council tax by increasing the referendum limit for increases in council tax to 3% (from 2%)

per year from April 23. The Local Government Finance Settlement released in December 22 gave the fire sector the flexibility to increase this up to £5.

- 2.42 A 2.95% additional increase in Council Tax will create additional funding of £980k, and £5 in the region of £1,660k (compared to a nil increase).

BUSINESS RATES

- 2.43 From 1 April 2023, the rateable values of all non-domestic properties in England will be updated to reflect the property market as at 1 April 2021. Under the current system, precepting authorities retain any growth above their Baseline. NFRS has benefited from this retained growth since the last revaluation. It was initially thought that the revaluation would result in a loss of this growth, but there has been a significant amount of new industrial buildings along the county's transport networks which has resulted in an increase in rateable income.

- 2.44 As part of the Autumn Statement on 17 November, the Chancellor announced:

- A transitional relief scheme to limit bill increases caused by changes in rateable values
- A 2023/24 Retail, Hospitality and Leisure 75% rate relief scheme
- A freezing of business rates multipliers, meaning that there will be no inflationary increases in charges to businesses.
- A new Supporting Small Business relief scheme.

- 2.45 The Authority has been compensated for lost income from these measures by way of additional Section 31 Grant. Further details regarding the top up grant element of this compensation were released in the Local Government Finance Settlement on 19 December 2022 and this has been built into the Business Rate income estimates.

- 2.46 The Service has now received business rates collection figures and related section 31 grants from billing authorities. Business rate collection has increased by £432k compared to that assumed in the estimate reported to Finance and Resources Committee in January 2022. The increase is down to the impact of the revaluation and positive growth within the region which were difficult to predict prior to the information being received from billing authorities.

- 2.47 The business rates reset was due to take place in 2025/26 but is expected to be delayed until the next parliament and has not been reflected in the figures included in this report.

RESERVES

- 2.48 The Budget Monitoring report presented to Finance and Resources Committee in January 2023 estimated that the General Fund Reserve would be 5.2m at 1 April 2023. Taking account of the increased pay award offer this is likely to reduce to £4.7m. This is only £200k above the minimum level set

by Fire Authority in December 2022 of £4.5m leaving little scope for relying on the use of General Fund Reserves for balancing the budget in 2023/24 and beyond.

- 2.49 Earmarked reserves are expected to be in the region of £4.5m by 31 March 2023. These reserves are earmarked for known projects or items of one-off expenditure. They include a budget pressure support reserve of £1.126m which is available to support the budget in 2023/24 and future years. Earmarked Reserves are reviewed annually as part of the MTFS.

FINANCING THE BUDGET

- 2.50 The final settlement figures were released by the Government on 7 February and were the same as the provisional settlement apart from a £17k increase in Services Grant. The £432k increase in business rates income (section 2.46) has improved the budget position compared to that presented to Finance and Resources Committee in January.
- 2.51 Funding for 2024/25 and beyond will be determined in the Autumn of 2023. A 5% inflationary increase has been assumed for 2023/24 and 2% for 2024/25 to 2026/27. Pay awards have been built in at 5% and 2% over the same period. There is a risk that funding will be increased at a lower rate than inflation and pay awards which would then create an additional budget pressure in these years.
- 2.52 The Authority will continue to receive the £2.3m grant in 2023/24 to cover the increased costs of firefighter pension employer contribution. It has been assumed that this grant will be paid at the same level with no inflationary increase for 2024/25 to 2026/27.
- 2.53 The Council Tax base and collection fund surpluses have been received from the billing authorities and built into the budget.
- 2.54 Business Rate Section 31 grants have been confirmed and are built into the budget.
- 2.55 The Government has confirmed within the finance settlement, that the Council Tax increase threshold, above which a referendum would be triggered, would be 5% for 2023/24.

OUTLOOK FOR 2023/24 TO 2026/27

- 2.56 Detailed budgets have been prepared for the four years 2023/24 to 2026/27, which can be found in Appendix A. In making predictions about budget financing some other assumptions have been made. These are:
- That the firefighter pay award for 2022/23 will be settled at 7%. A 1% additional increase in pay would result in an increase in budget requirement of approximately £290k.

- The 2023/24 pay award for all staff will be agreed at 5%. The effect of a 1% additional increase in pay for all staff would be approximately £260k in 2023/24 with a full year effect of £350k in future years.
- Inflation will reduce to around 5% during 2023/24 and down to 2% from 2024/25 onwards.
- Pension Grant (£2.34m) remains flat cash. However, if this is built into RSG in future years it will attract an inflationary increase.
- The 2023/24 tax base will increase annually by 1.35%.
- Revenue Support Grant will rise in line with predicted inflation in 2024/25 and future years (5% assumed for 2024/25 and 2% thereafter).

2.57 Clearly there remain uncertainties around inflation and future pay awards from 2024/25. The 1 year funding settlement also leaves funding uncertainties for 2024/25 onwards. Taking account of the above assumptions the impact of a nil increase in Council Tax in each of the four years 2023/24 to 2026/27 is set out in Table 3 below.

Table 3 – Budget Deficit with Nil Council Tax Rise

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Budget Requirement	46,006	49,965	52,725	55,055	56,156
Revenue Support Grant (RSG)	(5,619)	(6,189)	(6,498)	(6,628)	(6,761)
Business Rate (BR) Income	(2,925)	(3,649)	(3,685)	(3,722)	(3,759)
Pension Grant	(2,340)	(2,340)	(2,340)	(2,340)	(2,340)
BR Top up Grant	(7,277)	(7,638)	(8,020)	(8,181)	(8,344)
Council Tax (0%)	(27,692)	(28,085)	(28,464)	(28,849)	(29,238)
Budget Deficit	153	2,064	3,717	5,336	5,714

2.58 Table 3 shows that with no increases in Council Tax levels there will be a deficit of £2.064m in 2023/24. This will rise to £3.717m in 2024/25. It increases further to £5.7m by 2026/27.

2.59 The impact of a 2.95% Council Tax increase in 2023/24 followed by 2.95% in 2024/25 and 2025/26 and 1.95% in 2026/27 when inflationary pressures are expected to have fallen back to 2% is shown in Table 4 below.

Table 4 – Budget Deficit with 2.95% Council Tax Increase

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Budget Requirement	46,006	49,965	52,725	55,055	56,156
Revenue Support Grant (RSG)	(5,619)	(6,189)	(6,498)	(6,628)	(6,761)
Business Rate (BR) Income	(2,925)	(3,649)	(3,685)	(3,722)	(3,759)
Pension Grant	(2,340)	(2,340)	(2,340)	(2,340)	(2,340)
BR Top up Grant	(7,277)	(7,638)	(8,020)	(8,181)	(8,344)
Council Tax (2.95% 2022/23-2025/26, 1.95% 2026/27)	(27,692)	(28,912)	(30,168)	(31,475)	(32,523)
Budget Deficit	153	1,237	2,014	2,709	2,430

- 2.60 Table 4 shows that even with a 2.95% increase in Council Tax there would be a significant deficit of £1.237m in 2023/24 rising to £2.014m in 2024/25 and to £2.4m in 2026/27.
- 2.61 The amount of available reserves available (section 2.48 – 2.49) to support the budget would be insufficient to cover the 2023/24 deficit. A significant level of savings would need to be implemented in order to balance the budget over the coming years with a 2.95% increase in Council Tax.
- 2.62 Finally, Table 5 brings together the budget requirement if Council Tax is increased by £5 in 2023/24, 2.95% for 2024/25 to 2025/26 and 1.95% for 2026/27.

Table 5 – £5 Council Tax Increase

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Budget Requirement	46,006	49,965	52,725	55,055	56,156
Revenue Support Grant (RSG)	(5,619)	(6,189)	(6,498)	(6,628)	(6,761)
Business Rate (BR) Income	(2,925)	(3,649)	(3,685)	(3,722)	(3,759)
Pension Grant	(2,340)	(2,340)	(2,340)	(2,340)	(2,340)
BR Top up Grant	(7,277)	(7,638)	(8,020)	(8,181)	(8,344)
Council Tax (£5 2023/24, 2.95% 24/25 – 25/26 1.95% 26/27)	(27,692)	(29,746)	(31,036)	(32,383)	(33,460)
Budget Deficit	153	404	1,146	1,802	1,493

2.63 The above table shows that the estimated deficit position for 2023/24 would reduce to £404k should a £5 increase in Council Tax be approved. This increases to £1.1m in 2024/25 and £1.5m by 2026/27.

2.64 The 2023/24 deficit can be met from the Budget Pressure Support Earmarked Reserve of £1.126m (section 2.49). Efforts will be made during the year to identify savings where possible through robust budget monitoring or via the workforce review to minimise the use of reserves.

SUMMARY

2.65 A comparison of the deficit if Council Tax is increased by 0%, 2.95% and £5 in each of the four years 2023/24 to 2026/27 is shown in table 6 below. The deficit positions should be considered alongside the assumptions outlined in section 2.56. Future year estimates remain uncertain at this point in time due to the one year funding settlement and the uncertain economic climate.

Table 6 – Comparison of different Council Tax Precepts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Budget Requirement	49,965	52,725	55,055	56,156
Total External Funding	(19,815)	(20,543)	(20,870)	(21,204)
Balance to be met locally	30,150	32,182	34,185	34,952
Council Tax Yield (0%)	(28,086)	(28,464)	(28,849)	(29,238)
Council Tax Yield (2.95%)	(28,912)	(30,168)	(31,475)	(32,523)
Council Tax Yield (£5)	(29,746)	(31,036)	(32,383)	(33,460)
Budget Shortfall (0%)	2,064	3,717	5,336	5,714
Budget Shortfall (2.95%)	1,237	2,014	2,709	2,430
Budget Shortfall (£5)	404	1,146	1,802	1,493

- 2.66 Fire Authority has a legal obligation to set a balanced budget for 2023/24.
- 2.67 A Council Tax increase of £5 raises £1.6m additional funding compared to a Council Tax Freeze and £826k compared to 2.95% increase. Furthermore, if this increase were to be approved for 2023/24 it remains in the base and provides security of funding for future years.
- 2.68 The Authority holds £1.126m of earmarked reserves set aside for budget pressure support. This is not sufficient to cover the projected deficit should Council Tax be frozen or increased by 2.95%. Both options would require significant savings still to be made from the Futures 25 Efficiency Strategy.
- 2.69 A £5 increase would still require £404k to be met from the Budget Pressure Support Earmarked Reserve (£1.126m) which would leave £722k in the reserve to assist in balancing the budget in future years.
- 2.70 Efforts will be made during the year to identify savings where possible through robust budget monitoring to minimise the use of reserves.
- 2.71 The Workforce Review (section 2.22) will continue to review working practices and any savings achieved during 2023/24 will reduce the draw on reserves.
- 2.72 The level of savings required in 2024/25 onwards will require further savings to be identified and options will need to be considered by Fire Authority when the funding position becomes clearer towards the end of 2023.

- 2.73 It is recommended that Members agree the recommendation of the Finance and Resources Committee to the Fire Authority that there be a £5.00 Council Tax increase.

PROPOSAL FOR COUNCIL TAX INCREASES 2023/24

- 2.74 The recommendation of a £5 increase in Council Tax proposed by the Finance and Resources Committee is set out in tabular form in Appendix C.
- 2.75 A Council Tax increase of £5 would generate additional funding of £1.66m in 2023/24. For a Band D household, a £5 increase would see rises in Council Tax to £89.57 per annum, which is approximately 10p per week additional cost. The impact of increases on other bands is given in the table below:

Table 6 – Impact of £5.00 increase in Council Tax

Band	Annual Council Tax 2022/23 £	£5 Increase 2023/24 £	Increase £
A	56.38	59.71	3.33
B	65.78	69.67	3.89
C	75.17	79.62	4.45
D	84.57	89.57	5.00
E	103.36	109.47	6.11
F	122.16	129.38	7.22
G	140.95	149.28	8.33
H	169.14	179.14	10.00

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

FEES AND CHARGES

- 2.77 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 D sets out the current scale of fees and charges as well as proposed fees and charges for 2023/24, which have had an inflationary increase applied. It is recommended that the Authority approve these charges for implementation from 1 April 2023.

APPROVAL OF MEMBERS ALLOWANCES

- 2.78 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.

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

COMMENTS OF THE TREASURER

2.80 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.

2.81 The Treasurer is satisfied that, on the basis of the financial risk assessments, the reserves are adequate to support the budget in 2023/24.

2.82 The Treasurer is satisfied that the revenue and capital budgets 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.

2.83 A statement by the Authority Treasurer is included as Appendix E 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 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 £5 Council Tax increase.
- 10.2 Approve the 2023/24 precept level to be notified to the Billing Authorities based on the information set out in Section 2 and Appendix C as required by statute.
- 10.3 Approve the fees and charges for 2023/24, as set out in Appendix D.

10.4 Approve the payment of Members Allowances for 2023/24 in accordance with the approved scheme.

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

None.

Craig Parkin
CHIEF FIRE OFFICER

Becky Smeathers
TREASURER TO THE FIRE AUTHORITY

Capital Programme 2023/24 to 2026/27

10 YEAR CAPITAL PROGRAMME	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£'000	£'000	£'000	£'000
TRANSPORT				
Pumping Appliances	2,840	2,820		
Special Appliances	1,355	1,665	400	150
Light Vehicle Replacement	326	48	120	376
Rural Unit	100			
Sub Total	4,621	4,533	520	526
EQUIPMENT				
Replacement Duty Rig	100	100	50	
Fire Hood - Contaminants		150		
BA Sets				250
Gas Tight Suits	50			
Radios		300		
Holmatro RTC Equipment			900	
Gas Monitoring				35
Sub Total	150	550	950	285
ESTATES				
Access and Inclusion	500	250		
Training Development Centre	500			
Electric Vehicle charging points	25	100		
Estate energy reduction and Decarbonisation	50	250		
Sub Total	1,075	600		
I.T. & COMMUNICATIONS				
ICT Capital Programme - Replacement Equipment	220	230	180	200
Community Fire Risk Management Info System	150			
Cyber Security	45			
Mobile Computing	-	90		
HQ Core Switch Upgrade				50
Appliance hand held Airwave Radios	30			
HR Upgrade		51		
Payroll, Finance and Occy health Upgrade	30		30	
Sub Total	475	371	210	250
Emergency Services Mobile Communications				
MDT Replacement Project	15			
Tri-Service Control & Mobilising System		2,000		300
Sub Total	15	2,000		300
TOTAL	6,336	8,054	1,680	1,361

TO BE FINANCE BY	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£'000	£'000	£'000	£'000
Borrowing	685	8,044	1,670	1,351
Capital Receipts	3,310	10	10	10
Revenue / Earmarked Reserves				
TOTAL	3,995	8,054	1,680	1,361

APPENDIX B

CASH LIMIT					
	Revised Budget 2022/23	Budget 2023/24 £000's	Budget 2024/25 £000's	Budget 2025/26 £000's	Budget 2025/26 £000's
<u>EMPLOYEES</u>					
Direct Employee Expenses	35,844	38,411	39,891	40,762	41,577
Indirect Employee Expenses	382	464	460	456	465
Pension	918	1,064	1,097	995	1,015
	37,144	39,939	41,448	42,213	43,057
<u>PREMISES</u>					
Repairs and Maintenance	772	868	911	1,007	1,027
Energy Costs	751	1,160	1,299	1,455	1,484
Rents	365	421	484	556	567
Rates	897	1,043	1,101	1,163	1,186
Water	75	85	89	93	95
Fixture and Fittings	1	1	1	1	1
Cleaning and Domestic Supplies	407	448	493	542	553
Grounds Maintenance Costs	24	26	29	32	33
Premises Insurance	16	22	24	26	27
Refuse Collection	37	37	37	37	38
	3,345	4,111	4,468	4,912	5,010
<u>TRANSPORT</u>					
Recharges	1,341	1,818	1,830	1,838	1,875
Public Transport	3	3	3	3	3
Transport Insurance	8	7	7	7	7
Car Allowances	188	153	169	186	190
	238	238	238	238	243
	1,778	2,219	2,247	2,272	2,317
<u>SUPPLIES AND SERVICES</u>					
Equipment Furniture and Materials	667	663	666	667	680
Catering	53	51	51	51	52
Clothes Uniforms and Laundry	457	455	494	537	548
Printing Stationery & Office Exp	29	30	30	31	32
Services	572	682	691	722	736
Communications and Computing	1,834	2,182	2,248	2,344	2,391
Expenses	36	33	33	33	34
Grants and Subscriptions	86	86	86	86	88
Miscellaneous Expenses	204	212	215	218	222
	3,938	4,394	4,514	4,689	4,783
<u>PAYMENTS TO OTHER LOCAL AUTHORITIES</u>					
Other Local Authorities	908	950	1,086	1,105	1,127
	908	950	1,086	1,105	1,127

SUPPORT SERVICES

Finance	122	127	127	127	130
Corporate Services	45	45	45	45	46
	167	172	172	172	175
Customer and Client Receipts	(374)	(425)	(428)	(431)	(440)
	(374)	(425)	(428)	(431)	(440)
Government Grants	(3,245)	(3,649)	(3,493)	(3,399)	(3,467)
Other Grants/Reimbursements	(397)	(300)	(300)	(300)	(306)
Interest	(20)	(138)	(138)	(138)	(141)
	(3,662)	(4,087)	(3,931)	(3,837)	(3,914)
Interest Payments	883	983	1,112	1,371	1,398
Debt Management Expenses	1,878	1,709	2,037	2,589	2,641
	2,761	2,692	3,149	3,960	4,039
BUDGET	46,006	49,965	52,725	55,055	56,156

PROPOSAL FOR COUNCIL TAX INCREASE OF £5.00

An increase in Council Tax of £5.00 would require the Authority to set a Band D Council Tax of £89.57 per annum in 2023/24.

Specifically, in 2023/24 Council Tax would be set at the following levels:

Band A	59.71
Band B	69.67
Band C	79.62
Band D	89.57
Band E	109.47
Band F	129.38
Band G	149.28
Band H	179.14

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:

	Taxbase	Percentage	Precept £
Ashfield	34,428.30	10.4%	3,083,742.81
Bassetlaw	37,260.45	11.2%	3,337,418.49
Broxtowe	34,861.86	10.5%	3,122,576.78
Gedling	38,503.71	11.6%	3,448,777.28
Mansfield	30,778.70	9.3%	2,756,848.14
Newark and Sherwood	41,790.96	12.6%	3,743,216.26
Rushcliffe	46,068.40	13.9%	4,126,346.56
Nottingham City	68,403.00	20.5%	6,126,856.67
Total	332,095.38	100.0%	29,745,782.99

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 2023/24

	2022/23 Charges	2023/24 Proposed Charges
Personnel: per hour, or part of an hour:		
Full Crew	£299.60	£320.60
Station Manager and above	£66.80	£71.50
Watch Manager	£54.80	£58.60
Crew Manager	£52.20	£55.90
Firefighter	£49.40	£52.90
Appliances and Vehicles: per hour, or part of an hour:		
	£47.00	£51.90
Loan of Salvage Sheet:		
Charge for fitting	£299.60	£320.60
Charge for removing	£299.60	£320.60
Charge for salvage sheet	£102.40	£113.20
Copy of a Fire Report		
	£75.00	£82.90
Hire of Meeting Room:		
Full day	£267.20	£295.30
Half day	£137.90	£152.40

Note: all charges above include VAT at the current rate, where applicable

**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.

The required level of reserves is calculated using a risk assessment methodology. I am satisfied that, on the basis of those risk assessments, the proposed level of reserves is adequate.

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

I am content that the Revenue and Capital budgets 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.

Becky Smeathers CPFA
FIRE AND RESCUE AUTHORITY TREASURER

This page is intentionally left blank



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

FUTURES 2025: EFFICIENCY STRATEGY UPDATE

Report of the Chief Fire Officer

Date: 24 February 2023

Purpose of Report:

To present to Members progress against the recommendations agreed at the meeting of the Fire Authority held on the 23 September 2022 including the outcome of public consultation relating to proposed changes to fire cover.

Recommendations:

It is recommended that Members:

- Note the outcomes of Phase 1 of the Workforce Review including the associated exempt report relating to discretionary compensation payments to affected individuals.
- Receive further reports from the Chief Fire Officer.

CONTACT OFFICER

Name : Craig Parkin
Chief Fire Officer

Tel : 0115 967 0880

Email : craig.parkin@notts-fire.gov.uk

Media Enquiries Contact : Corporate Communications Team
0115 967 0880 corporatecomms@notts-fire.gov.uk

1. BACKGROUND

- 1.1 In September 2022, the Chief Fire Officer (CFO) presented to Members a Futures 25 Efficiency Strategy. The report set out options for consideration by the Fire Authority to enable the setting of a balanced budget for the financial year 2023/24.
- 1.2 The report included nine recommendations of which eight received support, including:
- Note the proposed reduction in support roles and the move to a second phase of Workforce Review;
 - Support a period of public and workforce consultation to save £2m from the operational establishment;
 - Note the proposed changes to reduce demand upon the response resources;
 - Note the review of the Service incident attendance time measure;
 - Consider the option to pursue a referendum to increase council precept above the current cap (not supported);
 - Support the review of Community Risk Management Plan (CRMP) commitments to communities;
 - Endorse the limited use of reserves for financial year 2023/24 to support planned Service reductions;
 - Agree to receive further update reports to future meetings of the Fire Authority;
 - Support the Chief Fire Officer in investigating sustainable longer term strategic options for the Service.
- 1.3 The purpose of this update report is to set out the current position relating to each of the recommendations previously made.
- 1.4 Since the previous report was presented, the 2023/24 financial position including budget assumptions has evolved because of budget and council tax precept announcements by Central Government and a revised firefighter pay offer. The impact and implications of these are set out in full within the Budget Proposals and Council Tax report which is presented for consideration at this Fire Authority meeting.
- 1.5 The Government revised the Council Tax precept limits of 1.95% and are permitting Combined Fire Authorities to increase Council Tax by 2.95% or up to £5 for a Band D property without the need for a local referendum. In

addition, Business Rates revaluation will result in increased collection rates for the Authority.

- 1.6 The Budget Proposals and Council Tax report indicates that should the Authority agree to raise Council Tax by the agreed maximum level, then it will be possible to set a balanced budget for 2023/24 with some use of reserves, although this is still dependent on the firefighter pay award being finalised. Estimates of the 2024/25 budget position show a deficit in excess of £1.1m although there remains significant uncertainty around the financial position this far ahead due to the one-year Government funding settlement.
- 1.7 The Home Office have requested that Authorities who seek to raise Council Tax up to the £5 limit set out a productivity and efficiency plan. Phase 2 of the Futures 2025 programme is the vehicle through which the Service intends to deliver this plan and further information relating to Phase 2 of the programme is set out in this report.

2. REPORT

- 2.1 Since the initiation of the Futures 2025 strategy, significant energy has been deployed in developing plans for Nottinghamshire Fire and Rescue Service (NFRS). It should also be recognised that this has been at a time of a registered pay dispute between the Fire Brigades Union (FBU) employees and the national employers. Alongside the move to Joint Headquarters, a 30% turnover of support staff, delivering £1.6m of temporary savings and positive increases in productivity for the Service.
- 2.2 These factors have delayed the Service's ability to deliver progress as desired against all Futures 2025 recommendations approved by the Fire Authority. Given the latest pay offer, optimism exists that this will be accepted and capacity can be redirected to the Futures 2025 work in the coming weeks and months.
- 2.3 Should the £5 increase in Council Tax be approved by Members and the assumptions around pay awards hold, it will be possible to set a balanced budget position for 2023/24 largely due to:
 - Increased Council Tax income;
 - Inflationary increases to Revenue Support Grant and Business Rate income;
 - Revaluation of business rate properties;
 - Stronger than expected Business Rate collection following recovery from the Covid-19 pandemic;
 - Temporary firefighter vacancies while the Service reviews the establishment and deployment of resources to risk;
 - Use of reserves.
- 2.4 The Authority has set aside £1.126m in an Earmarked Reserve to support the budget through this uncertain time, £404k of which will be required to balance the 2023/24 budget, leaving £722k for use in future years. This is insufficient

to cover the projected deficit for 2024/25 currently estimated to be £1.1m. The Futures 25 Efficiency Strategy is still required to identify sufficient savings to put the Service in a stronger financial position and allow investment in key areas of the Service to deliver the CRMP.

- 2.5 Whilst the local government finance settlement is a one-year offer, the £5 option has the greatest value in mitigating future service efficiencies in the short term. The £5 option also comes with a clear government expectation, that:

However, we are also clear that precept rises should not be in place of sound financial management and we expect FRAs to exhaust all other options to reprioritise budgets, seek efficiencies and to maximise productivity of their existing resources before looking to local taxpayers for additional funding. As such, as you consider your individual service budgets in this Settlement, I am asking all FRAs set out to me in writing how, in principle, you will be reprioritising within your budget, delivering efficiencies, and driving productivity improvements in your local area. I would like you to do this by mid-January alongside any responses to the provisional Local Government Finance Settlement consultation. As part of the Spending Review 2021/22, the National Fire Chiefs Council (NFCC) and the Local Government Association made a commitment on behalf of the fire sector in England to create 2% of non-pay efficiencies and to increase productivity of the fire sector by 3% by 2024/25.

Rt Hon Chris Philp MP Minister of State for Crime, Policing and Fire

WORKFORCE REVIEW – PHASE 1

- 2.6 The Workforce Review encompasses a review of the structure and budget associated with the Green Book establishment. The Green Book establishment comprises all NFRS staff who are on local government terms and conditions and are eligible for membership of the Local Government Pension Scheme.
- 2.7 Phase 1 of the Workforce Review confirmed that a temporary reduction of £250K to Green Book pay budgets could be made permanent through the disestablishment of posts across several departments and removal of vacant posts. This process is now underway and sits within the CFO's scheme of delegation to amend the permanent establishment, whilst remaining within the overall pay budget. The Authority will still receive recommendations over discretionary payments – ie: those incurring redundancy.
- 2.8 In addition, changes to the way that the Service assesses development of operational staff has resulted in a redundancy situation for two occupied posts. The specific implications and recommendations related to this are presented for consideration by Members in the exempt Discretionary Compensation Board report which is included later on the agenda for this meeting.

Fire Cover Review

- 2.9 In September 2022, Members agreed to launch a period of public consultation relating to proposed changes to fire cover in the City and County. This report sets out a summary of the outcomes of the public consultation. The full report on the public consultation outcomes, published by the independent consultant is included as Appendix A.
- 2.10 To save £2m from operational resources, the optimisation modelling undertaken during the Spring and Summer 2022 proposed the following options as having least impact on the community:
- Removal of the second appliance from London Road;
 - Removal of the second appliance from Stockhill;
 - Conversion of West Bridgford from one wholetime appliance to one day shift crewing appliance;
 - Conversion of Ashfield from one day shift crewing and one On-Call appliance to one wholetime and one On-Call appliance.
- 2.11 In line with best practice guidance, and following Member approval, a public and workforce consultation regarding the proposals ran for a 12-week period from 30 September 2022 until 23 December 2022.
- 2.12 To ensure impartiality, an external social research agency, Opinion Research Services (ORS), was commissioned to administer an open consultation questionnaire, facilitate focus groups with members of the public, and coordinate feedback from direct engagement sessions with staff members.
- 2.13 1,814 completed questionnaires were submitted. These consisted of 1,800 individual respondents and 14 by organisations. In addition, 12 written submissions were received through the Service's "talk2us" engagement mailbox, including responses from Ashfield District Council, Rushcliffe Borough Council and Derbyshire Fire and Rescue Service.
- 2.14 Of those that completed a personal questionnaire:
- 14% had a disability or limiting illness;
 - 8% were from an ethnic minority background;
 - 50% were male (with the remainder reporting as female or other); and
 - 63% were over the age of 45.
- 2.15 Of the total returns, 48% of submissions came from the Rushcliffe area, with the next highest recipient area being the City of Nottingham with 14%, and 5% of submissions were from employees of Nottinghamshire Fire and Rescue Service.
- 2.16 The three public focus groups were attended by residents from across Nottinghamshire and the City of Nottingham. Of the areas directly impacted by the proposals, 34% of attendees were from the City of Nottingham, 13% from Rushcliffe and 8% from Ashfield.

- 2.17 An equal split of males and females attended the focus groups; the majority were aged between 25 and 54; 18% were from an ethnic minority background; and 18% had a disability or limiting illness.
- 2.18 Regarding the proposals to remove the second appliances from London Road and Stockhill, the consultation questionnaire responses from members of the public showed:
- 81% disagreeing or strongly disagreeing;
 - Staff member responses showed 60% disagreeing or strongly disagreeing;
 - 12 of the 14 organisations that responded to the questionnaire disagreed with the proposal, with nine strongly disagreeing.
- 2.19 In consideration of the proposal to convert West Bridgford from one wholetime appliance to one day shift crewing appliance, the consultation questionnaire responses from members of the public showed:
- 78% disagreeing or strongly disagreeing;
 - Staff member responses showed 52% disagreeing or strongly disagreeing;
 - 8 of the 14 organisations that responded to the questionnaire disagreed with the proposal, with seven strongly disagreeing.
- 2.20 Concerning the proposal to convert Ashfield from one day shift crewing and one On-Call appliance to one wholetime and one On-Call appliance, the consultation questionnaire responses from members of the public showed:
- 43% agreeing or strongly agreeing;
 - Staff member responses showed 83% agreeing or strongly agreeing;
 - Five of the 14 organisations that responded to the questionnaire agreed with the proposal. However, five strongly disagreed with it.
- 2.21 The general feedback from the focus groups for the proposal to remove appliances from London Road and Stockhill was that they were of concern to attendees, but that they understood the rationale for them. Most attendees across the three focus groups supported the proposed rebalancing of resources between West Bridgford and Ashfield, with it typically considered to be a 'sensible and rational change that would ensure fire and rescue cover is concentrated in areas of greatest risk and demand'.
- 2.22 Public consultation is an excellent method of gauging the level of resistance or support for change and reassurances that NFRS would need to provide in the delivery of its services where they are subject to change. However, consultation is not a means of purely seeking agreement or objection to the proposals, as a significant funding gap remains at this time.
- 2.23 Whilst the budget position is more positive and with advice from the CFO at this point, this report does not seek to action recommendations that were subject to public consultation as we await confirmation of the pay negotiations and precept decisions in the short-term. However, given the

operational savings were developed in financial increments up to £3m and assessed with ORH, these could potentially be a scalable element to the future approach of balancing the budget for the Fire Authority.

- 2.24 The CFO and wider team will consider the financial position following agreement of the budget, including precept level and the changes to the financial position regarding the current pay claims. A further report will be provided for Members' consideration at a future meeting outlining potential savings options from operational resources and currently within the consulted model.
- 2.25 Part of the review will also seek options to address identified gaps in resourcing to risk faced by communities, namely the Ashfield area and work has already commenced at the request of the CFO on viable options – these will be reported for Members' consideration.

Proposals to Reduce Demand Upon the Response Resources and Impact on Attendance Time Measures

- 2.26 The previous report identified that alongside proposed operational workforce reductions, a review of demand would take place and proposals made to the Community Safety Committee to reduce, as an example, Unwanted Fire Signals (UwFS).
- 2.27 A report was presented to the Community Safety Committee in December 2022 identifying a modified approach to UwFS during daytime hours to hospitals in the County.
- 2.28 The implementation of this approach was deferred by Officers to provide additional assurance to the Community Safety Committee relating to arrangements in place for UwFS in other Services. In addition, the Committee requested that the Service investigate charging premises. This information will be presented to a future Community Safety Committee.
- 2.29 The subsequent impact on attendance time measures and CRMP commitments is yet to be fully determined. This work will be undertaken as part of the Service's next CRMP development prior to its delivery in 2025, a delay resulting from reduced capacity in recent months.

FUTURES 2025 – PHASE 2

- 2.30 As outlined in previous reports Phase 1 of the Workforce Review identified a wider change and improvement programme is required to support the Service's CRMP commitment to be outstanding by 2032. Structural redesign and business improvement is required to maximise the efficiency and effectiveness of the Service.
- 2.31 The Service has made significant productivity improvements since its first HMICFRS inspection published in June 2019. This was recognised by the Inspectorate during their second inspection published in July 2022. The

Service's CRMP which runs from 2022-25 continues to drive productivity improvements, for example:

- Safe and well checks have increased from a target of 9000 in FY 20/21 to those completed so far in FY 22/23 of 12073;
- The number of business safety checks has increased from 125 in 21/22 to 405 so far in 22/23;
- The number of Fire Protection inspections on non-domestic premises has increased from 552 in 21/22 to 908 so far in 22/23.

2.32 These productivity improvements have been made through existing ways of working and resourcing models. It is recognised by the Service that to achieve a step change in productivity and efficiency improvements, a more fundamental review of service design, systems and processes is required.

2.33 Phase 2 of Futures 2025 is the vehicle through which the Service will deliver this efficiency and improvement programme. Scoping is now well underway, and it is recommended that Members agree to continue to receive updates on the progress and outcomes of this work throughout the lifespan of the current CRMP and ongoing review of the commitments contained within it.

2.34 This routine reporting will supplement the Home Office request that efficiency and productivity plans are published and shared with them by March 2023. This requirement has been put in place as a condition of the option to increase Council Tax precept and is linked to Local Government Association (LGA) commitment to create 2% of non-pay efficiencies and to increase productivity of the fire sector by 3% by 2024/25.

2.35 Phase 2 will commence in April 2023 and aims to address several key issues. This includes an anticipated ongoing budget deficit, meaning that it is likely that the options for changes to fire cover will need to be enacted to ensure future balanced budgets.

2.36 In addition, it is incumbent on the Service to ensure that operational resources are deployed to best effect to manage risk in communities. The use of interim cover moves of fire appliances is a well established and routinely used way of balancing available resources to demand and risk countywide. It is recommended that the Chief Fire Officer present a paper to the Fire Authority at a future date to set out options for a longer-term solution to enhance fire cover that addresses these points, to satisfy the Authority's statutory duties to identify and address all foreseeable fire and rescue risk.

2.37 Phase 2 of Futures 25 aims to:

- Ensure that the Authority is able to set a balanced budget in 2024/25 and beyond;
- Balance resourcing to risk, both in an operational and non-operational context;
- Address shortfalls in resourcing in certain departments through service redesign;

- Deliver service and productivity improvement through streamlining of business processes and systems;
- Integrate service delivery functions for community benefit;
- Review non-pay spend with a view to driving further efficiencies.

2.38 An earmarked reserve of £900k has been set aside to deliver the change programme. The budget will be used to support a project team, costs associated with improved systems and processes and the provision of specialist skills where necessary. The reserve will also be used to fund the cost of workforce changes such as those associated with redundancy where applicable.

2.39 The aim of the Futures 25 programme is to seek to have a broader organisational development approach and not only deal with the significant change as highlighted in this report, but continue to develop NFRS as a well-regarded organisation, both by employees and communities.

LONGER TERM STRATEGIC PARTNERSHIPS

2.40 At the previous meeting of the Fire Authority in September, Members agreed to support the CFO in investigating sustainable longer-term strategic options for the Service which aim to build the longer-term sustainability and resilience of the Service.

2.41 This work is likely to continue into the medium to longer-term, progress has been limited due to the competing demands upon the Service in recent months, it includes opportunities associated with existing collaborations that are being evaluated. In addition, wider conversations are developing relating to the potential opportunities which may be offered by devolution.

3. FINANCIAL IMPLICATIONS

3.1 The financial position of the Authority over the next four years remains very uncertain. It is expected that the total deficit for the four years up to 2026/27 will exceed £4m. This may be higher if the pay award is settled at the higher level that is pending agreement and detailed in this report.

3.2 The Authority currently has £1.126m in earmarked reserves to support the budget, but this is likely to be insufficient, requiring ongoing savings to be made through the Futures 25 Efficiency Strategy.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

4.1 Changes to the permanent Green Book establishment will result in a small number of redundancies. The implications of this are outlined in more detail in the Discretionary Compensation Board report which is presented as an exempt report at this meeting.

- 4.2 If changes to fire cover are actioned, then there will be a requirement for the relocation of operational staff to different stations. This will be managed in line with the well-established consultation and policy framework.
- 4.3 As with any organisational change, Phase 2 of Futures 25 will continue to cause anxiety for staff. The Service will aim to mitigate this so far as is possible by ensuring that staff are able to effectively engage, participate and support the delivery of the wider Service improvement.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report gives a review of activities rather than introducing a new policy. Any future changes will be supported with an equalities impact assessment and reported to Members.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications associated with this report.

7. LEGAL IMPLICATIONS

- 7.1 The Fire Services Act places a Statutory Duty on Authorities to make provisions for firefighting, fire safety and responding to road traffic collisions and other emergencies. With the budget available, NFRS will continue to meet its statutory duties.
- 7.2 The Secretary of State, under Section 22 of the Fire and Rescue Services Act (FRSA) 2004 has the power of intervention, if the Secretary of State considers that a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under Section 21 of the FRSA.
- 7.3 Sections 10 to 13 of the Local Government Act 1999 (c. 27) (best value inspections) apply in relation to a fire and rescue authority's compliance with Section 21(7) of the FRSA as they apply in relation to a best value authority's compliance with the requirements of Part 1 of that Act. Fire and rescue authorities must have regard to the Framework in carrying out their functions.
- 7.4 The Civil Contingencies Act 2004 includes the need to plan for business continuity events, including periods of industrial action. Given the ongoing national issues and the consideration of this report, the Service has reported its resilience arrangements to the Policy and Strategy Committee and is reviewing its future arrangements.
- 7.5 The Authority has a statutory responsibility to consult on changes to fire cover. Consultation will be conducted in accordance with HM Government Code of Practice on Consultation and failure to comply with the code may result in Judicial Review of any decisions taken.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 Balancing the budget continues to provide challenges across the sector. The Futures 25 Strategy represents a wide-ranging change programme that has the potential for tension in the Service, which will require ongoing and positive employee engagement, this is a clear focus for the Service.
- 8.2 Financial implications are already detailed within this report, however, Members are aware of the risk in not balancing the budget, and scrutiny this may attract nationally. The Strategy seeks to manage and mitigate that risk.
- 8.3 Communities expect to have confidence in the capabilities and management of the Fire and Rescue Service, the current and future challenges, both financially and operationally, have a risk of eroding that confidence. Regular reports to Fire Authority, supporting Committees and a communications plan, will seek to update on progress and assure Committees that the strategy is balanced, proportionate and effective.
- 8.4 The operating environment can be a direct challenge upon the Service's capacity for continuous improvement and the recent and continued focus of HMICFRS ensures that Service's assess its risk and resources to meet that risk, seeking continuous improvements.

9. COLLABORATION IMPLICATIONS

There are potential collaboration opportunities to ensure the efficient and resilient delivery of the Service. These will be investigated further as part of a Phase 2 of the Futures 2025 strategy.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Note the outcomes of Phase 1 of the Workforce Review including the associated exempt report relating to discretionary compensation payments to affected individuals.
- 10.2 Receive further reports from the Chief Fire Officer.

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

None.

Craig Parkin
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Futures 2025 Efficiency Strategy Consultation

Report of findings

Opinion Research Services

31st January 2023



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Futures 2025 Efficiency Strategy Consultation

Report of findings

Opinion Research Services

The Strand • Swansea • SA1 1AF
 01792 535300 | www.ors.org.uk | info@ors.org.uk

As with all our studies, findings from this report are subject to Opinion Research Services' Standard Terms and Conditions of Contract.

Any press release or publication of the findings of this report requires the advance approval of ORS. Such approval will only be refused on the grounds of inaccuracy or misrepresentation

This version of the report will be deemed to have been accepted by the client if ORS has not been informed of any amendments within a reasonable period of time (1 month)

This study was conducted in accordance with ISO 20252:2019, ISO 9001:2015, and ISO 27001:2013.

© Copyright January 2023

Contents

1. Executive Summary	5
The commission and consultation	5
Key Findings	5
Overall comments	9
2. The Consultation Process	10
Background and commission	10
Quantitative engagement	11
Qualitative engagement	12
Written submissions	15
Nature of consultation	15
The report	15
3. Consultation Questionnaire	16
Introduction	16
Duplicate and Co-ordinated Responses	16
Profile Tables	16
Interpretation of the data	18
Questionnaire Findings (individuals)	19
Questionnaire Findings (organisations)	45
4. Focus Groups	53
Introduction	53
Main Findings	53
5. Submissions	60
Introduction	60
Summaries of written submissions	60
List of Tables	63
List of Figures	64

The ORS Project Team

Project design and management

Kelly Lock

Focus group facilitation

Kelly Lock

Questionnaire design and management

Alys Thomas

Analysis and reporting

Kelly Lock

Karen Jenkins

Peter Maggs

1. Executive Summary

The commission and consultation

- 1.1 Since 2010, Nottinghamshire Fire and Rescue Service (NFRS) has seen budget reductions of £9.6 million in cash terms, reductions that are significantly higher in real terms due to other factors like inflation. A recent review of financial planning to take account of the cost-of-living crisis, further increases in inflation, and uncertainty caused by the conflict in Ukraine, shows that the Service's potential budget deficit has increased to more than £3.3 million in 2023/2024.
- 1.2 In 2021, NFRS began a comprehensive review of its fire and operational response cover. The independent report provided formed the basis for a full Fire Cover Review, which was completed in 2022 with the aim of making cost savings and matching remaining resources to risk. Following this Review, the proposals below have been put forward to generate £2 million savings per year:
 - Remove one of the two fire engines at London Road Fire Station to save around £1 million a year
 - Remove one of the two fire engines at Stockhill Fire Station to save around £1 million a year
 - Reinstate 24/7 wholetime cover at Ashfield Fire Station, investing around £660,000 a year
 - Remove the night shift at West Bridgford Fire Station, saving around £660,000 a year, to be reinvested into Ashfield Fire Station (as above).
- 1.3 To understand the views of local residents, staff and other stakeholders on these proposals, a formal consultation was undertaken by the Nottinghamshire and City of Nottingham Fire Authority between 30th September and 23rd December 2022. NFRS commissioned Opinion Research Services (ORS) to undertake a programme of key consultation activities and to report respondents' views, gathered through an open online consultation questionnaire, three online focus groups with members of the public, six written submissions, and 249 signatures gathered via a campaign leaflet organised by the Ashfield Independents, backing *"the reinstatement of Ashfield Fire Station to a 24-7 wholetime model"*.

Key Findings

- 1.1 The key findings below and overleaf are expanded upon in the remainder of the executive summary and covered in comprehensive detail in the main body of the report.

- » The extent to which questionnaire respondents agreed or disagreed that NFRS needs to make changes to respond to its challenges depended on where they were responding from. Those living in Ashfield were far more likely to agree than those living in Nottingham City and Rushcliffe District for example. This suggests a strong correlation between support for and opposition to the consultation proposals and acceptance of the rationale underpinning them.
- » There was some understanding of the need for change in the written submissions, even among those who disagreed with NFRS's proposals. In the focus groups, although the proposals were not unequivocally supported, they were viewed as having the least impact on the most people across the City and County.

- » Many questionnaire respondents were opposed to NFRS using an independent specialist to undertake the Fire Cover Review and provide recommendations. In contrast, there was widespread confidence in the focus groups that the Review was undertaken thoroughly and that NFRS would not propose anything that would be unduly detrimental to public safety.
- » Most questionnaire respondents were opposed to the proposed changes in Nottingham City. However, while they were not overwhelmingly supported, the reasoning underpinning them was understood in all three focus groups and in some of the written submissions.
- » In the questionnaire, support for or opposition to the proposed changes at Ashfield and West Bridgford Fire Stations was again influenced by area of residence: support for both proposals was higher in Ashfield and Mansfield Districts, but lower in Rushcliffe District. Similarly, support for redistributing resources in this way was much higher in Ashfield than it was in Rushcliffe.
- » While there was concern about the impact on West Bridgford of rebalancing resources as proposed, some of the written submissions and most focus group participants were supportive of NFRS doing so to ensure fire and rescue cover is concentrated in the areas of greatest need – albeit this support was reluctantly given by some in the Nottingham City and south Nottinghamshire sessions.
- » Most questionnaire respondents did not agree that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings. Support was again highest in Ashfield and lowest in Nottingham City and Rushcliffe.
- » There was generally strong support for a one-off £5 council tax increase for NFRS.

The need for change

- 1.4 Over a third (36%) of individuals responding to the open online questionnaire agreed that NFRS needs to make changes to respond to its challenges. The strongest level of agreement (68%) was among people living in Ashfield District, while agreement was lowest among those living in Rushcliffe District (28%) and Nottingham City (30%). Respondents who work for NFRS were more likely to agree with the need for change than those who do not: agreement levels were 60% and 34% respectively.
- 1.5 Of the 14 organisations responding to the questionnaire, five agreed that NFRS needs to make changes to respond to its challenges. However, eight organisations disagreed, and one expressed a neutral view.
- 1.6 There was some understanding of the need for change in the written submissions, even among those who disagreed with the proposals themselves. In the focus groups, while participants said they would not be required in an ideal world, they understood the rationale for the proposed changes in reducing the Service's budget deficit. The phrase 'least worst option' was used frequently, and it would be fair to say that although the proposals discussed below were not unequivocally supported, they were recognised as those that would have the least impact on the most people across the City and County.
- 1.7 Many general concerns centred around the issue of resilience, and whether removing three appliances and 44 firefighter posts from the Service would mean NFRS is too thinly spread to respond to (and prevent) incidents. This, it was felt, would lead to greater reliance on response from neighbouring services like Derbyshire, and would mean NFRS has reduced availability to offer over the border assistance itself.

The Fire Cover Review

- 1.8 Only three of the 14 organisations and just over a third (35%) of individual open questionnaire respondents agreed with NFRS using an independent specialist to undertake the Fire Cover Review and provide recommendations. Of the latter, respondents from Ashfield were in strongest agreement (53%), and those from Rushcliffe District were in lowest agreement (31%). Over three-fifths (62%) of people responding who work for NFRS agreed with the approach, whereas agreement was much lower amongst people who do not work for NFRS (33%).
- 1.9 The main concerns expressed by questionnaire respondents were around the cost of the Independent Review; and that an independent specialist may not understand the nuances of providing fire and rescue cover in Nottinghamshire. Several also felt that the Review's conclusions were inaccurate, particularly with respect to estimated response time increases. In contrast, there was widespread confidence in the focus groups that the Fire Cover Review was undertaken thoroughly and that NFRS would not propose anything that would be unduly detrimental to public safety.

The Proposals

Proposals for Nottingham City

- 1.10 Overall, only two of the 14 organisations and 14% of individual questionnaire respondents agreed with the proposed change to fire cover in the City of Nottingham. The strongest agreement - at 40% - was from people living in Ashfield District, whereas agreement was much lower among those living in Rushcliffe District and Nottingham City, with only 9% and 7% agreeing respectively. Over a third (36%) of people responding who work for NFRS agreed with the proposed change, whereas much fewer (13%) who do not work for NFRS agreed.
- 1.11 While the proposals to remove the second fire engines from both Stockhill and London Road fire stations were not overwhelmingly supported, the reasoning underpinning them was understood in all three focus groups and in some of the written submissions. Concerns focused on reduced response levels and increased response times in the Service's busiest and most deprived area; increased risk to firefighters and the public; that the reduced number of fire engines would be insufficient to respond to large-scale or simultaneous incidents; and that more rather than fewer resources are needed given the number of high-rise buildings and developments within the City and its surrounding areas.

Proposals for Ashfield Fire Station and West Bridgford Fire Station

- 1.12 Five of the 14 organisations and nearly half (47%) of individuals responding to the open questionnaire agreed with the proposed change to fire cover at Ashfield Fire Station. The strongest agreement was among people living in Ashfield and Mansfield Districts, with 87% and 90% saying that they agreed respectively. Agreement was much lower among those living in Rushcliffe District though, with only a quarter agreeing. Over four-fifths (83%) of people responding who work for NFRS agreed with the proposal, nearly six-in-ten (58%) strongly. By comparison, a lower proportion (43%) of those who do not work for NFRS agreed.
- 1.13 Only three of the 14 organisations and 18% of individual online questionnaire respondents agreed with the proposed removal of the night shift at West Bridgford Fire Station to enable reinvestment in Ashfield Fire Station. The strongest agreement was among people living in Ashfield District, with over two-fifths (45%) agreeing with the proposed change. There were also higher levels of agreement among people living in Bassetlaw District, Mansfield District and Newark and Sherwood District, where 32%, 38%, and

32% agreed respectively. Conversely, only 5% of respondents from Rushcliffe District agreed. Over two-fifths (41%) of people responding who work for NFRS agreed with the proposed changes at West Bridgford, compared with 17% who do not work for NFRS.

Matching resource to risk

- 1.14 Four of the 14 organisations and nearly a quarter (24%) of individuals responding to the open questionnaire agreed with the principle of redistributing operational resources in the way proposed. The strongest agreement was once again among people living in Ashfield District; over two-thirds (69%) said they agreed with this principle, 41% strongly. Agreement was much lower among those people living in Rushcliffe District, at 7%. Nearly half (49%) of respondents who work for NFRS agreed with the principle of redistributing operational resources, over a quarter (26%) strongly. By comparison, a lower proportion (22%) of those who do not work for NFRS agreed.
- 1.15 As might be expected, the main concerns expressed by questionnaire respondents, some written submissions and focus group participants in relation to rebalancing resources were around the proposed changes at West Bridgford. These concerns primarily centred on reductions in fire cover, increased response times and corresponding impacts on public and firefighter safety; ensuring sufficient levels of fire and rescue cover for a district that is experiencing significant development; the increased pressure on and sustainability of the on-call model; and neighbouring appliances being busier and thus not able to reliably provide night-time cover in the West Bridgford area.
- 1.16 On the other hand, some of the written submissions and most people across all three focus groups supported the proposed rebalancing of resources between Ashfield and West Bridgford Fire Stations, which they considered a “sensible” and “rational” change that would ensure fire and rescue cover is concentrated in the areas of greatest risk and demand. This support was, however, understandably reluctant among some focus group participants in Nottingham City and south Nottinghamshire.
- 1.17 Participants were particularly reassured about the close proximity of London Road Fire Station to West Bridgford, though there was again some understandable worry about the “double whammy” of losing resource from both stations. Indeed, this concern was shared by many questionnaire respondents, and in some of the written submissions.

Emergency response times

- 1.18 Overall, only three of the 14 organisations and just over a fifth (22%) of individual questionnaire respondents agreed that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings. The strongest agreement was among people living in Ashfield District, with nearly half (48%) agreeing that the increase would be acceptable. Agreement was lower among those people living in Rushcliffe District and Nottingham City, where only 15% and 14% agreed respectively. Two-fifths (40%) of people responding who work for NFRS agreed that a seven second increase would be acceptable, whereas a lower proportion (22%) of those who do not work for NFRS did so.

Council tax

- 1.19 Overall, nine of the 11 organisations who provided a valid answer to this question and four-fifths (80%) of individuals responding to the open questionnaire said they would support a one-off £5 council tax increase for NFRS. The strongest support was from people living in Ashfield District and Broxtowe

Borough, with 86% and 87% agreeing respectively. Support was lower among those living in Bassetlaw District, where only 58% said they would support an increase.

- 1.20 Many participants across the three focus groups said that they would be prepared to pay a one-off £5 council tax increase (or more) for NFRS if it meant reducing the Service's budget deficit and the extent of the changes needed to make the required savings. Several, however, acknowledged that they might not have been as tolerant of such an increase had they not been fully informed about the extent of NFRS's financial challenges and what is being proposed to address them. There was also widespread acknowledgement among participants that while they might be able to afford to pay the additional £5, many others would struggle to do so. Concern was also expressed that while a £5 payment for NFRS does not seem like a great deal in isolation, if other public services were to ask for something similar, it would become unaffordable for even more people.
- 1.21 Those who did not support the £5 increase felt that government funding and investment should be increased; NFRS should use its reserves to reduce its funding deficit; it would not actually be a one-off in the face of ongoing financial challenges; they should not have to 'pay more for less'; or that they could accept the implications of the proposals and did not see a need to mitigate them through council tax increases.

Overall comments

- 1.22 Consultation has been described as a dialogue, based on a genuine and purposeful exchange of views. ORS' role is to analyse the outcomes of this dialogue and to give an accurate account of the feedback received during the 12-week public consultation on the 'Futures 2025' proposals by way of an independent and detailed report.
- 1.23 We have an obligation to report that feedback robustly, for decision-makers to be able to conscientiously consider the issues raised. This does not mean that the Fire Authority's decisions should be determined only by the feedback from consultation; majority views should not automatically decide public policy, and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what is the right or best decision in the circumstances. It is for Authority to take decisions based on all of the evidence available.
- 1.24 This executive summary has summarised the consultation outcomes to highlight the overall balance of opinion. We trust that it is a sound guide to these outcomes and how they might be interpreted, but readers are urged to consult our full report for more detailed insights and understanding of the assumptions, arguments, conclusions and feelings about the possible changes to how fire and rescue cover is provided across Nottinghamshire and the City of Nottinghamshire.

2. The Consultation Process

Background and commission

- 2.1 Since 2010, NFRS has seen budget reductions of £9.6 million in cash terms, reductions that are significantly higher in real terms due to the impact of other factors, such as inflation. In February 2022, financial planning and forecasting predicted a budget deficit of around £2.1 million for the 2023/24 financial year. Following a review of financial planning to take account of the cost-of-living crisis, further increases in inflation, and uncertainty caused by the conflict in Ukraine, the potential budget deficit has now increased to more than £3.3 million in 2023/2024.
- 2.2 In 2021, NFRS began a comprehensive review of its fire and operational response cover and has received an initial, independent report of this process. The findings formed the basis for a Fire Cover Review, which was completed in 2022 with the aim of making cost savings and matching remaining resources to risk.
- 2.3 As part of this process, NFRS commissioned ORH, an independent, sector-leading modelling expert with extensive experience of emergency services around the world, to look at ways of optimising resource use and responding in the most efficient and effective way. Through this review the following proposals have been made. These would generate £2 million savings per year, while having the least detrimental impact on response times across the county and City.

Removal of one of the two fire engines at London Road Fire Station

- This would generate savings of around £1m a year

Removal of one of the two fire engines at Stockhill Fire Station

- This would generate savings of around £1m a year

Reinstatement of 24/7 wholetime cover at Ashfield Fire Station

- This would require investment of around £660,000

Removal of the night shift at West Bridgford Fire Station

- This would generate savings of around £660,000 a year, to be reinvested into Ashfield Fire Station (see above)

- 2.4 In order to understand the views of local residents, staff and other stakeholders on these proposals, a formal consultation was undertaken by Nottinghamshire and City of Nottingham Fire Authority between 30th September and 23rd December 2022. NFRS commissioned Opinion Research Services (ORS) to

undertake a programme of key consultation activities and to report respondents' views, gathered through an open online consultation questionnaire and three online focus groups with members of the public.

- 2.5 Key elements of the consultation were undertaken by ORS as an independent organisation - for example, designing the consultation questionnaire and presentation material for the focus groups (in conjunction with NFRS); recruiting and moderating the three deliberative online focus groups; and analysing and reporting all responses to these consultation elements.
- 2.6 The 12-week formal consultation period gave the public, staff and stakeholders sufficient time to participate, and through its consultation documents and website information, NFRS sought to provide people with sufficient information to understand its proposals and to make informed judgements about them.

Quantitative engagement

Consultation questionnaire

- 2.7 ORS and NFRS designed an open consultation questionnaire which included questions around:
- NFRS's financial challenges and the need for change
 - The approach taken to the Fire Cover Review
 - The proposals for London Road, Stockhill, West Bridgford, and Ashfield Fire Stations
 - The principle of matching resources to risk
 - Emergency response times
 - Council tax.
- 2.8 Respondents were also invited to make further comments, suggest alternatives to address the specified challenges, and highlight any equalities issues (positive or negative) that might arise from the proposed changes. Finally, there was a demographic profiling section to enable NFRS to understand who within its communities had responded to the consultation.
- 2.9 The questionnaire was available online and in paper format (on request) between 30th September and 23rd December 2022, to be completed by residents, representatives from business, public and voluntary organisations, and employees of NFRS. In total, 1,814 questionnaires were completed, all of which were submitted online. Most responses (1,800) were from individuals, but 14 valid responses identified themselves as organisations.
- 2.10 It should be noted that while open questionnaires are important consultation routes that are accessible to almost everyone, they are not 'surveys' of the public. Whereas surveys require proper sampling of a given population, open questionnaires are distributed unsystematically, and are more likely to be completed by motivated people. As such, because the respondent profile (as outlined in the full report) is an imperfect reflection of the Nottinghamshire and City of Nottingham populations, its results must be interpreted in that context.

Qualitative engagement

Online public focus groups

- 2.11 A programme of three deliberative online focus groups was undertaken with a diverse and broadly representative cross-section of residents from across Nottinghamshire and the City of Nottingham. ORS worked in collaboration with NFRS to prepare informative stimulus material for the groups before facilitating the discussions and preparing an independent report of findings.

Attendance and Representation

- 2.12 The focus groups were designed to inform and 'engage' participants with the Service's challenges and its proposals to meet them. This was done by using a 'deliberative' approach to encourage people to question and reflect on the proposals in detail. The meetings lasted for two hours and were attended as below in Table 1.

Table 1: Focus groups (area, time and date and number of attendees)

Area	Time and Date	Number of Attendees
City of Nottingham	Wednesday 30 th November 2022 6:00pm - 8:00pm	13
North Nottinghamshire	Thursday 1 st December 2022 6:30pm - 8:30pm	13
South Nottinghamshire	Tuesday 6 th December 2022 6:00pm - 8:00pm	12
TOTAL		38

- 2.13 The attendance target for the focus groups was around 12 people, which was achieved in all cases. Overall, the 38 participants who took part represented a broad cross-section of residents from each of Nottinghamshire's seven districts/boroughs and the City of Nottingham.
- 2.14 Around half of participants had attended a similar engagement event for NFRS in November/December 2021 and agreed to take part in future events. The others were recruited by Acumen Field, a specialist recruitment agency, who initially sent out a screening questionnaire as an online survey to a database of contacts and, more widely, on social media platforms. They then collated the responses to establish a pool of potential recruits, which was 'sifted' to establish a contact list. People were then contacted by telephone, asked to complete a more detailed screening questionnaire and either recruited or not to match the required quotas. All those recruited were sent all the necessary details in a confirmation email and telephoned a day or two before the events to confirm their attendance.
- 2.15 In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors. The recruitment process was monitored to ensure social diversity in terms of a wide range of criteria (including, for example: gender; age; ethnic group; working status; and disability/limiting long-term illness (LLTI)). As standard good practice, people were recompensed for giving up their time to take part with a £45 gift voucher. Overall, as shown in the table overleaf, participants represented a broad cross-section of residents across the county.

Table 2: Participant demographics

Gender	Age	Working status	Ethnic group	Limiting illness or disability	District/Borough
Male: 19 Female: 19	16-34: 9 35-54: 19 55+: 10	Working: 28 Not working: 10	White British background: 31 Ethnic minority background: 7	Limiting illness or disability: 7	Ashfield: 3 Bassetlaw: 3 Broxtowe: 3 Gedling: 4 + Nottingham City: 13 Mansfield: 3 Newark & Sherwood: 4 Rushcliffe: 5

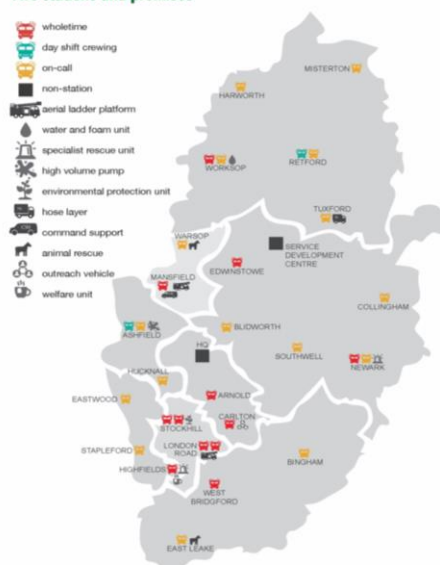
- 2.16 Although, like all other forms of qualitative consultation, focus groups cannot be certified as statistically representative samples of public opinion, the meetings reported here gave diverse groups of people from Nottinghamshire and the City of Nottingham the opportunity to participate. Because the recruitment was inclusive and participants were diverse, we are satisfied that the outcomes of the meetings (as reported in Chapter 4) are broadly indicative of how informed opinion would incline based on similar discussions.

Discussion agenda

- 2.17 The focus groups were independently facilitated by ORS, although two members of NFRS staff were also present to answer 'technical' clarification questions from participants. The meeting format followed a pre-determined topic guide which allowed space for a general discussion of the key questions under consultation. A series of slides were shared at set points during the sessions, which ensured that participants had sufficient background information to actively deliberate on the engagement issues. These (as shown in the selection below and overleaf) included detail on NFRS' resources, buildings and infrastructure, its activity, its budgets – and the proposals themselves.

Nottinghamshire FRS: Fire buildings & infrastructure

Fire stations and premises



24 fire stations

- 10 wholtime (crews on duty 24/7)
- 2 day-crewed (wholtime during the day, on-call in the evenings/overnight)
- 12 on-call (people carry a pager which alerts them when an emergency incident occurs)

30 fire engines + specialist vehicles, including:

- 2 aerial ladder platforms
- Specialist water/animal rescue vehicles
- Command and welfare support units

Share some fire stations with partners, including:

- Emergency response hub at Hucknall (shared with police and ambulance service)
- Joint fire/police station at West Bridgford

Nottinghamshire FRS: activity

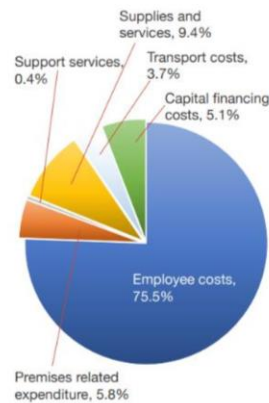
<p>Prevention (preventing fires & other emergencies)</p>	<ul style="list-style-type: none"> • Supporting vulnerable individuals through e.g., Safe & Well Visits • Education on e.g., arson/firesetting • Community engagement e.g., schools education, road/water safety education, fire & police cadets • Working with partners → joined-up approach
<p>Protection (safety in buildings protected by Regulatory Reform (Fire Safety) Order)</p>	<ul style="list-style-type: none"> • Business education and engagement • Programme of inspections using risk-based approach → highest risk buildings inspected most frequently • Enforcement action and prosecution if necessary
<p>Response (responding to 999 calls to save life and limit damage to property/the environment)</p>	<ul style="list-style-type: none"> • 'Local Resilience' <ul style="list-style-type: none"> • Agreements with neighbouring FRSs to receive/provide support • Working with emergency services/other key partners to plan for effective response • 'National resilience' <ul style="list-style-type: none"> • Attending serious incidents nationally (i.e., Lincolnshire floods, Lancashire moorland fires)

Nottinghamshire FRS: budgets

NFRS mainly funded from combination of council tax, business rates and Govt. grants

Cost of providing services across Nottinghamshire during 2022/23 = £46m

Council tax charge for NFRS = £84.57 per year for Band D property

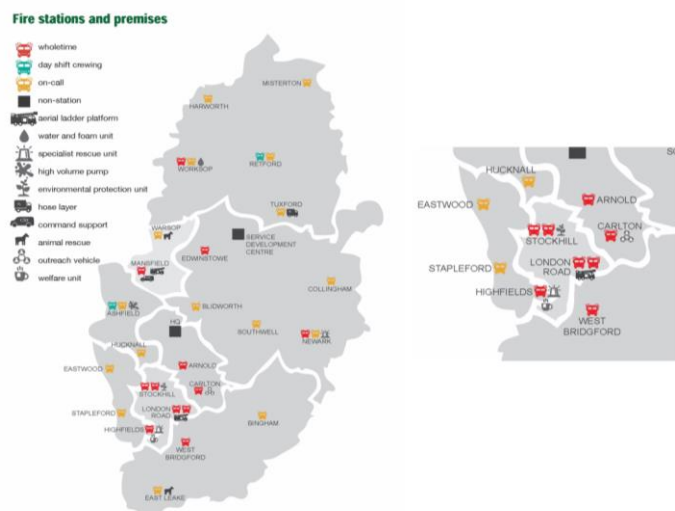


Proposals for London Road and Stockhill Fire Stations

Stockhill and London Road Fire Stations → only NFRS stations with two wholtime fire engines

To make c.£2m savings, NFRS proposes to remove one of the two fire engines at both stations

Would increase time it takes 1st fire engine to attend incidents in the City of Nottingham by **21 seconds** on average



Written submissions

- 2.18 During the formal consultation process, six submissions were received from the following:
- Ashfield District Council
 - Rushcliffe Borough Council (2)
 - Firefighters at West Bridgford Fire Station
 - Firefighters at Ashfield Fire Station
 - A Nottinghamshire resident.
- 2.19 Furthermore, 249 signatures were gathered via a campaign leaflet organised by the Ashfield Independents, backing *“the reinstatement of Ashfield Fire Station to a 24-7 wholetime model”*.

Nature of consultation

- 2.20 Accountability means that public authorities should give an account of their plans and take public, staff and stakeholder views into consideration. This should involve fair and accessible engagement whilst reporting the outcomes openly and considering them fully. This does not mean that the majority views should automatically decide policy; and the popularity or unpopularity of the issues under consideration should not displace professional and political judgement about what is the correct course of action in the circumstances. The levels of, and reasons for, support or opposition are important, but are considerations to be taken into account, as opposed to factors that determine authorities’ decisions.
- 2.21 Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public consultation processes; and not only count the numbers of people. In this context, it was helpful that the consultation programme included both ‘open’ and deliberative elements, to allow many people to take part via the open questionnaire, whilst promoting informed engagement through the deliberative focus groups.

The report

- 2.22 In contrast to the more thematic approach in the executive summary, the full report that follows considers the feedback from each element of the consultation in turn (which can at times be repetitive given that similar issues emerged across the different strands) because it is important to provide a full evidence-base for those considering the consultation and its findings. We trust that both the summary and full report will be helpful to all concerned.
- 2.23 ORS is clear that its role is to analyse and explain the opinions and arguments of the different interests participating in the consultation, but not to ‘make a case’ for any viewpoint. In this report, we seek to profile the opinions, views and arguments of those who have responded, but not to make any recommendations as to how the results should be used. Whilst this report brings together a range of evidence for NFRS and the Fire Authority to consider, decisions must be taken based on all the information available.

3. Consultation Questionnaire

Introduction

- 3.1 The open consultation questionnaire was available online between 30th September and 23rd December 2022, and as a hard copy that was available on request. 1,814 questionnaires were completed; all of which were submitted online. 1,800 questionnaires were completed by personal respondents whilst 14 were completed by organisations.

Duplicate and Co-ordinated Responses

- 3.2 It is important that engagement questionnaires are open and accessible to all, whilst being alert to the possibility of multiple completions (by the same people) distorting the analysis. Therefore, while making it easy to complete the questionnaire online, ORS monitors the IP addresses through which questionnaires are completed. A similar analysis of 'cookies' was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g., user account).
- 3.3 After careful analysis of the raw dataset, ORS did not find any responses that appeared to be attempting to systematically skew results.

Profile Tables

- 3.4 The tables that appear without commentary below and on the following page show the unweighted profiles of the responses to the questionnaire provided by personal respondents (please note that the figures may not always sum to 100% due to rounding).

Table 3: Age – All Respondents

Age	Number of respondents (Unweighted)	% of respondents (Unweighted)
Under 35	232	15
35 to 44	347	22
45 to 54	319	20
55 to 64	301	19
65 to 74	254	16
75 or over	114	7
Not Known	233	-
Total	1,800	100

Table 4: Gender – All Respondents

Gender	Number of respondents (Unweighted)	% of respondents (Unweighted)
Male	763	50
Female	737	48
Other	22	1
Not Known	278	-
Total	1,800	100

Table 5: Disability – All Respondents

Disability	Number of respondents (Unweighted)	% of respondents (Unweighted)
Has disability	215	14
No disability	1,318	86
Not Known	267	-
Total	1,800	100

Table 6: Ethnic Group – All Respondents

Ethnic group	Number of respondents (Unweighted)	% of respondents (Unweighted)
White British	1,364	92
Non White British	116	8
Not Known	320	-
Total	1,800	100

Table 7: Working for NFRS – All Respondents

Do you work for Nottinghamshire Fire and Rescue Service?	Number of respondents (Unweighted)	% of respondents (Unweighted)
Works for NFRS	81	5
Doesn't work for NFRS	1,459	95
Not Known	260	-
Total	1,800	100

Table 8: District/Borough– All Respondents

District/Borough	Number of respondents (Unweighted)	% of respondents (Unweighted)
Ashfield District	174	12
Bassetlaw District	25	2
Broxtowe Borough	120	8
Gedling Borough	93	6
Mansfield District	41	3
Newark and Sherwood District	76	5
Rushcliffe District	714	48
Nottingham City	212	14
Outside Nottinghamshire	39	3
Not Known	306	-
Total	1,800	100

Table 9: Respondent type– All respondents

Respondent type	Number of respondents (Unweighted)	% of respondents (Unweighted)
Personal	1,800	99
On behalf of an Organisation	14	1
Total	1,814	100

- 3.5 The following organisations (including businesses) identified themselves as part of their responses to the questionnaire:
- Annesley and Felley Parish Council
 - Derbyshire Fire & Rescue Service
 - East Leake Parish Council
 - Fire Brigades Union Nottinghamshire (branch and public meetings)
 - Kinoulton Parish Council
 - Lindley's Autocentres
 - Member of Parliament for Nottingham North
 - Member of Parliament for Nottingham South
 - Member of Parliament for Rushcliffe
 - Notts999Fire (a social media account that promotes the Fire and Rescue Service)
 - Rugby Road Social Committee.
- 3.6 Responses submitted on behalf of organisations can differ in nature to those submitted by individual members of the public if, for example, they represent the collective views of a number of different people or raise very specific issues. For this reason, ORS typically reports the consultation responses from organisations separately to those of individuals.
- 3.7 The main body of this chapter therefore focuses *only* on individual respondents' views; the views of organisations are covered in a separate section at the end of the chapter.

Interpretation of the data

- 3.8 For simplicity, the results for the open engagement online questionnaire are presented in a largely graphical format, where the numbers on the pie or bar charts indicate the percentage or proportion giving a particular view. Where possible, the colours of the charts have been standardised with a 'traffic light' system in which green shades represent positive responses (such as 'agree'), red shades represent negative responses (such as 'disagree'), and yellow shades represent neither positive nor negative responses. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers. An asterisk (*) denotes any value less than half of one per cent.

- 3.9 All open-ended responses have been read and classified (coded) using a standardised approach (code frame). This approach helps ensure consistency when classifying different comments and the resulting codes represent themes that have been repeatedly mentioned. Quotes are edited using ellipses to ensure anonymity.

Questionnaire Findings (individuals)

Financial challenges and the need for change

Since 2010, NFRS has seen budget reductions of £9.6 million in cash terms and these reductions are significantly higher in real terms due to the impact of other factors, such as inflation. In February of this year, financial planning and forecasting predicted a budget deficit of around £2.1 million for the 2023/24 financial year. Following a review of financial planning to take account of the cost-of-living crisis, further increases in inflation, and uncertainty caused by the conflict in Ukraine, the potential budget deficit has increased to more than £3.3 million in 2023/2024.

In 2021, NFRS began a comprehensive review of its fire and operational response cover and has received an initial, independent report of this review. The findings formed the basis on which a Fire Cover Review was completed in 2022 with the aim of making cost savings and matching remaining resources to risk.

As part of this process, NFRS commissioned ORH, an independent, sector-leading modelling expert with extensive experience of emergency services around the world, to look at ways of optimising resource use and responding in the most efficient and effective way. Through this review the following proposals have been made. These recommendations would generate £2 million savings per year, while having the least detrimental impact on response times across the county and City:

Removal of one of the two fire engines at London Road Fire Station

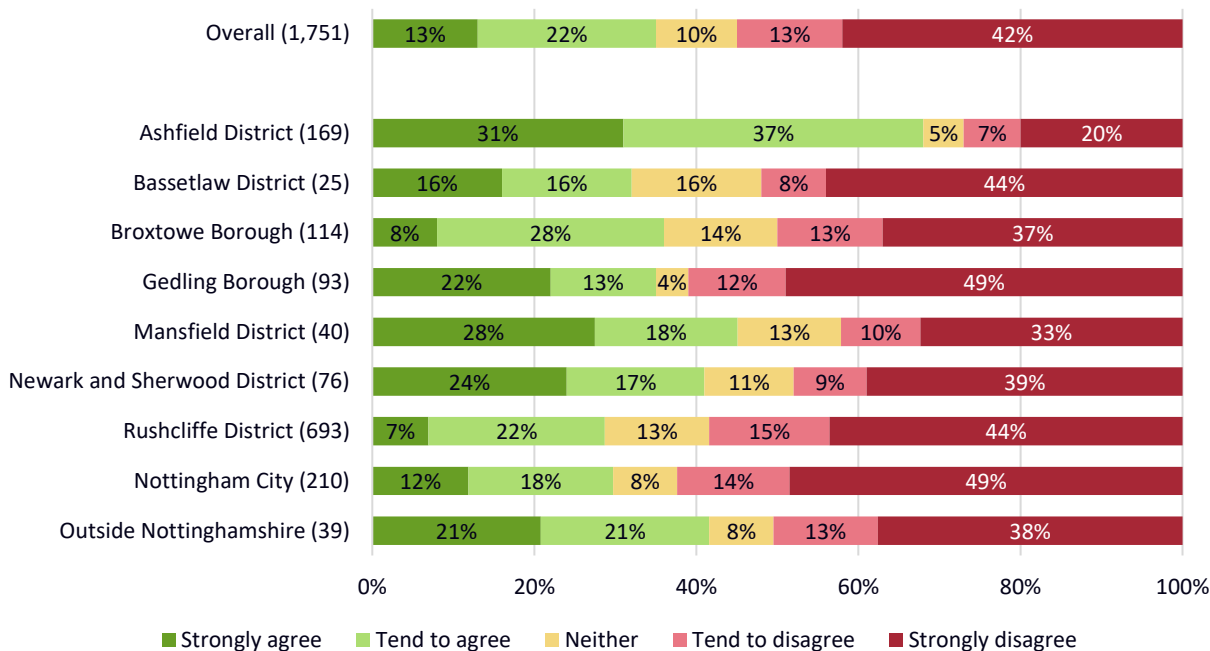
Removal of one of the two fire engines at Stockhill Fire Station

Conversion of Ashfield Fire Station from a daytime only wholetime fire engine and one On-call fire engine to one 24/7 wholetime fire engine and one On-call fire engine

Conversion of West Bridgford Fire Station from one 24/7 fire engine to a daytime only fire engine.

To what extent do you agree or disagree that NFRS needs to make changes to respond to its challenges?

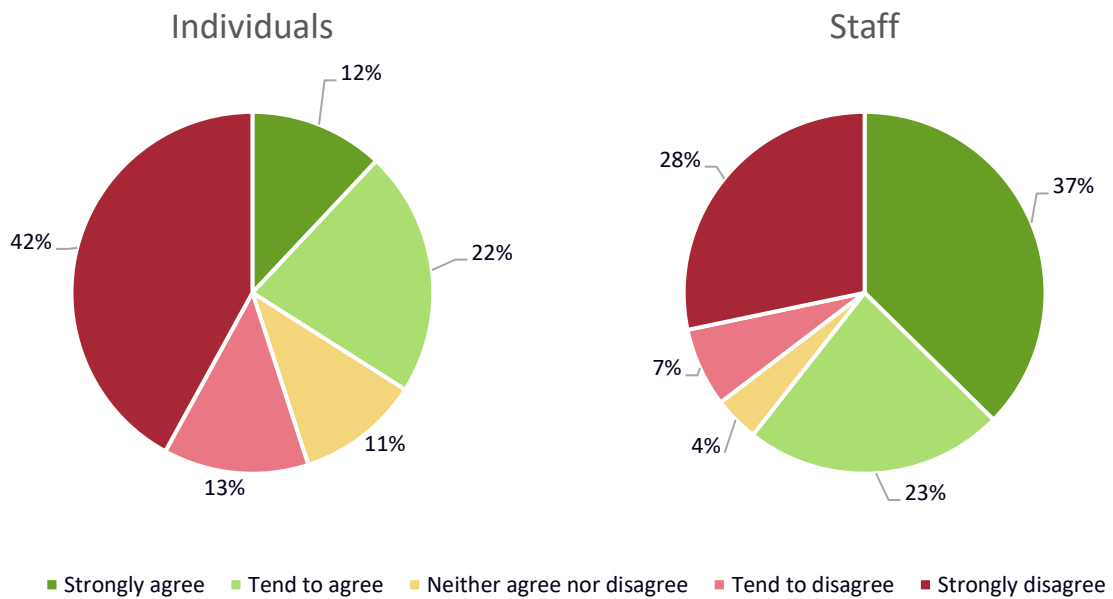
Figure 1: Agreement that NFRS needs to make changes to respond to its challenges (all personal responses by area)



Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.10 Overall, over a third (36%) of people responding agreed that NFRS needs to make changes to respond to its challenges.
- 3.11 Comparing responses across areas, the strongest level of agreement was among people living in Ashfield District, with over two-thirds (68%) saying that they agreed with the need to make changes, 31% strongly. Agreement with the need to make changes was lowest among those living in Rushcliffe District and Nottingham City, with only 28% and 30% agreeing respectively.
- 3.12 As previously noted in Table 7, 5% of the people responding work for NFRS. The figure overleaf shows the level of agreement broken down between staff and other individual respondents.

Figure 2: Agreement that NFRS needs to make changes to respond to its challenges (personal responses broken down by individuals and staff)



Base: Individuals (1,420), Staff (81)

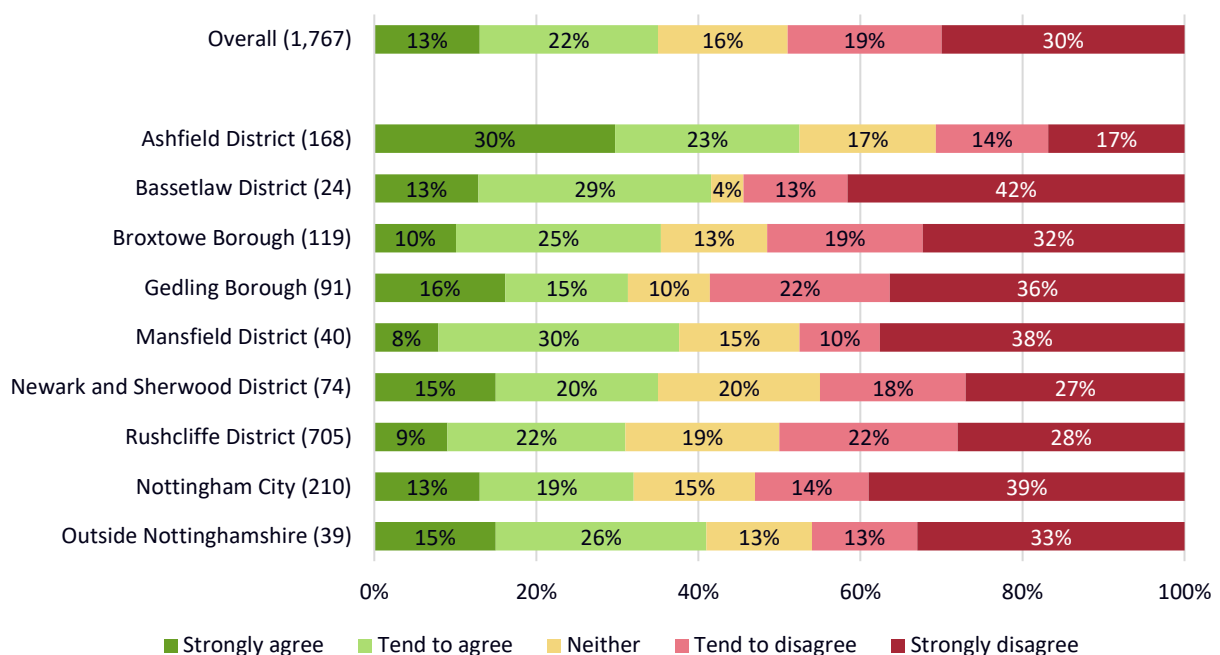
- 3.13 Figure 2 shows that the level of agreement between these sub-groups differs. Three-fifths (60%) of people responding who work for NFRS agreed that the Service needs to make changes to respond to its challenges, with almost four-in-ten (37%) strongly agreeing. By comparison, a much lower proportion (34%) of those who do not work for Nottingham Fire and Rescue Service agreed.

The Fire Cover Review

NFRS commissioned ORH, an independent sector leading specialist, to undertake its fire cover review and make recommendations to save £2m per year with the least possible impact on operational response times across the county and City. ORH reviewed emergency incident data across a five-year period.

To what extent do you agree or disagree with the approach of using an independent specialist to undertake the Fire Cover Review and provide the Service with recommendations?

Figure 3: Agreement with the approach of using an independent specialist to undertake the Fire Cover Review and provide the Service with recommendations (all personal responses by area)

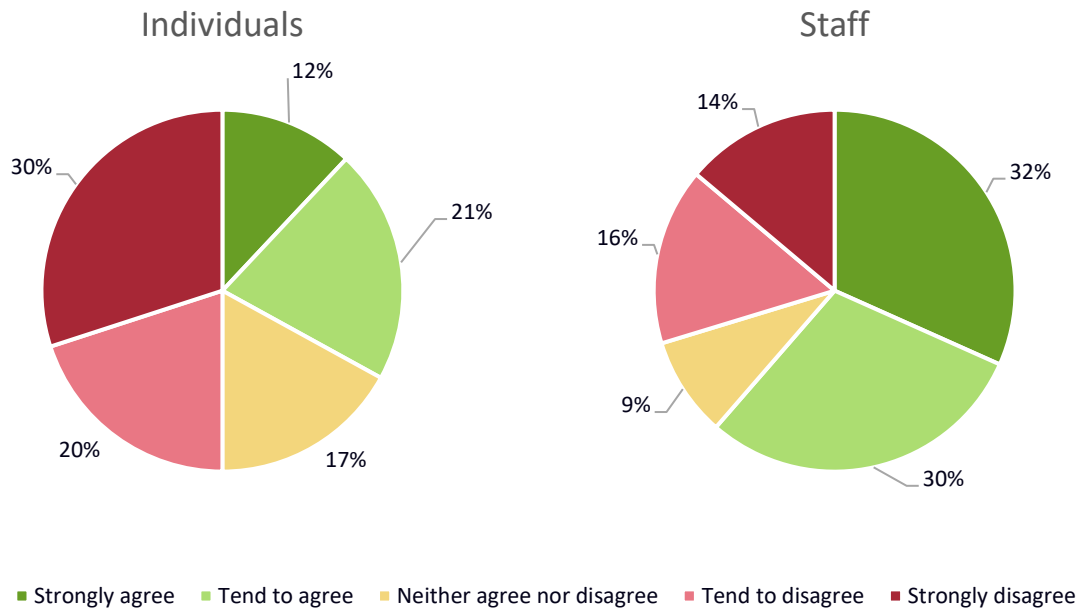


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.14 Overall, just over a third (35%) of people responding agreed with the approach of using an independent specialist to undertake the Fire Cover Review and provide the Service with recommendations.
- 3.15 Comparing responses across area, the strongest agreement was from people living in Ashfield District, with over half (53%) saying that they agreed with this approach, 30% strongly. Agreement was lowest for those living in Rushcliffe District, with only 31% agreeing.

3.16 The following figure shows the level of agreement broken down by whether they worked for NFRS.

Figure 4: Agreement with the approach of using an independent specialist to undertake this review and provide the Service with recommendations (personal responses broken down by individuals and staff)



Base: Individuals (1,434), Staff (81)

3.17 Figure 5 shows that again the level of agreement between these sub-groups differs. Over three-fifths (62%) of people responding who work for NFRS agreed with the approach of using an independent specialist to undertake the Review and provide the Service with recommendations, nearly one-third (32%) strongly. By comparison, a much lower proportion (33%) of those who do not work for NFRS agreed.

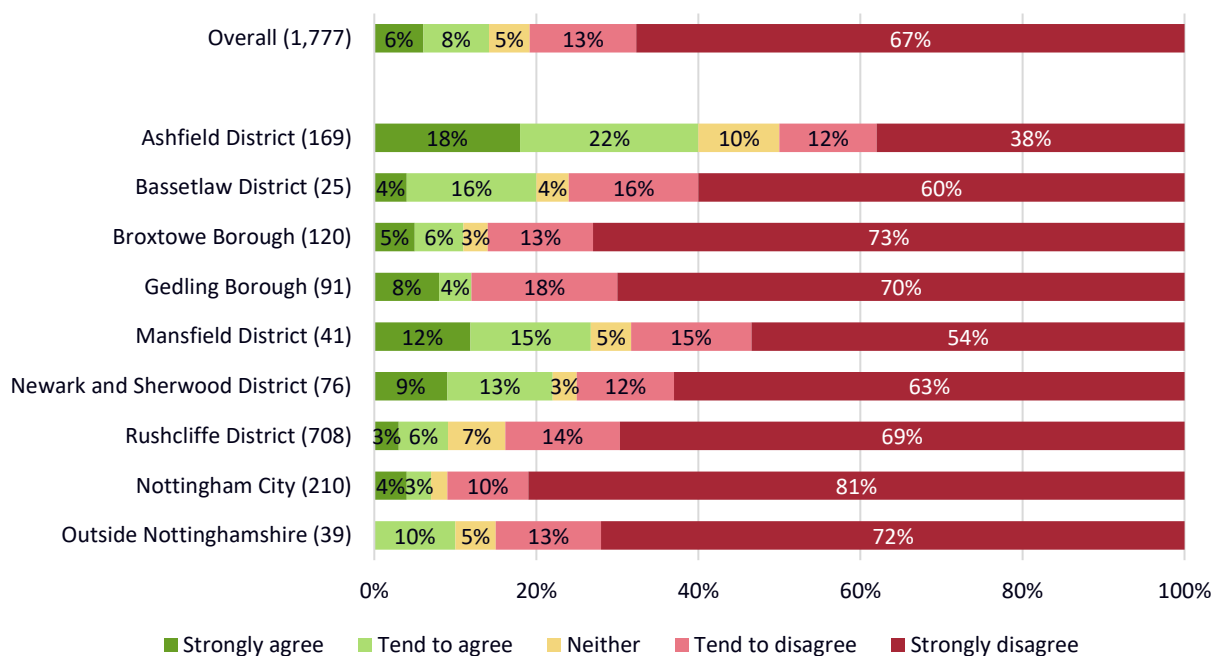
Proposals for London Road and Stockhill Fire Stations

Stockhill and London Road Fire Stations are the only two stations in the Service that have two wholetime fire engines. To make cost savings, NFRS is proposing to remove one of the two fire engines at these fire stations.

This change would increase the time it takes the first fire engine to attend incidents in the City of Nottingham by 21 seconds on average. Incidents in the City of Nottingham will always be attended by the nearest available fire engine.

To what extent do you agree or disagree with this proposed change to fire cover in the City of Nottingham?

Figure 5: Agreement with the proposed change to fire cover in the City of Nottingham (all personal responses by area)

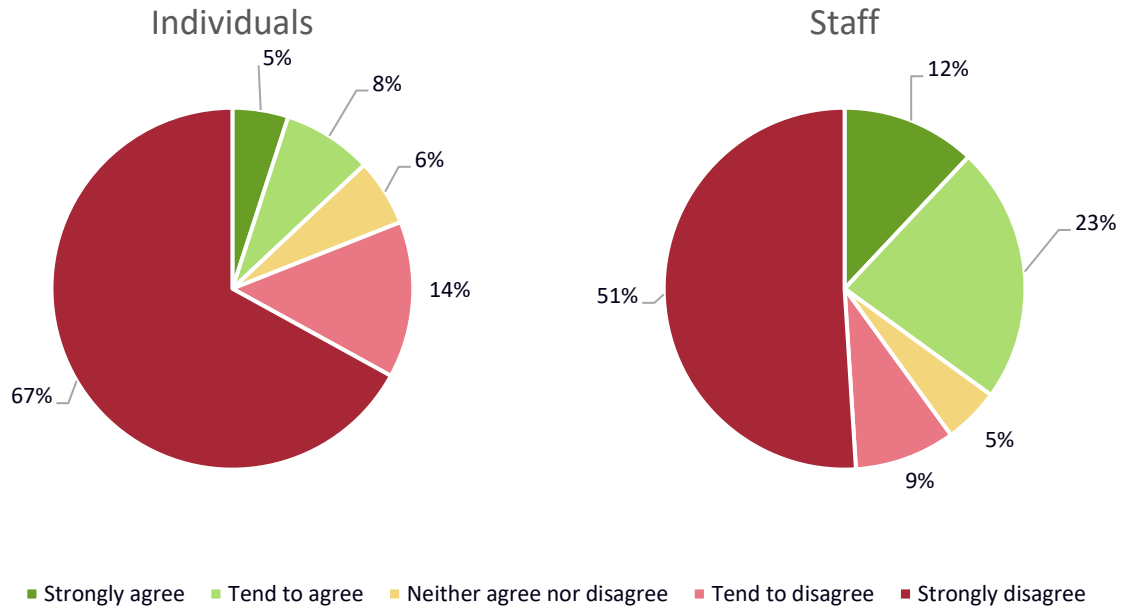


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.18 Overall, only 14% of people responding agreed with the proposed change to fire cover in the City of Nottingham.
- 3.19 Again, comparing responses by area, the strongest agreement was from people living in Ashfield District, with two-fifths (40%) saying that they agreed with this proposed change. Agreement was much lower among those people living in Rushcliffe District and Nottingham City, with only 9% and 7% agreeing respectively.

3.20 The following figure shows the level of agreement broken down by whether respondents work for NFRS.

Figure 6: Agreement with the proposed change to fire cover in the City of Nottingham (personal responses broken down by individuals and staff)



Base: Individuals (1,442), Staff (81)

3.21 Figure 7 shows that over a third (36%) of people responding who work for NFRS agreed with the proposed change to fire cover in the City of Nottingham. By comparison, a considerably lower proportion (13%) of those who do not work for NFRS agreed.

Proposal for Ashfield Fire Station

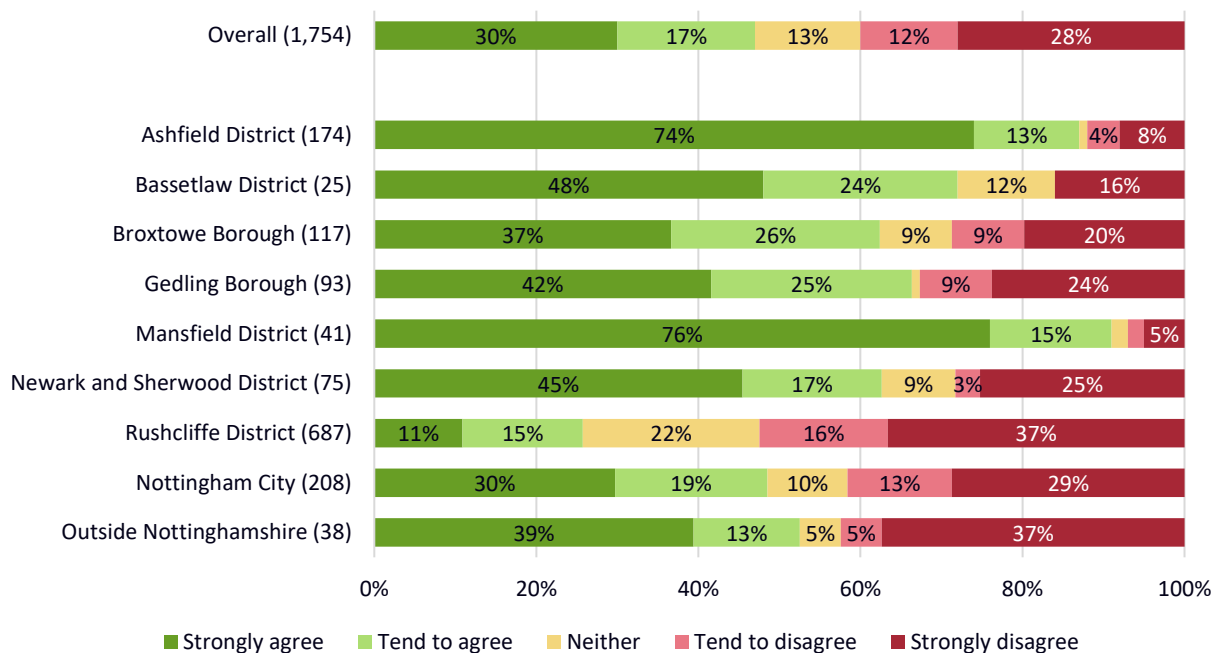
The independent report of NFRS's initial fire and operational response cover review showed that if both second appliances were to be removed from London Road and Stockhill Fire Stations to make the required budgetary savings, the best use of remaining resources, based on maintaining the quickest response times at both district/borough and county level, would be to restore a wholetime 24/7 crewing model at Ashfield Fire Station.

Currently, Ashfield Fire Station is crewed in the day by wholetime firefighters that are based at the station and available for immediate response. Overnight, it is staffed by On-Call firefighters who are called in to the station to respond to incidents as required.

Reinstating wholetime 24/7 fire cover at Ashfield would reduce the time it takes for the first fire engine to attend all incidents in the Ashfield District by 48 seconds on average.

To what extent do you agree or disagree with the proposed change to fire cover at Ashfield Fire Station?

Figure 7: Agreement with the proposed change to fire cover at Ashfield Fire Station (all personal responses by area)

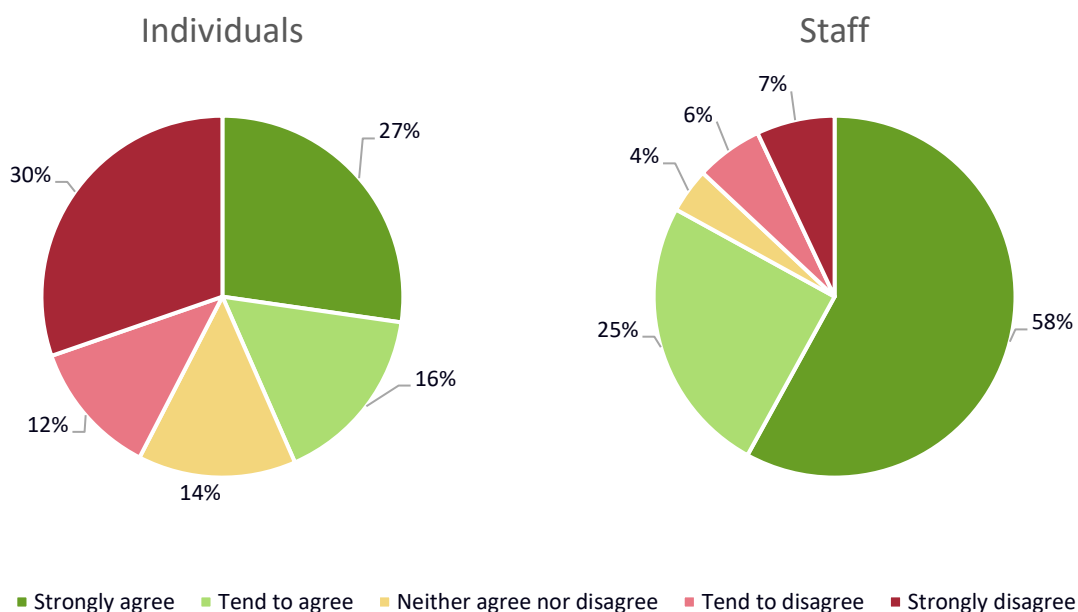


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.22 Nearly half (47%) of people responding overall agreed with the proposed change to fire cover at Ashfield Fire Station.
- 3.23 Comparing responses across areas, the strongest agreement was among people living in Ashfield and Mansfield Districts, with 87% and 90% saying that they agreed with this proposed change respectively. Agreement was much lower among those living in Rushcliffe District, with only 25% agreeing.

3.24 The following figure shows the level of agreement broken down by whether respondents work for NFRS.

Figure 8: Agreement with the proposed change to fire cover at Ashfield Fire Station (personal responses broken down by individuals and staff)



Base: Individuals (1,421), Staff (81)

3.25 Figure 9 shows that the level of agreement between these sub-groups once again differs. Over four-fifths (83%) of people responding who work for NFRS agreed with the proposed change to fire cover at Ashfield Fire Station, with nearly six-in-ten (58%) strongly agreeing. By comparison, a lower proportion (43%) of those who do not work for NFRS agreed.

Proposal for West Bridgford Fire Station

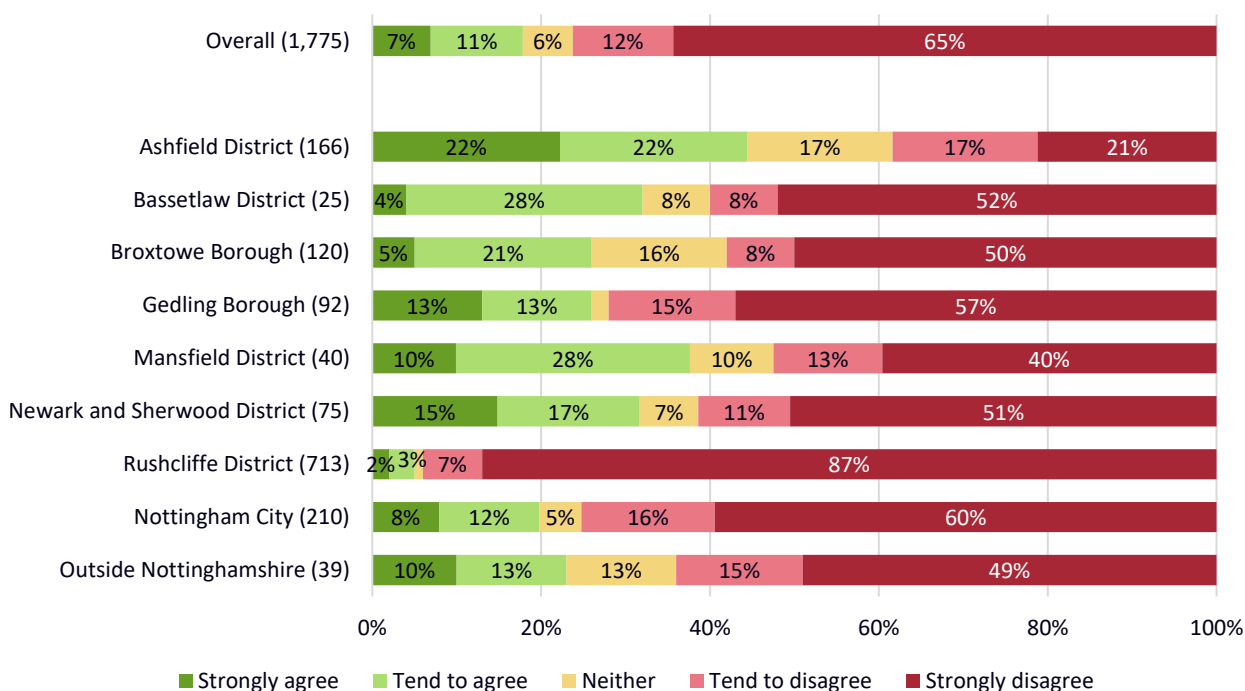
To support the proposal for Ashfield Fire Station, NFRS is proposing to remove night-time fire cover from West Bridgford Fire Station to allow resources to be reallocated.

West Bridgford is an area identified in the review as having a lower number of emergency incidents and a lower risk profile than other areas. Also, in 2017, Central Fire Station was relocated to the new fire station on London Road, which is only two miles from West Bridgford Fire Station. This is the closest distance between any of the Service’s fire stations. As with all incidents, the nearest available fire engine would continue to be sent on all occasions.

This change would increase the time it takes the first fire engine to attend incidents in Rushcliffe District by an average of 43 seconds.

To what extent do you agree or disagree with this proposed change to fire cover at West Bridgford Fire Station?

Figure 9: Agreement with this proposed change to fire cover at West Bridgford Fire Station (all personal responses by area)

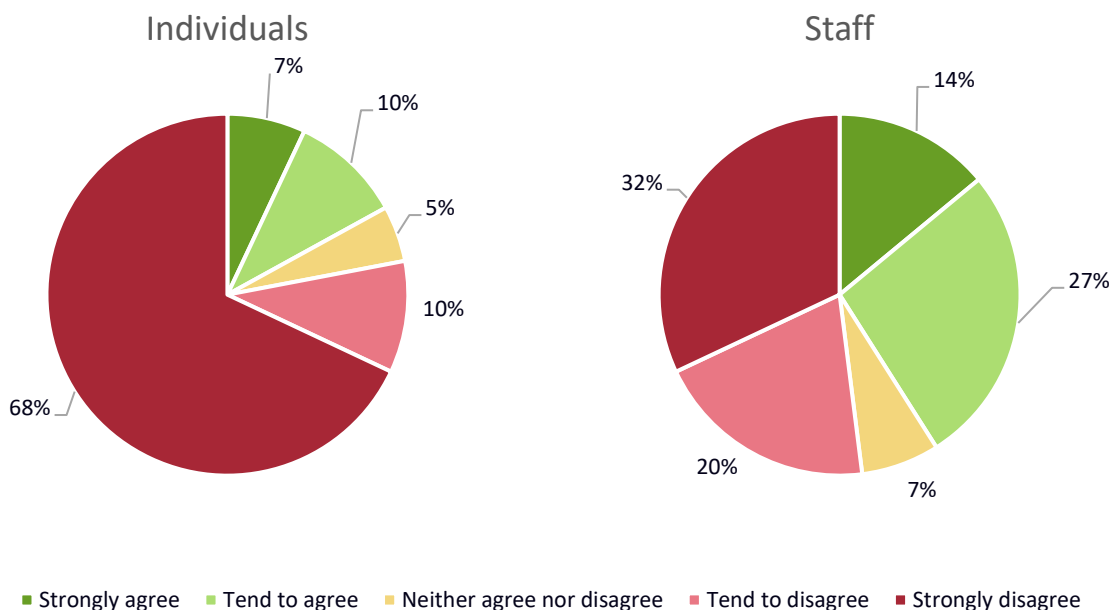


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.26 Overall, only 18% of people responding agreed with this proposed change to fire cover at West Bridgford Fire Station.
- 3.27 Comparing responses across areas, the strongest agreement was among people living in Ashfield District, with over two-fifths (45%) agreeing with the proposed change, 22% strongly. There were also higher levels of agreement among people living in Bassetlaw District, Mansfield District and Newark and Sherwood District, where 32%, 38%, and 32% agreed respectively. Conversely, only 5% of respondents from Rushcliffe District agreed with the proposed change.

3.28 The following figure shows the level of agreement broken down by whether they worked for NFRS.

Figure 10: Agreement with this proposed change to fire cover at West Bridgford Fire Station (personal responses broken down by individuals and staff)



Base: Individuals (1,446), Staff (81)

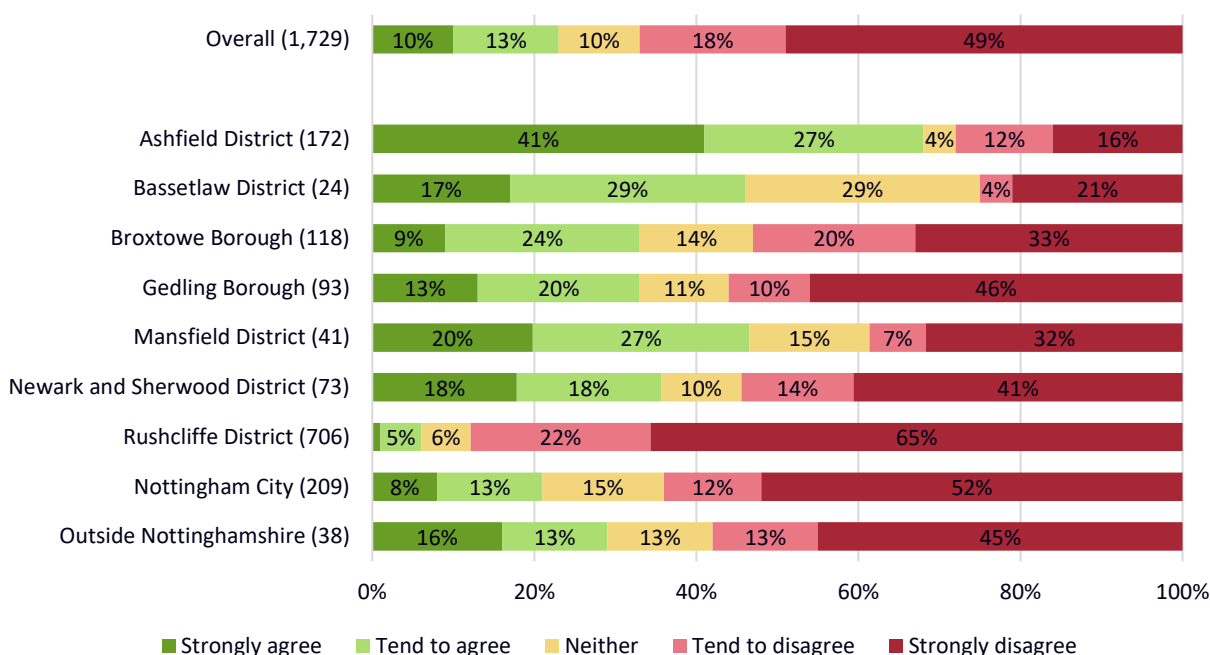
3.29 Figure 11 shows that again the level of agreement between these sub-groups differs. Over two-fifths (41%) of people responding who work for NFRS agreed with the proposed change to fire cover at West Bridgford Fire Station, with over one-in-eight (14%) strongly agreeing. By comparison, a much lower proportion (17%) of those who do not work for Nottingham Fire and Rescue Service agreed.

Matching resource to risk

The fire cover review shows that the proposal to add overnight fire cover at Ashfield Fire Station, and remove it from West Bridgford to fund this, ensures the quickest average response times across the whole county and City whilst meeting the required budgetary savings.

To what extent do you agree or disagree with the principle of redistributing operational resources in this way?

Figure 11: Agreement with the principle of redistributing operational resources in this way (all personal responses by area)

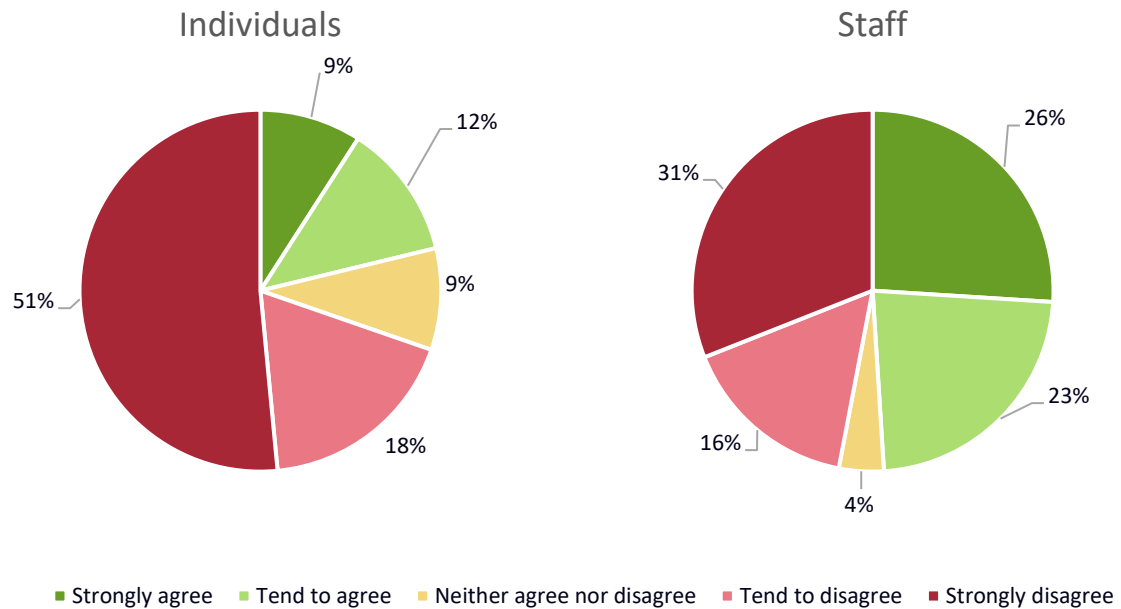


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.30 Overall, nearly a quarter (24%) of people responding agreed with the principle of redistributing operational resources in this way.
- 3.31 Comparing responses by area, the strongest agreement was from people living in Ashfield District, with over two-thirds (69%) saying that they agreed with this principle, 41% strongly. Agreement with the principle was lower among those people living in Rushcliffe District, with only 7% agreeing.

3.32 The following figure shows the level of agreement broken down by whether respondents work for NFRS.

Figure 12: Agreement with the principle of redistributing operational resources in this way (personal responses broken down by individuals and staff)



Base: Individuals (1,438), Staff (80)

3.33 Figure 13 shows that the level of agreement between these sub-groups differs once more. Nearly half (49%) of people responding who work for NFRS agreed with the principle of redistributing operational resources, with over a quarter (26%) strongly agreeing. By comparison, a lower proportion (22%) of those who do not work for NFRS agreed.

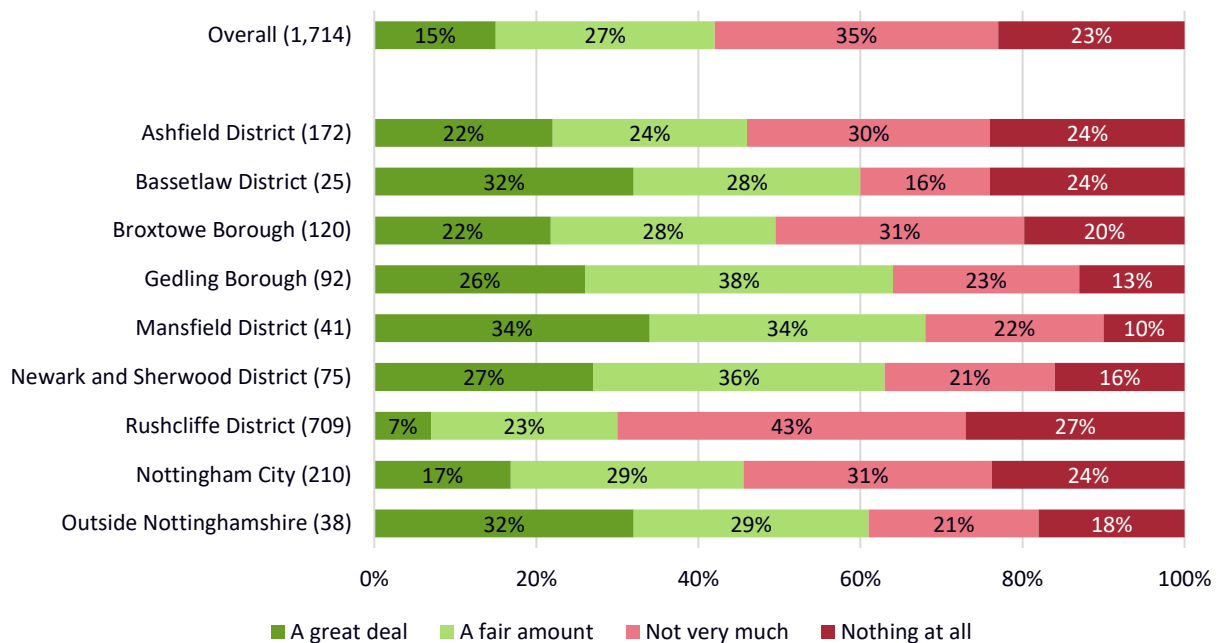
Emergency response times

NFRS's current response standard is to reach incidents within eight minutes, on average, from the time the first fire engine is dispatched. Based on the most up-to-date information available, the average time currently being taken to reach incidents across the county and City is seven minutes and 57 seconds.

When the overall impact of the proposals is considered, the average time for a first fire engine to arrive at an incident, from the point it was mobilised, is predicted to increase by seven seconds across the county and City.

To what extent were you aware of NFRS's response times before taking part in this consultation?

Figure 13: Awareness of NFRS's response times before taking part in this consultation (all personal responses by area)

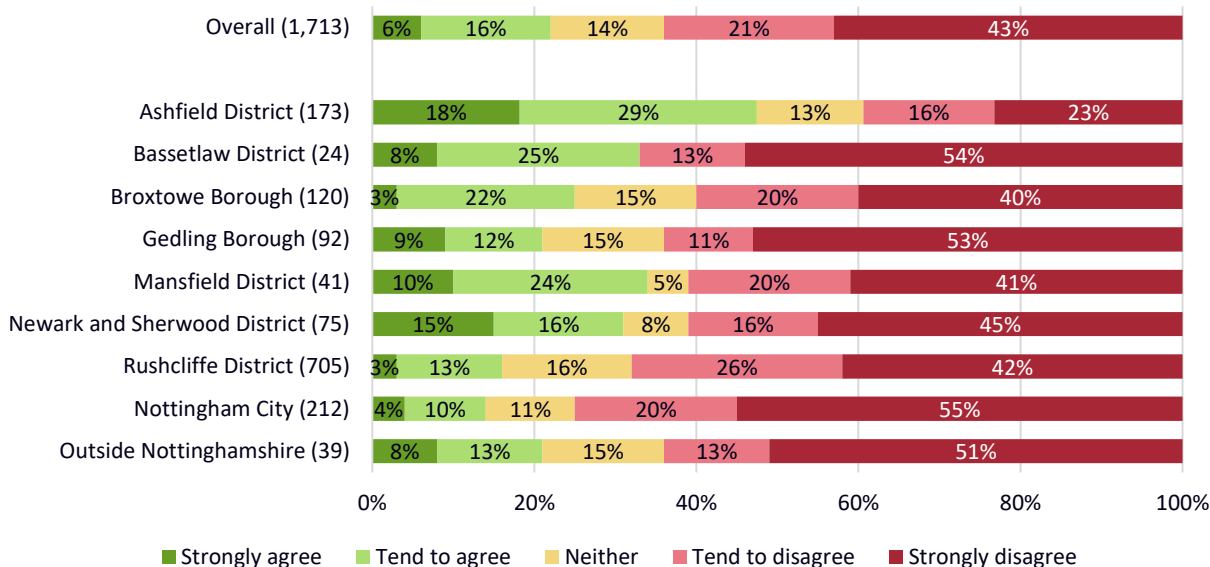


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.34 15% of people responding felt they knew 'a great deal' about NFRS's response times before taking part in this consultation, while a further 27% felt they knew 'a fair amount'. On the other hand, almost three in five people said they did not know very much (35%) or that they knew 'nothing at all' (23%).
- 3.35 Comparing responses across district/borough, the highest level of awareness was amongst those people living in Mansfield District with 34% aware 'a great deal' and a further 34% aware 'a fair amount'. Conversely the lowest level of awareness was amongst those people living in Rushcliffe District with only 7% aware 'a great deal' and 23% aware 'a fair amount'.

To what extent do you agree or disagree that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting required budgetary savings?

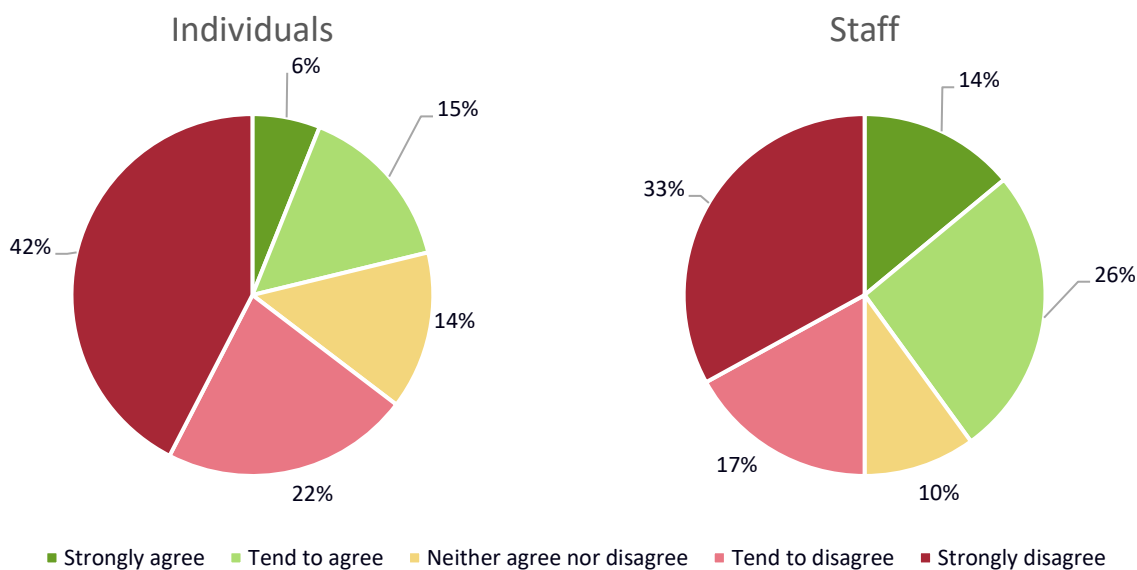
Figure 14: Agreement that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings (all personal responses by area)



Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.36 Overall, just over a fifth (22%) of people responding agreed that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings.
- 3.37 Comparing responses across areas, the strongest agreement was from people living in Ashfield District, with nearly half (48%) agreeing that the increase would be acceptable, 18% strongly. Agreement that the increase would be acceptable was lower for those people living in Rushcliffe District and Nottingham City, where only 15% and 14% agreed respectively.

Figure 15: Agreement that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings (personal responses broken down by individuals and staff)



Base: Individuals (1,446), Staff (81)

3.38 Figure 16 shows the differing level of agreement between those who work for NFRS and those who do not. Two-fifths (40%) of people responding who work for NFRS agreed that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings. By comparison, a lower proportion (22%) of those who do not work for NFRS agreed.

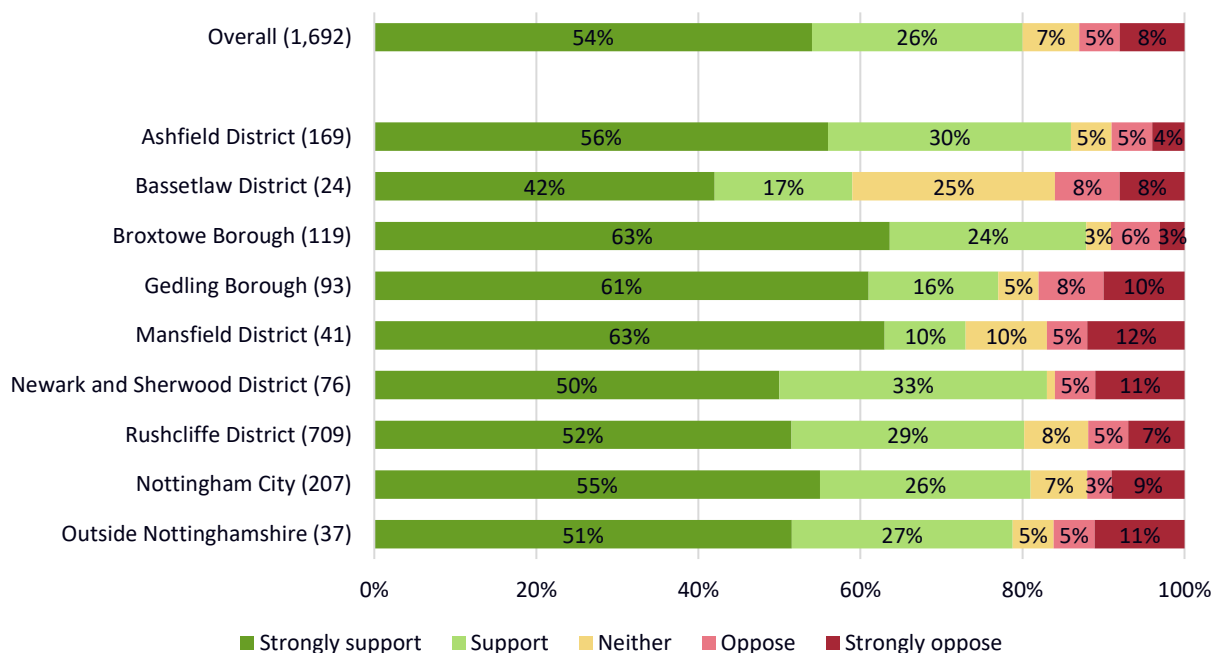
Council tax

More than half of the total funding NFRS receives is through council tax; currently costing a Band D property owner £84.57 per year (households in other bands will pay more or less than this). The Fire Authority could raise this, but is limited to an increase of 1.95% , which would not cover the budget deficit.

If permitted by Government, an additional £1.2 million could be raised through a one-off £5 council tax increase for all households, raising the contribution of a Band D property to £89.57 per year. This would reduce NFRS’s budget deficit and reduce the extent of the changes needed to its operational response model. However, it would still not meet all the budgetary savings required.

If it was possible, to what extent would you support or oppose a one-off £5 council tax increase for NFRS?

Figure 16: Support for a one-off £5 council tax increase for NFRS (all personal responses by area)



Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

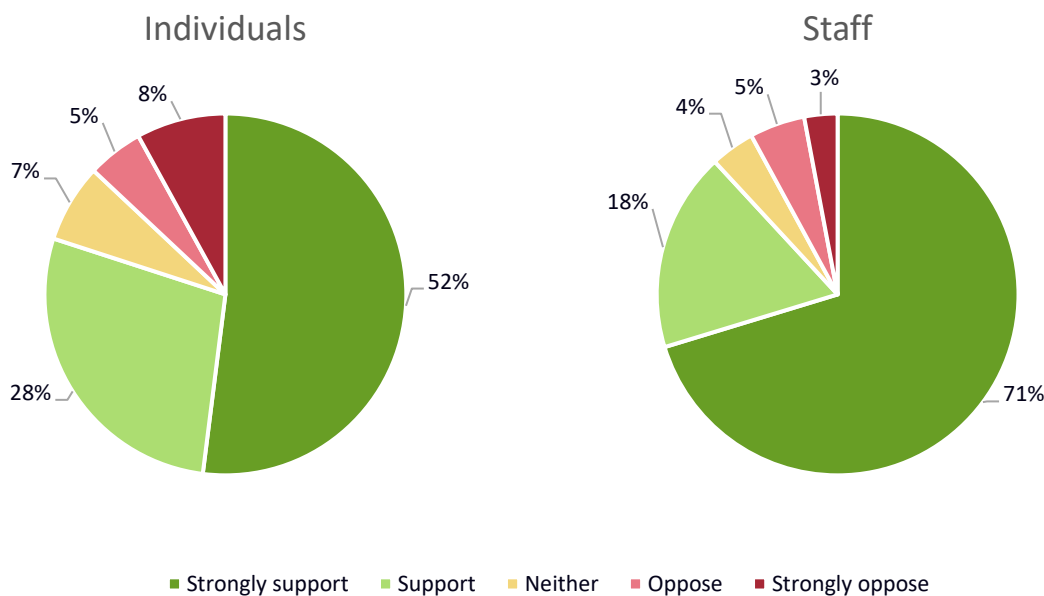
3.39 Overall, four-fifths (80%) of people responding said they would support a one-off £5 council tax increase for NFRS.

3.40 Comparing responses across areas, the strongest support was from people living in Ashfield District and Broxtowe Borough, with 86% and 87% agreeing respectively. Support for a one-off £5 council tax increase for NFRS was lower among those living in Bassetlaw District, where only 58% said they would support it.

3.41 Looking at other differences in response, the level of support ranged from 75% for those describing themselves as Non-White British, to 83% for those aged 45 to 54.

3.42 The following figure shows the level of support broken down by whether respondents work for NFRS.

Figure 17: Support for a one-off £5 council tax increase for NFRS (personal responses broken down by individuals and staff)



Base: Individuals (1,437), Staff (79)

3.43 The level of support for a one-off £5 council tax increase for NFRS among respondents who work for the Service was slightly higher, with almost nine-in-ten (89%) saying they would support such an increase. By comparison, four-fifths (80%) of people who do not work for NFRS said they would support it.

Any other comments

3.44 The comments made in response to the questionnaire have been read, categorised and summarised. It is important to note that the following section is a report of the views expressed by respondents. If these views are not supported by the available evidence, ORS has not sought to highlight or correct those that make incorrect statements or assumptions, and this should be borne in mind when considering the responses.

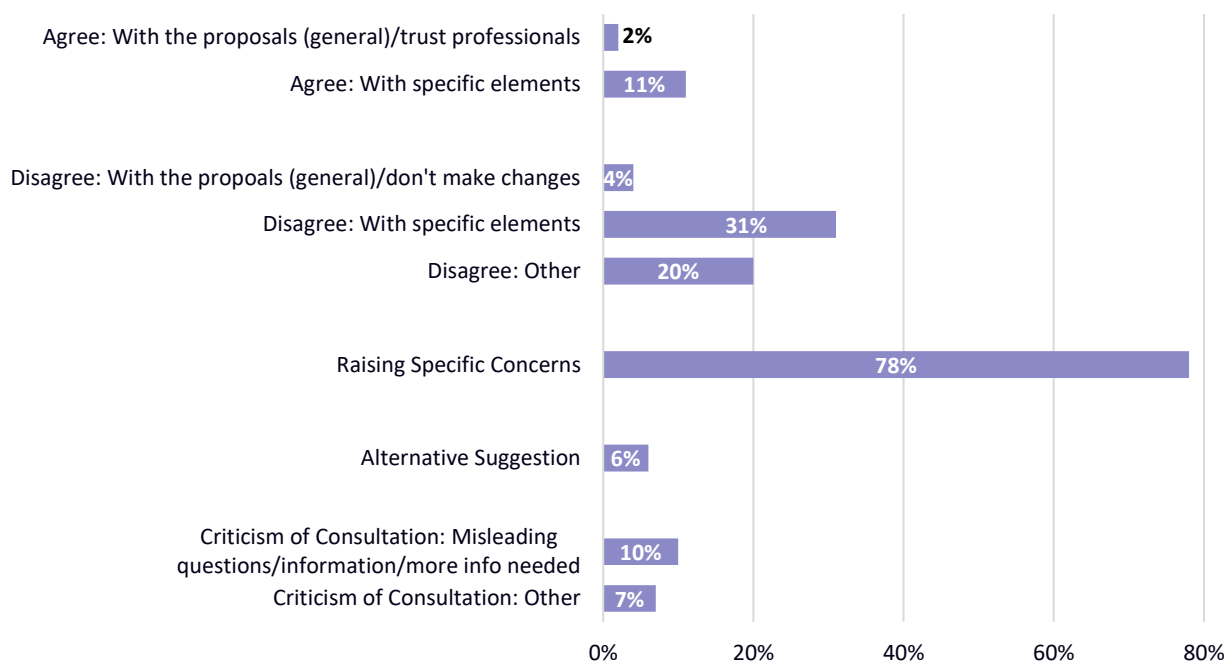
If you have any other comments you would like to make or want to suggest any alternatives to address the specified challenges, please write below.

3.45 When asked if they had any other comments or wanted to suggest any alternatives to address the specified challenges, the types of responses can be broken down into three categories:

- Those taking the opportunity to reiterate their agreement or disagreement for the proposals outlined
- Those raising specific concerns
- Those providing alternative proposals or criticising the consultation.

3.46 Figure 19 below shows the percentage in each category.

Figure 18: Other comments – High level summary (personal responses)



Base: Personal Responses (713)

3.47 Of all respondents providing a comment or alternative proposal, 2% did so to reiterate their agreement with the proposals in general and over one-in-ten (11%) agreed with specific elements.

3.48 4% offered a comment to reiterate their disagreement with the proposals in general, almost a third (31%) were disagreeing with a specific element and one-fifth (20%) were disagreeing in some other way.

3.49 Below are some of the specific comments from those reiterating agreement with the proposals.

“Ashfield fire station definitely needs to be upgraded to 24/7 manning. There are, to my knowledge, 3 paint manufacturing plants on the ground, other heavy industrial areas and obviously the motorway. Please can this be upheld?” (Individual)

“With regard to the one-off council tax increase I would agree that this is a positive option however funding from the government needs to be reviewed. It shouldn’t be down to the taxpayer to feel this burden constantly...” (Individual)

3.50 Some of the specific comments from those reiterating disagreement with the proposals are below.

“Appalling suggestions to have one engine in the city centre especially facing the extreme weather conditions we have experienced over the year. Not to mention these are expected to worsen. Ashfield should always have been fully crewed and to redistribute funds from Bridgford for this is just moving the problem around” (Individual)

“Removal of the second engines from the busiest stations in the county is ridiculous. Many stations up north have almost comparably 0 calls and cost the service millions per year. Saying 7 second increase for the first attendance means nothing when most high-rise fires require two engines to even go up the building, so why haven’t you published the third and fourth fire engine attendance time difference because that’s the real attendance time, when 1 fire engine can’t do anything until the next truck arrives. This is fudging the numbers to cut the real front line of the fire service. Close West Bridgford station and sell it to the police” (Individual)

“Massive housing, shopping, business, schooling, leisure and general developments on the southern fringes of Nottingham especially plus in all the local villages make an expansion of this essential lifesaving service a must do. Satellite stations will also be needed soon as more developments takes place further out of the Nottingham ring road areas. Nottingham Knight and Wheatcroft Islands plus the whole ring road system is often blocked by accidents so stations further out will be needed rather than cutting cover” (Individual)

“To reduce fire cover in areas where thousands of new houses are being built, or have been built, and where new industrial units are being built, is totally unacceptable. You would be better off reducing the upper management and using the money to keep fire cover” (Individual)

“As a resident of West Bridgford the proposal to remove our resources overnight is obviously alarming but one I could understand given the distance to London Road, however the addition of removing resources from London Road (and stating in the review that it’s ok to remove overnight cover from West Bridgford due to the proximity to London Road) is a double blow to the area and would put us at risk. Whilst I understand the need to fully staff Ashfield, I cannot support a move that will put my family at risk” (Individual)

3.51 One-in-ten (10%) of those responding to this question raised criticisms of the consultation in relation to misleading questions and information, as well as requests for more information. A further 7% made other criticisms of the consultation process. The following quotations highlight some of the issues raised.

“All the previous information doesn't give enough information about the population of the area each fire station covers i.e., residential, commercial or industrial or the historic incidence of each area. It also doesn't seem to have given any thought to the impact of the current energy crisis and the probability of desperate people using unsafe practices to cook, heat and light their homes” (Individual)

“Disclosing average response times before and after the proposed changes don't provide sufficient information. More crucially, what is the current and estimated slowest response time? In other words, how wide is the distribution of response times and how is the forecast to be influenced by the proposed changes? Furthermore, how wide is the distribution at night when the critical changes could be made?” (Individual)

3.52 As noted in the previous chart, 6% of respondents to this question provided alternative proposals, with a range of suggestions given as below.

“All the emergency services need to make cuts, you have just built a brand-new fire station in Worksop, the police are in the council building and the ambulance service desperately need a new building. Would it not make sense for all three services to be together in your new building? Police and EMAS would obviously rent your space meaning income for you and savings for all in the long run” (Individual)

“It would seem that the time has come to establish a regional, East Midlands, fire service. Even with the present model, resilience has been greatly compromised and reliance on neighbouring authorities has become a matter of routine. The amalgamation of HQ functions and senior leadership roles would seem to be a better place to start than further reducing front line cover, if the aim of the exercise is to save money” (Individual)

“Stop all non-emergency activity until proper funding is in place” (Individual)

“I am aware of an option to reduce the number of firefighters on each appliance from the current standard of 5 down to 4. This would create a significant saving whilst still having an appliance attending incidents within the current timeframes” (Individual)

“Alternative suggestion: rather than a day/night shift, split into three. 0400 – 1200, 1200 – 2000, 2000 – 0400...” (Individual)

“Has changing the rota of what hours/days staff work and any savings that could be made been looked into rather than 4 on 4 off currently worked? 24 hour on 2 days off maybe, only 3 watches required then?” (Staff)

“... Should the cuts go ahead why not run 03 as a tech station model with a standard of 7, two dedicated to the ALP? Relying on 01a1 to attend the City with the ALP with not only put firefighters at risk in waiting times but also our Mansfield area at risk of slower response times” (Staff)

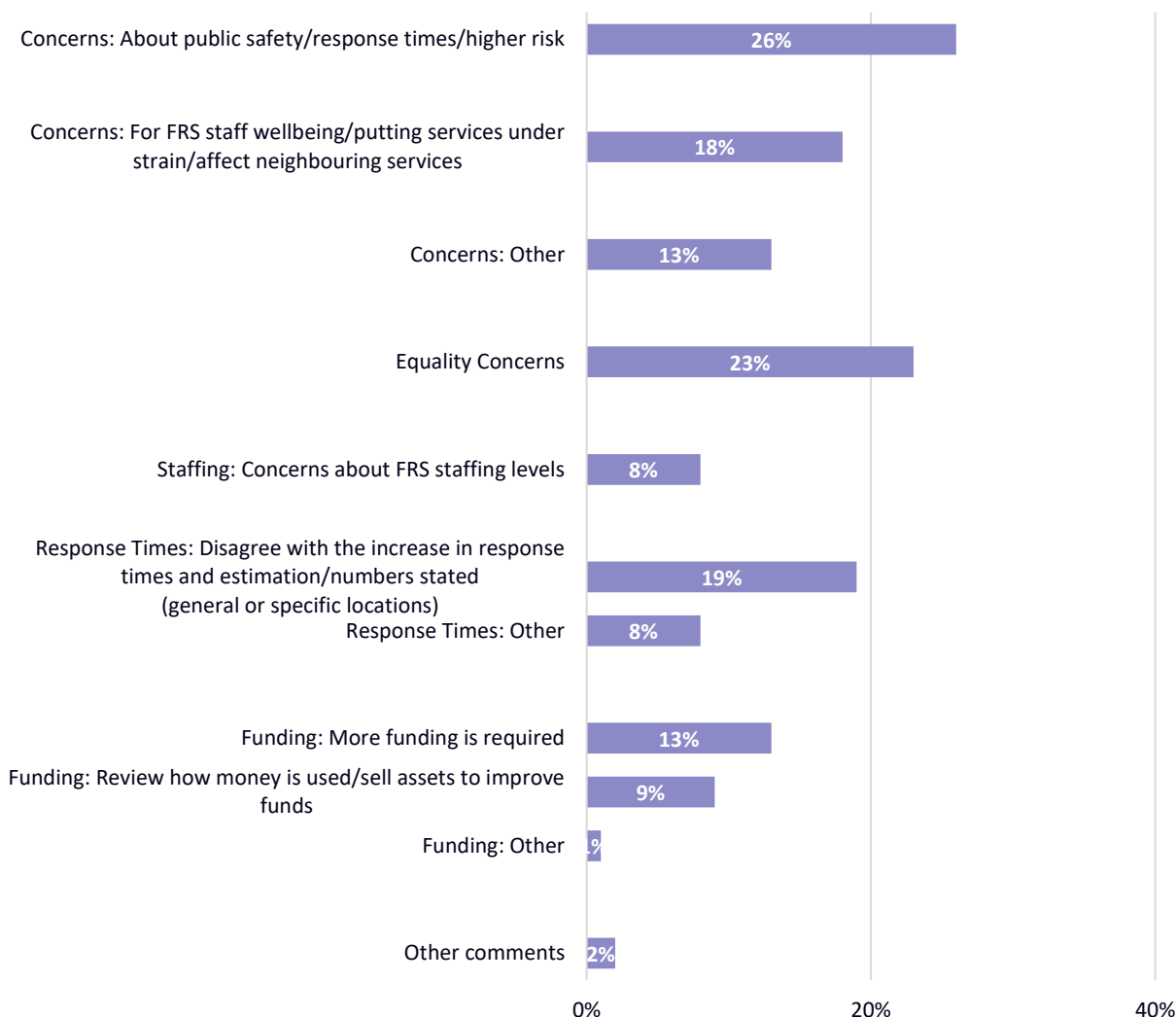
“Most of these calls will be AFAs. Does the AFA policy/stand by policy need updating and reviewing? For example, could 03 be left unstaffed if 20 were in, or could there be a rota system for each standby station?” (Staff)

“Going by your data, it would only take an extra 7 seconds to reach an incident, should West Bridgford go day crewing? Why not get rid of West Bridgford all together and keep 2 appliances at a London Road to cover this. Losing a pump saves you £1 million, and then getting rid of the ongoing expenses of running the station and selling it would more than cover the £3 million deficit?” (Staff)

“I believe that change to the structure of NFRS would be a better use of restructuring budgets without the need to remove fire appliances that would heavily impact on the important rescue work that the fire service is known for. There are areas within the fire service which have multiple management heads and with this comes a management costing. One area has seven managers. A removal of six managers at £45,000 a piece amounts to a saving of £270,000. This is just one area and goes 1/8 towards cost savings. As a public body should your chief positions be on six figure salaries?” (Individual)

3.53 The following figure provides more detail around the specific concerns raised when respondents were asked if they had any other comments or wanted to suggest any alternatives to address the specified challenges.

Figure 19: Other comments – More detailed breakdown of those raising specific concerns (personal responses)



Base: Personal Responses (713)

- 3.54 Of all the respondents who raised a specific concern, over a quarter (26%) noted a concern relating to longer response times leading to higher risk and reduced public safety. Nearly a fifth (18%) raised concerns around the wellbeing of FRS staff, services being placed under strain or adverse effects on neighbouring services; and over one-in-ten (13%) raised other, more specific, concerns.
- 3.55 Nearly a quarter of those responding (23%) raised an equality issue, and nearly one-in-ten (8%) raised concerns about NFRS staffing levels. Nearly one-in-five (19%) disagreed with the estimated increase in response times, and a further 8% raised other points around response times.
- 3.56 Around one-in-eight (13%) said more funding is required for NFRS, and nearly one-in-ten (9%) suggested a review into how money is used, using reserves to cover the budget shortfall, or the sale of assets to raise funds.
- 3.57 Some of the specific comments made can be seen below and overleaf.

“Night-time closure of West Bridgford and removal of one engine from London Road. I don't think the fact this area has both a premiership football ground and an international cricket ground, which now holds more events, has been taken into account. When these grounds are in use, traffic from the city is almost at a standstill. We also have major roads and an increase in housing and there have been a number of incidents of people in the water. A delay to the service could prove to be more fatal” (Individual)

“With global warming, and high temperatures coming the chances of massive fires needing more than one appliance are increasing. If a station only has one engine what happens if there are two fires simultaneously in an area. Rural areas are at very high risk here, and slower response times with longer distances to travel put lives, and land at risk. They should not be changed” (Individual)

“West Bridgford day manned only - if, as seems obvious, this did not work at Ashfield why is it being implemented at West Bridgford? If London Road is busy does this not leave more than an extra 7 second response time for that part of the county at night. This is also leaving a big strain on the retained stations who I am sure are finding it hard to recruit. There is a large amount of construction in the county which must bring a potential increase in fires and RTA's. ORH - the QMC hired Price Waterhouse Coopers to review staffing at their hospitals and submit a report. The cost of this was astronomical and the report never made the light of day! Surely, you have enough experience to do a review in-house...” (Individual)

“... The removal of one pump from London Road ... also affects the availability of the aerial ladder platform [ALP]. The ALP is crewed by what is called "jump crewing" where a crew from a fire appliance leave a pump on station and "jump" on to the ALP. If you remove a pump from London Road ... and the ALP is requested there will be no pump available. Also, if London Road are committed to a job, they can't be called for the ALP which means the next ALP is from Mansfield. It's a similar situation at Stockhill where they jump crew the Environmental Protection Unit (EPU). The difference is that there is no second EPU in Notts...” (Staff)

“The suggestion that this would increase response times by 7 seconds is false. If you remove three of the city’s fire appliances at night, then you are left with just enough to respond to an automatic fire alarm in the city. With these proposals, all of the city appliances would attend an AFA or fire at one of the high-rise buildings (which contain flammable cladding). In this situation, then there will be no resilience whatsoever for attending other incidents as all wholetime city fire appliances will be at the first incident. Therefore, if a fire happens in Carlton, West Bridgford, Beeston or the city, then you will be relying on appliances attending from further afield (often on call stations) and see response times rise by ten to fifteen minutes on such occasions. You have the data but fail to understand it and how it works” (Staff)

“I believe that it is a retrograde step to reduce provision for emergency services at a time when the need for emergency cover may increase dramatically for unforeseen reasons. There is an ageing population in Nottingham, and this may well increase the risk of fire or other needs for rescue services. Also, the increasing age of rented housing stock and older wiring within these also contributes to the risk. Nottingham is in an area with a high risk of flooding from the Trent which is likely to require the services of fire and rescue if buildings and residents are put at risk. I believe the present level of provision should not be reduced but that the additional increased provision should go ahead” (Individual)

“You haven’t quoted the revised response time for individual areas. If you remove night cover for West Bridgford, it is quite obviously going to take much longer to attend! Night-time is the most dangerous time for undetected fire while sleeping. There are also a higher proportion of band D and above properties in West Bridgford. So, not only do you want to put us at greater risk. You would like us to pay more to avoid the decision because you believe that we are wealthier and to subsidise the rest of the area too. Sounds a little bit like emotional blackmail! The worst service for the highest contributors” (Individual)

“My concern is that by removing the two fire engines in the city, this will have an impact on on-call crews around the city, making them too busy to sustain the current level of availability ... these changes mean [they are] likely to respond every night...” (Staff)

“The response time of under 8 mins does not take into account NFRS standard operating procedures for the many high-rise risks in the city area. It is more important what time the second and third appliance responds to a 999 call. This will be massively affected by losing an appliance from London Road and Stockhill. Night-time cover in the city will be extremely stretched with losing West Bridgford and London Road’s second truck and this will have a knock-on effect across all regions” (Staff)

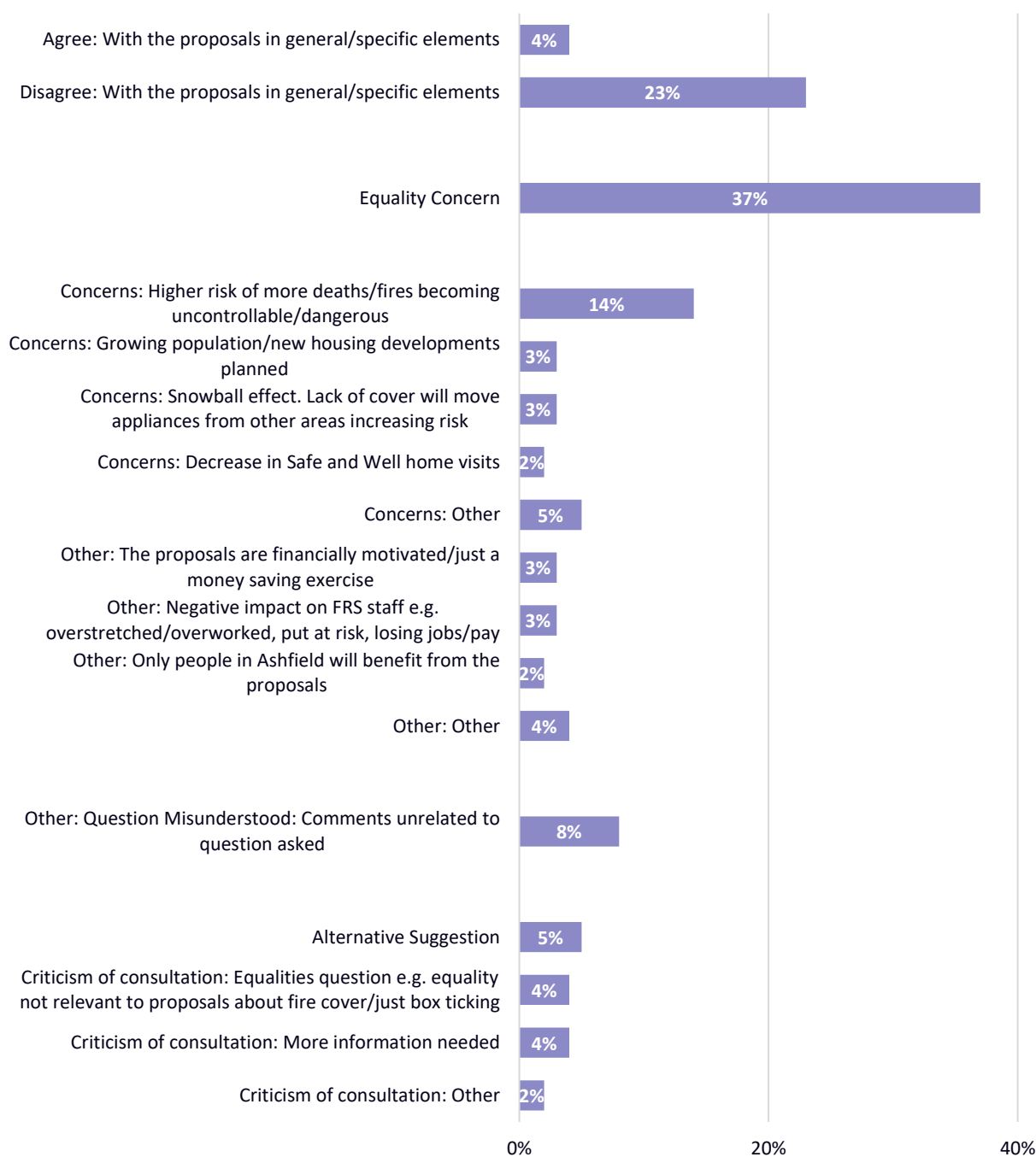
“... What this proposal does not tell the public is how this will affect the outcome of an incident having more than one fire appliance needed to attend to resolve. This puts a serious delay and knock-on to attendance of second and third appliances needed also for other jobs in the local area...” (Staff)

Equalities impacts

Are there any positive or negative impacts relating to equalities that you believe should be taken into account? If so, are you able to provide any supporting evidence and suggest any ways to reduce or remove any potential negative impact and increase any positive impact?

3.58 When asked if there any positive or negative impacts relating to equalities that should be taken into account, a variety of responses were provided - some covering areas beyond equality. Figure 21 below shows the high-level responses to this question.

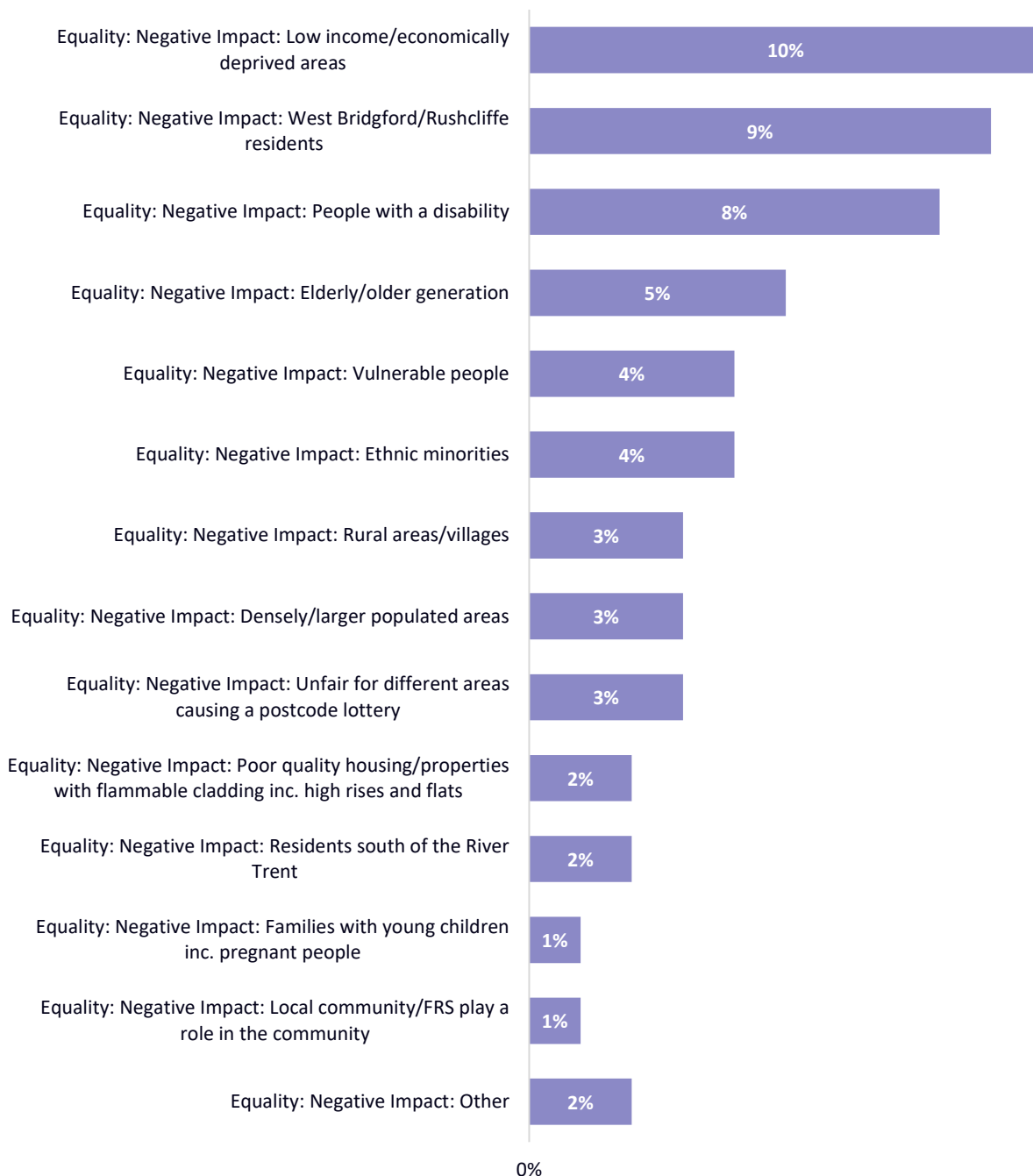
Figure 20: Positive or negative impacts relating to equalities – High level summary (personal responses)



Base: Personal Responses (249)

3.59 Of those giving a response to this question only around two-fifths (37%) gave an answer specifically about equality concerns. The following figure looks at these in more detail. Others either reiterated their reasons for supporting or opposing the proposals and criticising the consultation, or misunderstood the question, believing it to be asking about equality and diversity within the Service itself.

Figure 21: Positive or negative impacts relating to equalities – More detailed breakdown of those raising equality concerns (personal responses)



Base: Personnel Responses (249)

3.60 One-in-ten (10%) of those giving a response to this question noted potential equalities issues relating to negative impacts on low income/economically deprived areas; 9% raised the potential for negative impacts on West Bridgford/Rushcliffe residents; and 8% raised equality issues relating to negative impacts on those with a disability. As can be seen above, concerns for a range of other groups were also raised.

3.61 The quotations below and overleaf highlight some of the specific equality issues raised.

“A delayed response time will have a negative impact on the disabled vulnerable older residents who have either a physical or mental disability. Six of my residents would have difficulty escaping from smoke or fire due to mobility or mental health issues. Keeping a night-time fire service in West Bridgford would be a positive impact as they are nearby. These residents live in their own bungalow and have an efficient wired in fire alarm system in place...” (Individual)

“A number of communities will be negatively impacted by the removal of fire engines from an equality point of view. This is due to Rushcliffe being an ageing population, and a number of the city areas which will be impacted by the proposals being home or work areas for BAME communities” (Individual)

“As a manager of six care homes in the West Bridgford area, I find these cutbacks a serious worry with the implications they might have upon my care homes” (Individual)

“As I have mobility issues and live in a fifth floor flat in West Bridgford, it is vital to me that I have emergency assistance asap in the event of a fire in my building. Because I would not be able to escape the building without physical assistance as I would not be able to use the lift. Therefore, I could not countenance a longer delay for emergency response than already exists” (Individual)

“The proposed option takes the average response time in Rushcliffe to 10.30 mins which is the longest from any borough. This will have a disproportional impact on those with disabilities who will find it more difficult to escape in a fire” (Staff)

“Inhabitants of Rushcliffe are being unfairly treated. The slowest response time is in Rushcliffe, but this reorganisation makes this slower still and increases the discrimination against residents of West Bridgford” (Individual)

“For those with mobility issues/disabilities that would prevent them from self-rescuing, surely increases in attendance times and pre-determined attendance [not] being met, allowing the fire crews to commit and facilitate rescues could be catastrophic” (Staff)

“The City has a higher proportion of people from the BAME community ... Reducing fire cover for our BAME community to dangerous levels is negatively impacting them ... This is particularly relevant to people living in high-rise buildings where there are higher proportions of people from different ethnic backgrounds. This will increase response times to buildings in the city (particularly when both Stockhill and London Road are deployed to other incidents which will occur around 4,000 times per year based on incident data) ... It is inevitable that on one of those occasions another fire will break out at the same time, or someone will be requiring some other form of assistance. Removing the resilience for additional appliances removes fire cover on all of these occasions and this impacts the BAME community more than it does in rural areas as a higher proportion of people from diverse backgrounds live in the areas most affected” (Staff)

“Nottingham City, in particular the city north, has the highest number of BAME communities. Removal of 50% of available resources will adversely impact these communities. No mention is made in this consultation of the preventative work crews carry out. This will be significantly curtailed if the proposed reductions are implemented as appliances will be stretched across the county dealing with incidents. If prevention works, then reduction in these areas will lead to an increase in incidents leading to substantial risk for our vulnerable communities” (Staff)

“Removing the second fire engine from both stations will significantly reduce available time for public facing activities in the area. As the city has the highest proportion of marginalised groups, they will be negatively affected as they won't have regular visits to homes, schools and other events to receive advice and education from the service, leaving them more vulnerable to another aspect of life” (Staff)

“Have rural areas been taken into account and the risk of accidents and fires at farms? What other mitigations are in place? What is the day / night-time risk of fire for Rushcliffe?” (Individual)

“It would be right to consider blocks of flats with combustible cladding and the over representation of minority ethnic individuals in poor quality housing. Equally important would be how 7 seconds could mean a great deal more to a disabled person with limited mobility” (Individual)

Questionnaire Findings (organisations)

^{3.62} As outlined above, the response to the consultation included 14 questionnaires: The following organisations (including businesses) identified themselves as part of their responses to the questionnaire:

- Annesley and Felley Parish Council
- Derbyshire Fire & Rescue Service
- East Leake Parish Council
- Fire Brigades Union Nottinghamshire (branch and public meetings)
- Kinoulton Parish Council
- Lindley's Autocentres
- Member of Parliament for Nottingham North
- Member of Parliament for Nottingham South
- Member of Parliament for Rushcliffe
- Notts999Fire (a social media account that promotes the Fire and Rescue Service)
- Rugby Road Social Committee.

^{3.63} These responses are summarised below. Counts have been quoted rather than percentages due to the low number of submissions (i.e., 14 responses). Where the counts sum to fewer than 14, this is most likely due to the exclusion of 'don't know' responses, or to reflect where a question may have been left unanswered.

Financial challenges and the need for change

^{3.64} Of the 14 organisations responding to the questionnaire, five agreed that NFRS needs to make changes to respond to its challenges. However, eight organisations disagreed, and one expressed a neutral view (i.e., neither agreed nor disagreed).

The Fire Cover Review

- 3.65 Three organisations agreed with the approach of using an independent specialist to undertake this review and provide the service with recommendations. Three expressed a neutral view and eight disagreed.

Proposals for London Road and Stockhill Fire Stations

- 3.66 Only two organisations agreed with the proposed change to fire cover in the City of Nottingham, with two expressing a neutral view. The majority, 10 organisations, disagreed. Of those disagreeing, nine strongly disagreed.

Proposal for Ashfield Fire Station

- 3.67 Five organisations agreed with the proposed change to fire cover at Ashfield Fire Station. Five disagreed, all strongly. The remaining four organisations expressed a neutral view.

Proposal for West Bridgford Fire Station

- 3.68 The proposed change to fire cover at West Bridgford Fire Station was supported by three organisations, with a further three expressing a neutral view. The majority, eight organisations, disagreed. Of those disagreeing, seven strongly disagreed.

Matching resource to risk

- 3.69 Four organisations agreed with the principle of redistributing operational resources in the way proposed. However, seven organisations disagreed, six strongly. The remaining three organisations expressed a neutral view.

Emergency response times

- 3.70 Most of the responding organisations were aware of NFRS's response times before taking part in this consultation, with six organisations answering that they knew 'a great deal' and three organisations saying they knew 'a fair amount'. Three organisations said they did not know very much, and the remaining two answered that they knew 'nothing at all'.
- 3.71 Only three organisations agreed that an increase of seven seconds to the average attendance time would be acceptable, with two expressing a neutral view. The majority, nine organisations, disagreed. Of those disagreeing, seven strongly disagreed.

Council tax

- 3.72 The majority, nine organisations, said that they would support a one-off £5 increase for NFRS. Of these, six stated they strongly supported the increase. One organisation opposed the increase, one expressed a neutral view, and a further three said they didn't know.

Any other comments

- 3.73 The FBU raised several issues around funding, and expressed concern around misleading response time increase estimates, fewer resources and less resilience, and associated risks to public safety.

“These proposals are based on too many unknowns, the funding for Nottinghamshire Fire and Rescue service will not be known until late December, this could dramatically change what the Service looks like in the future. We believe that until the funding for the Service is known this should not have gone out to public consultation. The Service still has substantial reserves that can be used to offset these cuts, allowing time to secure future funding. The Fire Authority sets its own minimum reserve levels which are higher than many other services. How can this be rationalized when these cuts will have a devastating impact on the public across Nottinghamshire and will increase the risk to firefighters. Additionally, NFRS has some flexibility in borrowing power...

... The 7 second change to response times across the county reported in this consultation, is both misleading and does not reflect the true impact these cuts will have to the communities of Nottinghamshire. Are the Fire Authority prepared to gamble with lives of people they represent when there are options to postpone or stop these cuts? Residents in the City will be put at increased risk of injury or death if these cuts are allowed to go ahead, with Nottingham City still having over 20 properties with Grenfell style cladding...

... Fewer resources and slower response times can only lead to increased risk. We have seen already this year a dramatic increase in fire deaths across the county ... The cost-of-living crisis will have a negative effect on society, sending areas into deprivation. This is a time when we should be investing in public services not cutting them ... NFRS is increasingly being called to incidents outside of the county, that stretches our resources now, with the further cuts to NFRS and other services, the risk to communities across Nottinghamshire can only increase. It is plain to see that making these cuts will cost lives and increases the risk to firefighters, are the fire authority prepared to let this happen? It is impossible to predict where the next tragedy will be, don't let it be in Nottinghamshire because you supported these cuts” (FBU)

- 3.74 Derbyshire Fire and Rescue Service (DFRS), in its response, said that it understands the fire and rescue sector's financial challenges but is concerned that NFRS's proposals will result in an increased need for mobilisations of its own appliances into Nottinghamshire; increased response times and more vulnerable communities within Derbyshire; and reduced availability of over the border assistance from NFRS.

- 3.75 DFRS also noted an increase in over the border mobilisations (in both directions) over recent months. It also said that its mobilisation into Nottinghamshire is often as the first pump in attendance, in many cases to areas where reductions on cover are proposed. This, it feels, will only increase if the proposals are implemented.

“Derbyshire Fire & Rescue Service [is] fully aware of the financial challenges faced across the sector. We also understand and appreciate that a high proportion of any fire service's funding is spent on employee costs and because of this any reduction to finances may impact on employee numbers...

... The principle of sending the quickest appliance, irrespective of county, to any incident is long established, fully supported and is a vital component in lessening the impact on our communities when they need us the most. The data presented in the ORH report does not make reference to DFRS mobilisations into Nottinghamshire, or indeed vice-versa. We would welcome data that models the impact on DFRS based on the proposed changes. However, given our own data we consider that any reduction to fire cover in NFRS can only have the impact of increasing the number of mobilisations of DFRS appliances into Nottinghamshire. Furthermore, such changes also reduce the availability of over border assistance to our own incidents within Derbyshire...

... Our initial 6 months data for 2022/23 has seen a significant increase in over border mobilisations. DFRS appliances were mobilised into Nottinghamshire 524 times between April and September and NFRS pumps 278 times into Derbyshire over the same period. For stations such as Ilkeston we have seen a 42% increase in over border mobilisations compared to the previous year. We also note that our mobilisation into Nottinghamshire is often as 1st pump in attendance. For Ilkeston in 2021/22 this was at 60%, Long Eaton was 53% and for Alfreton 42% of mobilisations were as 1st pump. These levels appear to be maintained as we move through 2022 into next year, and it is notable that many such incidents are in the station areas where a reduction to cover is proposed. We anticipate that any removal of appliances in Nottinghamshire will only increase the number of occasions in which DFRS provide the 1st pump attendance.

Whilst the proposed change to cover at Ashfield will bring expected benefits to the surrounding communities, we are concerned about the potential implications of removing 2 appliances from the Nottingham City area by day, and 3 overnight. This is likely to produce a knock-on effect for Derbyshire, in the form of an increase to our over border mobilisations of both appliances and accompanying officers. This would lead to an increase in our own response times to incidents within Derbyshire, with fewer local appliances available, leaving our communities more vulnerable.

In summary we are concerned about the proposals being made as a result of the fire cover review. However, we recognise both the challenges faced by NFRS and the excellent longstanding relationship with DFRS. Accordingly, we welcome the opportunity to engage in further discussions and ask that additional data modelling is provided to enable us to fully understand what this impact will mean for DFRS and our communities" (Derbyshire Fire and Rescue Service)

- 3.76 Annesley and Felley Parish Council stated its support of the proposed changes at Ashfield Fire Station, whereas East Leake and Kinoulton Parish Councils outlined their reasons for opposing the proposed changes in South Nottinghamshire and Nottingham City.

"... The statement says, "less fire means less cover", that's wrong! Over the south side of Nottinghamshire there has been an immense number of new houses being built. Our local fire stations are always out, and we think that a village of our size should have a full-time fire station. East Leake fire station would have to cover more in Nottingham city centre ... We are against reducing night cover and removing a fire engine from London Road especially as there is a number of large developments in the pipeline, such as the freeport at Ratcliffe on Soar, and the airport. Additional congestion on the road. Working with other fire authorities, important for our area as we are in range of 3 different ones..." (East Leake Parish Council)

“We are seriously concerned at any reduction in services and possible response times from West Bridgford Fire Station, at a time when Rushcliffe's population continues to increase rapidly. In Kinoulton, we are almost as far from West Bridgford as possible within Rushcliffe and are particularly worried about the implications of the proposed changes in our relatively remote location” (Kinoulton Parish Council)

- 3.77 The MP for South Nottinghamshire, while understanding the reasoning for the consultation proposals, said they could not support them on the grounds of public safety, and a lack of fire and rescue resilience in Nottingham City especially. They also advocate more Government funding, and fewer requests of residents to fill public service funding gaps.

“Whilst I understand the budget situation and why these proposals are being brought forward, I cannot support them. The removal of a fire appliance from London Road and Stockhill fire stations and the loss of overnight cover will make Nottingham residents less safe. There will be less resilience in the face of multiple incidents as seen during summer wildfires. I am particularly concerned that this is reducing the availability of fire appliances in the city, which has multiple risk factors including deprivation and HMOs. The reduction in cover comes just when the city is seeing population growth and an increasing number of high-rise buildings. We know that unsafe construction and refurbishment continues as we saw at Grenfell...

... It is not possible to keep filling the gap in budgets by pushing additional cost onto City residents, particularly during a cost-of-living crisis. The Fire Authority must listen to the concerns of firefighters and support staff and work with them and with local people and organisations to press the Government to provide an adequate and longer-term financial settlement for Nottinghamshire Fire Service. I hope that the Fire Authority will consider the maximum use of reserves whilst seeking further central funding” (MP for South Nottinghamshire)

- 3.78 The MP for North Nottinghamshire criticised the lack of Government funding they feel has led to NFRS's financial challenges. They also expressed opposition to the removal of the second appliance at Stockhill given it is a busy station that serves a motorway junction and often supports Derbyshire FRS.

“I believe that the Authority and FRS have been put in an impossible situation due to a persistent lack of funding from central Government. The people of Nottingham and Nottinghamshire should not have to face increased response times to fill funding gaps due to central government failure. Specifically, I think that removing the second appliance at Stockhill station is a mistake. This is a busy station that serves a large community, a junction of the M1 and sits near the force area border with Derbyshire, meaning it may sometimes need to support that service...” (MP for North Nottinghamshire)

- 3.79 Finally, in a lengthy response, the MP for Rushcliffe responded in depth to some of the questionnaire's questions in turn. In answer to the first, they agreed that NFRS needs to make changes in the way it manages its budget but said they cannot understand why NFRS *“is in this situation in the first place”*. They note that NFRS's *“dramatic”* reductions in firefighter numbers is not reflective of the situation among other fire and rescue services that have experienced similar funding settlements.

“Whilst it is true that funding from central Government has been cut since 2010, this has been done in response to the considerable reduction in the number of fire incidents ... Reductions in settlement agreements from central Government do not explain the drastic reduction of fire fighters in more recent years, as many authorities who have had similar or higher settlement reductions have not made similar cuts to their number of firefighters...”

... Nationally, Nottinghamshire has lost approximately 10-fold the number of total workforce staff. By its own figures ... NFRS state that in the five-year period between 2016 and 2021, it saw a 10.65% reduction in its total workforce, compared to the national average for England being a 1.6% reduction ... Some comparable authorities have managed to increase their number of firefighters since 2015. One example is the stark contrast between Nottinghamshire Fire and Rescue Services and those in Derbyshire. Both authorities have seen similar cuts to their real terms spending power of 6.7% and 6.6%, respectively. However, Nottinghamshire has lost 21% of its full-time firefighters, while Derbyshire has increased theirs by 2%. These local and national comparisons would indicate a more proactive approach has been taken at other fire authorities to a justifiable cut in the settlement. This proactive approach has produced more sustainable operational models for fire services than the one currently operating in Nottinghamshire ... I would urge the management of NFRS and the Fire Authority to take on board best practice from other fire authorities who are operating sustainably within their current budget settlements...”

- 3.80 The Rushcliffe MP said they support the commissioning of an independent specialist to undertake the Fire Cover Review, but also that they placed significant weight on the views expressed to them by West Bridgford firefighters. In particular, the firefighters said that West Bridgford Fire Station has higher call out rates than others and shared their concerns about the accuracy of the estimated 43 second response time increase within Rushcliffe District.

“... They believe the 43 second increase would not be a true reflection of the average response time increase. They believe this is because it doesn't include several scenarios, such as multiple fires simultaneously across the county or the increased time for second, third appliances etc. (a house fire needs 3 appliances on average and a tower block could need between 4 and 6) ...

“... Firefighters ... tell me that the response times suggested are very much based on perfect scenarios and Bingham and East Leake on call stations being available, which isn't always the case. The London Road appliance not being already committed to another incident is highly likely, as the single appliance left at London Road is likely be dealing with over 2000 calls annually...”

- 3.81 The MP strongly disagreed with the proposal to convert West Bridgford Fire Station from a wholetime appliance to a daytime appliance on the grounds that: it would leave Rushcliffe as the only Nottinghamshire district without 24/7 wholetime cover; the estimated longer response times across the district are unjustifiable, particularly given its rurality; West Bridgford experiences more call-outs than some other wholetime appliances across Nottinghamshire; and that the proposal would also have a detrimental effect on Nottingham City.

“West Bridgford is currently the only wholetime appliance in the borough of Rushcliffe and in south Nottinghamshire. Under these proposals, Rushcliffe would be the only borough in the county without wholetime cover, after a summer that saw an increase in rural and field fire incidents. Given the rural nature of Rushcliffe and the inevitably longer response times this leads to, I can see no justification for leaving it as the only borough without full time fire cover. This is especially true when you factor in the call out rates of fire stations across the county which show five other stations having lower call out rates than Rushcliffe...”

... I am also astonished that, given Rushcliffe already has the longest response times in the county, NFRS has chosen to target it for measures that would increase response time here even further ... Rushcliffe would see an average increase of 43 seconds to incidents. Rushcliffe already has an average response time of 9 minutes and 47 seconds. This increase would result in an average response time of 10 minutes and 30 seconds - the longest in the county and a full 28 seconds longer than the next longest response time in Newark... Most fire incidents require more than one appliance on site (three for the average house fire incident), and the average response time for the arrival of a second appliance would be increase by 1 minute 15 seconds.

... Under the proposals, Rushcliffe would have on-call cover at night from Bingham and East Leake, but the turn out time... is significantly more due to on-call teams having to travel to the station ... therefore, I am concerned that the average 43 seconds quoted in the proposal would in fact be much longer...

... Rushcliffe has more incidents than Gedling, but Gedling currently hosts two wholetime stations which would be unaffected by the proposals in their current form. Given the higher call out rates for West Bridgford, it is unclear to me why this is the case. Furthermore, out of 12 wholetime appliances across 10 stations in the county, 5 had lower call out rates than West Bridgford, showing that the nightshift in West Bridgford is not only key to the people in Rushcliffe, but also in Nottingham City itself”

Finally, the impact on the city of Nottingham should be considered. The West Bridgford appliance is often first in attendance to the Clifton area. It will not only be Rushcliffe that suffers if it is removed at night”

- 3.82 In relation to the seven second average response time increase, the MP described this as a “nonsense” that will not reflect reality on the ground, especially in Rushcliffe.

“... In the very best circumstances, Rushcliffe will see an average response time of 43 seconds. I am astonished that NFRS and the Fire Authority is trying to deflect attention from this by promoting an abstract average figure across the county that won't be a reality for any community ... and so shouldn't be used as a means of matching resource to risk...”

- 3.83 Finally, the MP supported precept flexibility, but said they would expect the decision to withdraw 24/7 wholetime cover from West Bridgford to be reviewed in the event of any increase.

“If the precept were to be raised, I would expect the decision to withdraw wholetime cover from West Bridgford fire station to be reviewed. The decision may be operational, but I can't justify a precept increase to my constituents if they were to not only see no benefits from it but actually be worse off in terms of their fire cover”

(MP for Rushcliffe)

Equalities impacts

- ^{3.84} Across the organisational responses, equality issues relating to negative impacts on people with a disability, ethnic minority groups, economically deprived areas and those living in poor quality housing/properties with flammable cladding were raised as below.

“Nottingham is a community that suffers from significant deprivation, but this is particularly acute in the wards of Aspley, Bilborough and Bulwell - the vast majority of which are part of the poorest 10% by index of multiple deprivation. Fire risk accompanies poverty and, therefore, this community particularly needs high-quality cover.” (MP for Nottinghamshire North)

“The reduction in cover in the city will have a negative impact on a population already facing deprivation. A higher proportion of city residents identify as black or minority ethnic and/or disabled. Some do not have English as a first language. Many are living in poor quality housing and are at increased risk.” (MP for Nottinghamshire South)

4. Focus Groups

Introduction

- 4.1 This chapter reports the views from the three online focus groups with members of the public. The views of the three meetings have been merged to give an overall report of findings, rather than three separate and potentially repetitive mini-reports - but any differences in views have been drawn out where appropriate.
- 4.2 The following section is a report of the views expressed by focus group participants. If these views are not supported by the available evidence, ORS has not sought to highlight or correct those that make incorrect statements or assumptions, and this should be borne in mind when considering the responses.

Main Findings

There were some initial concerns around resourcing and resilience

- 4.3 Initial concerns focused on the issue of resilience, and whether removing three appliances and 44 firefighter posts from the Service would mean NFRS is too thin on the ground in terms of its ability to both respond to incidents and prevent them from occurring in the first place. This, it was felt, would mean greater reliance on reciprocal agreements with neighbouring services, who are also stretched resource-wise.

"I am happy to accept the modelling ... I trust it is seven seconds and if people can model it in a more efficient manner than great. We may end up with less appliances but used in a more efficient way with not much difference on response times, but surely that is going to have an impact on maximum capabilities? And if we have less appliances in the region, is there a bigger need to have a more comprehensive reciprocal agreement so if something happens in a town centre or there's a major fire, we have got more provisions to get to that maximum capacity?" (North Nottinghamshire)

- 4.4 With specific regard to prevention and protection, some participants noted what they saw as an over-emphasis on protecting response times at the expense of other activity. They asked what was being done to measure and minimise the impact of the proposed changes on the Service's ability to maintain levels of prevention and protection.

"... You talked a lot about maybe harder to measure measures that you do with all the prevention but then the savings proposal seems to focus on the eight minutes. How do we measure some of the less quantitative pieces of work that you do?" (North Nottinghamshire)

- 4.5 There was also worry about fire and rescue resource reductions more generally, not least in terms of accommodating the increasing impacts of climate change.

“What account has been taken about issues in the future like, for example, climate change and more heatwaves and more flooding?” (South Nottinghamshire)

- 4.6 Participants also sought reassurance around the way cover moves are made when appliances are called out from one-pump stations; whether NFRS has explored all available options to offset the need for reductions by investing in modern technology; and whether the Fire Cover Review considered future developments in such technology in addition to retrospective incident data.

“.. Is there any technology that is available or that other countries have got that we are missing out on? We always seem to be downsizing [instead of having] more opportunities to grow” (North Nottinghamshire)

“... most of the data you have got is retrospective. Did [the Review] try to look forward to include material, technology and innovation in the future ...?” (Nottingham City)

The proposals for London Road and Stockhill Fire Stations were of concern, but the rationale for them was understood

- 4.7 While the proposals to remove the second fire engines from both Stockhill and London Road were not overwhelmingly supported, the reasoning underpinning them was understood in all three focus groups.

“Obviously there is cut that needs to be made ... With the data you have given I wouldn't say that the change is anything dramatic. I wouldn't say it is unsensible ... I don't personally have any major concerns. It is a shame that it has to happen but personally I would say it's quite palatable really” (Nottingham City)

“I think it is the most logical thing to do because cuts need to be made somewhere and there is no choice in that matter ... it's the most effective” (South Nottinghamshire)

- 4.8 The main concern around the proposal was that the reduced number of fire engines would be insufficient given the amount of high-rise accommodation that has been or is being developed within the City and its surrounding areas. The legacy of the Grenfell Tower disaster was clear in influencing people's worry in this regard.

“The high rises in the City may cause more incidents and impact more people and a high-rise building needs more than a response to a crash; there are more things and more people at risk in the City ...” (Nottingham City)

- 4.9 On a related note, the increasing amount of student accommodation in the city area was a worry; several participants noted the poor quality of some of this housing, and the prospect of some of the worst landlords neglecting their fire safety duties.

“My concern is about student housing that is not necessarily regulated by the university but by private landlords ...” (South Nottinghamshire)

- 4.10 The potential for larger (including terrorist) incidents in the City was also raised, as was the fact that the estimated 21 second response time increase across the City is an average, and might be somewhat longer to some areas.

“... I work in Nottingham City Centre ... So, seeing two fire engines go and the West Bridgford one not being manned all the time, that’s slightly concerning because I feel like something happens in Nottingham every time I am at work... When something happens in Nottingham it feels a lot bigger and my concern is that you have almost lost three from the centre of Nottingham ... No-one wants to think about terrorism or anything like that but you would think they would target the bigger cities” (North Nottinghamshire)

“... If you’ve got less fire appliances available and the average response time is increasing to an average of 21 seconds, well an average can vary and that 21 seconds can turn into a lot more ... it’s ok if it is shorter in some instances ... but if it is longer, that can be the difference between someone living and someone dying” (Nottingham City)

The reasoning for rebalancing resources between Ashfield and West Bridgford Fire Stations was understood, but there were some concerns

- 4.11 Most people across all three groups supported the proposed rebalancing of resources between Ashfield and West Bridgford Fire Stations (though this support was understandably reluctant among some participants in Nottingham City and especially south Nottinghamshire). It was typically considered a ‘sensible’ and ‘rational’ change that would ensure fire and rescue cover is concentrated in the areas of greatest risk and demand.

“You should have more service in a place that requires more; it’s obvious” (Nottingham City)

“I think it’s great. The data has been looked at and where there is a greater need, then this is where the fire service is. It’s that simple... ” (South Nottinghamshire)

- 4.12 Participants were particularly reassured about the close proximity of London Road Fire Station to West Bridgford, though there was some understandable worry about the proposed loss of resource there. In general, though, there was a sense that West Bridgford has more surrounding resource in support of it than Ashfield, which was another reason given in support of the change.

“On the face of it, the proposals look quite sensible and quite rational. The relocation of Central Fire Station to London Road is fundamental in that view... ” (South Nottinghamshire)

“... there are really large towns in the Ashfield/Mansfield area that could really benefit from a 24-hour service. I feel like you have got possibly some good resources [locally] that can tend West Bridgford...” (North Nottinghamshire)

- 4.13 As noted, although they supported the proposed change in principle, South Nottinghamshire participants were concerned about increased response times, especially to areas south of West Bridgford, and about ensuring sufficient levels of fire and rescue cover for a district that is experiencing significant housing and other development. They also sought to understand how the proposed changes have/will be communicated to avoid their use for political gain. That is, they felt it should be made clear to Ashfield residents that their station upgrade would not be an ‘extra’, but something that is only achievable via reductions at West Bridgford.

“How is this objectively communicated to the residents in both areas? This session has explained the why’s in detail but if you are not in the discussion then you may not understand what is happening. And if you don’t understand it looks like Ashfield is getting additional resource when they are getting it from somewhere else that is losing it. It feels like that may be affecting the political landscape ... and I don’t think that’s fair” (South Nottinghamshire)

There was more support for than opposition to a one-off £5 council tax increase for NFRS

- 4.14 Many participants across the three groups said they would be prepared to pay a one-off £5 council tax increase (or more) for NFRS if it meant reducing the Service’s budget deficit and the extent of the changes needed to make the required savings.

“I would absolutely pay that £5. It’s the price of a cup of coffee and insurance for your washing machine or phone ... so why wouldn’t you pay it in case you need the fire service and it’s a question of life or death? I would absolutely, without a second thought, pay that £5” (North Nottinghamshire)

“I think we do need to have services on a better footing, and we need to be billed for that ... We can’t complain about losing services if we are not prepared to do something about it” (South Nottinghamshire)

- 4.15 Indeed, some participants at the North Nottinghamshire and Nottingham City discussions spontaneously raised the prospect of a council tax increase prior to any explicit questioning on the issue. They were of the view that the number of new houses being built and sold in the City and County would surely yield a significant income for the Service; and if not, most people would not mind paying a little extra to protect their local fire and rescue resources.
- 4.16 Several, however, acknowledged that they might not have been as tolerant of such an increase had they not been fully informed about the extent of NFRS’s financial challenges and what is being proposed to address them. Indeed, a common theme at the Nottingham City group especially was that the fire and rescue service is often the ‘forgotten’ emergency service in the sense that it is the least visible. As such, it may not feature as prominently as the NHS or the police in people’s thinking about financial struggles and funding needs.

"... I would pay the £5 and would be happy to do that but more so based on the information you have provided tonight with the rationale behind it, and seeing the impacts and the costs and what it means on the ground" (South Nottinghamshire)

"I suppose what I think of when I think of something that needs money then it is the NHS ... It's there all the time ... on the television. It's really well advertised and is visible all the time and there is hardly any visibility of the fire service. I hear about them hardly ever and so when I think of where I would prefer my money to go then the NHS is the first place that comes to mind" (Nottingham City)

- 4.17 On a related note, there was a sense that without understanding the detail of the Service's challenges and proposals, people might expect to see tangible improvements as a result of paying the £5 charge, rather than simply 'not losing something'.

"They wouldn't understand [not losing a service] ... they would want to understand and physically gain something" (South Nottinghamshire)

- 4.18 There was widespread acknowledgement among participants that while they might be able to afford to pay the additional £5, many others would struggle to do so, especially in the current economic climate. Concern was also expressed that while a £5 payment for NFRS does not seem like a great deal in isolation, if other public services were to ask for something similar, it would become unaffordable for even more people.

"Thinking across Nottingham generally ... I think people would say they literally can't afford anymore ... Nottingham is not overall a well-off place and with the pressure that people are under already then a lot of people would say to do what you have proposed rather than finding more money" (Nottingham City)

"... I think you'll find there will be other services with a council tax increase as well for their services like the police and other things and when you add it all up ..." (North Nottinghamshire)

- 4.19 Furthermore, participants at the Nottingham City group noted a considerable amount of residual mistrust among the City's residents toward the City Council following a report into inappropriate spending. A 'PR' campaign was thought to be needed as a result of this to ensure City residents are aware that the Council and NFRS are entirely separate entities.

"Having been in this discussion I would gladly pay the £5 but I think a lot of people would find that unpalatable at the moment, not just because of the cost-of-living crisis but because Nottinghamshire County Council have been under scrutiny because of the way they mismanaged public funds. I think that would have a big bearing on what a lot of people in Nottingham City think about that" (Nottingham City)

- 4.20 The reasoning among those who did not support the £5 increase was that the government should be requesting more of large multinationals and super-rich individuals rather than ‘ordinary people’; they were concerned that it would not actually be a one-off in the face of ongoing financial challenges; or that they felt they could accept the implications of the proposals and did not see a need to mitigate them through council tax increases.

“... It’s weird because part of this consultation is about, ‘It will only cost you 21 seconds’ and if that’s all it’s going to cost then why should we pay more?” (North Nottinghamshire)

- 4.21 Finally, it was said at the South Nottinghamshire group that the proposed one-off increase would only be a stopgap and that more long-term funding solutions must be found to ensure NFRS has a sustainable future.

“It’s £5 for one year ... but what happens the year after and the year after that? It just seems to be a bit of a stopgap. Every little thing is helpful obviously but it’s not a solution in my opinion ... It doesn’t solve the problem in the longer term” (South Nottinghamshire)

Overall, there was widespread understanding of NFRS’s challenges and the need to address them through the proposed changes

- 4.22 Ultimately, while they said they would not be required in an ideal world, all focus group participants understood the rationale for the proposed changes in reducing the Service’s budget deficit.

“It boils down to the fact that there is not a magic pot of money, and they have to make cuts somewhere ... If there were five other better options, then they would be the options on the screen” (North Nottinghamshire)

- 4.23 There was also widespread confidence that the Fire Cover Review was undertaken thoroughly and that NFRS would not propose anything that would be unduly detrimental to public safety.

“I feel like they would not have got through the proposals if they were not viable and safe enough; they would have been scrapped if they were going to cause significant risk to life ... It’s not pleasant to think about response times increasing but I think they are going to be within reason and overall, I am in agreement and can put my trust in the fire service” (Nottingham City)

- 4.24 The phrase ‘least worst option’ was used frequently, and it would thus be fair to say that although the proposals were not unequivocally supported, they were recognised as those that would have the least impact on the most people across the City and County.

“... There are going to have to be some difficult decisions that have to be made regarding cuts and money and I have trust and confidence that the Fire Service will be doing what is safest for everyone” (South Nottinghamshire)

- 4.25 Finally, a few participants suggested that the background consultation information could have been presented more simply to aid understanding among 'laypersons'. One specific suggestion was as follows, which could be something to consider in future.

"... What I would like to see presented is something a layperson can see very easily... that gives each area on that map a score out of ten for current and then after the proposal... So, 'Ultimately the service for Ashfield is currently 7.2 and for West Bridgford it is 6.9 and after those changes it affects the overall service mark out of ten by this small degree'. Then very easily, people could look at that map and say, 'Ok the overall reduction or improvement in service is probably worth it for the savings that you get' or 'What areas have now been affected to redistribute that service across the area?'" (North Nottinghamshire)

5. Submissions

Introduction

- 5.1 During the formal consultation process, six submissions were received from the following:
- Ashfield District Council
 - Rushcliffe Borough Council (2)
 - Firefighters at West Bridgford Fire Station
 - Firefighters at Ashfield Fire Station
 - A Nottinghamshire resident.
- 5.2 Furthermore, 249 signatures were gathered via a campaign leaflet organised by the Ashfield Independents, in support of the Ashfield proposal.
- 5.3 All submissions have been read and summarised in this chapter. It is important to note that the following section is a report of the views expressed by submission contributors. If these views are not supported by the available evidence, ORS has not sought to highlight or correct those that make incorrect statements or assumptions, and this should be borne in mind when considering the responses.

Summaries of written submissions

Ashfield District Council

- 5.4 Ashfield District Council welcome the Nottinghamshire and City of Nottingham Fire Authority's recommendation to convert Ashfield Fire Station from one day shift crewing and one on-call appliance to one wholetime and one on-call appliance. The Council believes that the proposal will save lives.
- 5.5 The Council also:
- Notes the announcement of a full-scale assessment of resources across Nottinghamshire's fire station network, including an assessment of whether stations have enough equipment to serve their communities
 - Confirms that it will take part in the public consultation, citing its firm opinion that Ashfield Fire Station should be fully staffed, 24 hours a day
 - Acknowledges the role of the Ashfield Independents and the Labour Party, who have been campaigning since 2018 to ensure the people of Ashfield have a wholetime fire station.

Rushcliffe Borough Council (1)

- 5.6 Rushcliffe Borough Council appreciates that it is a difficult financial time and that NFRS has done much to reduce its costs and work within a tight financial envelope. However, the Council is extremely concerned and unhappy about the proposed reduction of service in Rushcliffe to enable an increase in resources at Ashfield. In addition, it says that *"the reduction of service from Loughborough Road is exacerbated by the reduction of service at London Road Fire Station"*.

- 5.7 The Council highlights the significant housing growth and associated population base in Rushcliffe, which is a large borough with major A-roads and many rural roads. It also notes the table outlining the impact on first appliance attendance time in the Chief Fire Officer's pre-consultation report, which states that Rushcliffe currently has the second longest first appliance attendance time in the county, and that the proposed changes will see an average 43 second increase to this time.
- 5.8 In light of this, Rushcliffe Borough Council opposes the proposed changes and asks that the Fire Authority reconsiders them to ensure that residents of Rushcliffe are treated fairly and respectfully.

Rushcliffe Borough Council (2)

- 5.9 The following further questions were asked by Rushcliffe Borough Council, which it asked to be considered before adopting any future strategy that looks at reducing the provision of full-time fire stations in Rushcliffe:

Were over the border coverage times included in the modelling used for the strategy and if not, why not?

Did the modelling take account of commercial as well as domestic properties and if not, why not?

Was consideration taken of access to Rushcliffe over the River Trent crossings and the consequences of any of these crossings being unavailable/inaccessible?

Firefighters at West Bridgford Fire Station

- 5.10 The West Bridgford firefighters understand the position NFRS finds itself in and that savings need to be made. However, they feel that this should be rectified through investment, not cuts, and that a *"long-term solution is being put in place for what could be a medium-term problem"*.
- 5.11 In considering the proposals for Nottingham City, the firefighters agree that the loss of a second fire engine is preferable to losing cover from a station area completely, and that (under service parameters) this will have least impact on first fire engine attendance in the London Road and Stockhill station areas. However, they are concerned that the proposals would result in:
- A reduction in city cover
 - The removal of resource from the busiest area of Nottinghamshire
 - Increasing response times for additional fire engines
 - Increasing risk to communities and crews.
- 5.12 In considering the proposal for West Bridgford Fire Station, the firefighters feel that it represents a *"massive reduction in fire cover for the area"*. They are also concerned that the station already has one of the longest initial turnout times due to its geographical area, which *"will be made significantly longer under the proposals"*.

- 5.13 Other concerns are that the proposal represents a “huge” increase in risk to the community; that all neighbouring appliances will be busier and thus not able to reliably provide night-time cover in the West Bridgford area; that the wrong station has been selected for the change; and that the proposed model “has failed at another station”.
- 5.14 While the West Bridgford firefighters support improving fire cover at Ashfield Fire Station to mitigate against an increase in fire deaths in the area and reduce risks to the community and crews, they do not feel it should be achieved at West Bridgford’s expense.
- 5.15 Finally, the firefighters outline concerns about the modelling used to underpin the proposals, the parameters used for the Fire Cover Review, and that the “consultation will not be taken into consideration and cuts will be made regardless”.

Firefighters at Ashfield Fire Station

- 5.16 Ashfield firefighters understand the case for change, especially in light of the financial challenges faced by NFRS. Indeed, when considering the proposed changes in Nottingham City, the firefighters say that while “reduction in fire cover is always detrimental to the service and the public... there is a need to make financial changes and savings”.
- 5.17 The firefighters are supportive of the proposed changes at Ashfield Fire Station, describing them as the “right move for the service to protect our community”. They are, though, worried that the proposals for West Bridgford will greatly reduce fire cover in that area, placing further pressure on surrounding stations such as London Road, which is also set to lose its second appliance if the changes are approved.

Residents

- 5.18 One resident wrote to oppose the proposed redistribution of resources between Ashfield and West Bridgford Fire Stations, stating that “there are many elderly people, a lot also in retirement homes or care homes and many vulnerable residents in West Bridgford who especially rely on speedy help from the fire service in an emergency...”
- 5.19 249 signatures were gathered via the following campaign leaflet organised by the Ashfield Independents, backing ‘the reinstatement of Ashfield Fire Station to a 24-7 wholetime model’.

We back the campaign for a full-time fire station

We back OPTION 4 in your consultation - “the reinstatement of Ashfield Fire Station to a 24-7 whole time model”. We strongly believe this will save lives.

Name	Address and Email	Signature



I WILL...

... vote for the Ashfield Independents at the next election.

...display a poster to show my support for the team.

I would like a postal vote.

Please return to: Ashfield Fire Station Campaign, FREEPOST, Ashfield Independents.

List of Tables

Table 1: Focus groups (area, time and date and number of attendees).....	12
Table 2: Participant demographics.....	13
Table 3: Age – All Respondents	16
Table 4: Gender – All Respondents	16
Table 5: Disability – All Respondents	17
Table 6: Ethnic Group – All Respondents	17
Table 7: Working for NFRS – All Respondents.....	17
Table 8: Districts– All Respondents	17
Table 9: Respondent type– All respondents	17

List of Figures

Figure 1: Agreement that NFRS needs to make changes to respond to its challenges (all personal responses by area).....	20
Figure 2: Agreement that NFRS needs to make changes to respond to its challenges (personal responses broken down by individuals and staff).....	21
Figure 3: Working for Nottinghamshire Fire and Rescue Service (all personal responses by district/borough)	Error! Bookmark not defined.
Figure 4: Agreement with the approach of using an independent specialist to undertake the Fire Cover Review and provide the Service with recommendations (all personal responses by area).....	22
Figure 5: Agreement with the approach of using an independent specialist to undertake this review and provide the Service with recommendations (personal responses broken down by individuals and staff)	23
Figure 6: Agreement with the proposed change to fire cover in the City of Nottingham (all personal responses by area).....	24
Figure 7: Agreement with the proposed change to fire cover in the City of Nottingham (personal responses broken down by individuals and staff).....	25
Figure 8: Agreement with the proposed change to fire cover at Ashfield Fire Station (all personal responses by area).....	26
Figure 9: Agreement with the proposed change to fire cover at Ashfield Fire Station (personal responses broken down by individuals and staff).....	27
Figure 10: Agreement with this proposed change to fire cover at West Bridgford Fire Station (all personal responses by area).....	28
Figure 11: Agreement with this proposed change to fire cover at West Bridgford Fire Station (personal responses broken down by individuals and staff).....	29
Figure 12: Agreement with the principle of redistributing operational resources in this way (all personal responses by area).....	30
Figure 13: Agreement with the principle of redistributing operational resources in this way (personal responses broken down by individuals and staff).....	31
Figure 14: Awareness of NFRS’s response times before taking part in this consultation (all personal responses by area).....	32
Figure 15: Agreement that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings (all personal responses by area)	33
Figure 16: Agreement that an increase of seven seconds to the average attendance time would be acceptable as an outcome of meeting the required budgetary savings (personal responses broken down by individuals and staff).....	33
Figure 17: Support for a one-off £5 council tax increase for NFRS (all personal responses by area).....	34
Figure 18: Support for a one-off £5 council tax increase for NFRS (personal responses broken down by individuals and staff)	35
Figure 19: Other comments – High level summary (personal responses)	36

Figure 20: Other comments – More detailed breakdown of those raising specific concerns (personal responses) 39

Figure 21: Positive or negative impacts relating to equalities – High level summary (personal responses) 42

Figure 22: Positive or negative impacts relating to equalities – More detailed breakdown of those raising equality concerns (personal responses) 43



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

APPOINTMENT OF ASSISTANT CHIEF FIRE OFFICER

Report of the Chair of the Appointments Committee

Date: 24 February 2023

Purpose of Report:

To seek the approval of the recommendation of the Appointments Committee to the appointment of Mr Damien West as the next Assistant Chief Fire Officer.

Recommendations:

That Members agree to the appointment of Mr Damien West to the position of Assistant Chief Fire Officer, with effect from 16 April 2023, as recommended by the Appointments Committee.

CONTACT OFFICER

Name : Craig Parkin
Chief Fire Officer

Tel : 0115 967 0880

Email : craig.parkin@notts-fire.gov.uk

Media Enquiries Contact : Corporate Communications Team
0115 967 0880 corporatecomms@notts-fire.gov.uk

1. BACKGROUND

- 1.1 At the meeting of the Fire Authority on 16 September 2022 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 post would require experience of fire related, incident command. Clearly this approach narrows the field of applicants who would meet the person specification, but providing a balance in skills and experience to complement the existing team.
- 1.3 It was also agreed the Service would seek the support of a third party provider to maximise the recruitment process and ensure the search for talent was extended as wide as practicable.

2. REPORT

- 2.1 The selection process for the ACFO has been 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 RealWorldHR to support the process and maximise the exposure for the vacancy and thereby attract greater interest from a wide range of candidates. A procurement exercise was conducted from which RealWorldHR were the preferred supplier, with costs covered within the allocated budget.
- 2.3 The selection process involved applicant screening, initial interviews, profiling, media exercise, strategic operational assessment, stakeholder panel interview, report, presentation and Member panel interview.
- 2.4 The Appointments Committee was convened 18 January 2023 and following the process, the Committee came to the decision that Mr Damien West should be offered the post of ACFO with effect from 16 April 2023.
- 2.5 The current temporary incumbent, Michael Sharman, will remain in post until 16 April 2023 to support a smooth handover and given both are internal candidates, the appointment provides continuity in operational resilience for the Service.

3. FINANCIAL IMPLICATIONS

The salary range for the ACFO post is £109,300 to £121,444 (90 – 100%). Appointment to the post will commence at the 90% point and increase proportionally over two years.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT

- 4.1 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.
- 4.2 Future implications for the learning and development of Mr West will be addressed within the framework in place for leadership development and many aspects have already been completed given he has been with Service for a number of years. This will also incorporate feedback from across the selection and annual appraisal processes.

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.

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

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 retain key corporate memory. However, the Chief Fire Officer will seek to review the roles and capacity required to meet existing and expected workloads, presenting specific risks to the Authority.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members agree to the appointment of Mr Damien West to the position of Assistant Chief Fire Officer, with effect from 16 April 2023, as recommended by the Appointments Committee.

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

None.

Councillor Michael Payne
CHAIR OF THE APPOINTMENTS COMMITTEE



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

REPORT OF THE INDEPENDENT REMUNERATION PANEL

Report of the Clerk and Monitoring Officer to the
Authority

Date: 24 February 2023

Purpose of Report:

To present to members the final recommendations from the Independent Remuneration Panel regarding the application of the inflator to be applied to Members Allowances following settlement of the national Local Government pay award 2022/23.

Recommendation:

That Members' Basic and Special Responsibility Allowances be increased by 4.04% backdated to 1 April 2022 in line with the proposal put forward by the Independent Remuneration Panel.

CONTACT OFFICER

Name : Malcolm Townroe
Clerk and Monitoring Officer to the Authority

Tel : 0115 876 4332

Email : malcolm.townroe@nottinghamcity.gov.uk

Media Enquiries Contact : Corporate Communications Team
0115 967 0880 corporatecomms@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The Independent Remuneration Panel have previously reported on the appropriateness of the Members' Allowances Scheme and have proposed certain changes which have subsequently been agreed by the Authority. However, in all other regards the Scheme has remained unaltered.
- 1.2 The only item which currently remains outstanding is in relation to the inflator to be applied to Members' Allowances. The previous model of linking this to the percentage increase awarded to Local Government employees on National Joint Council (NJC) pay rates does not easily fit given the flat rate increase of £1925 awarded across the board for the 2022/23 pay settlement.
- 1.3 This report now presents a proposed solution as regards the inflator for 2022/23.
- 1.4 This final report of the Independent Remuneration Panel now concludes all matters that they have been asked to consider.

2. REPORT

- 2.1 The Independent Remuneration Panel have considered how the inflator could be amended for 2022/23 having regard to the £1925 figure and have taken into account approaches adopted by other Authorities. The Panel have noted that a flat rate award of £1925 equates to a minimum pay increase of 4.04% across the NJC pay spine for all staff who are on it.
- 2.2 The Independent Remuneration Panel consider a rise of 4.04% to be an appropriate level of inflator having regard to the ongoing increase in the cost of living. As a consequence, the Panel is recommending an increase at this level in respect of both Basic and Special Responsibility Allowances.
- 2.3 The Independent Remuneration Panel consider that increases in future years should remain linked to the percentage increase awarded to staff on the NJC pay spine. However, if the same circumstances of the award of a flat rate sum were to occur again, they would want to review the award in order to determine the appropriate level of inflator to be applied.
- 2.4 This final report of the Independent Remuneration Panel now concludes all matters that they have been asked to consider.

3. FINANCIAL IMPLICATIONS

Members Allowances are paid out of an existing established budget.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising out of the contents of this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because the proposals do not lead to any new policies or changes in existing policies.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising out of the proposals in this report.

7. LEGAL IMPLICATIONS

There are no new legal implications arising out of this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising out of the proposals in this report.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising out of the proposals in this report.

10. RECOMMENDATIONS

That Members' Basic and Special Responsibility Allowances be increased by 4.04% backdated to 1 April 2022 in line with the proposal put forward by the Independent Remuneration Panel.

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

None.

Malcolm R. Townroe
SOLICITOR, CLERK AND MONITORING OFFICER TO THE AUTHORITY

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank