



OFFICIAL

# Membership of the Authority and appointments to Committees

## Full Authority

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Date: 25 February 2021

Agenda Item:

5

Submitted By: Chief Executive and Chief Fire Officer

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**Purpose** To advise of a change in membership of the Authority and make changes to Committee memberships as appropriate.

**Recommendations** That the report be noted and the appointments to Committees agreed.

**Summary** The Authority has carried a vacancy with effect from 30 November 2020 which was reported to the 18 December meeting of the Full Authority. Leeds City Council have confirmed that an appointment has been made which took effect on 14 January 2021. Approval will need to be given for a revised allocation of committee places.

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: None

## 1 Introduction

- 1.1 Notification was received from Leeds City Council on 14 January 2021 of a replacement appointment to fill the vacancy subsequent upon the resignation of Councillor Grahame on 30 November 2020.
- 1.2 Councillor Louisa Cunningham (Labour) took membership of the Authority on 14 January 2021.

## 2 Committee places

- 2.1 Allocations to Committees will need to be confirmed and specifically with regard to the following which each carry one vacancy.

Audit Committee

Executive Committee

Finance and Resources Committee

- 2.2 The Labour Group has confirmed that it wishes to make the following committee appointments;

### Audit Committee

Cllr J Fenton-Glynn (to fill vacancy)

### Executive Committee

Cllr K Renshaw (to fill vacancy)

### Finance and Resources Committee

Cllr T Austin (to fill vacancy)

### Human Resources Committee

Cllr L Cunningham to replace Cllr J Fenton-Glynn

### Community Safety Committee

Cllr L Cunningham to replace Cllr T Austin

- 2.3 It is also proposed that the following vice-chair appointments be made;

Audit Committee

Cllr J Fenton-Glynn to replace Cllr G Almas

Human Resources Committee

Cllr T Austin to replace Cllr J Fenton-Glynn

## 3 Financial Implications

- 3.1 There will be an additional Special Responsibility Allowance payable to Cllr T Austin (as Vice chair of the Human Resources Committee) at a cost of £1,031.00 p.a. on a pro rata basis.

## **4 Human Resource and Diversity Implications**

4.1 There are no Human Resource and Diversity implications arising directly from this report.

## **5 Health, Safety and Wellbeing Implications**

5.1 There are no direct health, safety and wellbeing implications arising directly from this report.

## **6 Environmental Implications**

6.1 There are no environmental implications arising directly from this report.

## **7 Your Fire and Rescue Service Priorities**

7.1 This report supports all the Fire and Rescue Service priorities 2020 - 23.



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# Constitution update and Monitoring Officer

## Full Authority

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Date: 25 February 2021

Agenda Item:

9

Submitted By: Chief Executive and Chief Fire Officer

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<b>Purpose</b>	To consider amendments to the Constitution in respect of Contract Procedure Rules and the appointment of a Monitoring Officer.
<b>Recommendations</b>	That the report be approved.
<b>Summary</b>	The Authority's Constitution is reviewed on an annual basis with further updates submitted to the Full Authority for approval as required. This report seeks approval for a change to the Constitution to reflect an update to Contract Procedure Rules and the appointment of a Monitoring Officer.

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Contract Procedure Rules amendment 39.,3

## **1 Introduction**

- 1.1 The Authority's Constitution was last reviewed in December 2020 consequent upon the retirement of the former Chief Legal and Governance Officer and in response to amendments to the Contract Procedure Rules (CPR).
- 1.2 This report provides information on further updates required subject to approval by the Executive Committee for the Service Level Agreement with regard to the provision of Monitoring Officer services. IT further advises of a revision to CPR 39.3 to reflect current roles and responsibilities.

## **2 Information**

### **Role of Monitoring Officer**

- 2.1 Since the date of the last meeting a Service Level Agreement (SLA) has been drawn up with Calderdale MBC for the provision of Monitoring Officer Services. The Authority's Executive Committee will be asked to approve the agreement at a meeting immediately following this one.
- 2.2 Subsequent upon the retirement of the former Chief Legal and Governance Officer, the role of Monitoring Officer was divided between the Chief Executive / Chief Fire Officer and the Deputy Chief Fire Officer (with one responsibility given to the Chief Employment Services Officer – Data Protection Officer) as approved at the December 2020 meeting of the Full Authority, revisions are now required to reflect the provision of Monitoring Officer services.
- 2.3 Members are asked to approve that revisions be made to the Constitution subject paragraph 2.1 above.

### **Contract Procedure Rules (paragraph 39.3)**

- 2.4 Following approval to the revised Contract Procedure Rules as agreed at the December 2020 meeting, it has become apparent that an additional change should be made to paragraph 39.3 to better reflect roles and responsibilities and to ensure full transparency and compliance. Details of the proposed amendment is attached as an annex to this report.

## **3 Financial implications**

- 3.1 There are no direct financial implications arising from this report.

## **4 Human Resource and Diversity implications**

- 4.1 There are no human resource and diversity implications arising directly from this report.

## **5 Health, Safety and Wellbeing implications**

- 5.1 There are no health, safety and wellbeing implications arising directly from this report.

## **6 Environmental implications**

6.1 There are no environmental implications arising directly from this report.

## **7 Your Fire and Rescue Service priorities**

7.1 This report supports all the Fire and Rescue Service priorities 2020 – 23.

### **Change required to Contract Procedure Rules (CPR) 39.3**

Following the retirement of the Chief Legal and Governance Officer (CLGO) various amendments to the Constitution were approved at the 18 December 2020 meeting of the Full Authority to replace reference to the 'Chief Legal & Governance Officer'.

A specific amendment (marked in red below) was made to CPR 39.3 as follows;

*“Waiver requests in excess of £75,000 must be agreed by the Chief Fire Officer or in their absence; the **Deputy Chief Fire Officer**. Any such waivers must be reported to the next meeting of the Finance & Resources Committee by the Chief Finance & Procurement Officer.”*

It is now proposed that a further amendment to CPR 39.3 be approved (marked in blue below) to include reference to the Chief Finance and Procurement Officer and Director of Service Support to better reflect role responsibilities as stated below:

*“39.3 Waiver requests in excess of £75,000 must be agreed by the Chief Fire Officer or in their absence; the Deputy Chief Fire Officer, **Chief Finance and Procurement Officer or Director of Service Support**. Any such waivers must be reported to the next meeting of the Finance & Resources Committee by the Chief Finance & Procurement Officer.”*

(For information)

To date no waiver has been requested for projects in excess of £75,000 and it is unlikely that there would be any approved in the future. Therefore the requested amendment provides a practical solution should it be required that a Management Board member must approve any such waiver.

Current exemptions to CPR (all under £75,000) are managed by the Procurement Manager and approved/rejected by the Chief Finance and Procurement Officer. An exemption request form has been introduced which requires appropriate justification to be provided before being considered for short-term exemption to CPR. Historically arrangements have simply been implemented – the exemption request form provides a level of assurance that there is a bona fide reason for the short-term exemption to CPR.



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# Calendar of meetings 2021 - 22

## Full Authority

Date: 25 February 2021

Agenda Item:

10

Submitted By: Chief Executive and Chief Fire Officer

<b>Purpose</b>	To agree the programme of Authority and Committee meetings for 2021 – 2022.
<b>Recommendations</b>	That the programme of meetings for 2021 – 2022 be approved as detailed in the report now submitted.
<b>Summary</b>	A programme of meetings for the forthcoming municipal year has to be agreed by the full Authority prior to it becoming effective immediately following the Annual General Meeting and any changes to an agreed programme require the approval of the full Authority.

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Draft Programme of meetings 2021 – 2022



## **1 Introduction**

- 1.1 It is necessary to give consideration to the programme of meetings for the next municipal year based on a quarterly cycle. In advance of the commencement of the programme the Authority will hold its Annual Meeting on Thursday 24 June 2021.
- 1.2 In accordance with the agreed Terms of Reference the Local Pension Board will meet on a six-monthly basis scheduled in July and January of each municipal year.

## **2 Information**

- 2.1 The Annual Meeting marks the start of the programme of meetings. The programme of meetings for 2021 - 22 attached at Annex A is recommended for adoption by the Authority.

## **3 Financial Implications**

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

## **4 Human Resources and Diversity Implications**

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

## **5 Health, Safety and Wellbeing Implications**

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

## **6 Environmental implications**

- 6.1 There are no direct environmental implications arising from this report. Where appropriate meetings requiring Member attendance will continue to be scheduled to avoid any unnecessary additional car journeys.

## **7 Your Fire and Rescue Service priorities**

- 7.1 This report supports the Authority's governance arrangements which impacts on all the 2020 – 23 priorities.

## WEST YORKSHIRE FIRE AND RESCUE AUTHORITY

### PROGRAMME OF MEETINGS 2021 / 2022

FRIDAY 10.30AM  HUMAN RESOURCES COMMITTEE	FRIDAY 11.30AM  LOCAL PENSION BOARD	FRIDAY 10.30AM  FINANCE & RESOURCES COMMITTEE	FRIDAY 10.30 AM  AUDIT COMMITTEE	FRIDAY 10.30AM  COMMUNITY SAFETY COMMITTEE	THURSDAY/FRIDAY 10.30AM  AUTHORITY
9 July 2021	22 July 2021 Thursday	16 July 2021	30 July 2021	23 July 2021	17 September 2021 Friday
8 October 2021	-	15 October 2021	22 October 2021	29 October 2021	17 December 2021 Friday
21 January 2022	27 January 2022 Thursday	4 February 2022	28 January 2022	14 January 2022	24 February 2022 Thursday
25 March 2022	-	15 April 2022	22 April 2022	29 April 2022	23 June 2022 AGM Thursday



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# Treasury Management Strategy 2021 - 22

## Full Authority

Date: 25 February 2021

Agenda Item:

11

Submitted By: Chief Finance and Procurement Officer

### Purpose

To present the Treasury Management Strategy 2021 - 22

### Recommendations

That Members approve;

- a) the investment strategy in section 2.3 and Appendix A
- b) the borrowing strategy outlined in section 2.4
- c) the capital strategy outlined in section 2.5
- c) the policy for provision of repayment of debt outlined in Appendix C
- d) the Treasury Management indicators in Appendix D
- e) the Capital Plan 2021/22 – 2025/26 at Appendix E

### Summary

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

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Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: CIPFA Prudential Code

Annexes:

- Appendix A – Investment strategy
- Appendix B – Credit rating scores
- Appendix C – Provision for repayment of debt
- Appendix D – Treasury Management indicators
- Appendix E – Capital Plan 2021/22 -2025/26

## **1 Introduction**

- 1.1 The Authority has formally adopted CIPFA's Code of Practice on Treasury Management, and is thereby required to consider a treasury management strategy before the start of each financial year. CIPFA released an updated version of the Prudential code in December 2017 which has resulted in a new requirement for local authorities to produce a capital strategy. The capital strategy is included within section 2.5 of this report. In addition, the Ministry for Housing, Communities and Local Government (MHCLG) issued guidance on local authority investments in February 2018, which requires the Authority to approve an Investment Strategy before the start of each financial year.

## **2 Information**

### **2.1 Outlook for the economy, credit risk and interest rates**

- 2.1.1 The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.
- 2.1.2 The Bank of England (BoE) maintained the Bank Rate at 0.10% in December 2020 and the Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Quarter 4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Quarter 1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.
- 2.1.3 UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market.
- 2.1.4 GDP growth rebounded by 16.0% in Quarter 3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Quarter 4 2021, 3.1% in Quarter 4 2022 and 1.6% in Quarter 4 2023.
- 2.1.5 The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic. Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.
- 2.1.6 It is forecast that BoE Bank Rate will remain at 0.1% until at least the end of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government

continue to react to the coronavirus pandemic and the new EU trading deal. The BoE extended its asset purchase programme to £895 billion in November while keeping the Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out.

Forecasts for interest rates for the next three years is as follows:

Table 1: Interest Rate Forecasts

	Average Base Rate	20 Year PWLB Rate
2021/22	0.10%	2.55%
2022/23	0.10%	2.65%
2023/24	0.10%	2.65%

## 2.2 Borrowing and Investment – General Strategy for 2021/22

2.2.1 As at 31 March 2021, the Authority is expected to have £45.2 million of external debt liabilities and £30.0 million of investments.

Forecasts for CFR as at 31 March are as follows:

	2021/22	2022/23	2023/24
	£m	£m	£m
CFR	56.4	63.9	68.8

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

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

	2021/22	2022/23	2023/24
	£m	£m	£m
CFR b/f previous year	49.5	56.4	63.9
Capital Expenditure (net of Capital	9.9	10.9	8.0

Receipts and Reserves)			
<u>CFR Debt Financed via:</u>			
Minimum Revenue Provision (MRP)	-3.0	-3.4	-3.1
CFR to c/f to next year	56.4	63.9	68.8

- 2.2.3 Prior to 2009/10 the Authority's policy had been to borrow up to its CFR and investing externally the majority of its balances. With the onset of instabilities in the financial markets and the economic downturn, the policy changed to one of ensuring the security of the Authority's balances. This coincided with dramatic falls in investment returns making the budgetary benefit of maximising external borrowing more marginal. Over the past few years, the Authority has chosen to finance its capital expenditure by 'borrowing' internally. This has principally been because of the relatively low rates of interest receivable on investments, less than 0.65%, particularly when compared to the cost of borrowing longer term loans from the PWLB.
- 2.2.4 The cost of borrowing has been historically low over the past decade and short-term borrowing rates remain very low. In October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt and authorities borrowing to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The PWLB launched a wide-ranging consultation on the PWLB's future direction which closed on 31 July 2020. New lending terms were announced by the PWLB on the 26 November 2020 which returned the cost of certainty borrowing rates back to the same level as October 2019. This practice is made more complicated by the Government's method of funding pension contributions – the year's funding plus any shortfall from the previous year, is paid as a lump sum in July each year. The grant in 2020/21 was £31.3 million.
- 2.2.5 The Chief Finance & Procurement Officer believes that the borrowing and investment strategy for 2021/22 must continue to place emphasis on the security of the Authority's balances.
- 2.2.6 As at 31 March 2021, the Authority is expected to have around £30.0 million invested externally, primarily in instant access accounts or short-term deposits, with local authorities, major British owned banks, building societies or Money Market Funds (MMFs). This will also ensure compliance with The Markets in Financial Instruments Directive II, whereby those maintaining a professional status must keep a minimum of £10 million invested at any point in time.

## 2.3 Treasury Investment Strategy

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

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

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

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

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

2.3.5 The Authority’s investment criteria has been slightly adapted over the years but is largely based on a strategy of when the Authority had relatively small investment balances. Since the pensions’ payments have increased and the Government has chosen to provide the Authority with an annual grant to cover the costs, the Authority has found itself with more significant levels of investment. Officers carried out a review of the strategy prior to 2015/16 and are confident that it is fit for purpose in terms of the current strategy of prioritising security and liquidity whilst achieving returns above that offered by the Government.

Key features of the strategy are as follows:

#### Specified Investments

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

## Non-Specified Investments

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

2.3.6 A maximum limit of £6 million applies to any one counterparty and this applies to a banking group rather than each individual bank within a group. For illustrative purposes, the last column of Appendix A lists which banks and building societies the Authority could invest with based on credit ratings as at the beginning of December 2020.

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

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

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

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

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

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



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

2.3.13 Investments may be made using the following instruments:

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

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

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

## 2.4 Borrowing Requirement and Strategy

2.4.1 As at 31 March 2021, the Authority is expected to have £45.2 million of external debt liabilities and £30.0 million of investments. Forecast changes in these sums for the next three years are shown in the balance sheet analysis below:

### Balance Sheet Forecast

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
CFR	49.5	56.4	63.9	68.8
Less: External borrowing	45.2	45.0	43.9	41.9
Internal Borrowing	4.3	11.4	20.0	26.9
Investments	30.0	30.0	30.0	30.0

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

2.4.3 It is predicted that as at 31 March 2021, the Authority will have total external borrowing and other long-term liabilities of around £45.2 million.

This is analysed as follows:

	<b>Estimated Total debt as at 31 March 2021</b>	
	<b>£m</b>	<b>%</b>
PWLB fixed loans	43.2	95.6
LOBO	2.0	4.4
<b>TOTAL</b>	<b>45.2</b>	<b>100.0</b>

2.4.4 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for money and also flexibilities to restructure and make possible savings. Although, the Government decided to raise rates for new PWLB loans in October 2010 by around 0.90%, it has since introduced a discounted rate for local authorities joining the new “certainty rate” scheme. The Authority has joined the scheme and will have access to loans discounted by 0.20% in 2020/21. As noted earlier in paragraph 2.2.5 in October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt and authorities borrowing to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The PWLB launched a wide-ranging consultation on the PWLB’s future direction which closed on 31 July 2020. New lending terms were announced by the PWLB on the 26 November 2020 which returned the cost of certainty borrowing rates back to the same level as October 2019.

2.4.5 The Authority also has a LOBO (Lender’s Option, Borrower’s Option) loan. The way this loan works is that the Authority pays interest at a fixed rate for an initial period and then the lender has the option in the secondary period to increase the rate. If the option is exercised, the Authority can either accept the new rate or repay the loan. The Authority’s loan is in its secondary period with intervals of 5 years between options. The next option date is May 2021. There have been moves by some lenders to amend the terms of their LOBO loans to convert them to ‘vanilla’ fixed rate loans. No approach has yet been made by Dexia Credit Local, the lender to the Authority to amend any of the conditions of the loan.

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

time of several months between committing to borrow and knowing the interest rate payable.

- 2.4.7 In terms of meeting the Authority's borrowing requirement over the next three years, as short-term rates are forecast to stay low, it may be opportune to take short-term loans either at fixed or variable rates. However, with long term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.
- 2.4.8 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Authority may take advantage of this and replace some of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk.
- 2.4.9 Borrowing policy and performance will be continuously monitored throughout the year and will be reported to Members.

## **2.5 Capital Strategy**

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

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

### **Capital Expenditure**

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

### **Capital Financing and Borrowing**

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

### **Chief Financial Officer's statement**

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

## Capital Expenditure

### - Capitalisation Policy

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

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

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

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

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

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

### - Governance

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

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

2.5.8 The Chief Finance and Procurement Officer shall determine the format of the Capital Programme and the timing of reports relating to it. The approved Capital Programme will

comprise a number of individual schemes each of which will be quantified on an annualised basis. Each directorate will submit capital bids to the finance department which are then collated and presented to the Management Board Star Chamber for scrutiny and approval for inclusion on the proposed capital plan. The bids are then collated for submission to the Full Authority meeting in February.

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

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

### **Capital Financing and Borrowing**

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

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

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

### **Chief Finance Officer Statement**

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

- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
- submitting quarterly treasury management reports;
- submitting quarterly capital budget reports;
- reviewing the performance of the treasury management function;

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

## **2.6 Statement of Policy on the Minimum Revenue Provision (MRP)**

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

## **2.7 Treasury Management Indicators**

2.7.1 The Authority is asked to approve certain treasury management indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decision impacting negatively on the Council’s overall financial position. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs. The proposed indicators are set out in Appendix D.

## **2.8 Other Matters**

2.8.1 The treasury management function is currently provided by Kirklees Council in a Service Level Agreement, with effect from the 30<sup>th</sup> June 2021, this responsibility is to transfer to the fire authority.

2.8.2 The MHCLG Investment Guidance also requires the Authority to note the following matters each year as part of the investment strategy:

## Investment Consultants

As part of the SLA the fire authority access the services of an investment consultant via Kirklees. The Council's adviser is Arlingclose Limited. The services received include:

- a) Advice and guidance on relevant policies, strategies and reports.
- b) Advice on investment decisions.
- c) Notification of credit ratings and changes.
- d) Other information on credit quality.
- e) Advice on debt management decisions.
- f) Accounting advice.
- g) Reports on treasury performance.
- h) Forecasts of interest rates and
- i) Training courses.

Following the transfer of treasury management responsibility to fire in June 2021, a procurement process will be undertaken in order to appoint the authority's own investment consultants.

## Investment Training

The needs of treasury management staff for training in investment management is assessed on a continuous basis, and formally on a 6 monthly basis as part of the staff appraisal process. Additionally, training requirements are assessed when the responsibilities of individual members of staff change. Staff attend training courses, seminars and conferences as appropriate. This approach currently followed under the SLA will be adopted when the fire authority has responsibility for treasury management.

## Investment of money borrowed in advance of need

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

### 2.8.3 Banking

The Authority moved its current account banking to Barclays in July 2015. There is nothing to report on the operation of the accounts.

## **3 Financial Implications**

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

## **4 Human Resource and Diversity Implications**

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

## **5 Health, Safety and Wellbeing Implications**

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

## **6 Conclusions**

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



**APPENDIX A**

**Specified**

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at December 2020
	Fitch	Moody's	S & P	£m	Period (1)	
Banks / Building Societies (Reverse Repurchase Agreements) (2)	F1  AAA,AA+,AA, AA-,A+,A,A-	P-1  Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1  AAA,AA+,AA, AA-,A+,A,A-	10	Up to 364 days	Lloyds Group
Banks / Building Societies (Deposit accounts, fixed term deposits)	F1  AAA,AA+,AA, AA-,A+,A,A-	P-1  Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1  AAA,AA+,AA, AA-,A+,A,A-	6	<100 days	Coventry BS
MMF (3)	-	-	-	6	Instant access/ up to 2 day notice	Aberdeen Standard, Aviva, Goldman Sachs
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth	
UK local authorities (Fixed term deposits)	-	-	-	Unlimited	Up to 364 days	

**Non-Specified (4)**

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at December 2020
	Fitch	Moody's	S & P	£m	Period (1)	
UK Banks / Building Societies  (Fixed term deposits)	F1,F2  Higher than BBB	P-1,P-2  Higher than Baa2	A-1,A-2  Higher than BBB	6	<2mth	Barclays, Leeds BS, RBS Group, Close Brothers

(1) The investment period begins from the date on which funds are paid over.

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

(3) Overall limit for investments in MMFs of £24 million.

(4) Overall limit of £18 million.

APPENDIX B

Credit ratings

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

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

## APPENDIX C

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

#### 1. Background

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

#### 2. Prudent Provision

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

The guidance provides two basic criteria for prudent provision:-

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

#### 3. Proposed policy for 2021/22

3.1 The Authority has always been prudent when making provision for the repayment of debt. In addition to the minimum revenue provision of 4% of debt outstanding previously required, the Authority had regularly made additional voluntary contributions. These voluntary contributions have been calculated to reflect asset life. Thus, for example, debt used to finance vehicles and many types of operational equipment has been fully provided for over a 10 year period and all new buildings over 50. These additional voluntary contributions covered all debt, not just unsupported, and have been calculated using an annuity method with reference to asset lives.

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

revenue budget savings identified during the year may also be used to make one off MRP payments.

- 3.1 It is recommended that this policy is adopted for 2021/22. The features of the policy can be summarised as follows:
- Provision to be made over the estimated life of the asset for which borrowing is undertaken (maximum asset life of 40 years / 50 years on Land)
  - To be applied to supported and unsupported borrowing
  - Provision will increase over the asset life using sinking fund tables
  - Provision will commence in the financial year following the one in which the expenditure is incurred
- 3.2 The proposed medium term financial plan includes budget provision to meet the MRP and interest payments based on historic and planned future capital spend. The Authority in the past has determined it can afford and sustain prudential borrowing in order to allow the required level of investment in the infrastructure and assets of the Authority to deliver a modern well equipped fire and rescue service.

## TREASURY MANAGEMENT INDICATORS

### Gross Debt and the Capital Financing Requirement (CFR)

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

### Interest Rate Exposures

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

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

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

### Maturity Structure of Borrowing

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

<b>Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate</b>		
	<b>Upper Limit (%)</b>	<b>Lower Limit (%)</b>
Under 12 months	20	0
Between 1 and 2 years	20	0
Between 2 and 5 years	60	0
Between 5 and 10 years	80	0
More than 10 years	100	20

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

Total principal sums invested for periods longer than 364 days

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



## APPENDIX E

### Capital Plan 2021/22 to 2025/26

	<b>TOTAL</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Employment Services	<b>£50,000</b>	£0	£50,000	£0	£0	£0
Fire Safety	<b>£2,000,000</b>	£400,000	£400,000	£400,000	£400,000	£400,000
ICT	<b>£1,729,000</b>	£1,195,000	£309,000	£50,000	£75,000	£100,000
IRMP	<b>£25,429,600</b>	£8,580,000	£12,849,600	£4,000,000	£0	£0
Operations	<b>£7,244,800</b>	£1,485,800	£3,944,000	£1,042,000	£689,000	£84,000
Property	<b>£8,650,000</b>	£1,450,000	£1,800,000	£1,800,000	£1,800,000	£1,800,000
Transport	<b>£12,482,100</b>	£3,412,100	£2,218,100	£3,015,900	£2,175,900	£1,660,100
<b>TOTAL</b>	<b>£57,585,500</b>	<b>£16,522,900</b>	<b>£21,570,700</b>	<b>£10,307,900</b>	<b>£5,139,900</b>	<b>£4,044,100</b>
<b>Financed by:</b>						
Borrowing	<b>£31,981,500</b>	£6,992,900	£16,070,700	£5,133,900	£689,900	£3,094,100
Reserves	<b>£17,354,000</b>	£8,580,000	£4,550,000	£4,224,000	£0	£0
Capital Receipts	<b>£3,500,000</b>	£0	£0	£0	£3,500,000	£0
Revenue Contributions	<b>£4,750,000</b>	£950,000	£950,000	£950,000	£950,000	£950,000
<b>TOTAL</b>	<b>£57,585,500</b>	<b>£16,522,900</b>	<b>£21,570,700</b>	<b>£10,307,900</b>	<b>£5,139,900</b>	<b>£4,044,100</b>



OFFICIAL

# Capital Investment Plan / Revenue Budget and Medium-term Financial Plan

## Full Authority

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Date: 25 February 2021

Agenda Item:

# 12

Submitted By: Chief Finance and Procurement Officer

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<b>Purpose</b>	To present a capital investment plan, a revenue budget and medium term financial plan. To set the council tax precept for 2021/22
<b>Recommendations</b>	That the resolution set out in section 10 of the report be approved
<b>Summary</b>	This report presents details of the revenue budget for 2021/2022 along with the four-year Medium Term Financial Plan and capital programme. Included within the report are details of the Local Government Finance Settlement 2021/2022, a standstill budget, a reserves strategy and a summary of activity in the 2020/2021 financial year

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

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T: 01274 682311 extension 660204

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

Annexes: Appendix A Capital Plan 2021 to 2026  
Appendix B Revenue Budget 2021/22

## 1 Introduction

- 1.1 This is a consolidated report which presents the Management Board's proposals for: -
- (i) A Capital Investment Plan for the five years to 2025/2026;
  - (ii) The Prudential Indicators to support the financing of the Capital Plan;
  - (iii) A Revenue Budget and Medium Term Financial Plan for the same period.

## 2 Proposed Capital Investment

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

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

### 2.2 Capital Plan

- 2.2.1 The Management Board are proposing a five-year capital investment plan of £57.585m which includes expenditure of £16.522m in 2021/2022. This is analysed by section in the table overleaf.
- 2.2.2 Following detailed feasibility studies, the plan includes £25.43m for the rebuilding of Keighley, Halifax and Huddersfield Fire Stations, the relocation of Cleckheaton Fire Station and the rationalisation of the Fire Service Headquarters site from 2021 to 2024. There is also provision of £1.8m per annum in the property section for station refurbishments. The plan includes investment in operational equipment, the replacement of fire appliances and improvements to our Information Technology infrastructure.

The table excludes those capital schemes that have been slipped from 2021/22, primarily as a consequence of delivery due to Covid19. A total of £2.63m has been approved to slip at Finance and Resources Committee during 2020/21. All schemes will be subject to a detailed business case that will be presented either to Management Board or Finance and Resources Committee for approval.

	<b>TOTAL</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Employment Services	<b>£50,000</b>	£0	£50,000	£0	£0	£0
Fire Safety	<b>£2,000,000</b>	£400,000	£400,000	£400,000	£400,000	£400,000
ICT	<b>£1,729,000</b>	£1,195,000	£309,000	£50,000	£75,000	£100,000
IRMP	<b>£25,429,600</b>	£8,580,000	£12,849,600	£4,000,000	£0	£0
Operations	<b>£7,244,800</b>	£1,485,800	£3,944,000	£1,042,000	£689,000	£84,000
Property	<b>£8,650,000</b>	£1,450,000	£1,800,000	£1,800,000	£1,800,000	£1,800,000
Transport	<b>£12,482,100</b>	£3,412,100	£2,218,100	£3,015,900	£2,175,900	£1,660,100
<b>TOTAL</b>	<b>£57,585,500</b>	<b>£16,522,900</b>	<b>£21,570,700</b>	<b>£10,307,900</b>	<b>£5,139,900</b>	<b>£4,044,100</b>
<b>Financed by:</b>						
Borrowing	<b>£31,735,500</b>	£6,992,900	£11,600,700	£9,357,900	£689,900	£3,094,100
Reserves	<b>£17,600,000</b>	£8,580,000	£9,020,000	£0	£0	£0
Capital Receipts	<b>£3,500,000</b>	£0	£0	£0	£3,500,000	£0
Revenue Contributions	<b>£4,750,000</b>	£950,000	£950,000	£950,000	£950,000	£950,000
<b>TOTAL</b>	<b>£57,585,500</b>	<b>£16,522,900</b>	<b>£21,570,700</b>	<b>£10,307,900</b>	<b>£5,139,900</b>	<b>£4,044,100</b>

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

## 2.3 CAPITAL FINANCING

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

### 2.3.2 Capital Grants

The Authority does not anticipate the receipt of any capital grants in 2021/22.

### 2.3.3 Capital Receipts

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

### 2.3.4 Borrowing

The balance of the expenditure will be funded by borrowing and the use of internal reserves, the table shows a total borrowing requirement of £31.735m over the period. The government provides no additional grant to assist the authority with financing the capital plan.

Over recent years the Authority has been borrowing internally to fund capital expenditure using its revenue balances and reserves, no new external long term borrowing has been taken out since December 2011. This has saved £5.3m in loan interest payments.

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

Due to the size of the capital plan over the next four years it is likely that the Authority will be required to take out borrowing from 2023, the costs of current and future debt servicing costs have been built into the Medium Term Financial Plan.

### 2.3.5 Reserves

The Authority has an earmarked reserve which is specifically for the funding of capital projects. Due to the nature of capital financing charges in the form of Minimum Revenue Provision (MRP) it is proposed that the purchase of long life assets is funded from the capital earmarked reserve. This means that the only cost to revenue will be the interest charge and tax payers of West Yorkshire will not be subject to MRP charges over the next forty years. For example, an asset costing £2m with an estimated life of 40 years the average annual charge of MRP in revenue would be £86k per annum, £3.440m over the 40 year period. This saving means that the authority can spend this money on other areas.

## 3 Prudential Indicators

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

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

### 3.2 Capital Expenditure, Capital Financing Requirement and External Debt

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

	2019/20 (actual) £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Capital Financing Requirement	51.03	49.5	56.4	63.9	68.8

The table shows an estimated borrowing requirement of £68.8m by 2023/24 which reflects the size of the capital plan.

### 3.3 Limits to Borrowing Activity

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

The Authority comfortably complied with the requirement to keep net borrowing below the relevant Capital Financing Requirement in 2019/20, and no difficulties are envisaged for the current or future years.

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

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

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

	2021/22	2022/23	2023/24	2024/25
Authorised Limit for external debt	65	68	68	68
Operational Boundary for external debt	51	61	65	65

### 3.4 Affordability Prudential Indicators

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

#### 3.4.2 Ratio of financing costs to net revenue stream

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

	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Ratio of Financing costs to net revenue stream	7.21%	7.14%	7.03%	7.76%

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

## 4 Revenue Budget and Medium Term Financial Plan

4.1 Whilst the Authority will only be required to approve the budget and precept for 2021/22 it is important that the Authority considers the medium term impact of the decision.

This section is split into 5 key areas: -

- 1 Review of the current year's budget and financial performance
- 2 The cost of a standstill budget for 2021/22
- 3 The draft Local Government Finance Settlement
- 4 Medium Term Financial Plan
- 5 Reserves

### 4.2 National Overview

4.2.1 In Spring 2020, the authority, along with all the other fire and rescue services funded the formation of a central spending review team which was a collaborative team comprising the Local Government Association (LGA), National Fire Chiefs Council (NFCC) and the Home Office. The remit of the team was to work with the Home Office to produce a collective business case highlighting the challenges facing the sector and the potential new burdens resulting from the Hackett and Grenfell inquiries and the HMICFRS State of Fire report to support bids for increases to fire funding to the Treasury.

This business case report, named the Fire Spending Proposal, was submitted to the Treasury in late Summer to support increase to funding for the fire sector. It was hoped that this would form the foundations of a multi-year funding settlement and thus provide financial stability over the medium term. However, the impact of Covid19 has created great financial uncertainty and has seen the government inject billions into the economy. For this reason, the Chancellor on the 25<sup>th</sup> November announced that the 2020 Spending Review, which sets out public sector spending, would once again result in a one year funding settlement.

4.2.2 Amid unusually high levels of uncertainty the Office for Budget Responsibility (OBR) forecasts that GDP will fall by 11.3% in 2020, the sharpest decline since 1709, before returning to growth in 2021. However, the economy is not expected to reach pre-crisis levels until the end of 2022. Meaning that in 2025 the economy will be approximately 3% worse off than expected pre-Covid.

4.2.3 The Spending Review 2020 made no specific reference to the fire and rescue service and once again is not considered a protected service, unlike the NHS, Police and defence. This lack of protection must be considered when preparing the medium term financial plan.

The Chancellor also announced that the majority of public sector pay is to be frozen for 2021/22 with the exception of NHS doctors, nurses and others and those who earn less than £24,000.

4.2.4 Despite the Chancellors assertion that we will not return to austerity, the future years of the spending forecasts do contain real term cuts compared to the original March 2020 budget figures. In the Spending Review non-virus related department expenditure limits are £11billion lower in 2022/23 and more in future years. The OBR states that the “£11billion reduction” in the cost envelope for 2022/23 could set up another challenging Spending Review next year.

4.2.5 The Bank of England (BoE) maintained the Bank Rate at 0.10% in December 2020. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink by -2% in Quarter 4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Quarter 1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.

4.2.6 UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market.

### 4.3 Impact on West Yorkshire

4.3.1 The Authority considered its revenue budget and precept strategy on the 21st February 2020 and approved a precept increase of 1.99% resulting in a Band D property precept of £65.87. West Yorkshire Fire and Rescue remains the fourth lowest precepting fire authority in England and Wales.

4.3.2 The announcement in the Spending Review 2020 of a pay freeze in 2021/22 for some public sector employees could have a financial impact if the national employers don't follow this guidance. No provision for a pay award (with the exception of employees earning less than £24k) has been included in the budget proposals for 2021/22. To put this into context a 1% pay award costs the authority around £0.55m and once paid will have to be factored into the base budget going forward. In this scenario, this would have to be met from existing budgets or in the short term be funded from reserves.

4.3.3 In the March 2016 budget the Chancellor announced that the discount rate that is used to determine the employers' contribution for firefighters' pension schemes would be reduced from 3.0% to 2.8%. This has the effect of increasing employers' contributions rates, the additional cost of which was estimated be £1m per annum which is included within the Medium Term Financial Plan from April 2020. Following an actuarial review of the pension schemes by the Governments Actuary Department (GAD), the actual reduction in discount rate would be from 3.0% to 2.4% which translates into an average employer pension contribution increase of 12.6%. The government paid a grant totalling £4.286m in 2020/21 which covered 93% of the additional cost and have agreed the same for 2021/22.



However, there has been no confirmation of grant payment from April 2022 onwards, although the responsibility of the grant has been transferred from the Home Office to the Ministry for Housing, Communities and Local Government (MHCLG).

- 4.3.4 The ruling on the McCloud/Sargeant case could result in significant costs in respect of employers' fire fighter pension contributions. An employment tribunal in December 2019 ruled that those fire fighters who had no or tapered protection in the 1992 Pension Scheme and were moved to the new 2015 Pension Scheme in April 2015 constituted unlawful age discrimination. This means that they are entitled to return to their pre-2015 pension schemes. Once the government finalises the remedy proposals (consultation ended 11<sup>th</sup> October 2020) they are likely to be subject to the introduction of legislation, so potentially the remedy may not be signed off until 2021/22 at the earliest. Although the cost of pensions and lump sums is met by top up grant this is offset by employers' pension contributions. The estimated cost to the Authority (if there is no government funding) will be an increase in employers' contributions from 28.8% (2015 scheme) to 37.3% (1992 scheme), an increase of 8.5%, which, based on the current workforce strength at the start of the remedy period will add another £2m to pension contributions in the revenue budget going forward. The Home Office has confirmed that retrospective payment of increased employer contributions will not have to be made good by the employer but will be recovered via the 2020 FPS actuarial review and amended employer rates from 2023/24. This will put further pressure on the revenue budget from 2023 as it is expected that employer contribution rates will increase further.
- 4.3.5 The authority has received one off grants in 2020/21, to fund the financial pressures of the outcomes of the Grenfell Inquiry and Covid19. Although this funding is welcomed, it is not built into the authority's base budget and any spending commitments that extend beyond the grant will have to be funded from existing budgets. This means that long term spending plans cannot be based on one-year grants without no certainty of receiving the grants going forward.
- 4.3.6 In terms of the financial outturn, the Authority is forecast to under-spend the budget by around £0.215m for the current financial year. Any budget underspends will be used to make additional voluntary minimum revenue provision charges, which will reduce the authority's capital financing requirement and reduce the revenue cost of the capital plan over the long term.

#### 4.4 A Standstill Budget for 2020/21 – Maintaining the current level of service

- 4.4.1 A standstill budget has been prepared for 2021/22, for the purpose of providing a baseline from which to measure changes in the proposed budget. This is calculated by updating the 2020/21 budget for increases in pay and prices, new financing charges and other adjustments. A standstill budget for 2021/22 would amount to £86.052m. The changes from the 2020/21 budget are detailed in the table below.

	£m
<b>2020/21 approved revenue budget</b>	<b>£87.623</b>
<u>One year growth in 2020/21</u>	
Capital Financing Charges	-£0.202
Contingency movements	-£0.657
Supplies and service consultancy and licences	-£0.213
<u>Pay and Price Increases</u>	
Operational Employees	£0.792
Support Staff	£0.276
Non employee budgets	£0.330
<u>Approved transfers at F&amp;R</u>	
Operational Employees	£0.141
Support Staff	£0.094
Budget Reductions due to Covid	-£0.125
Income	-£0.309
<u>Budget Calculations</u>	
Adjust to employees for retirement and recruitment	-£1.645
Adjust to Capital Financing Charges	-£0.397
Adjust to non employee budgets	£0.344
<b>2021/22 Standstill budget</b>	<b>£86.052</b>

The main changes to the 2020/21 budget are explained below:

- a) **Growth in 2020/21** Included within the 2020/21 was growth in capital financing charges, contingencies and supplies and services. This was approved growth for the current financial year only and is thus removed from the base budget for 2021/22.
- b) **Pay and Price Increases** These represent the full year effect of the pay award and price increases that have been built into the base budget for 2021/22.
- c) **Approved Transfers at Finance and Resources Committee** In order to ensure accurate budget monitoring, budgets are transferred from the revenue budget into contingencies during the year.
- d) **Budget Calculations** This includes the full year effect of the savings and costs of retirements and recruitment and the efficiencies identified with budget holders in the calculation of non-employee budgets.

#### 4.5 Revenue Balances

4.5.1 The Authority maintains both earmarked reserves and a general fund reserve, earmarked reserves are amounts set aside for a specific purpose and the general fund reserve is used to manage fluctuations in revenue budgets. The Authority's reserves strategy was approved at F&R in October 2020 and is published on the Authority's website.

#### 4.5.2 Minimum Revenue Balance

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

As at the 1<sup>st</sup> April 2020 the Authority had £5m of general fund reserves and £29.6m in earmarked reserves.

The minimum level of balances required is calculated using the Authority's corporate risk register. This document identifies all the major risks to business continuity the Authority may face, evaluates the potential cost and looks at measures to control or limit the risk. The risk register is maintained by the Risk Management Strategy Group, which is chaired by the Deputy Chief Fire Officer and reports quarterly to the Audit Committee. The current risk matrix was approved by the Audit Committee in September 2020 and identifies a requirement to maintain a minimum revenue balance of £5.0m.

## **5 Provisional Local Government Finance Settlement**

5.1 The finances of government departments are determined by a process called the Comprehensive Spending Review (CSR), the Authority's last multi-year settlement ended in 2019/20. The authority received a one year roll over budget for 2020/21 and a CSR planned for Summer 2020 would result in a three year settlement. Having a multi-year funding settlement enables better planning over the medium to longer term.

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

5.1.2 In previous reports I have informed members that the government is working towards significant reform in the local government finance system, notably the Fair Funding Review and reforms to the business rates retention system. Due to the effects of the pandemic these reviews have been postponed for a further year.

### **5.2 Local Government Finance Settlement**

5.2.1 The Core Spending Power in the total local government finance settlement is set to increase from £48.9billion in 2020/21 to £51.2billion in 2021/22, a cash increase of 4.5%. The core spending power is a measure of the resources available to local authorities to fund service delivery. The 2021/22 core spending power for West Yorkshire has increased from £82.92m in 2020/21 to £84.94m in 2021/22, an increase of £2m. This considers inflationary increases to revenue support grant and business rates baseline funding, an assumed tax base growth, a precept increase of 1.99% and increases for the under indexing of the business rates multiplier.

The central government grant allocations for 2021/22 are shown in the table below.

	<b>2020/21 Actual £m</b>	<b>2021/22 Final £m</b>
<b>Settlement Funding Assessment:</b>		
Top Up Grant central pool	16.922	16.922
Top Up local	7.814	7.814
<b>Base line funding (business rates)</b>	<b>24.736</b>	<b>24.736</b>
Revenue Support Grant	13.556	13.631
<b>Local Government Finance Settlement</b>	<b>38.292</b>	<b>38.367</b>

The revenue support grant has been uplifted by CPI inflation at September 2020, resulting in an increase of grant from £38.292m to £38.367m. However, the base line funding level is cash flat in real terms as the government announced that the business rate multiplier will be frozen in 2021/22, thus there has been no increase in funding for this element from 2020/21.

Confirmation has been received that the pension grant to cover the increased cost of employer FF pension contributions as a result of a reduction in the SCAPE discount rate will be paid as a cash flat grant in 2021/22. This means that the authority will receive £4.286m, the same amount as in 2020/21. The responsibility for this grant has been transferred from the Home Office to MHCLG and it is envisaged that the next CSR will result in this grant being included within base line funding. This will remove the uncertainty regarding its payment.

- 5.2.2 The pandemic has created a number of financial burdens on the authority, which is around the income the authority receives from the five district councils, (i.e.) the collection fund and the tax base.

#### Collection Fund

The district councils collect West Yorkshire Fire's share of council tax and business rates on our behalf and manages this through a collection fund, if the collection rate is higher than expected this generates a collection fund surplus. Conversely, if the collection rate is set higher than actual receipts this will cause a collection fund deficit. The authority has in previous years benefited from a collection fund surplus, which in 2020/21 is £0.108m, this is used to support the revenue budget. For prudence, an estimated surplus is not factored into the MTPF due to the potential volatility and due to the fact that the collection rate and policy is beyond our control.

Unfortunately, Covid19 has had a significant impact on the councils' collection fund for council tax and business rates. The government has passed legislation that enables local authorities to spread this deficit over three years and has introduced an income guarantee scheme which will fund 75% of irrecoverable losses from council tax and business rates. Taking these into consideration, this translates into a total estimated collection fund deficit of £2.21m (£1.281m council tax and £0.929m business rates) for the next three financial years.

COUNCIL TAX	2021/22	2022/23	2023/24	TOTAL
Bradford	£131,174	£80,543	£80,543	£292,260
Calderdale	£27,234	£24,911	£24,911	£77,056
Kirklees	£88,434	£36,667	£36,667	£161,767
Leeds	£190,000	£203,000	£203,000	£596,000
Wakefield	£51,701	£51,565	£51,565	£154,831
<b>TOTAL DEFICIT</b>	<b>£488,543</b>	<b>£396,686</b>	<b>£396,686</b>	<b>£1,281,915</b>
Grant	£155,138	£125,968	£125,968	£407,074
<b>Shortfall</b>	<b>£333,405</b>	<b>£270,718</b>	<b>£270,718</b>	<b>£874,841</b>

The table above details the impact of the collection fund deficits for 2021/22 and the following two years. The total council tax collection fund deficit is £1.281m which has been spread over three years as agreed by central government. As the table shows the total amount of grant of £0.407m to compensate for 75% of the irrecoverable losses is not as generous as it first appeared. In fact, the grant amounts to 32% compensation in each of the three years. This is due to the criteria in which the irrecoverable losses are calculated by government, it only compensates for losses in collectable council tax so it excludes losses relating to bad debt and reductions in collection rates.

BUSINESS RATES	2020/21	2020/21	Prior Year	2021/22	2022/23	2023/24	TOTAL
	Total Deficit	Section 31 Grant	Surplus / Deficit ( )	PAYABLE BY FIRE			
Bradford	£486,939	-£494,817	£7,878	£0	£0	£0	£0
Calderdale	£191,639	-£217,043	£41,647	£16,243	£16,243	£16,243	£48,729
Kirklees	£504,433	-£482,503	£4,162	£26,092	£26,092	£26,092	£78,276
Leeds	£1,849,625	-£1,551,035	-£49,006	£249,585	£249,585	£249,585	£748,755
Wakefield	£396,551	-£435,432	£56,656	£17,776	£17,776	£17,776	£53,328
<b>TOTAL DEFICIT</b>	<b>£3,429,187</b>	<b>-£3,180,830</b>	<b>£61,337</b>	<b>£309,696</b>	<b>£309,696</b>	<b>£309,696</b>	<b>£929,088</b>
Government Grant		-£3,180,830		-£232,272	-£232,272	-£232,272	-£696,816
<b>Shortfall</b>		<b>£0</b>		<b>£77,424</b>	<b>£77,424</b>	<b>£77,424</b>	<b>£232,272</b>

The compensation for national non domestic rates is much more straight-forward. The table shows that the authority has a business rates collection fund deficit on business rates of £3.429m in 2020/21, which the majority is due to the retail discount relief provided by government to local business to assist them through the pandemic. The district councils have already received Section 31 grant direct from government to pay for this burden, fire will be receiving their proportion following the reconciliation of the NNDR1 and NNDR3 which will be during 2021/22, meaning that the deficit relating to this extended retail relief of £3.180m will be funded in full by grant. As a result, the income owing to the authority has been treated as a debtor but for transparency has been included in this budget report so that the full impact of Covid19 can be identified. The amount of deficit payable by the authority is £0.929m, this is called the spread amount which is payable over the next three financial years for which a grant covering 75% of this deficit will be paid by government.

The overall effect of both the council tax and business rates deficits is that the authority will need to meet a combined shortfall of £1.107m over the next three years with £0.410m liable in 2021/22.

### 5.2.3 Tax Base

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

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

Both central government and local authority finance directors assume that the tax base will increase each year, which is primarily due to the increase in house building. Past experience has shown that this is in the region of 1.5% per annum. Included with the authority's MTFP is an assumed tax base growth of 1.1% in 2021/22 which equates to increase in precept income of £0.489m, this is before any precept increases are applied. However, the pandemic has had a negative effect on the tax base the district councils have reported an average reduction of 1.3% in the tax base. This reduction is due to a sharp increase in new local council tax support claimants due to Covid19. To put this into financial context this will result in a total reduction in council tax income of £1.347m, which is already factored into the MTFP.

The government has recognised this financial burden on local authorities and has allocated £670m of grant to compensate authorities for this shortfall. This grant is called the Local Council Tax Support grant and West Yorkshire has received confirmation that it will receive £1.176m of this grant in 2021/22.

Although this grant is welcomed, it still leaves a funding shortfall of an estimated £0.171k (£1.347m less £1.176m) against the Medium Term Financial Plan forecast presented to members in February 2020.

## 5.3 Referendum Principles

5.3.1 The Local Government Finance Settlement has set the referendum limit at 1.99% for 2021/22. If authorities wish to exceed this limit they are required to hold a referendum of all council tax payers and are bound by the results. This would be very costly as a separate referendum would have to be held in each of the five districts within West Yorkshire.

5.3.2 In addition, local authorities are able to increase the precept by an additional 3% for adult social care, and shire district councils in two-tier areas will be allowed increases of up to 1.99% or up to and including £5 whichever is higher. None of these additional increases are applicable to fire.

The referendum threshold for the Police and Crime Commissioners has been set at £15.

## 5.4 Business Rates

5.4.1 All business rates used to be paid directly from central government. In order to devolve responsibility locally, from 2013/14 local councils maintain 50% of business income, with the other 50% being redistributed by government via a business rates pool. The fire authorities receive 1% of the business rates collected by the district councils. The local effect of Covid19 on business rates collection funds have been explained in 5.2.2.

5.4.2 The settlement indicates the Authority will receive £24.73m in business rate income with £16.92m paid directly from central government in the form of top up grant and the balance of £7.81m being paid by the five district councils which equates to 1% of the income they collect. As mentioned earlier this has been frozen and as such there is no increase from 2020/21. The NNDR1 returns from the district councils have confirmed that the authority will not be receiving £7.81m in local business rates as estimated by central government. This is once again due to the effect of Covid19 as the number of businesses in West Yorkshire upon which business rates are charged is lower than pre pandemic. The amount of local business rates payable to the fire authority in 2021/22 will be £7.642m which is a shortfall of £0.172m against government forecasts.

5.4.3 The authority in addition receives Section 31 grant to compensate for any policy changes introduced around local business rates. The size of grant is confirmed by the district councils when they submit their NNDR1's on the 31<sup>st</sup> January and the amount to be received in 2021/22 is £1.206m plus a central top up grant for the business rates multiplier of £0.881m.

## 5.5 Precept Income

5.5.1 As members are aware, the Authority is also dependent upon precept income from the five districts which will provided £43.633m of its income in 2020/21. This income is dependent upon two factors, namely the size of the tax base and the precept set by the authority.

A 1.99% precept increase in 2021/22 will generate £0.858m of additional funding as opposed to a precept freeze. If the precept is frozen, efficiencies would need to be found within existing budgets. Due to the reduction in the tax base, if the precept was frozen at £65.87, the total amount of precept income would be £0.538m less than that received in 2020/21.

## 6 **Positive Assurance Statement**

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

6.2 If Members approve the recommendations in this report on the level of specific reserves and the strategy for use of balances, I can give the Authority positive assurance on the adequacy of reserves and balances. This assurance is given having considered the following matters: -

- a) This Authority has robust risk management arrangements and the Chief Finance and Procurement Officer uses a Risk Management Matrix to calculate the minimum level of balances.
- b) The Authority is single purpose and does not face a full a range of risks to manage as a multi-purpose authority.
- c) The Authority's revenue reserves have not generally been consumed during the year by overspendings but have been maintained throughout the year.

6.3 I can also give you positive assurance on the accuracy and robustness of all the forecasts and estimates in the budget proposals.

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

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

## **7 Medium Term Financial Planning**

7.1 The Medium Term Financial Plan (MTFP) sets out the framework for understanding the financial challenges faced by the Authority over the medium term. Although the MTFP is a four year plan it is updated at least annually to consider financial forecasts and factors external to the organisation.

7.2 As mentioned in the introduction to the report, the Authority will be asked to approve a four-year Medium Term Financial Plan, including the Revenue Budget for 2021/22, however as mentioned previously there remains financial uncertainty regarding funding from April 2022 onwards.

7.3 The Medium Term Financial Plan provides a forecast of the cost of the service based on the current level of service provision, which is adjusted for retirements and recruitment, costs and savings, and other service developments. An estimate of the resources available is also included, if expenditure is matched by funding, then the Authority has a balanced budget.

### **7.4 Precept Strategy**

Within the Local Government Finance Settlement, the referendum limit for a precept increase for 2021/22 is 1.99%. The option to hold a referendum is not being considered within the budget proposals. The report therefore looks at the 2 key options available to the Authority which are a precept freeze and a 1.99% increase in the precept.

### **7.5 Proposed Revenue Budget 2021/22**

The table below compares the standstill budget with available resources based on the two options referred to in the previous paragraph. A precept freeze will require the use of £0.858m of reserves to support the revenue budget. A 1.99% precept increase will result in a balanced budget for 2021/22.

A subjective analysis of the revenue budget is detailed in Appendix B.



	<b>Precept Freeze</b>	<b>Precept Increase 1.99%</b>
	<b>£m</b>	<b>£m</b>
<b>Standstill Budget</b>	<b>£86.052</b>	<b>£86.052</b>
Whole time Recruitment	£0.832	£0.832
Retirements	-£0.589	-£0.589
External recruitment	£0.287	£0.287
Career Breaks and non-retirees	£0.229	£0.229
Retained Recruitment	£0.164	£0.164
Overtime	£0.125	£0.125
Pensions and other employee costs	£0.136	£0.136
Support Staff	£0.380	£0.380
Premises	£0.155	£0.155
Supplies and Services	£0.256	£0.256
Income reduction	£0.050	£0.050
Revenue Contribution to Capital	£2.036	£2.036
Transport	-£0.018	-£0.018
Service Level Agreement	-£0.035	-£0.035
Ill health Retirements	-£0.303	-£0.303
Vacancy Management operational	-£0.256	-£0.256
Vacancy Management support staff	-£0.153	-£0.153
<b>REVENUE BUDGET</b>	<b>£89.348</b>	<b>£89.348</b>
Top Up Grant Central Pool	-£16.921	-£16.921
Top Up Grant Central Local	-£7.642	-£7.642
Section 31 Grant	-£2.089	-£2.089
Revenue Support Grant	-£13.631	-£13.631
Pensions Grant	-£4.286	-£4.286
Precept Income	-£43.094	-£43.952
Business Rates Prior Year Surplus	-£0.061	-£0.061
Business Rates Deficit (2020/21)	£0.309	£0.309
Collection Fund Deficit (2020/21)	£0.488	£0.488
Local Council Tax Support Grant	-£1.176	-£1.176
Income Tax Guarantee Grant	-£0.387	-£0.387
<b>INCOME</b>	<b>-£88.490</b>	<b>-£89.348</b>
<b>Funding Deficit</b>	<b>£0.858</b>	<b>£0.000</b>
<b>Use of Reserves</b>	<b>£0.858</b>	<b>£0.000</b>

## 7.6 Budget Calculations

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

7.6.2 Reductions to base budgets approved at Finance and Resources in July and October 2020 and January 2021 and increases in support staff employee budgets approved at Human Resources Committee in October 2020 and January 2021 have been incorporated into the base budget for 2021/22.

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

## 7.7 Budget Growth and Savings 2021/22

7.7.1 In addition to the budget adjustments approved at committee during 2020/21 there are a number of areas of growth and savings that have been identified as part of the budget planning process.

- a) £0.287m has been included in grey book employees for the external recruitment of crew managers and the internal promotion of firefighters to crew managers in order to align the work force plan with the approved establishment.
- b) £0.229m has been added to employee contingency budgets to cover the cost of two employees returning from career breaks during the year and for three employees who have exceeded their projected retirement date and are still in employment at the time of budget setting.
- c) £0.164m has been added to retained employee budgets for expected retained recruitment in 2021/22.
- d) £0.125m has been provided for increased overtime costs which will be required to cover for leave that was deferred due to Covid19.
- e) A provision of £0.136m has been included in pension and other employee costs to fund the employer contributions cost of those firefighters who have opted out of a pension scheme, re-joining.
- f) £0.380m has been included within support staff employee budgets for new support staff posts, these will be subject to HR committee approval.
- g) £0.155m has been allocated for increases in premises costs for the increases in costs of contracts and health and safety project support
- h) £0.256m has been included within supplies and services for the implementation of the performance management framework, Office 365, consultancy for the property review and increases for software licences.
- i) The mast income budget has been reduced by £0.050m which is a result of national changes to the charging mechanisms following the implementation of the telecoms code.
- j) £2.036m has been included for additional revenue contributions to capital expenditure which will reduce the authority's capital financing requirement and hence, capital financing charges which are chargeable to revenue.
- k) (£0.018m) has been removed from the fleet leasing budget following a review of pool vehicles.
- l) The Service Level Agreement with Kirklees has been reduced by (£0.035m) which is due to the provision of treasury management being transferred to fire.
- m) No inflation has been allocated for non-contractual budgets, resulting in a saving of (£0.103m) and (£0.200m) has been removed from the ill health pensions budget.
- n) (£0.409m) has been deducted from employee budgets for vacancy management for both grey book and support staff.

## 7.8 Budget Calculation Assumptions

7.8.1 The main financial risks underpinning both spending and funding forecasts in the MTFP are:

- Precept increase of 1.99% in 2021/22 and each year thereafter.
- Resumption of growth to the tax base from 2022/23 of 0.5% and 1% from 2023/24 and onwards.
- Pay increases for all staff groups of 2% in 2022/23 onwards.
- General price inflation of 2%.
- Employees retire as per their projected retirement date and the authority continues to recruit in order to maintain establishment at 900 whole time employees.

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

## 7.9 Financial Planning April 2021 Onwards

7.9.1 In order to enable members to understand the financial uncertainty from April 2022 a range of scenarios have been drawn up which shows the impact of:

- a) A 5% cut in funding
- b) A 10% cut in funding

These are potential scenarios at this stage, once more information is received on funding from April 2022 onwards the Medium Term Financial Plan will be updated and reported to members. Although the government has stated that austerity had ended, it is prudent to provide members with the worst case scenarios of funding reductions. Moreover, the Chancellor made no reference to the fire been a protected service in the 2020 Spending Review report. At this stage no, planned real increases in funding from April 2022 has been forecast as there has been no formal commitment from government to increase funding to fire and rescue services.

The table below shows the impact of these scenarios

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	£m	£m	£m	£m
Revenue Budget	89.348	89.646	91.348	92.715
Funding	89.348	89.284	90.708	92.474
Use of Reserves	0.000	0.362	0.640	0.241
5% cut	0.000	-1.910	-2.101	-2.311
10% cut	0.000	-3.820	-4.201	-4.622

7.9.2 In summary, as at April 2022, if there were cuts to funding of 5% and 10%, the authority could be faced with finding ongoing revenue savings between £1.91m and £3.82m in order to achieve a balanced budget depending on the level of grant cut. Due to the current financial uncertainty it is forecast that the authority will have to either use reserves or make savings in order to achieve a balanced budget.

7.9.3 As Chief Finance and Procurement Officer and as Section 73 officer there is a statutory duty to present a balanced budget as the use of reserves cannot be sustained over the longer term. The Strategic Development team is currently working closely with the finance team to identify savings and growth in accordance with the funding scenarios highlighted in the tables above. These will be presented to Management Board and the Fire Authority during 2021, if required.

## 7.10 Reserves

7.10.1 It is proposed that reserves will be used to support the Medium Term Financial Plan over the next four years as summarised in the table below:

Reserve Description	Origin	O/Balance 1st April 2021	Planned Use 2021/22	Planned Use 2022/23	Planned Use 2023/24	Planned Use 2024/25	CI/Balance 31/03/2025
<b>General Fund</b>		£5,000					£5,000
Transparency	Govt Grant	£46					£46
Regional Control Funding	Govt Grant	£563	£563				£0
Enhanced Logistical Support	Govt Grant	£202	£150				£52
Decontamination of Body Bags	Govt Grant	£40					£40
Council Tax Reform	Govt Grant	£27					£27
Business Rate Appeals	Internal & Grant	£1,114	£1,000				£114
COVID19	Govt Grant	£1,142	£1,142				£0
Insurance Claims	Internal	£419					£419
Service Support Reserve	Internal	£542					£542
Pension Equalisation Reserve	Internal	£4,070	£2,000	£2,000			£70
Provision for pay and prices	Internal	£2,127	£550	£550	£550	£550	£73
Capital Financing Reserve	Internal	£16,154	£8,580	£7,520			£54
ESMCP	Internal	£258					£258
Medium Term Funding Impact	Internal	£2,000	£362	£640	£241		£757
<b>Total Earmarked</b>		<b>£28,704</b>	<b>£14,347</b>	<b>£10,710</b>	<b>£791</b>	<b>£550</b>	<b>£2,306</b>
<b>TOTAL USABLE RESERVES</b>		<b>£33,704</b>	<b>£14,347</b>	<b>£10,710</b>	<b>£791</b>	<b>£550</b>	<b>£7,306</b>

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

The rest of the earmarked reserves will be used to support the Medium Term Financial Plan as follows.

- It is forecast that the remaining balance on the Covid19 reserve will be fully spent in 2021/22. The majority of the cost is expected to be on overtime which is payable for the back fill due to employee taking leave postponed to the pandemic will be charged to this reserve.
- It is also recommended that costs associated with the Property Review and the consultancy costs attributable to the implementation of Office 365 are met from the Service Support Reserve. It is expected that these projects will generate ongoing revenue savings over the longer term even though they will need initial investment in the first instance.
- It is proposed that the capital financing reserve is used to fund the rebuilding of the three fire stations and the development of the FSHQ site as detailed in section 2 of this report and the completion of the rebuild of Wakefield Fire Station which commenced in

2019/20. This will mean that capital financing charges in the form of statutory Minimum Revenue Provision is not charged to this £17.6m of capital investment resulting in revenue savings over many years. This is because Minimum Revenue Provision is chargeable to revenue over the life of the asset, in the case of a new fire station, 40 years.

- d) As explained earlier in the report there may be some additional revenue costs associated with the McCloud/Sargeant case. The Government has not given any direction on how the costs of McCloud will be funded. In the short term, the Authority can call upon the pension equalisation reserve to fund this cost if central funding is not provided. The estimated ongoing revenue cost is £2m per annum and would be provided from the Pension Equalisation Reserve.
- e) Due to the uncertainty regarding employees pay awards, provision has been made for the funding of a 1% pay increase costing an estimated £0.550m from the provision for pay and prices reserve until savings to fund this can be found in the longer term. If there were higher increases in pay awards there would be a greater demand on this reserve.
- f) As detailed in the table in section 7.5.1, the current MTFP shows that due to funding uncertainty, the authority will need to call upon its reserves in order to achieve a balanced budget. This will be met from the Medium Term Funding Impact reserve.

## **8 Legal Implications**

- 8.1 The Authority is required to set a budget/issue a precept for 2021/22 before 1st March 2021. This decision is reserved to the Authority and cannot be taken by the Committee or delegated to officers, although the Finance & Resources Committee has to recommend a budget to the Authority. Before setting the level of the precept, the Authority must have agreed a balanced budget which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. The precept itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.
- 8.2 In addition, the Authority's Chief Financial Officer (under s73 Local Government Act 1985) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Authority must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer is also obliged to report to the Authority if in relation to the previous financial year it appears that a controlled reserve is or is likely to be inadequate. A controlled reserve is one where the Secretary of State has, by regulation, defined the appropriate minimum level of reserve. The s73 officer must report the reasons for that situation, and the action, if any, which she considers it would be appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration. No Regulations defining controlled reserves have been made.
- 8.3 In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken

into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Authority's finances. The resources available to the Authority must be deployed to their best advantage. Members must also act prudently.

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

## **9 Proposed Revenue Budget**

### **9.1 Recommendations**

- (a)** Members to consider the joint report of the Chief Fire Office/Chief Executive, the Chief Finance & Procurement Officer and, the Chief Legal & Governance Officer, which presents an overview of the financial position for the current year together with the draft revenue budget and capital plan for 2021/22 and four-year financial strategy and the precept options.

The detail of the report advises Members of:

- (i) The content of the five-year capital plan (£57.585m) with a forecast spend by the end of 2021/22 of £16.523m (as set out in Appendix A);
  - (ii) Capital Financing Requirement of £56.4m in 2021/22;
  - (iii) The Authorised Limit for external debt of £65m and an Operational Boundary of £51m;
  - (iv) Capital finance charges of 7.21% of the revenue budget;
  - (v) Forecast general fund balances of £5m by 31 March 2021 with a minimum balance to be maintained at £5.0m;
  - (vi) A council tax collection fund deficit of £488,543;
  - (vii) Details of the Local Government Finance settlement 2021/22;
  - (viii) Positive assurance from the Chief Finance Officer under section 25 of the Local Government Act 2003 of the adequacy of balances and the robustness of the budget estimates.
- (b)** Medium Term Financial Strategy 2021/2022 – 2024/2025 (incorporating revenue budget and capital plan)
- (i) Set a revenue budget of £89.348m incorporating the service development and efficiencies set out in paragraph 7.5.
  - (ii) Approve a precept increase of 1.99% for 2021/22.

## **10 Resolution**

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

- a) the Capital financing Requirement as set out in paragraph 3.2;
- b) the level of External Debt also set out in paragraph 3.3;
- c) the Authorised limit for external debt as set out in paragraph 3.4;
- d) the Operational Boundary for external debt also set out in paragraph 3.4.

10.2 Having considered the recommendations of the Chief Fire Officer/Chief Executive and the Chief Finance and Procurement Officer on service delivery and related budget requirements and, having taken account of the views of the consultees and, acting in accordance with the requirements of the Local Government Finance Act 1992 (as amended) (“the Act”) and, having approved a capital expenditure programme for the financial year 2021/22 of £16.523m and, having calculated its basic amount of council tax for the year by dividing its council tax requirement by its council tax bases, which the Authority notes have been determined by the District Councils, the figures are as follows for financial year 2021/22.

Authority	2021/22 Tax Base
Bradford	142,000.00
Calderdale	61,487.98
Kirklees	119,177.54
Leeds	229,489.20
Wakefield	102,088.00
<b>TOTAL</b>	<b>654,242.72</b>

10.3 The Authority calculates its council tax requirements under Sections 40 to 47 of the Act for Financial Year 2021/22 as the aggregate of the following:

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

- £89,348,446 The expenditure the Authority estimates it will incur in the year in performing its functions and will charge to the revenue account for the year in accordance with proper practices.
- £0 The allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to the revenue account for the year in accordance with proper practice.
- £0 The financial reserves which the Authority estimates it will be appropriate to raise in year for meeting estimated future expenditure.
- £0 Financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not been provided for.

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

- £45,396,421 The income which it estimates that will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices other than income which it estimates will accrue to it in respect of any precept issued by it to be.



- £0 The amount of financial reserves which the Authority estimates that it will use in order to provide for the items mentioned.

### 10.3.3 Council Tax Requirement

- £43,952,025 The aggregate calculated under subsection 42a(2) (aggregate of A) of the Act exceeds the amount calculated under subsection 42a(3) (aggregate of B) which is calculated to be the council tax requirement for the year.

### 10.3.4 Basic amount of council tax

- £67.18 The Authority calculates its basic amount of council tax by dividing the council tax requirement by the council tax base. The council tax requirement is £43,952,025 and the council tax base is £654,242.72 which is equal to £67.18 at band D. This calculation meets the requirement under S42B of the Act.

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

Band A	£44.79
Band B	£52.25
Band C	£59.72
Band D	£67.18
Band E	£82.11
Band F	£97.04
Band G	£111.97
Band H	£134.36

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

District	Precept
Bradford	£9,539,560
Calderdale	£4,130,762
Kirklees	£8,006,347
Leeds	£15,417,084
Wakefield	£6,858,272
<b>TOTAL</b>	<b>£43,952,025</b>

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

## Appendix A

Directorate	Description	Estimated Total Capital Cost	Estimated Capital Cost 21/22	Estimated Capital Cost 22/23	Estimated Capital Cost 23/24	Estimated Capital cost 24/25	Estimated Capital cost 25/26
Employment Services	Electronic Visitors booking in system	£50,000	£0	£50,000	£0	£0	£0
Fire Safety	Fire Alarms	£2,000,000	£400,000	£400,000	£400,000	£400,000	£400,000
Transport	Telematics upgrade	£100,000	£100,000	£0	£0	£0	£0
Transport	Vehicle Replacement	£12,382,100	£3,312,100	£2,218,100	£3,015,900	£2,175,900	£1,660,100
ICT	Upgrade of Gartan	£50,000	£50,000	£0	£0	£0	£0
ICT	Computer Hardware Replacement	£469,000	£145,000	£99,000	£50,000	£75,000	£100,000
ICT	Appliance Mobiles	£30,000	£30,000	£0	£0	£0	£0
ICT	UPS on stations	£240,000	£240,000	£0	£0	£0	£0
ICT	Pagers	£0	£0	£0	£0	£0	£0
ICT	Control VDI	£0	£0	£0	£0	£0	£0
ICT	MDT Hardware Replacement	£140,000	£140,000	£0	£0	£0	£0
ICT	Cradle point routers	£210,000	£210,000	£0	£0	£0	£0
ICT	ICT Service Management Software	£110,000	£0	£110,000	£0	£0	£0
ICT	Network Switches	£300,000	£300,000	£0	£0	£0	£0
ICT	WAN replacement	£100,000	£0	£100,000	£0	£0	£0
ICT	Performance Management Dashboard	£50,000	£50,000	£0	£0	£0	£0
ICT	Microsoft 365	£30,000	£30,000	£0	£0	£0	£0
IRMP	Station Rebuild/FSHQ Development	£25,429,600	£8,580,000	£12,849,600	£4,000,000	£0	£0
Property	Cookridge Fire Station	£100,000	£100,000	£0	£0	£0	£0
Property	Fairweather Green Fire Station	£100,000	£100,000	£0	£0	£0	£0
Property	Illingworth Fire Station	£100,000	£100,000	£0	£0	£0	£0
Property	Leeds Dormitory Facilities	£100,000	£100,000	£0	£0	£0	£0
Property	Dormitory Facilities	£100,000	£100,000	£0	£0	£0	£0
Property	Rawdon ablution Facilities	£100,000	£100,000	£0	£0	£0	£0
Property	Vehicle workshop pit improvements	£100,000	£100,000	£0	£0	£0	£0
Property	Illingworth	£200,000	£200,000	£0	£0	£0	£0
Property	Electric charging points	£200,000	£200,000	£0	£0	£0	£0
Property	Risk Register - Asbestos	£110,000	£110,000	£0	£0	£0	£0
Property	Surface water drainage	£40,000	£40,000	£0	£0	£0	£0
Property	General Mechanical & L8	£200,000	£200,000	£0	£0	£0	£0
Property	Specific Refurbishments	£4,000,000	£0	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Property	Various Properties	£3,200,000	£0	£800,000	£800,000	£800,000	£800,000
Operations	Hydrants	£1,800,000	£450,000	£450,000	£450,000	£450,000	£0
Operations	New central Mobilising System	£2,000,000	£0	£2,000,000	£0	£0	£0
Operations	Water Rescue Equipment	£120,000	£24,000	£24,000	£24,000	£24,000	£24,000
Operations	Gas Tight Suits	£50,000	£10,000	£10,000	£10,000	£10,000	£10,000
Operations	Lay Flat Hose	£250,000	£50,000	£50,000	£50,000	£50,000	£50,000
Operations	Portable Scene Lighting	£100,000	£100,000	£0	£0	£0	£0
Operations	Uniform	£200,000	£200,000	£0	£0	£0	£0
Operations	Wildfire Vehicle	£30,000	£30,000	£0	£0	£0	£0
Operations	Helmet Bag	£15,000	£15,000	£0	£0	£0	£0
Operations	Technical Rescue Equipment	£75,000	£75,000	£0	£0	£0	£0
Operations	PPE Storage Shelters	£168,800	£168,800	£0	£0	£0	£0
Operations	Command Support	£100,000	£100,000	£0	£0	£0	£0
Operations	Expansion Foam concrete	£65,000	£65,000	£0	£0	£0	£0
Operations	Foam Branch and Inductors	£30,000	£0	£0	£0	£30,000	£0
Operations	MIBS stretcher	£50,000	£0	£0	£0	£50,000	£0
Operations	Defibrillators	£75,000	£0	£0	£0	£75,000	£0
Operations	Tirfor & Ancillaries	£100,000	£0	£0	£100,000	£0	£0
Operations	Ground Monitors	£85,000	£0	£0	£85,000	£0	£0
Operations	Dividing Breechings	£30,000	£0	£0	£30,000	£0	£0
Operations	Mainline Branches	£60,000	£60,000	£0	£0	£0	£0
Operations	High Rise Branches	£28,000	£28,000	£0	£0	£0	£0
Operations	Breathing Apparatus Sets	£850,000	£0	£850,000	£0	£0	£0
Operations	BA Cylinders	£350,000	£0	£350,000	£0	£0	£0
Operations	BA Ancillary Equipment	£210,000	£0	£210,000	£0	£0	£0
Operations	Powermats	£110,000	£110,000	£0	£0	£0	£0
Operations	RFID Tagging	£293,000	£0	£0	£293,000	£0	£0
		<b>£57,585,500</b>	<b>£16,522,900</b>	<b>£21,570,700</b>	<b>£10,307,900</b>	<b>£5,139,900</b>	<b>£4,044,100</b>

Appendix B

2020/21	REVENUE BUDGET	2021/22
£53.667	Firefighters	£53.566
£11.100	Support Staff	£11.398
£2.000	Pensions	£1.800
£1.220	Other Employees	£1.268
£4.540	Premises	£5.061
£2.328	Transport	£2.272
£5.722	Supplies and Services	£5.743
£0.348	Lead Authority Charges	£0.316
£8.150	Capital Financing	£8.330
£1.284	Contingency	£2.159
£90.358	<b>GROSS EXPENDITURE</b>	£91.913
-£2.735	Less Income	-£2.565
£87.623	<b>NET EXPENDITURE</b>	£89.348



OFFICIAL

# Pay Policy Statement 2021-22

## Full Authority

Date: 25 February 2021

Agenda Item:

**13**

Submitted By: Chief Employment Services Officer

<b>Purpose</b>	To request approval of the Pay Policy Statement under the Localism Act 2011
<b>Recommendations</b>	That Members approve the Pay Policy Statement
<b>Summary</b>	The report sets out the Authority's Pay Policy Statement and requests approval of said statement

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Ian Brandwood, Chief Employment Services Officer  
Tel: 01274 682311 x 671358

Background papers open to inspection: None

Annexes: Annex A – Pay Policy Statement 2021-22

## **1 Introduction**

- 1.1 Under Section 38 (1) of the Localism Act 2011, relevant Authorities, (which include Fire and Rescue Authorities) are required to prepare a pay policy statement. These statements must articulate an Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'Chief Officers') and its lowest paid employees.
- 1.2 Pay policy statements must be prepared each financial year. They must be approved by 'Full Council', or a meeting of members in the case of a Fire and Rescue Authority, and published. The statement must be approved by March 31<sup>st</sup> each year.
- 1.3 Each local Authority / Fire Authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or determine what decisions on pay should be taken or what policies individual employing Authorities should have in place. They require that Authorities are open about their own local policies and how their local decisions are made.

## **2 Information**

- 2.1 The guidance, to which Authorities must have regard when exercising their functions under pay accountability provisions, sets out what the pay policy statements should include and these are:

- The level and elements of remuneration for each Chief Officer
- Remuneration of Chief Officers on recruitment
- Increases and additions to remuneration of each Chief Officer
- The use of performance related pay for Chief Officers
- The approach to the payment of Chief Officers on their ceasing to hold office under, or being employed by, the Authority and
- The publication of and access to information relating to remuneration of Chief Officers

The guidance also sets out what 'remuneration' for these purposes covers.

- The Chief Officer's salary or, in the case of a Chief Officer engaged by the Authority under a contract for services, payments made by the Authority to the Chief Officer for those services
- Any bonuses payable by the authority to the Chief Officer
- Any charges, fees or allowances payable by the Authority to the Chief Officer
- Any benefits in kind to which the Chief Officer is entitled as a result of the Chief Officer's office or employment
- Any increase or enhancement of the chief officer's pension entitlement when the increase or enhancement is as a result of a resolution of the authority, and

- Any amounts payable by the authority to the Chief Officer on the Chief Officer ceasing to hold office, under or be employed by the authority other than the amounts that may be payable by virtue of any enactment

2.2 For the purposes of clarity, Chief Officers in this context will be those officers in this Authority on either gold or blue book conditions i.e. members of the Management Board. The attached pay policy statement addresses all the points and guidance set out above.

2.3 The draft Pay Policy statement for 2021-22 is attached for approval as Annex A

### **3 Financial Implications**

3.1 There are no financial implications arising from this report.

### **4 Human Resource and Diversity Implications**

4.1 Demonstrating that the Authority has had due regard to advance equality of opportunity (particularly equal pay for employees with protected characteristics) would provide evidence of compliance with the Public Sector Equality Duty. The job evaluation scheme to which the Authority subscribes aims to deliver this.

### **5 Health, Safety and Wellbeing Implications**

5.1 There are no health and safety implications arising from this report

### **6 Environmental Implications**

6.1 There are no environmental implications arising from this report

### **7 Your Fire and Rescue Service Priorities**

- Support, develop and enable our people to be at their best
- Continue working towards delivering a more inclusive workforce, which reflects and serves the needs of the diverse communities of West Yorkshire

### **8 Conclusions**

8.1 The attached Pay Policy Statement meets the requirements of Section 38 (1) of the Localism Act 2011. The statement will be published on the West Yorkshire Fire and Rescue Authority website.

# **WEST YORKSHIRE FIRE AND RESCUE AUTHORITY PAY POLICY STATEMENT**

**1 April 2021 - 31 March 2022**

## **Introduction and purpose**

This Pay Policy Statement (the 'statement') sets out West Yorkshire Fire and Rescue Authority's (WYFRA) approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the WYFRA's approach to setting the pay of its employees by identifying:

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior staff i.e. Chief Officers, as defined by the relevant legislation.
- The Committees/Departments responsible for ensuring the provisions set out in this statement are applied consistently throughout WYFRA and recommending any pay policy amendments to the Fire Authority.

This policy statement has been approved by the Fire Authority and is effective from April 1<sup>st</sup>, 2021. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

## **Accountability and decision making**

The WYFRA Constitution outlines the responsibilities for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of WYFRA.

## **Responsibility and scale**

WYFRA is directly responsible for a budget of circa £80 million and for the employment of 1,427 staff (as at December 31<sup>st</sup>, 2020).

## **Pay strategy and design**

In determining the pay and remuneration of its employees, WYFRA complies with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The

Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. WYFRA takes the following approach to assessing individual and overall pay levels.

- Salaries of 'Green Book' employees in the Service are set using locally determined pay scales within the nationally determined pay spine and the nationally agreed Job Evaluation Scheme, with the Hay Job Evaluation Scheme being used for posts at Grade EO1 and above.
- Salaries of 'Grey Book' employees in the Service are set using nationally agreed pay levels.
- Where applicable, annual awards are normally made in April for Green Book Employees, July for Grey Book Employees and January for Directors.
- WYFRA does not use performance related pay for its Chief Officers.
- WYFRA does not award bonuses to Chief Officers.

### **Pay structure**

To encourage Green Book employees to develop in their role and to improve their performance, WYFRA has arranged salaries within 16 pay grades. There are also pay increments within each grade. Progression through the pay grade is based on:

- Meeting identified performance goals
- Length of service
- Promotion and development

New employees will usually be appointed to the minimum pay level for the relevant grade unless relevant supporting experience can be identified. Managers have the discretion to recommend an employee for acceleration of increments within the grade when they have demonstrated exceptional performance.

Grey Book employees can move between roles through successfully completing the promotion assessment process. Within role, individuals will either be paid at a competent or development rate. This will be dependent upon them completing the requirements of development for that role.

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract and/or outside of their



employment contract, where specific circumstances require this and where it can be justified in accordance with WYFRA policies.

### **Other employment-related arrangements**

Subject to meeting the qualifying conditions, employees have a right to belong to a pension scheme. The pension schemes WYFRA employees are currently members of include:

- The Local Government Pension Scheme - The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay.
- Firefighters Pension Scheme 1992 – The employee contribution rates currently range between 11 per cent and 17 per cent of pensionable pay.
- New Firefighters Pension Scheme 2006 - The employee contribution rates currently range between 8.5 per cent and 12.5 per cent of pensionable pay.
- Firefighters Pension Scheme 2015 - The employee contribution rates currently range between 11 per cent and 14.5 per cent of pensionable pay.

Under the LGPS, the Authority has the discretion to augment membership of the scheme up to a maximum of ten extra years, or enable early access to the scheme.

### **Pay arrangements for Chief Officers**

West Yorkshire Fire and Rescue Authority Chief Officers' pay is determined by the conditions of service to which officers are subject.

In this case, they are the National Joint Council for Brigade Managers of Fire and Rescue Services (Gold Book) and the Joint Negotiating Committee for Chief Officers of Local Authorities (Blue Book).

The information detailed below is approved by the Full Authority of elected members and the statement is available on the West Yorkshire Fire and Rescue Authority website, [www.westyorksfire.gov.uk](http://www.westyorksfire.gov.uk).

	<b>Salary Point One</b>	<b>Salary Point Two</b>	<b>Salary Point Three</b>	<b>Lease Car</b>
<b>Chief Fire Officer</b>	£161,306	£165,442	£169,579	£7,523
<b>Deputy Chief Fire Officer</b>	£137,110	£140,625	£144,142	£6,595
<b>Assistant Chief Fire Officer</b>	£120,470	£124,082	£127,185	£6,595
<b>Chief Finance and Procurement Officer (CFPO)</b>	£83,994	£86,148	£88,301	£4,710
<b>Chief Employment Services Officer (CESO)</b>	£83,994	£86,148	£88,301	£4,710

The above is based on Full Time Equivalentents.

- The Chief Fire Officer is currently paid at salary point 3
- The Deputy Chief Fire Officer is currently paid at salary point 3
- The Assistant Chief Officer is currently paid at salary point 2
- CFPO is paid at salary point 3
- CESO is paid at salary point 3

Chief Officers also receive reimbursement for internet and telephone charges and for professional subscriptions.

### **Lowest paid employees**

The lowest paid persons employed under a contract of employment with WYFRA are employed on full time 37 hours equivalent salaries in accordance with the salary scale currently in use within WYFRA.

As at 1 April 2021, this is scale point 1 within Grade 1 of the Authority's pay scale and has a salary of £17,842 (£9.25 per hour). The Living Wage currently stands at £9.50 per hour which equates to a salary of £18,278 per annum. The Living Wage rates increase in November each year and the Authority has 6 months to implement any increase (the increase will be implemented on April 1<sup>st</sup> 2020). (It should be noted that the national pay award, effective from April 1<sup>st</sup>, 2021, is still to be determined. It is likely that any award will ensure the Authority's lowest paid employees remain above the living wage. If this is not the case, then a salary supplement will be paid in accordance with Authority policy.

The term 'lowest paid employees' is defined as a full-time equivalent employee on the bottom scale column point of the Green Book pay scale or the lowest paid role/rank for Grey Book employees.

The Authority adopts this definition because pay arrangements for employees' who are not Chief Officers, are based upon nationally negotiated pay scales from the National Joint Council for Local Authority Fire and Rescue Services ('Grey Book') and the National Joint Council for Local Government Services ('Green Book').

The relationship between Chief Officers' pay and other Authority employees is represented by the pay multiple between the two categories:

- The pay multiple between the highest and lowest paid salaries is 9.50. (9.57 in 2020-21)
- The pay multiple between the highest paid salary and the median salary of the whole of the Authority's workforce is 5.23. (5.19 in 2020-21)

Chief Officers' salaries are determined by reference to appropriate National Joint Council conditions of service, comparison of salaries in similar authorities and occasionally by reference to employment consultants.

All the information relating to the remuneration of Chief Officers is available in West Yorkshire Fire and Rescue Service's Statement of Accounts published on the website and is also available under 'Transparency' in the Finance section on the Authority website.

In addition, the pay scales of all other senior staff within the Authority are available under 'Transparency' in the Finance section on the Authority website.

### **Payment on termination of employment**

Those Chief Officers who are contracted to the National Joint Council for Brigade Managers of Fire and Rescue Services are members of the Firefighters Pension Scheme (FPS). Those within the FPS pay contributions between 12.5% and 17%. Any payments made to them on retirement are subject to the rules and regulations of this pension scheme.

Similarly, those Chief Officers contracted to the Joint Committee for Chief Officers of Local Authorities are members of the Local Government Pension Scheme (LGPS) and are subject to the rules and regulations of that pension scheme. Those within the LGPS pay pension contributions of between 9.9% and 11.4%. In addition, there is provision at a local level for them to request flexible retirement via the Flexible Retirement Policy which is available on the Authority website.

Under the LGPS, the Authority also has the discretion to augment membership of the scheme up to a maximum of ten extra years, or to enable early access to the scheme.

In cases where an employee's contract is terminated on the grounds of redundancy or on grounds of efficiency there is discretion to pay a lump sum of up to 104 weeks' pay. Further details of these payments can be found within the Authority's 'Early Termination Policy' sited within the Human Resources section of the Authority website.

Those Chief Officers who are members of the Firefighters Pension Scheme do not receive any enhancements to redundancy payments.

### **Publication of pay policy statement**

Upon approval by the Fire Authority, this statement will be published on the West Yorkshire Fire and Rescue Authority website; [www.westyorksfire.gov.uk](http://www.westyorksfire.gov.uk). In addition, for posts where the full-time equivalent salary is at least £50,000, the Authority's annual statement of accounts will include a note setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year
- Any bonuses so paid or receivable by the person in the current and previous year
- Any sums payable by way of expenses allowance that are chargeable to UK income tax
- Any compensation for loss of employment and any other payments connected with termination
- Any benefits received that do not fall within the above.



OFFICIAL

# Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) COVID19 report

## Full Authority

Date: 25 February 2021

Agenda Item:

14

Submitted By: Director of Service Support

**Purpose** To introduce the HMICFRS Covid-19 Inspection Report

**Recommendations** To review the HMICFRS Covid-19 Inspection Report

**Summary** An introduction to the HMICFRS Covid-19 Inspection Report

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Judi Haigh, SIAT Manager  
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Background papers open to inspection: None

Annexes: HMICFRS Inspection report

## **1 Introduction**

- 1.1 In August 2020, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) were commissioned by the Home Secretary to inspect how fire and rescue services in England are responding to the Covid-19 pandemic. The inspection was commissioned outside the agreed national inspection programme and included all 45 fire and rescue services in England.

## **2 WYFRS Covid-19 Inspection**

- 2.1 Between 5th and 16th October 2020 independent assessors carried out the inspection using virtual methods to gain an initial snapshot of the Covid-19 response phase (April 2020 -June 2020).

The inspection considered the following 5 main areas: -

- What is working well
- What is being learnt
- How the fire sector is responding to the COVID-19 crisis
- How fire services are dealing with problems they face
- What changes are likely as a result of the COVID-19 pandemic

### **2.2 Inspection Activities**

The following inspection activities were carried out over the week 5<sup>th</sup> – 9<sup>th</sup> October 2020

- Staff Survey
- Rep Bodies Survey
- FRS Survey with Prevention, Protection, Response, Control, HR and Finance departments
- Virtual strategic Interviews were also undertaken with the heads of these 6 departments along with the Gold Command, Chair of the Fire Authority and an independent representative from LRF.

### **2.3 Feedback and Findings**

Feedback has been given in the form of a letter which is narrative only and does not include graded judgements. In the letter HMICFRS noted they were: -

“grateful for the positive and constructive way your service engaged with our inspection. I am also very grateful to your service for the positive contribution you have made to your community during the pandemic”.

HMICFRS recognised that WYFRS adapted and responded to the pandemic effectively and that all staff groups supported the community by: -

- delivering essential items to vulnerable people
- fitting face masks to be used by NHS staff who were treating Covid-19 patients
- transporting samples of Covid-19 antigen testing
- temporarily accepting responsibility, on behalf of Yorkshire Ambulance Service, to

- respond to people who had fallen in their homes
- transporting medical professionals to the homes of suspected Covid-19 patients
- carrying out joint visits with local authority licencing teams to assess and offer guidance on compliance with legislation

And also, that WYFRS trained staff (and put them on standby) to resource Leeds emergency mortuary and drive ambulances if needed.

WYFRS has continued to provide its core statutory functions throughout the pandemic broadly in line with advice from the National Fire Chiefs Council (NFCC).

The letter notes that in line with good governance, WYFRS had a pandemic flu plan and business continuity plans in place which were detailed enough to enable the service to make an effective initial response but they didn't anticipate and mitigate all the risks presented by Covid-19 and that the service has reviewed its plans to reflect the changing situation and what it has learnt during the pandemic.

## 2.4 **Next Steps**

The 2 areas of focus below were identified in the Covid-19 report feedback and have been added to our composite HMICFRS Action Plan: -

- It should determine how it will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.

We have carried out questionnaires, staff survey's and analysis which have informed an overarching Strategic Impact Assessment. The Strategic Impact Assessment details how we have adapted and embedded new ways of working to secure lasting improvements. We are also developing a 'learning log' to capture learning, innovation and best practice from this period which will help guide our programme of change in 2021 and beyond.

- It should identify all those staff at higher risk from COVID-19, so it can put appropriate wellbeing and support provisions in place.

Occupational Health hold a list of extremely clinically vulnerable staff to ensure their needs are considered in our plans and response to changing circumstances. We are also following the guidance relative to protected characteristics which was released July 2020 and have completed an equality impact assessment. We are closely monitoring the situation as risk levels change.

See Annex. 1 for full report

## 2.5 **Round 2 Inspection**

HMICFRS inspections will resume in January 2021. WYFRS are in Tranche 2 with document request commencing in May/June 2021. The existing inspection programme and framework will be used but a more flexible approach will be taken due to the risks presented by the Covid-19 pandemic.

### **3 Financial Implications**

3.1 There are no significant financial implications associated with this report.

### **4 Human Resource and Diversity Implications**

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

### **5 Health, Safety and Wellbeing Implications**

5.1 There are no significant health and safety/wellbeing implications associated with this report.

### **6 Environmental Implications**

6.1 There are no environmental implications arising directly from this report.

### **7 Your Fire and Rescue Service Priorities**

- Reduce the risks to the communities of West Yorkshire
- Continue to keep our firefighters safe
- Work smarter throughout the service
- We will use the HMICFRS assessment of 'Good' in all areas as a foundation to implement our improvement action plan with the aim of delivering an outstanding service
- Support, develop and enable our people to be at their best
- We will continue working towards delivering a more inclusive workforce, which reflects and serves the needs of the diverse communities of West Yorkshire

### **8 Conclusion**

8.1 The HMICFRS COVID - 19 Inspection has provided positive feedback and reflects the tremendous effort and commitment shown by all our staff to continue to deliver our service, with minimum disruption, whilst responding to the pandemic and supporting our local partners and communities. Their findings will inform our round 2 inspection and our continuous improvement for 2021 and beyond.



**HMI Matt Parr CB**

Her Majesty's Inspector of Fire & Rescue Services  
Her Majesty's Inspector of Constabulary

John Roberts  
Chief Fire Officer  
West Yorkshire Fire and Rescue Service

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

22 January 2021

Dear Mr Roberts and Cllr O'Donovan,

**COVID-19 INSPECTION: WEST YORKSHIRE FIRE AND RESCUE SERVICE**

In August 2020, we were commissioned by the Home Secretary to inspect how fire and rescue services in England are responding to the COVID-19 pandemic. This letter sets out our assessment of the effectiveness of your service's response to the pandemic.

2. The pandemic is a global event that has affected everyone and every organisation. Fire and rescue services have had to continue to provide a service to the public and, like every other public service, have had to do so within the restrictions imposed.

3. For this inspection, we were asked by the Home Secretary to consider what is working well and what is being learned; how the fire sector is responding to the COVID-19 crisis; how fire services are dealing with the problems they face; and what changes are likely as a result of the COVID-19 pandemic. We recognise that the pandemic is not over and as such this inspection concerns the service's initial response.

4. I am grateful for the positive and constructive way your service engaged with our inspection. I am also very grateful to your service for the positive contribution you have made to your community during the pandemic. We inspected your service between 5 and 16 of October 2020. This letter summarises our findings.

5. In relation to your service, the co-chairs of the West Yorkshire Local Resilience Forum (LRF) declared a major incident on 20 March 2020.

6. In summary, the service adapted and responded to the pandemic effectively. It used wholtime and on-call firefighters to respond to emergencies. It supported other agencies, hospitals and care facilities in the sourcing and distribution of personal protective equipment (PPE)

in the critical early stages of the pandemic. Local partners recognised its support and responsiveness.

7. The service temporarily accepted responsibility, on behalf of Yorkshire Ambulance Service NHS Trust, to respond to people who had fallen in their homes. The service also transported medical professionals to the homes of suspected COVID-19 patients. And it carried out joint visits with local authority licencing teams to assess, and offer guidance on, compliance with legislation. All staff groups supported the community by:

- (a) delivering essential items to vulnerable people;
- (b) fitting face masks to be used by NHS staff who were treating COVID-19 patients;
- (c) transporting samples of COVID-19 antigen testing; and
- (d) giving infection, prevention and control training to care homes.

8. The service has developed a wellbeing toolkit to offer COVID-19 guidance for staff. The service made sure that staff had the resources they needed to do their jobs effectively. It offered flexible working arrangements and adapted training provision. The service supported the changes it made with improved technology. This also enabled the service to improve the way it communicates with staff.

9. We recognise that the arrangements for managing the pandemic may carry on for some time, and that the service is now planning for the future. In order to be as efficient and effective as possible, West Yorkshire FRS should focus on the following areas:

- (a) It should determine how it will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.
- (b) It should identify all those staff at higher risk from COVID-19, so it can put appropriate wellbeing and support provisions in place.

### **Preparing for the pandemic**

10. In line with good governance, the service had a pandemic flu plan and business continuity plans in place which were in date. These plans were activated.

11. The plans were detailed enough to enable the service to make an effective initial response, but understandably, they didn't anticipate and mitigate all the risks presented by COVID-19.

12. The service has reviewed its plans to reflect the changing situation and what it has learnt during the pandemic.

13. The plans now include further detail on what elements of the service should maintain response capability if loss of staff is greater than normal. These are the degradation – referred to locally as derogation - arrangements. They cover prevention, protection, response and support functions, restriction of staff movements, the lockdown of specific buildings/offices, home/agile working, hygiene provision/procedures, main suppliers' business continuity arrangements and social distancing arrangements on all sites.

### **Fulfilling statutory functions**

14. The main functions of a fire and rescue service are firefighting, promoting fire safety through prevention and protection (making sure building owners comply with fire safety legislation), rescuing people in road traffic collisions, and responding to emergencies.

15. The service has continued to provide its core statutory functions throughout the pandemic broadly in line with advice from the National Fire Chiefs Council (NFCC). This means the service has continued to respond to calls from the public and attended emergencies. It has also continued carrying out prevention and protection work. It has done some of this remotely, to make sure that it provides for any high risks. It has continued to give staff risk-critical training.

### *Response*

16. The service told us that between 1 April and 30 June 2020 it attended more incidents than it did during the same period in 2019. This was, in part, due to the service changing its policy regarding how it responds to automatic fire alarms in commercial buildings. With many buildings unoccupied during the pandemic, the service attended more calls than it would have normally.

17. The overall availability of fire engines was better during the pandemic. Between 1 April and 30 June 2020, the service's average overall fire engine availability was 98 percent compared with 82.2 percent during the same period in 2019. We were told that this was as a result of an increased number of on-call firefighters being available to respond to emergencies because of being furloughed or made redundant from their primary employment. We were also told that some training courses had been postponed and staff annual leave had been cancelled.

18. The service introduced different crewing models as a temporary measure during this period. This included sending a crew of four firefighters to any incidents that didn't involve a risk to life.

19. The service told us that its average response time to fires improved during the pandemic compared with the same period in 2019. This was due to better fire engine availability and less road traffic during this period. This may not be reflected in [official data recently published by the Home Office](#), because services don't all collect and calculate their data the same way.

20. The service had adequate arrangements in place to make sure that its control room had enough staff during the pandemic.

21. This included effective resilience arrangements, such as training more staff in control room roles (although these additional staff weren't subsequently needed), and by having a flexible team of four 'floating' staff who can cover any shift shortfalls. The service also has fallback arrangements in place with South Yorkshire Fire and Rescue Service if needed.

### *Prevention*

22. The NFCC issued guidance explaining how services should maintain a risk-based approach to continuing prevention activity during the COVID-19 pandemic. The service adopted this guidance.

23. The service conducted fewer home fire safety checks/safe and well visits than it would normally undertake. It didn't review which individuals and groups it considered to be at an increased risk from fire as a result of the COVID-19 pandemic as there was no evidence to suggest a review was needed.

24. The service decided to continue to offer face-to-face home fire safety checks/safe and well visits because it could give staff suitable PPE. Operational staff carried out these visits.

25. The service introduced the option of a safe and well visit by telephone instead of a face-to-face visit. Other organisations, such as the local authority, are offering fire safety advice during any visits they are making. The service has also used technology to reach members of the public and provide partners with safety messages (for example, about water safety and cooking oil fires).

### *Protection*

26. The NFCC issued guidance on how to continue protection activity during the COVID-19 pandemic. This includes maintaining a risk-based approach, completing desktop audits and issuing enforcement notices electronically. Activity included carrying out audits on those premises that are at the greatest risk from fire. The service adopted this guidance.

27. The service didn't review how it defines premises as high-risk during the pandemic.

28. The service conducted fewer fire safety audits than it would normally undertake. It decided to continue with face-to-face fire safety audits and enforcement work for properties that were in a dangerous condition, or where there was a risk to life and, because it could give staff suitable PPE. It introduced risk-based desktop appraisals instead of face-to-face audits, to minimise face-to-face contact between members of staff and the public.

29. The service continued with enforcement and prohibition activities, although overall levels have reduced. It continued responding to statutory building control consultations.

30. It also introduced other measures to reduce social contact, such as using telephone and/or email to make the initial contact, completing more desktop assessments, using video conferencing/live streaming, offering information on its website, reducing the number of staff on visits, and doing risk assessments in advance of visits.

31. The service has continued to engage with those responsible for fire safety in high-risk premises with cladding similar to that at Grenfell Tower, in particular, premises where temporary evacuation procedures are in place.

32. The service worked with local authorities to put in place suitable and reasonable fire safety measures where buildings were repurposed. The service extended petroleum and explosive licences during the period to provide flexibility. The service also changed its policy on attending incidents initiated by an automatic fire alarm. It made this change due to more buildings being closed.

### **Staff health and safety and wellbeing**

33. The service identified wellbeing problems and responded to any concerns and further needs. Senior leaders actively promoted wellbeing services and encouraged staff to discuss any worries they had. The service also expanded its existing wellbeing programme to address the risk associated with COVID-19.

34. Most staff survey respondents told us that they could access services to support their mental wellbeing if needed. Support put in place for staff included occupational health, e-counselling, an employee assistance programme and a network of welfare officers. The service has developed a toolkit for staff. It includes specific support and management guidance in relation to COVID-19 (for example, coping techniques for dealing with isolation).

35. Initially, the service encouraged staff who were most at risk from COVID-19 to self-identify. The service also used NHS notification letters. The service worked with staff to develop and implement processes to manage the risk. It followed government guidance for staff who were identified as 'extremely vulnerable'. It established personalised care plans for each person. It didn't put any specific arrangements in place for black, Asian and minority ethnic (BAME) members of staff.

36. Wellbeing best practice was also shared with other services. The service is seeking feedback from staff to understand how it should plan for the potential longer-term effects of COVID-19 on its workforce.

37. The service made sure that firefighters were competent to do their work during the pandemic. This included keeping up to date with most of the firefighter fitness requirements.

38. The service assessed the risks of new work to make sure its staff had the skills and equipment needed to work safely and effectively.

39. The service provided its workforce with appropriate PPE in a timely manner. It participated in the national fire sector scheme to procure PPE and worked with other services regionally to source items locally, which allowed it to achieve value for money.

### *Staff absence*

40. Absences have increased compared with the same period in 2019. The number of shifts/days lost due to sickness absence increased by 88.6 percent between 1 April and 30 June 2020 compared with the same period in 2019.

41. The service used its existing absence management policy and followed government guidance so that it could better manage staff wellbeing and health and safety, and make more effective decisions on how to allocate work. It gave additional guidance to managers, who were instructed to be flexible and to deal with individual requirements on a case-by-case basis. Data was routinely collected on the number of staff either absent, self-isolating or working from home.

### *Staff engagement*

42. Most staff survey respondents told us that the service provided regular and relevant communication to all staff during the COVID-19 pandemic. This included regular virtual team meetings, written correspondence, newsletters, the intranet, and senior officer podcasts with staff about wellbeing and health and safety.

43. The service made use of telephone, email, social media, messaging services, virtual meeting platforms, podcasts, the intranet and staff briefings when communicating with on-call staff during COVID-19.

44. The service intends to maintain changes it has made to its ways of working in response to COVID-19, including maintaining the new risk assessments that it has developed for staff as part of its usual processes. It will also maintain the technology it has adopted to support communications.

### **Working with others, and making changes locally**

45. To protect communities, fire and rescue service staff were encouraged to carry out extra roles beyond their core duties. This was to support other local blue light services and other public service providers that were experiencing high levels of demand, and to offer other support to its local communities.

46. The service carried out the following new activities: assisting vulnerable people, fitting face masks, delivering PPE, antigen testing, transporting to and from Nightingale hospitals, assembling face shields, packing/repacking food for vulnerable people, and giving training. The service also trained staff (and put them on standby) to resource Leeds emergency mortuary and drive ambulances if needed.

47. A national 'tripartite agreement' was put in place to include the new activities that firefighters could carry out during the pandemic. The agreement was between the NFCC, National Employers, and the Fire Brigades Union (FBU), and specifies what new roles firefighters could provide during the pandemic. Each service then consulted locally on the specific work it had been asked to support, to agree how to address any health and safety requirements including

risk assessments. If public sector partners requested further support outside the tripartite agreement, the specifics would need to be agreed nationally before the work could begin.

48. The service consulted locally to implement the tripartite agreement with the FBU and the Fire Officers Association.

49. Other unions were engaged, including UNISON, if their members were asked to do extra work, including under the tripartite agreement.

50. All of the new work done by the service under the tripartite agreement was agreed on time for it to start promptly and in line with the request from the partner agency.

51. There were extra requests for work by partner agencies that fell outside the tripartite agreement, including transporting medical professionals to the homes of suspected COVID-19 patients. The service made joint visits with local authority licencing teams to assess and offer guidance on compliance with COVID-19 legislation. It also responded to vulnerable people who had fallen in their homes. People from all staff groups carried out these activities.

52. This work was agreed and undertaken on time and in line with the request from the partner agency.

53. All new work, including that done under the tripartite agreement, was risk-assessed and complied with the health and safety requirements.

54. In order to support the additional activities that were needed, the service developed a voluntary duty scheme to match staff to demand. On a typical day, up to 600 members of staff volunteered for additional duties. This enabled the service to effectively manage the allocation of additional duties.

55. The service hasn't yet fully reviewed and evaluated its activities to support other organisations during this period. It hasn't identified which to continue.

#### *Local resilience forum*

56. To keep the public safe, fire and rescue services work with other organisations to assess the risk of an emergency, and to maintain plans for responding to one. To do so, the service should be an integrated and active member of its LRF. West Yorkshire FRS is a member of the West Yorkshire LRF.

57. The service was an active member of the LRF during the pandemic. The service told us that the LRF's arrangements enabled the service to be fully engaged in the multi-agency response.

58. The service's deputy chief fire officer is co-chair of the LRF. As part of the LRF's response to COVID-19, the service was a member of the strategic command group and participated in several sub-groups. The service also gave additional staff to support district co-ordination and

monitor information. The service was able to allocate suitably qualified staff to participate in these groups without affecting its core duties.

### **Use of resources**

59. The service's financial position hasn't yet been significantly affected by COVID-19. The service has made robust and realistic calculations of the extra costs it has faced during the pandemic. Up until 30 June 2020 its main extra costs were: £109,305 for supporting response activities (for example, overtime and buying back staff annual leave); £124,172 for PPE and cleaning supplies; £106,156 for ICT infrastructure/licencing; and £22,000 for building adaptations, cleaning and communications that were needed in relation to COVID-19.

60. It fully understands the effect this will have on its previously agreed budget and anticipated savings. Where possible, it has exploited opportunities to make savings during this period and used them to mitigate any financial risks it has identified. For example, at the time of our inspection, it saved £148,000 by reducing fuel costs and conference expenses.

61. The service received £2.16m of extra government funding to support its response. It spent some of this money on staffing and overtime, PPE, signage, cleaning, decontamination, ICT and additional network capacity. It has also used the funding to offset loss of income associated with changes it made as a result of COVID-19. It has shown how it used this income efficiently, and that it mitigated against the financial risks that arose during this period.

62. The service didn't use any of its reserves to meet the extra costs that arose during this period.

63. When used, overtime was managed appropriately. The service made sure that its staff who worked overtime had enough rest between shifts.

### *Ways of working*

64. The service changed how it operates during the pandemic. For example, it has introduced smarter ways of working in relation to equipment requisitions and building maintenance requirements. It has used technology to support the delivery of training. It had the necessary IT to support remote working where appropriate. Where new IT equipment was needed, it made sure that procurement processes achieved good value for money.

65. The service could quickly implement changes to how it operates. This allowed its staff to work flexibly and efficiently during the pandemic. The service expedited the introduction of procurement cards for staff to allow them to make small purchases. The service has supplied all eligible staff with the necessary equipment to work from home in a safe, efficient and ergonomically friendly way. It has also invested in upgrading network capacity and security to support homeworking in the longer term.



66. The senior leaders had positive feedback from staff on how they were engaged with during the pandemic. As a result, the service plans to adopt these changes in its usual procedures and consider how they can be developed further to help promote a sustainable change to its working culture.

67. The service made good use of the resources and guidance available from the NFCC to support its workforce planning, and help with its work under the tripartite agreement.

### *Staffing*

68. The service had enough resources available to respond to the level of demand during the COVID-19 pandemic, and to reallocate resources where necessary to support the work of its partner organisations.

69. Arrangements put in place to monitor staff performance across the service, specifically in relation to response and protection, were effective. This meant the service could be sure its staff were making the best contribution that they reasonably could during this period. Extra capacity was identified and reassigned to support other areas of the service and other organisations.

70. People from all staff groups volunteered for extra activities, including those activities under the tripartite agreement. Wholetime firefighters also delivered their statutory functions. The on-call workforce took on extra responsibilities, covering some of the roles that were agreed as part of the tripartite agreement and/or other extra responsibilities. We expect services to keep their processes under review to make sure they use their wholetime workforces as productively as possible.

### **Governance of the service's response**

71. Each fire and rescue service is overseen by a fire and rescue authority. There are several different governance arrangements in place across England with the size of the authority varying between services. Each authority ultimately has the same function, namely, to set the service's priorities and budget, and make sure that the budget is spent wisely.

72. Members of West Yorkshire Fire and Rescue Authority were actively engaged in discussions with the chief fire officer and the service on the service's ability to discharge its statutory functions during the pandemic.

73. The service regularly updated authority members about how it was responding to the pandemic and the extra activities of its staff. This included work carried out as part of the tripartite arrangements.

74. During the pandemic, the fire and rescue authority continued to give the service proportionate oversight and scrutiny, including of its decision-making process. It did this by regularly communicating with the chief fire officer and receiving the service's written briefings.

## Looking to the future

75. During the pandemic, services were able to adapt quickly to new ways of working. This meant they could respond to emergencies and take on a greater role in the community by supporting other blue light services and partner agencies. It is now essential that services use their experiences during COVID-19 as a platform for lasting reform and modernisation.

76. The pandemic meant that the service needed to transform how it uses technology, in particular to allow more remote working. It was felt that this made the organisation think about how it can be more flexible in the long term. Its use of virtual platforms (and particularly podcasts) have proven effective in communicating with staff, especially given the amount of information the service had to share with staff.

77. The service expects to continue with the triage process that it has introduced prior to carrying out physical visits to homes and businesses to offer fire safety advice. It will continue to work with local authorities should any empty buildings be repurposed. And it will approach partners to talk to and work with vulnerable people on its behalf. As a result of the work that the service has done with LRF partners, data is being reviewed to understand how it can be enhanced to improve reporting.

78. Some good practice and what worked was shared with other services through the NFCC and regional forums. This includes the use of technology, flexible working and hygiene arrangements in enabling fire safety inspectors to continue to carry out audits. However, the service felt it wasn't yet in a position to do this in relation to prevention. This was because it hadn't completed an evaluation.

## Next steps

79. This letter will be published on our website. We propose restarting our second round of effectiveness and efficiency fire and rescue inspections in spring 2021, when we will follow up on our findings.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Parr', with a long horizontal stroke extending to the right.

## **Matt Parr CB**

Her Majesty's Inspector of Fire & Rescue Services  
Her Majesty's Inspector of Constabulary



OFFICIAL

# Performance Management Report

## Full Authority

Date: 25 February 2021

Agenda Item:

**15**

Submitted By: Director of Service Delivery

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

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Local Government (Access to information) Act 1972

Exemption Category: **None**

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Background papers open to inspection: **None**

Annexes: **Performance Management Report**  
**1 April 2020 – 31 December 2020**

## **1 Introduction**

- 1.1 The attached Performance Management and Activity Report outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets.
- 1.2 The report shows a summary of the cumulative performance for the year 1 April 2020 to 31 December 2020 against each of the indicators.
- 1.3 The Performance Management and Activity Report is monitored quarterly by Management Team and the Full Authority.
- 1.4 An abridged version of the Performance Management Report is presented quarterly to the Audit Committee highlighting where targets are not being achieved.
- 1.5 A traffic light system is used to provide a clear visual indicator of performance against each of the indicators compared to the position at the same time in the previous year.
- 1.6 Other performance and activity information is also included within the report.

## **2 Financial Implications**

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

## **3 Human Resources and Diversity Implications**

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

## **4 Health and Safety Implications**

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

## **5 Environmental Implications**

- 5.1 There are no environmental implications arising from this report.

## **6 Your Fire and Rescue Service 2019 -2023 Priorities**

- 6.1 This report links to all of the 'Your Fire & Rescue Service 2019 – 2023' priorities as the Performance Management Report covers all areas of performance of WYFRS.

## **7 Conclusions**

- 7.1 That Members note the report.



West Yorkshire  
Fire & Rescue Service

# Performance Management and Activity Report 2020/21

Period covered: 1 April – 31 December 2020  
Date Issued: 25 February 2020



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### 1. Introduction/Summary

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

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

All data, unless specified, is for the reporting period 1 April – 31 December 2020.

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

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

## 2. Service Delivery Targets

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

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

	Three Year Average Target (2017/20)	Quarter 1 (Apr-Jun)		Quarter 2 (Jul-Sep)		Quarter 3 (Oct-Dec)		Quarter 4 (Jan-Mar)		Actual Data to date		Projected Performance Against Three Year Average (2020/21)	End of Year Projection (2020/21)
		2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21		
Arson	6641	1845	1801	1538	1474	1074	1211			4457	4486	-10.4%	5949
Actual Rescues	862	241	174	285	237	299	244			825	655	0.7%	869
Total Activity	23987	6131	6735	6475	6300	5563	5553			18169	18588	2.8%	24649
Dwelling Fires	1139	270	286	283	223	304	269			857	778	-9.4%	1032
Non-Domestic Building Fires	409	108	73	128	94	96	64			332	231	-25.0%	306
Prevalence of False Alarms	10439	2384	2839	2972	3031	2772	2669			8128	8539	8.5%	11323
Fire-Related Injuries	191	47	47	47	33	28	25			122	105	-27.2%	139
Road Traffic Collisions	629	168	75	184	112	177	137			529	324	-31.7%	430
Malicious False Alarms	348	73	55	78	75	82	83			233	213	-18.8%	282

## Service Delivery Indicators

Description	Quarter 1 (Apr-Jun)		Quarter 2 (Jul-Sep)		Quarter 3 (Oct-Dec)		Quarter 4 (Jan-Mar)		Cumulative	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Accidental Dwelling Fires (per 10,000 dwellings)	2.33	2.54	2.32	1.91	2.70	2.26			7.34	6.71
Number of deaths arising from accidental fires in dwellings (per 100,000 population)	0.04	0.09	0.09	0.00	0.04	0.13			0.17	0.22
Number of Fire-Related Deaths (per 100,000 population) arising from fires other than Accidental Dwelling Fires	0.13	0.04	0.04	0.04	0.00	0.04			0.17	0.13
Number of Injuries arising from accidental fires in dwellings (per 100,000 population)	1.30	1.39	1.13	0.65	0.95	0.74			3.38	2.77
(a) Number of Serious Injuries (per 100,000 population)	0.04	0.26	0.04	0.09	0.13	0.04			0.22	0.39
(b) Number of Slight Injuries (per 100,000 population)	1.26	1.13	1.08	0.56	0.82	0.69			3.16	2.38
The percentage of dwelling fires attended where there was a working smoke alarm which activated	52.22%	56.99%	57.95%	54.26%	56.25%	56.67%			55.54%	56.10%
The percentage of dwelling fires attended where a working smoke alarm was correctly fitted but did not activate	16.30%	17.48%	20.49%	19.73%	18.09%	19.26%			18.32%	18.74%
The percentage of dwelling fires attended where a smoke alarm, because it was faulty or incorrectly sited, did not activate	5.19%	3.50%	4.59%	6.28%	5.59%	4.44%			5.13%	4.62%
The percentage of dwelling fires attended where no smoke alarm was fitted	26.30%	22.03%	16.96%	19.73%	20.07%	19.63%			21.52%	21.00%
Number of calls to malicious false alarms (per 1000 population) – attended	0.03	0.02	0.03	0.03	0.04	0.04			0.10	0.09
False alarms caused by automatic fire detection equipment (per 1000 non-domestic properties)	8.10	8.14	11.03	10.53	9.79	9.67			28.92	28.34



False alarms caused by automatic fire detection equipment (per 1000 domestic properties)	<b>0.92</b>	<b>1.00</b>	<b>1.18</b>	<b>1.22</b>	<b>1.17</b>	<b>1.03</b>			<b>3.27</b>	<b>3.25</b>
Fires in non-domestic premises (per 1000 non-domestic premises)	<b>1.28</b>	<b>0.87</b>	<b>1.52</b>	<b>1.11</b>	<b>1.14</b>	<b>0.76</b>			<b>3.94</b>	<b>2.74</b>
Number of Primary Fires (per 100,000 population)	<b>35.20</b>	<b>33.64</b>	<b>35.98</b>	<b>32.99</b>	<b>32.64</b>	<b>30.69</b>			<b>103.81</b>	<b>97.31</b>
Number of Fire Casualties – excluding Precautionary Checks (per 100,000 population)	<b>1.86</b>	<b>1.91</b>	<b>1.91</b>	<b>1.39</b>	<b>1.17</b>	<b>1.00</b>			<b>4.94</b>	<b>4.29</b>
Arson Incidents – All Deliberate Fires (per 10,000 population)	<b>8.00</b>	<b>7.81</b>	<b>6.67</b>	<b>6.39</b>	<b>4.66</b>	<b>5.25</b>			<b>19.32</b>	<b>19.45</b>
Arson Incidents – Deliberate Primary Fires (per 10,000 population)	<b>1.49</b>	<b>1.19</b>	<b>1.55</b>	<b>1.39</b>	<b>1.37</b>	<b>1.41</b>			<b>4.42</b>	<b>3.99</b>
Arson Incidents – Deliberate Secondary Fires (per 10,000 population)	<b>6.51</b>	<b>6.62</b>	<b>5.11</b>	<b>5.00</b>	<b>3.28</b>	<b>3.84</b>			<b>14.90</b>	<b>15.46</b>

### 3. Operational Risk Visits (including Fire Safety)

Below is a summary of operational risk visits (ORV) so far in this financial year. These visits were issued in the transitional period of introducing the new Premises Risk Database (PRDX). The visits were generated from operational liaison referrals, post fire visits and what crews identified as perceived risks within their station area. The new PRDX went live on 5th February 2018 this now identifies the higher risk premises that will form the Operational Risk Visits Programme (ORVP). The PRDX uses a recalculated risk matrix for each premises type based on national guidance and Provision of Operational Risk Information System (PORIS).

The Operational Risk Visits (ORVs) are allocated to each District which are then allocated to stations/watches. The total numbers have not been finalised but based on previous calculations it is predicted that there will be approximately 550 ORVs undertaken this year across five districts within the organisation.

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

The training and familiarisation of the system with operational crews is still progressing and we are continuing to complete joint visits with crews to ensure the correct information is captured.

Due to the restrictions put in place to mitigate the risk from Covid 19, operational staff have undertaken 73% fewer visits compared with the same period in 2019 / 20.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Completed	51	42	66	60	27	24	43	22	21				356

NB. Operational staff are now supporting the delivery of the Building Risk Review Programme concentrating on high rise residential buildings.

## 4. Safe and Well Checks

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

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

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

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

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

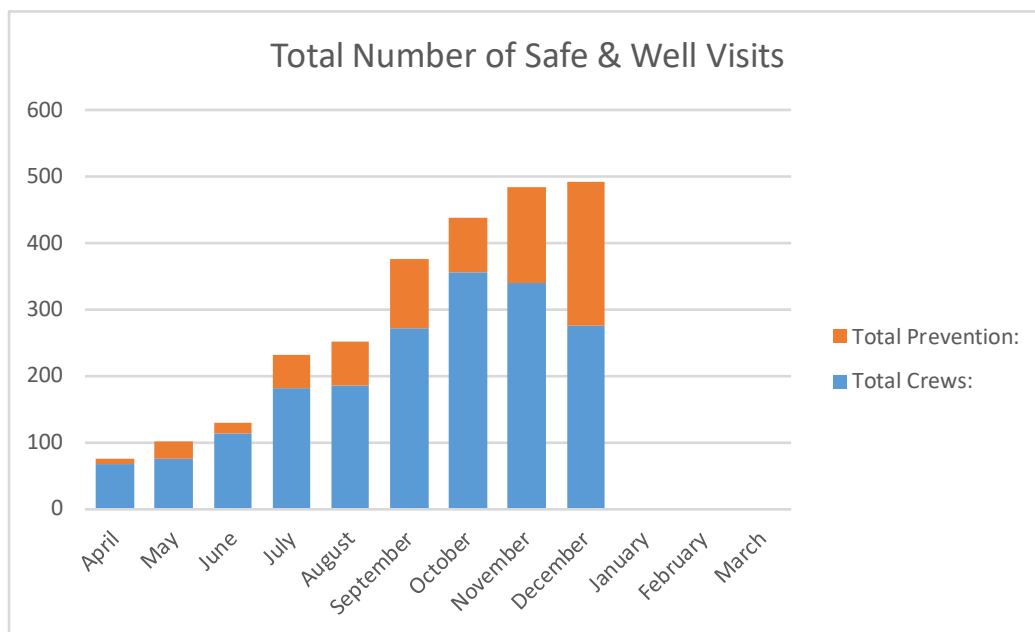
## Performance

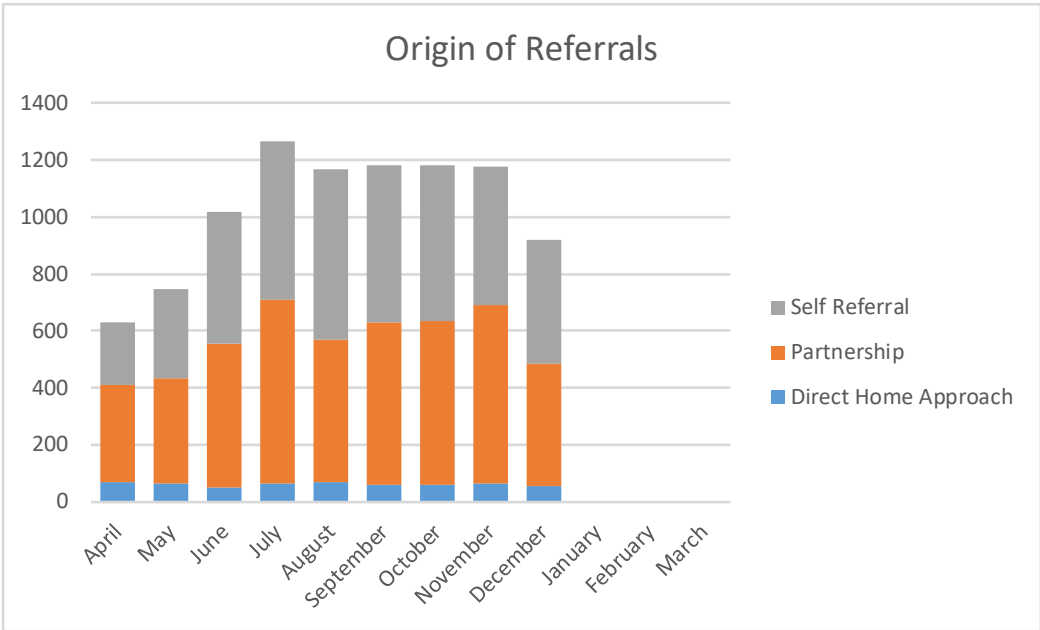
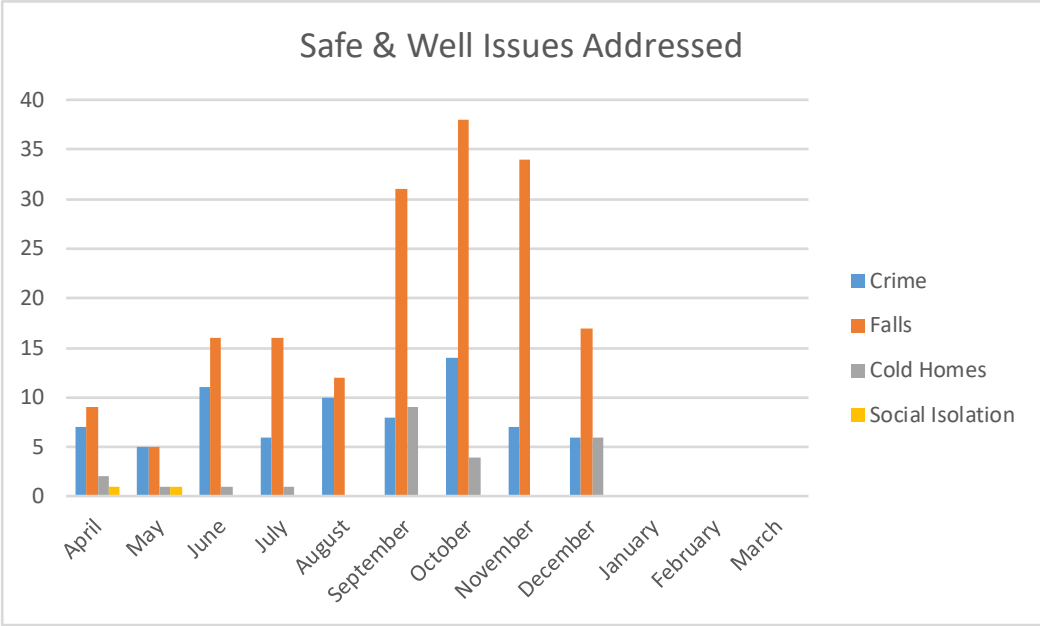
Due to the restrictions put in place to mitigate the risk from Covid 19, operational staff and prevention teams have undertaken 90% fewer visits compared with the same period in 2019 / 20. The Safe and Well visits undertaken during the Covid Pandemic have been targeted at the most vulnerable people in our communities following a robust risk assessment.

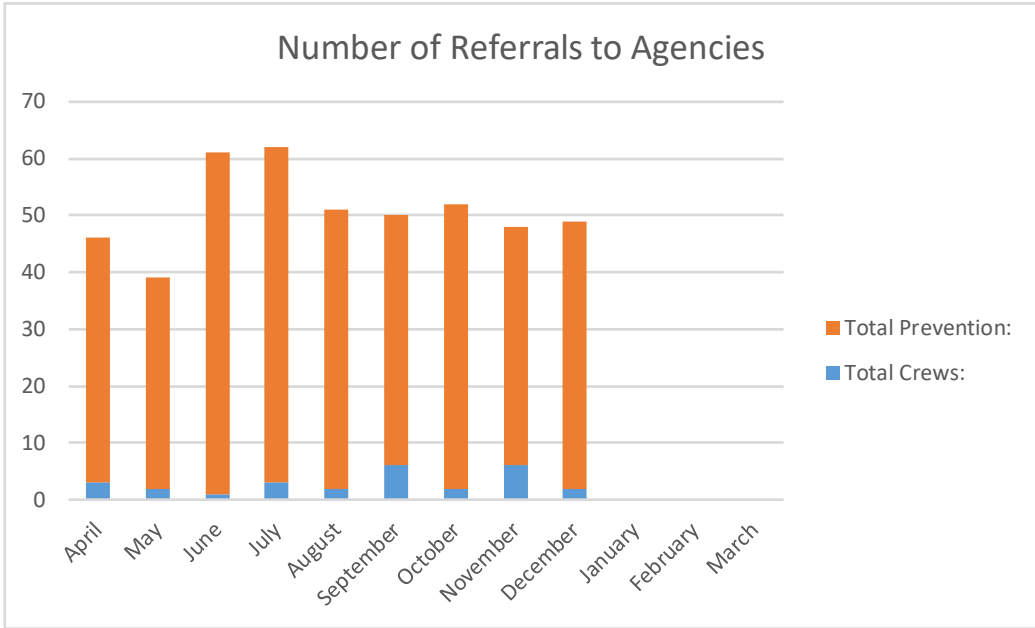
Lower risk members of the community have continued to receive a service which has been provided through telephone consultations.

Since the 1st December 2020 the District Prevention Teams have been delivering our full range of interventions. The teams are now undertaking the same number of visits to vulnerable people as they were pre-covid.

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





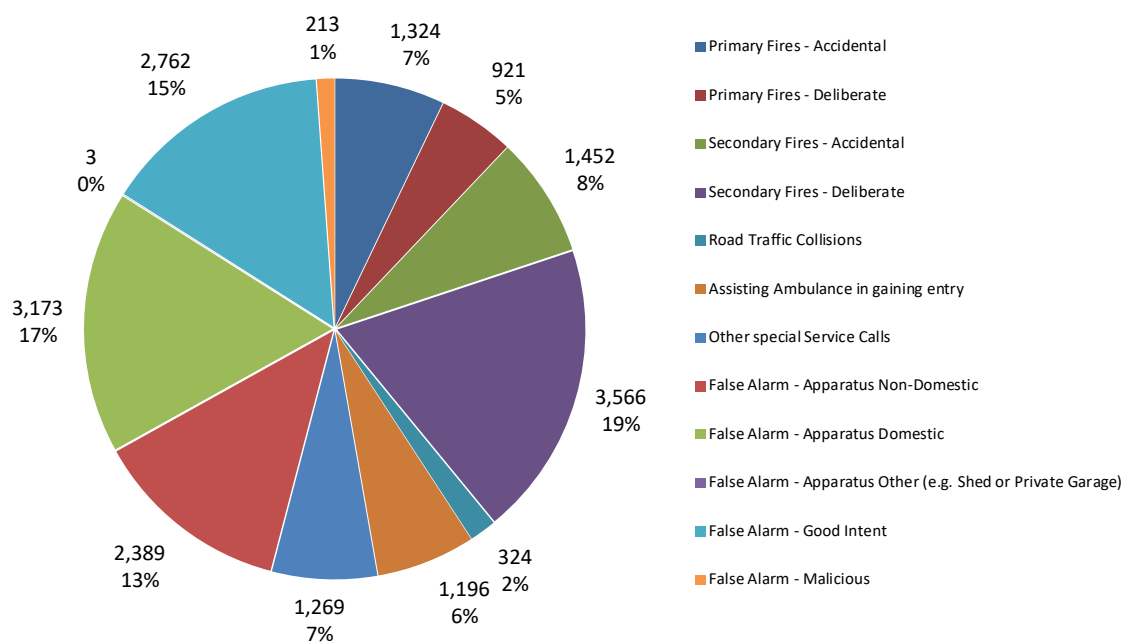


## 5. Incidents

The table and chart below show the operational activity of West Yorkshire Fire and Rescue Service for the financial year so far (1 April – 31 December 2020) categorised by incident type.

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

Incident Category	Number	Percentage
Primary Fires - Accidental	1,324	7.12%
Primary Fires - Deliberate	921	4.95%
Secondary Fires - Accidental	1,452	7.81%
Secondary Fires - Deliberate	3,566	19.18%
Road Traffic Collisions	324	1.74%
Assisting Ambulance in gaining entry	1,196	6.43%
Other special Service Calls	1,269	6.83%
False Alarm - Apparatus Non-Domestic	2,389	12.85%
False Alarm - Apparatus Domestic	3,173	17.07%
False Alarm - Apparatus Other (e.g. Shed or Private Garage)	3	0.02%
False Alarm - Good Intent	2,762	14.86%
False Alarm - Malicious	213	1.15%
<b>Total</b>	<b>18,592</b>	<b>100%</b>



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

Incident Category	Number of incidents 1 April 2010 to 31 March 2011	Percentage	Number of incidents 1 April 2015 to 31 March 2016	Percentage	Number of incidents 1 April 2019 to 31 March 2020	Percentage
Primary Fires - Accidental	2,209	6.4%	1,826	8.5%	1,786	7.0%
Primary Fires - Deliberate	1,865	5.4%	1,402	6.5%	1,279	5.0%
Secondary Fires - Accidental	1,343	3.9%	1,132	5.3%	1,643	6.4%
Secondary Fires - Deliberate	7,531	21.9%	4,707	22.0%	4,195	16.3%
Road Traffic Collisions	919	2.7%	666	3.1%	672	2.6%
Special Service Calls	2,219	6.5%	1,962	9.2%	3,304	12.9%
False Alarm - Apparatus	10,653	31.0%	7,255	33.9%	7,184	28.0%
False Alarm - Good Intent	4,505	13.1%	2,859	13.4%	2,977	11.6%
False Alarm - Malicious	595	1.7%	331	1.5%	315	1.2%
Total	31,839	100.0%	22,140	100.0%	23,355	100.0%



## **Comments on Fatal Fires**

### **Crosby Street, Holbeck, Leeds**

**27<sup>th</sup> October 2020**

The deceased male was 57 years old and lived in a back-to-back terraced house.

The alarm was raised when a neighbour saw smoke coming from an air vent at the property and heard a smoke detector actuating. The occupant was pronounced deceased at the scene.

The fire was slow burning and localised to an area in the living room. It was deemed to have been caused by combustible materials left in close proximity to a portable heater. These would have smouldered and eventually ignited.

### **Queens Road, Halifax**

**30<sup>th</sup> October 2020**

The deceased male was 82 years old and lived alone in a privately-owned, mid through-terrace property.

The cause of the fire was deemed to be accidental ignition of combustible items with a naked flame.

### **Lumley Mount, Castleford**

**19<sup>th</sup> December 2020**

The deceased female was 78 years old and lived alone in a privately-owned, semi-detached property.

This incident is subject to ongoing investigation, a report has been submitted to the coroner outlining the preliminary findings.

### **Fearnley Lane, Holmfirth**

**23<sup>rd</sup> December 2020**

The deceased female was 91 years old and lived alone in a privately-owned, end-terraced cottage.

The evidence at the scene of the fire suggests that it was caused by a carelessly discarded cigarette however a faulty heating element in a reclining chair cannot be ruled out.

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

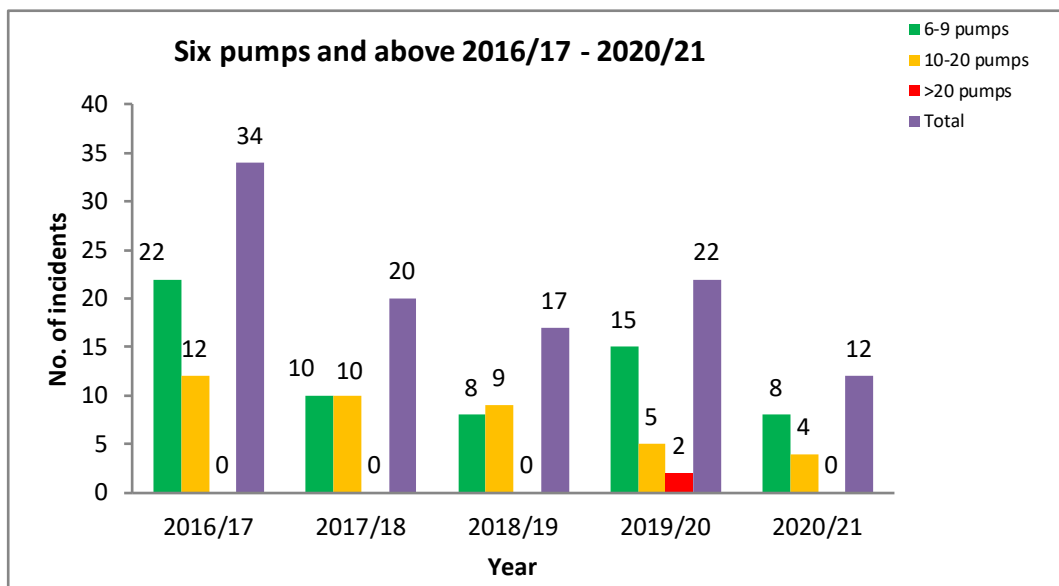
## 6. Fire-Related Incidents attended by Six Pumps and Above

### General Commentary

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

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

The following chart details the numbers and severity of such incidents over the last few years up to 31 December 2020:



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

New incidents added to the table are shaded in white.

Date & Time	Address	Premises Use	Station Area	Cause	Pumps Plus Specials	Number of Personnel
Monday 06/04/2020 16:51	Chain Road Slaithwaite Huddersfield	Moorland	Slaithwaite	Person playing with fire	10 Pumps 4 Support 5 Specials	66 Ffs 6 Officers
Tuesday 14/04/2020 01:38	Telecommunications Mast Lower Quarry Road Bradley Huddersfield	Telecommunications Mast	Rastrick	Deliberate	6 Pumps 1 Support 4 Specials	36 Ffs 5 Officers
Tuesday 21/04/2020 15:46	Heights Farm Heights Lane Silsden	Agricultural (Barn)	Silsden	Child playing with fire	10 Pumps 4 Support 5 Specials	66 Ffs 6 Officers
Wednesday 06/05/2020 11:33	Yorkshire Game Farm Alma Street Woodlesford Leeds	Agricultural	Rothwell	Faulty gas supply	6 Pumps 2 Support 3 Specials	38 Ffs 6 Officers
Monday 29/06/20 17:51	Waldo Engineering Ltd Water Lane Bradford	Industrial	Bradford	Unable to determine	8 Pumps 3 Support 6 Specials	56 Ffs 9 Officers
Friday 03/07/2020 18:58	Platinum Limousines 1a Peace Street Bradford	Car Hire	Bradford	Unable to determine	8 Pumps 2 Support 3 Specials	46 Ffs 5 Officers
Friday 07/08/2020 02:33	Spafield Mill Upper Road Batley	Mill	Dewsbury	Electrical Equipment	6 Pumps 2 Support 1 Special	34 Ffs 4 Officers
Monday 14/09/2020 02:33	Burger Time 47 Great Horton Road Bradford	Takeaway	Bradford	Deliberate	5 Pumps 2 Support 3 Specials	34 Ffs 4 Officers
Tuesday 15/09/2020 10:14	Ultimo Furniture Systems Lidgate Crescent Langthwaite Grange Business Park South Kirkby	Factory	South Elmsall	Natural Occurrence	8 Pumps 2 Support 4 Specials	48 Ffs 5 Officers
Thursday 29/09/2020 15:07	Norquest Industrial Park Pennine View Birstall Batley	Recycling plant	Cleckheaton	Spark from grinding	10 Pump 4 Support 6 Specials	68 Ffs 6 Officers
Monday 09/11/2020 20:54	Roomzzz Ltd 10 Swinegate Leeds	Hotel	Leeds	Deliberate	6 Pumps 2 Support 3 Specials	38 Ffs 5 Officers
Monday 16/11/2020 03:09	Spring Mill Street Bradford	Outdoor storage	Bradford	Deliberate	15 Pumps 4 Support 7 Specials	90 Ffs 7 Officers

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

### **10 Swinegate, Leeds – 9<sup>th</sup> November 2020**

This incident occurred in Leeds station area and involved a hotel apartment building.

The initial pre-determined attendance was 1 pump from Leeds, this was increased to 4 pumps from Leeds, Hunslet and Moortown due to the number of calls. At the height of the incident a make pumps 6 message was received by Control and appliances were mobilised from Killingbeck and Stanningley

The following support appliances were also mobilised:

The Hose Layer with support from Mirfield, the Personnel Welfare Unit from Ilkley, and the Command Unit with support from Featherstone.

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

Station Manager Staples was the Officer in Charge, Station Manager Thornton was the Hazmat and Environmental Protection Officer, Station Manager Austin was the Command Support Officer, Station Manager Hawley was the Operational Assurance Officer and Watch Manager Driver was the Fire Investigation Officer. Two CLM vehicles were also deployed from Leeds and Hunslet.

The time of call for this incident was 21:54 on 9<sup>th</sup> November 2020 with the stop being received by Control at 22:57 that day. The incident was closed on 10<sup>th</sup> November 2020 at 02:25.

The cause of the fire is thought to be deliberate ignition by a naked flame and combustible items brought together.

### **Spring Mill Street, Bradford - 16<sup>th</sup> November 2020**

This incident occurred in Bradford station area and involved a waste unit storing tyres.

The initial pre-determined attendance was 2 pumps from Bradford. At the height of the incident a make pumps 15 message was received by Control and appliances were mobilised from the following stations; Shipley, Odsal, Fairweather Green, Cleckheaton, Dewsbury, Bingley, Rawdon, Illingworth, Killingbeck, Hunslet, Morley, Rastrick, Ossett, Killingbeck and Stanningley.

The following support appliances were also mobilised:

The Personnel Welfare Unit from Skelmanthorpe, The Hose Laying Unit from Otlely with support from Dewsbury, two High Volume Pumps from Cookridge and Stanningley with Support from Cookridge, the Command Unit with assistants from Featherstone, Carps from Huddersfield and Halifax and an Aerial Ladder Platform from Leeds.

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

Incident Commanders at various stages of the incident were Station Manager Goldwater, Group Manager May and Chief Fire Officer Roberts, Station Manager Thornton was the Hazmat and Environmental Protection Officer, Station Manager Bairstow was the Command Support Officer, Station Manager Moxon was the Operational Assurance, Group Manager Jones was Control Support and Station Manager Clark and Group Manager Hannah were working officers. Five CLM vehicles were also deployed from Bradford, Cleckheaton, Rastrick, Huddersfield and Hunslet.

The time of call for this incident was 03:06 on 16<sup>th</sup> November 2020. The stop was received by Control on 5<sup>th</sup> December 2020 at 09:00 and the incident was closed at 09:01 the same day.

The cause of this fire is suspected deliberate ignition.

## 7. Violence at Work

### Attacks on Personnel

There have been 51 incidents reported by West Yorkshire FRS in the financial year so far.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Attacks on Firefighters	77	40	76	64	60	87	92	75	81	51

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

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

Attacks on Firefighters as a Percentage of Turnouts										
District / Station	No.of Turnouts	Physical Assault	Weapon Brandished	Missile Thrown	Firework Thrown	Stoning	Aggressive Behaviour	Verbal Abuse	Total	Percentage
<b>Bradford District</b>										
Bradford	2947	1	1	1	3	2	1	2	11	0.37%
Bingley	399	1							1	0.25%
FWG	912			1	1			2	4	0.44%
Odsal	1064				2		1	1	4	0.38%
Shipley	983						1		1	0.10%
<b>District Total</b>	<b>7141</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>21</b>	<b>0.29%</b>
<b>Calderdale District</b>									0	
Halifax	1000				2		1	1	4	0.40%
Ilkley	594			1		1			2	0.34%
<b>District Total</b>	<b>2473</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>0.24%</b>
<b>Kirklees District</b>										
Huddersfield	1809						2	1	3	0.17%
Cleckheaton	915							1	1	0.11%
Dewsbury	1433				1			4	5	0.35%
<b>District Total</b>	<b>4797</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>9</b>	<b>0.19%</b>
<b>Leeds District</b>									0	
Leeds	3043	1						1	2	0.07%
Hunslet	1972				1				1	0.05%
Rothwell	268							1	1	0.37%
Stanningley	736							1	1	0.14%
Killingbeck	1910			1				3	4	0.21%
<b>District Total</b>	<b>10024</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>9</b>	<b>0.09%</b>
<b>Wakefield District</b>										
Castleford	473							1	1	0.21%
Featherstone	170	1							1	0.59%
Ossett	474						1		1	0.21%
Pontefract	406							1	1	0.25%
South Kirkby	310						1	1	2	0.65%
<b>District Total</b>	<b>2826</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>0.21%</b>
<b>Totals</b>	<b>27413</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>8</b>	<b>21</b>	<b>51</b>	<b>0.19%</b>

The above table shows the number of incidents in which firefighters were subjected to violence as a percentage of attendance, by station and by district (0.19% overall).

Some stations might appear to suffer a relatively high percentage of attacks, but this is largely due to the number of incidents attended from such stations.

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

### **District Actions to Address Violence**

All districts are undertaking the following actions:

- Communicating a positive image of the Fire Service in the community
- Taking part in community events to support this image
- Asking questions to firefighters at Service Assurance Visits (SAVs) regarding the e-learning package that was sent out in relation to reading the body language of persons and diffusing certain situations
- Encouraging all staff to use the SCIP when intelligence or other information is received for risk issues
- Encouraging any watch who place the information on SCIP to email other local stations to alert them to the fact that the address has been added and to make sure that they then view the SCIP for the details
- Consistently promoting the knowledge of Silent Witness cameras with crews and to the public at events etc. to discourage anti-social behaviour
- Where incidents do occur, publicising through the media any arrests made by the police and any sentences given by the courts
- Close working with partners services to produce robust multiagency response plans
- Targeted Intervention days led by the Youth Intervention Team

### **Bradford**

In Bradford there were 21 attacks on firefighters at incidents, details of which are available from the District Commander. There was one instance where a firefighter was injured in an attack and two instances where there was damage to an appliance. There was also damage to the fire car (a police car ridden by 1 PC and 1 Ff over the bonfire period) at one of these incidents.

## **Calderdale**

In Calderdale there were 6 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to appliances during this attack.

## **Kirklees**

In Kirklees there were 9 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to appliances during these attacks.

## **Leeds**

In Leeds there were 9 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters during these attacks, however damage was caused to a fire appliance during one incident.

## **Wakefield**

In Wakefield there were 6 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to appliances during these attacks.



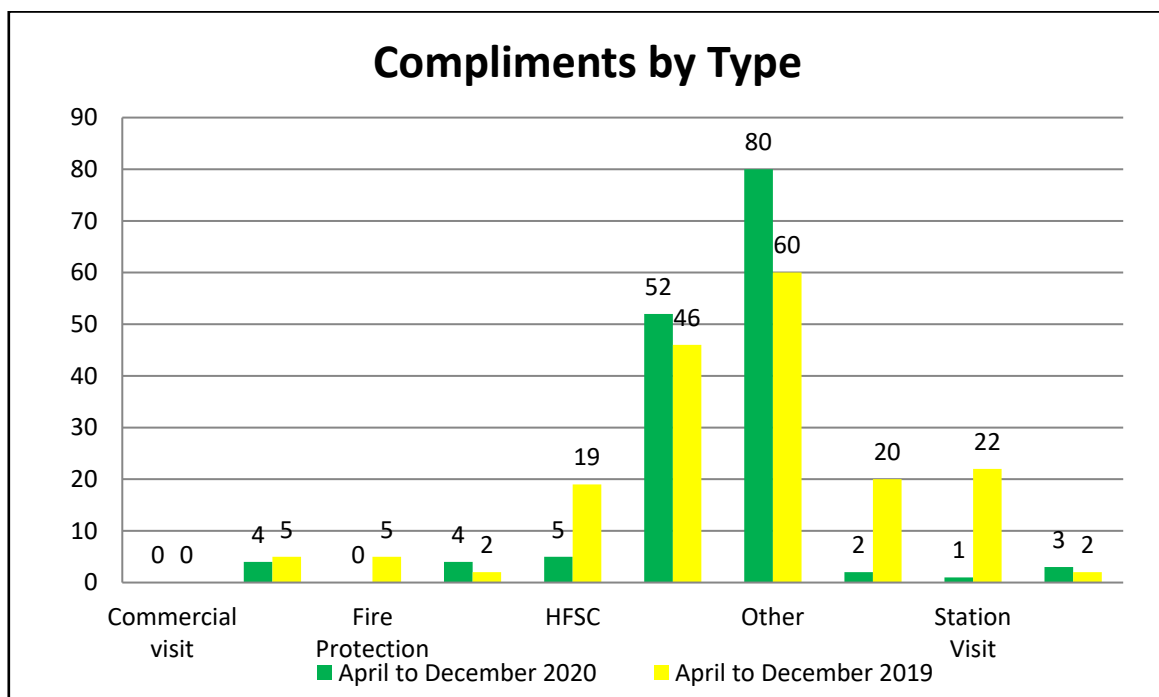
## 8. Corporate Performance Activity

Details of key corporate performance areas are shown below.

### Compliments

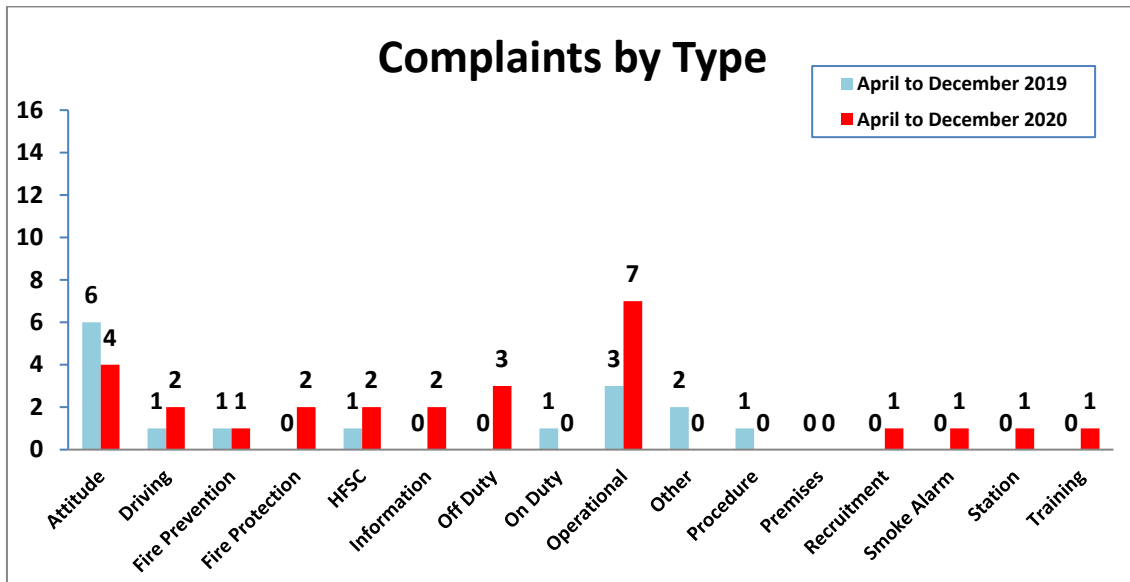
The charts below show by type and the number of compliments and complaints received by West Yorkshire FRS for the period 1 April to 31 December 2020 and the same period in the year 2019-20.

During this period West Yorkshire FRS has recorded 151 compliments, which is lower than the 181 received in 2019-20.



## Complaints

For the period 1 April to 31 December 2020, we have received 27 complaints, of which 13 were upheld. This compares to 16 received between the same dates in 2019-20, of which 5 were upheld.



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

The table below shows the number of complaints received and upheld from 1 April to 31 December 2020 and a comparison with the same period during the year 2019-20.

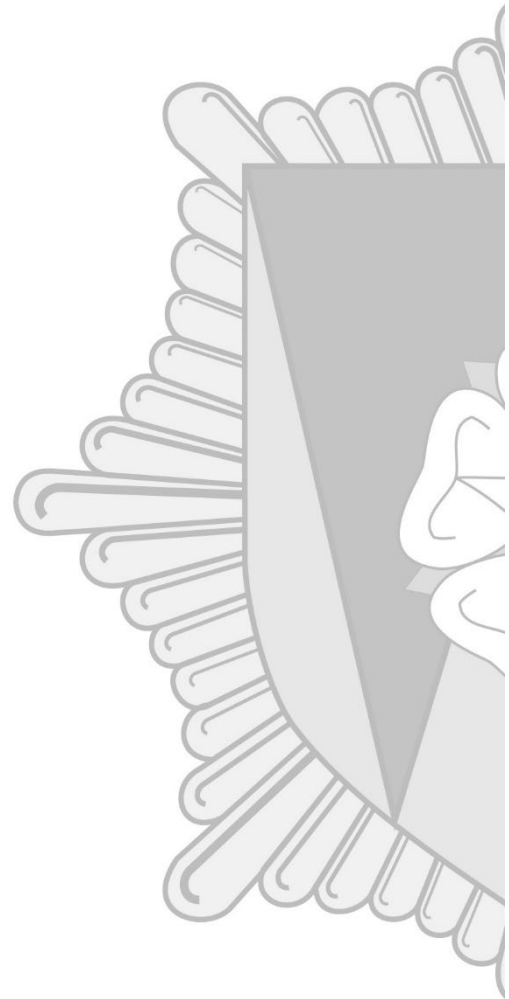
Category	2019-20		2020-21	
	Received	Upheld	Received	Upheld
Attitude	6	3	4	3
Driving	1	0	2	2
Fire Prevention	1	1	1	1
Fire Protection	0	0	2	0
HFSC	1	0	2	0
Information	0	0	2	1
Off Duty	0	0	3	1
On Duty	1	1	0	0
Operational	3	0	7	3
Other	2	0	0	0
Procedure	1	0	0	0
Recruitment	0	0	1	0
Smoke Alarm	0	0	1	0
Station	0	0	1	1
Training	0	0	1	1
<b>Total</b>	<b>16</b>	<b>5</b>	<b>27</b>	<b>13</b>

## Freedom of Information and Data Protection

The tables below show the number of Freedom of Information Requests and Subject Access Requests dealt with within the period 1 April to 31 December 2020.

<b>Freedom of Information Requests</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>TOTAL</b>
Number due for response	5	7	8	8	5	16	11	3	11				74
Number responded to within time limit	5	7	8	8	5	16	11	3	11				74
Number responded to out of time	0	0	0	0	0	0	0	0	0				0
Number suspended or closed due to no clarification from requester	0	0	1	0	1	0	0	0	0				2
Number of Internal Reviews due for response	0	0	0	0	0	0	0	0	0				0
Number of Internal Reviews responded to within time limit	0	0	0	0	0	0	0	0	0				0

<b>Subject Access Requests</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>TOTAL</b>
Number due for response	0	0	1	2	3	2	0	1	1				10
Number responded to within time limit	0	0	1	2	3	2	0	1	1				10
Number responded to out of time	0	0	0	0	0	0	0	0	0				0



West Yorkshire Fire and Rescue Service  
Oakroyd Hall  
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# Programme of Change 2020 - 21 update

## Full Authority

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Date: 18 December 2020

Agenda Item:

16

Submitted By: Director of Service Support

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<b>Purpose</b>	To update Members of the progress in relation to the Programme of Change 2020/21
<b>Recommendations</b>	That Members note the report.
<b>Summary</b>	This report is to update Members of the progress against the Programme of Change

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

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Background papers open to inspection: None

Annexes: Programme of Change 2020-21

## **1 Introduction**

- 1.1 At the Full Authority Meeting held on the 21 February 2020 Members approved the Integrated Risk Management Plan Programme of Change 2020/21.

## **2 Information**

- 2.1 Progress on the implementation of the programme is reported to each Full Authority meeting and the attached is the latest update.

## **3 Financial Implications**

- 3.1 Financial implications of each of the actions are incorporated within each project as appropriate.

## **4 Human Resource and Diversity Implications**

- 4.1 Human Resources and Diversity implications are incorporated within each project as appropriate.

## **5 Health, Safety and Wellbeing Implications**

- 5.1 Health, safety and wellbeing implications are incorporated within each project as appropriate.

## **6 Environmental Implications**

- 6.1 The environmental implications of each project within the programme are considered individually.

## **7 Your Fire and Rescue Service Priorities**

- 7.1 This report details the activities undertaken in meeting our Priorities as detailed in Your Fire and Rescue Service 2020-23.

## **8 Conclusions**

- 8.1 In response to the Coronavirus pandemic we have prioritised our efforts and resources on supporting our communities and maintaining service delivery. This has had an unavoidable impact on the programme of change this year. Although some projects were able to continue, the majority have been impacted. These have now been reviewed by the responsible officer to ensure timelines are up to date and realistic given the ongoing and future impact from the pandemic. The current status of projects can be seen in the attached dashboard.



### Programme of Change 2020/2021

Report Date 20/01/2021

Project Title & Description	Status	Sponsor	SRO	PM	Start Date	Current Completion Date	Initial Target Completion Date	Time left	No of Change Controls	Timeline Last Updated	Project Completion %
Mobile Working Phase 2, Safe & Well applications on mobile tablets for Operational Crews	On Track	Dave Walton	Scott Donegan	Sarah Laidlow Moore	31/12/2018	31/05/2021	06/10/2019	▶	3	01/12/2020	75
Smarter Working Programme - Process reviews identifying more efficient and effective ways of working	On Track	Nick Smith	Mat Walker	Scott Thornton	03/10/2017	31/07/2021	31/12/2019	▶	2	04/01/2021	40
Sharepoint 2016 - Update software for corporate intranet and document management system	On Track	Nick Smith	Gayle Seekins	Rebecca Hayes	03/01/2017	31/06/2021	31/03/2018	▶	6	20/01/2021	80
HR & Rostering - provide effective management of our people	On Track	Ian Brandwood	Steve Holt	Matt Wolski	01/07/2016	25/06/2021	31/03/2018	▶	7	02/09/2020	70
Performance Management Programme	Not started	Nick Smith	Mat Walker	Kirsty James	tbc	tbc		#VALUE!	0	20/01/2021	0
Wakefield Fire Station new build Project - To deliver a new build two bay fire station at the existing Wakefield site	On Track	Dave Walton	Scott Donegan	Mick Loney	01/01/2018	15/03/2021	31/12/2020	▶	2	15/01/2021	80
Leadership Strategy	On Track	Ian Brandwood	N/A	Ian Stone	01/03/2018	31/03/2022	31/03/2021	▶	1	02/12/2020	45
VOIP Project - Voice over internet protocol. Enabling telephone calls via our network.	Complete	Gayle Seekins	Gayle Seekins	Martin Brown	01/01/2019	31/03/2021		▶	0	07/01/2021	100
CLM - Improving flexibility and responsibility of WC at stations	On Track	Dave Walton	Scott Donegan	Adam Garvey	19/12/2018	30/06/2021		▶	3	18/12/2019	80
Grenfell Programme	On Track	John Roberts	Dave Teggart	Paul England	03/03/2020	03/03/2022		▶	0	17/01/2021	20
Digital and Data Strategy	On Track	Nick Smith		Gayle Seekins	06/01/2020	31/07/2021		▶	0	08/10/2020	5
Aerial Review 2020 (WY & regional approach)	On Track	DCFO Dave Walton	Dave Teggart	Andy Rose	08/06/2020	31/03/2021		▶	0	08/01/2021	60
Fire Appliances - To look at the future design	On Track	DCFO Dave Walton	Dave Teggart	Andy Rose	08/06/2020	30/06/2021		▶	0	08/01/2021	50
Fire Stations - To look at the future design and to produce a set of Design Principles	On Track	DCFO Dave Walton	Dave Teggart	Andy Rose	08/06/2020	30/06/2021		▶	0	08/01/2021	50
New Control Project	On Track	Dave Walton	Scott Donegan	Tbc	01/09/2020	01/09/2023		▶	0	08/01/2021	0
ESMCP	On Track	Nick Smith	Mat Walker	Helen Peace	tbc	tbc		#VALUE!	0	12/01/2021	0



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# Programme of Change 2021 - 22

## Full Authority

Date: 25 February 2021

Agenda Item:

17

Submitted By: Director of Service Support

**Purpose** This report submits for information the Programme of Change 2021/22.

**Recommendations** That Authority note the new Programme of Change 2021/22

**Summary** The Programme of Change has been revised to reflect progress and the addition of new activities which were approved at the Organisational Planning Day in September 2020.

The Programme of Change is updated on an annual basis and West Yorkshire Fire and Rescue Authority are asked to note for information the Programme of Change 2021/22 for the inclusion in 'Your Fire and Rescue Service' 2021-24.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

Mat Walker, Service Support AM

E: [Mathew.walker@westyorkshire.gov.uk](mailto:Mathew.walker@westyorkshire.gov.uk)

Background papers open to inspection: None

Annexes:

Annex 1 – Programme of change 2021/22



## **1 Introduction**

1.1 The Organisational Annual Planning Cycle is now an embedded process which aims to achieve the following:

- Improve the logical flow of activities.
- Allow greater planning time.
- Allow scrutiny of proposed change activities.
- Stream line and avoid duplication of effort with reporting.

1.2 The approved change activities which fall out of the of the planning process become programmes or projects of varying scale and form the Programme of Change. Lower level change is often managed within departments or districts.

## **2 Information**

2.1 In order to achieve WYFRS ambition of Making West Yorkshire Safer an annual plan is updated which includes WYFRS approved Programme of Change.

2.2 For the financial year 2021/22, [Annex 1](#) shows the revised Programme of Change. The achieved activities have been removed and additional activities identified and approved through the annual planning cycle have been added.

## **3 Financial Implications**

3.1 Although there are no financial implications arising from this report, each project has completed a full business case which highlights any financial implications. The proposed revenue and capital expenditure associated with each business case has been costed within the 2021/22 budget.

## **4 Human Resource and Diversity Implications**

4.1 There are no Human Resources and Diversity implications arising from this report at the time of submission. All projects are required to assess the HR implications and undertake an Equality Impact Assessment (EIA) in line with the Public Sector Equality Duty.

## **5 Health, Safety and Wellbeing Implications**

5.1 There are no Health and Safety implications arising from this report at the time of submission.

## **6 Environmental Implications**

6.1 There are no Environmental implications arising from this report at the time of submission.

## **7 Conclusions**

7.1 West Yorkshire Fire and Rescue Authority are asked to note the Programme of Change 2021/22 for inclusion in 'Your Fire and Rescue Service 2021-24'.

## 1.1 Annex 1 - Programme of Change 2021/22

Project / Initiative	Description	Comments
Leadership Strategy	A new approach that will develop an enhance leadership and our Service values at all levels and allow for continuous improvement.	Overall target completion date 31/03/2022
Emergency Services Mobile Communication Programme	Provision of a national radio scheme utilising mobile phone technology.	Timescales tbc
Command, Leadership and Management	Improved ways of working through changes to the management structure and realigning responsibilities.	Overall target completion date 30/06/2021
Smarter Working Programme	To review the ways of working and processes in various departments within the organisation to determine efficiencies.	Overall target completion date 31/07/2021
Wakefield Fire Station New Build	The construction of a new fire station on the existing site to replace an oversized and outdated fire station.	Overall target completion date 15/03/2021
Performance Management Programme	Design and implementation of a performance management and assurance framework which supports organisational improvement.	Timescales tbc
VOIP	To undertake research into the feasibility of replacing the existing telephony system(s) with a single brigade wide Voice over Internet Protocol (VoIP) based system.	Overall target completion date 31/03/2021
Implementation of Office365	Migrate email and office applications to the cloud to maximise the benefits of our Microsoft licensing agreement and improve flexible ways of working.	Timescales tbc
Digital and Data Strategy	Following the benefits realised through the ICT strategy, development of a digital and data strategy led by the whole organisation, would provide opportunities to be more efficient, effective and innovative in how we work both internally and externally with our community and partners. The project will see the engagement of a delivery partner to assess where we are now, where we want to be and develop a strategy and roadmap to get us there.	Overall target completion date 31/07/2021
Keighley New Build Project	The construction of a new fire station on the existing site to replace an oversized and outdated fire station.	Timescales tbc
FSHQ Upgrade Buildings	Subject to approval, planning for the redevelopment of FSHQ.	Timescales tbc
Grenfell Programme	The Grenfell Tower Inquiry: Phase 1 report identifies 46 separate recommendations. WYFRS are scoping and assessing the various recommendations to identify the areas to be addressed, allowing the identification of the resources required to implement a number of the specific actions within the plan.	Overall target completion date 31/03/2022
Mobile Working Phase 2	Safe and Well applications on mobile tablets for Operational Crews.	Overall target completion date 31/05/2021
SharePoint 2016	Update software for corporate intranet and document management system.	Overall target completion date 06/2021

Project / Initiative	Description	Comments
HR & Rostering	A simple and smarter HR and rostering solution that works well with other systems and manages staff and our shift patterns more effectively.	Overall target completion date 25/06/2021
Aerial Review 2020	To introduce a regional approach to aerial provision and to evaluate the options of introducing new vehicles to replace some of the aerial fleet. Having a regional approach would also present an opportunity to evaluate an efficient way of hosting a higher-level platform than the current 32m.	Overall target completion date 31/03/2021
Fire Appliances	To look at the future design of fire appliances taking account of developments within the marketplace and current and projected operational demand.	Overall target completion date 30/06/2021
Fire Stations	To research the most appropriate layout for a fire station to ensure there are clearly identified areas for clean and dirty PPE and equipment and facilities for carrying out the required decontamination.	Overall target completion date 30/06/2021
Corporate Identity Refresh	The current corporate ID is approx. 10 years old and now needs to reflect a more contemporary view of public service.	Approved at annual planning day 09/2020. Overall target completion date (stage 1) 12/2021
Website refresh	A refresh of content, look and feel. The aim is to make the site more engaging for the customer and to put the core business clearly front and centre.	Approved at annual planning day 09/2020. Currently on-going. At tender stage due to complete Q3 2021
Promotion Project WM-GM	The project will look to identify and develop an ongoing process similar to the new FF to CM process that selects the most suitable candidates whilst giving all the skills needed prior to promotion.	Approved at annual planning day 09/2020. Overall target completion date 01/09/2021
New Control Project	The existing mobilising system is approaching end of life. In order to meet the ever changing demands placed on WYFRS and to continue provide a resilient, effective service a new mobilising system and ICCS is required.	Approved at annual planning day 09/2020. Overall target completion date 09/2023
Review of estates strategy and PMU	The determination of a WYFRS Estates Management Strategy and the development of appropriate and adequate PMU policies, procedures, staff resources, skills and IT software applications, for its effective implementation.	Overall target completion date 04/22
FSHQ upgrade buildings	Planning for the redevelopment of FSHQ.	Timescales tbc
Keighley Fire Station New Build	The construction of a new fire station on the existing site to replace an outdated fire station.	Timescales tbc
Cleckheaton Fire Station New Build	The construction of a new fire station on the existing site to replace an outdated fire station.	Timescales tbc
Halifax Fire Station New Build	The construction of a new fire station on the existing site to replace an outdated fire station.	Timescales tbc
Huddersfield Fire Station New Build	The construction of a new fire station on the existing site to replace an outdated fire station.	Timescales tbc

**NB:** Overall target completion dates are current as at the date of the report.