



OFFICIAL

Calendar of Meetings 2023 - 2024

Full Authority

Date: 23 February 2023

Agenda Item:

08

Submitted By: Director of Corporate Services

Purpose To agree the programme of Authority and Committee meetings for 2023 – 2024.

Recommendations That the programme of meetings for 2023 – 2024 be approved as detailed in the report now submitted.

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

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Draft Calendar of Meetings 2023 - 2024

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 29 June 2023.
- 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 2023 - 24 attached at Annex A is recommended for adoption by the Authority.

3 Financial Implications

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

4 Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

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

6 Equality Impact Assessment

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

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

8 Environmental Implications

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

9 Your Fire and Rescue Service Priorities

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

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY

PROGRAMME OF MEETINGS 2023 / 2024

FRIDAY 10.30 AM AUDIT COMMITTEE	FRIDAY 10.30AM COMMUNITY SAFETY COMMITTEE	FRIDAY 10.30AM FINANCE & RESOURCES COMMITTEE	FRIDAY 10.30AM HUMAN RESOURCES COMMITTEE	FRIDAY 12:00 LOCAL PENSION BOARD (UPON RISING OF HR)	FRIDAY 10.30AM AUTHORITY
14 July 2023	21 July 2023	28 July 2023	4 August 2023	4 August 2023	Friday 29 September 2023
6 October 2023	13 October 2023	20 October 2023	27 October 2023		Friday 15 December 2023
19 January 2024	26 January 2024	2 February 2024	9 February 2024	9 February 2024	Thursday 22 February 2024
26 April 2024	22 March 2024	19 April 2024	15 March 2024		Thursday 27 June 2024 (AGM)



OFFICIAL

Performance Management Report

Full Authority

Date: 23 February 2023

Agenda Item:

09

Submitted By: Head of Corporate Services

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

Local Government (Access to information) Act 1972

Exemption Category: None

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

Annexes: Performance Management Report
1 April – 31 December 2022

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 to 31 December 2022 against each of the indicators.
- 1.3 The Performance Management and Activity Report is monitored quarterly by Management Team and the Full Authority.
- 1.4 An abridged version of the Performance Management Report is presented quarterly to the Audit Committee highlighting where targets are not being achieved.
- 1.5 A traffic light system is used to provide a clear visual indicator of performance against each of the indicators compared to the position at the same time in the previous year.
- 1.6 Other performance and activity information is also included within the report.

2 Financial Implications

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

3 Legal Implications

- 3.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

4 Human Resource and Diversity Implications

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

5 Equality Impact Assessment

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

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

6 Health, Safety and Wellbeing Implications

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

7 Environmental Implications

7.1 There are no environmental implications arising from this report.

8 Your Fire and Rescue Service Priorities

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

9 Conclusions

9.1 That Members note the report.

Performance Management and Activity Report 2022/23

Period covered: 1 April – 31 December 2022
Date Issue: 23 February 2023



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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 2022.

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 (2019/22)	Quarter 1 (Apr-Jun)		Quarter 2 (Jul-Sep)		Quarter 3 (Oct-Dec)		Quarter 4 (Jan-Mar)		Actual Data to date		Performance Against Three Year Average (2022/23)	End of Year Projection (2022/23)
		2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23		
Arson	6383	1979	2095	1270	2472	1209	957			4458	5524	14.9%	7332
Actual Rescues	1621	294	304	372	298	290	295			911	897	-26.6%	1191
Total Activity	24209	6835	7001	6443	8662	5998	5736			19276	21400	17.3%	28404
Dwelling Fires	1144	281	272	276	278	252	256			809	806	-6.5%	1070
Non-Domestic Building Fires	406	93	91	86	95	85	82			264	268	-12.4%	356
Prevalence of False Alarms	10558	2609	2744	3113	3237	2948	2987			8670	8968	12.7%	11903
Fire-Related Injuries	181	41	44	35	26	29	31			105	101	-25.9%	134
Road Traffic Collisions	645	138	150	156	150	163	149			457	449	-7.6%	596
Malicious False Alarms	358	85	102	107	80	113	93			305	275	2.0%	365

Service Delivery Indicators

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Cumulative	
	(Apr-Jun)		(Jul-Sep)		(Oct-Dec)		(Jan-Mar)			
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
Accidental Dwelling Fires (per 10,000 dwellings)	2.43	2.27	2.40	2.41	2.13	2.16			6.96	6.84
Number of deaths arising from accidental fires in dwellings (per 100,000 population)	0.09	0.00	0.04	0.04	0.13	0.04			0.26	0.09
Number of Fire-Related Deaths (per 100,000 population) arising from fires other than Accidental Dwelling Fires	0.04	0.09	0.04	0.00	0.09	0.04			0.17	0.13
Number of Injuries arising from accidental fires in dwellings (per 100,000 population)	1.30	1.17	1.13	0.82	0.74	0.82			3.16	2.82
(a) Number of Serious Injuries (per 100,000 population)	0.13	0.13	0.56	0.09	0.13	0.13			0.82	0.35
(b) Number of Slight Injuries (per 100,000 population)	1.17	1.04	0.56	0.74	0.61	0.69			2.34	2.47
The percentage of dwelling fires attended where there was a working smoke alarm which activated	57.30%	62.13%	60.87%	52.52%	61.11%	57.53%			59.70%	57.35%
The percentage of dwelling fires attended where a working smoke alarm was correctly fitted but did not activate	18.86%	18.01%	16.30%	24.82%	22.62%	18.15%			19.16%	20.40%
The percentage of dwelling fires attended where a smoke alarm, because it was faulty or incorrectly sited, did not activate	3.56%	3.68%	1.81%	2.16%	3.17%	3.47%			2.84%	3.09%
The percentage of dwelling fires attended where no smoke alarm was fitted	20.28%	16.18%	16.30%	24.82%	13.10%	20.85%			18.29%	19.16%
Number of calls to malicious false alarms (per 1000 population) – attended	0.04	0.04	0.05	0.03	0.05	0.04			0.13	0.12
False alarms caused by automatic fire detection equipment (per 1000 non-domestic properties)	7.84	8.54	11.41	10.26	10.63	11.26			29.88	30.06
False alarms caused by automatic fire detection equipment (per 1000 domestic properties)	1.01	1.04	1.23	1.19	1.19	1.18			3.44	3.42
Fires in non-domestic premises (per 1000 non-domestic premises)	1.10	1.08	1.02	1.13	1.01	0.98			3.13	3.19
Number of Primary Fires (per 100,000 population)	34.85	33.12	30.95	38.62	30.39	30.43			96.19	102.17

Number of Fire Casualties – excluding Precautionary Checks (per 100,000 population)	1.65	1.82	1.43	1.08	1.04	1.34			4.12	4.25
Arson Incidents – All Deliberate Fires (per 10,000 population)	8.58	9.08	5.50	10.72	5.24	4.15			19.32	23.94
Arson Incidents – Deliberate Primary Fires (per 10,000 population)	1.30	1.33	1.08	1.56	1.12	1.21			3.51	4.11
Arson Incidents – Deliberate Secondary Fires (per 10,000 population)	7.27	7.75	4.42	9.15	4.12	2.93			15.82	19.84

3. Site Specific Risk Inspections (including Fire Safety)

Below is a summary of Site-Specific Risk Inspections (SSRIs) undertaken in the financial year 2022-23. The visits were generated from operational liaison referrals, post fire visits and what crews identified as perceived risks within their station area.

SSRIs are allocated to each District which are then allocated to stations/watches.

The Operational Risk Management Team centrally audit 100 percent of all SSRIs. This ensures a standard approach to the recording and understanding of risk which in turn underpins the safety of operational crews when responding to premises considered higher risk.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Completed	76	116	61	127	143	133	68	158	99				981

4. Safe and Well Checks

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

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

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

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

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

We have built on our success over the last five years and have established more robust quality assurance processes. We are implementing opportunities to learn from domestic fires to improve our understanding of risk and by implementing triage processes to ensure those vulnerable to fire receive the support they require in a timely fashion.

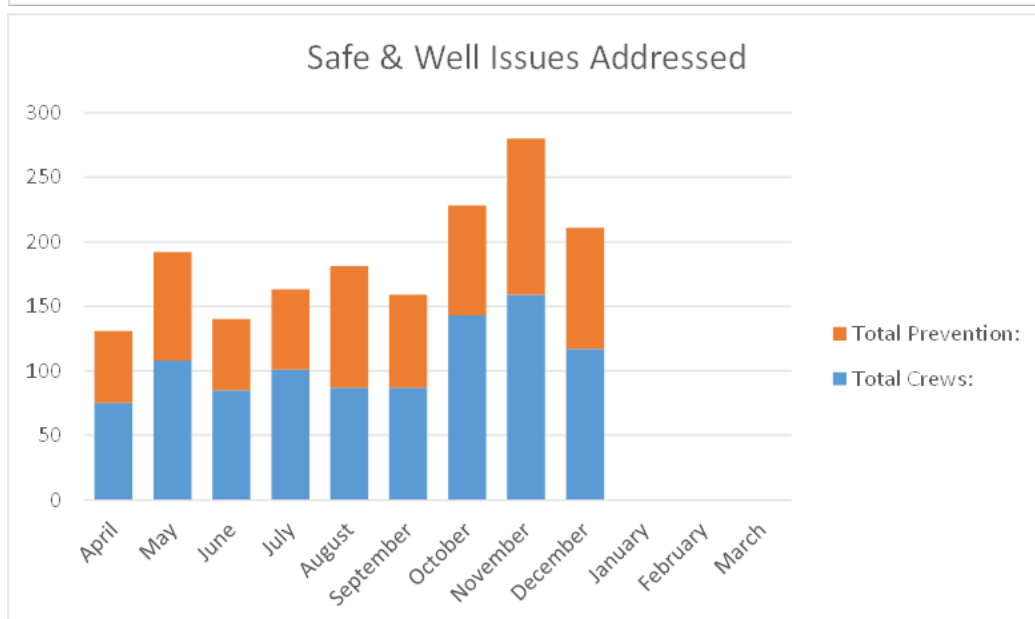
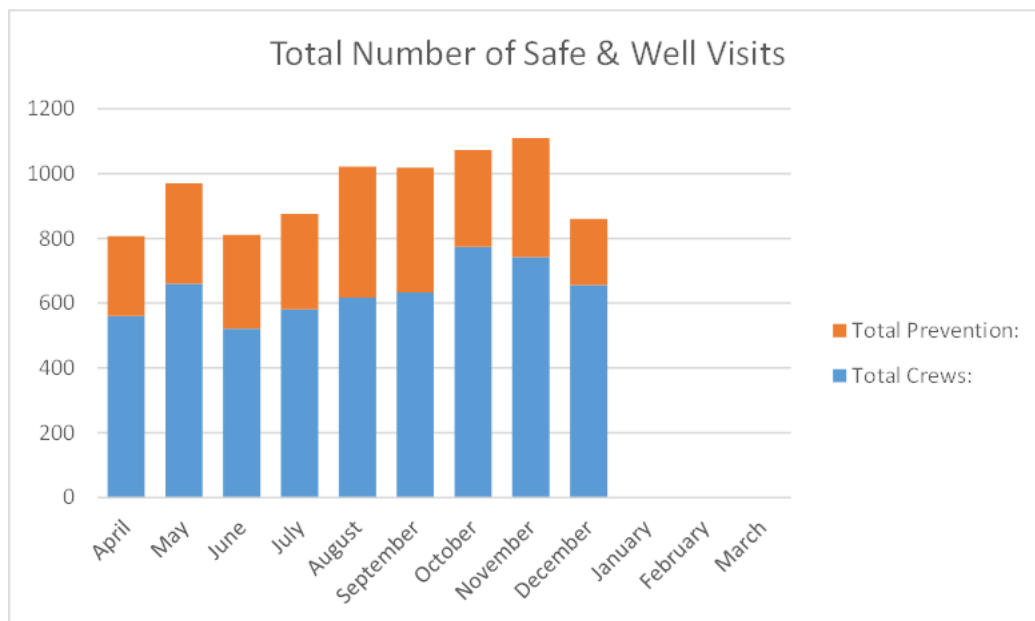
We have considered the findings from the most recent HMICFRS inspection and have implemented processes to ensure visits are undertaken on a prioritised basis and completed within a prescribed timeframe.

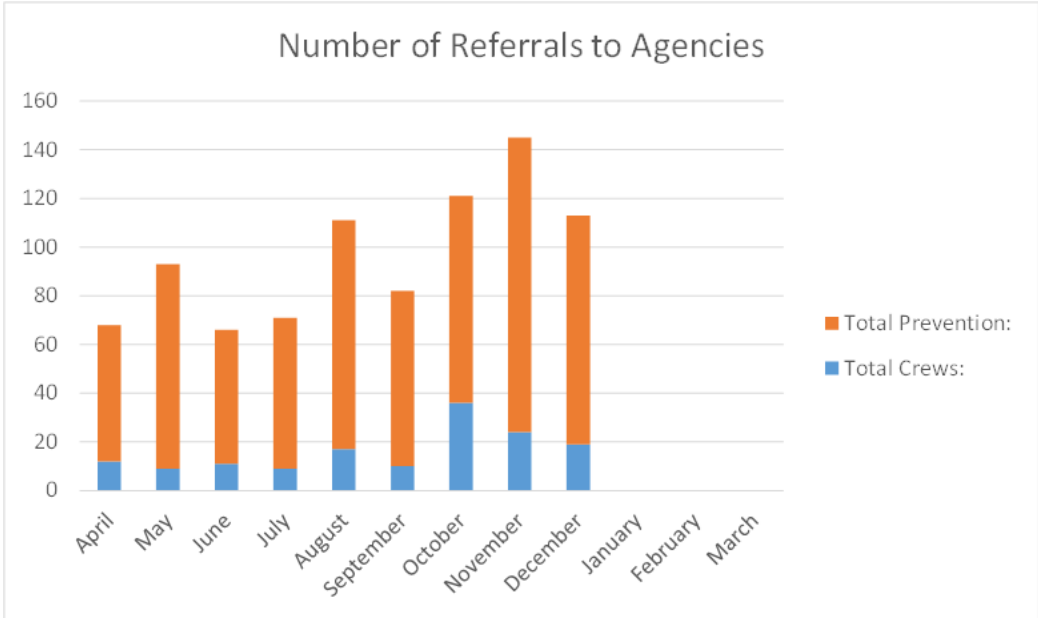
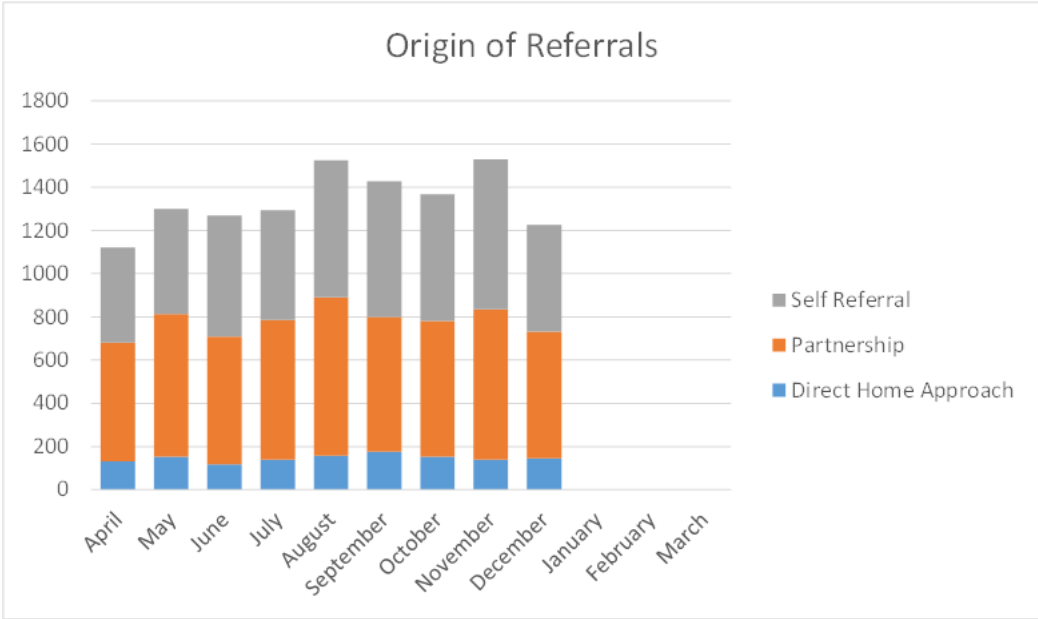
Performance

We are now undertaking visits at a rate greater than pre-covid delivery, we aim to increase this rate as we progress through the year by targeting visits in areas where antisocial behaviour is prevalent whilst also responding to referrals from partners. We are revisiting our partnerships to ensure we are targeting our responses at the most vulnerable people in our communities.

When delivering safe and well visits, providing high quality advice to the right people is key.

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



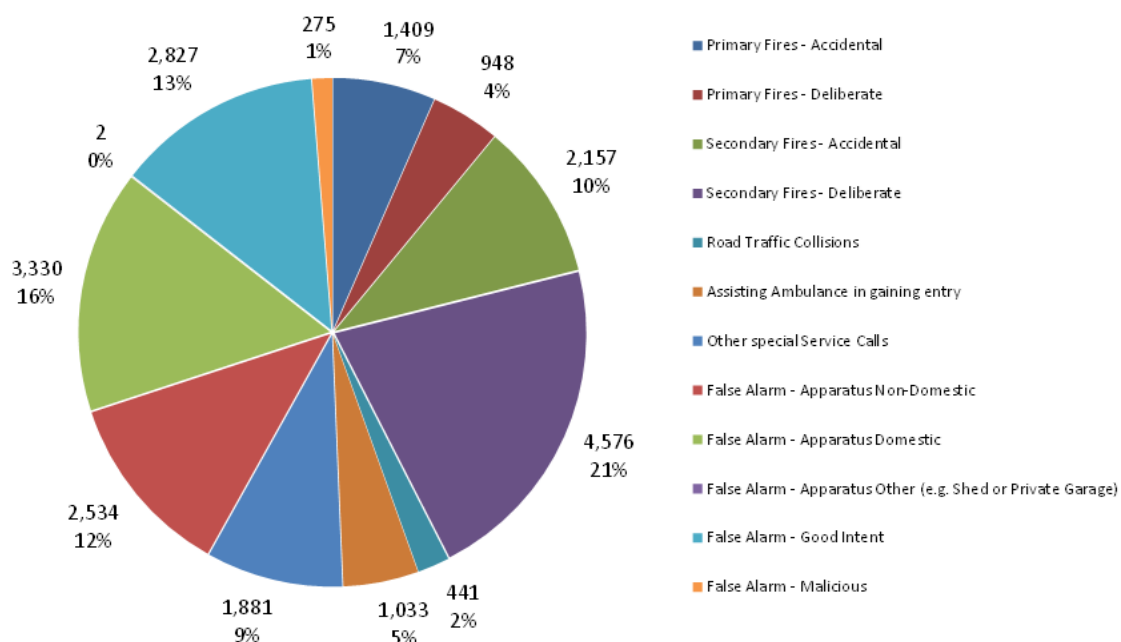


5. Incidents

The table and chart below show the operational activity of West Yorkshire Fire and Rescue Service for the financial year 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	1,409	6.58%
Primary Fires - Deliberate	948	4.43%
Secondary Fires - Accidental	2,157	10.07%
Secondary Fires - Deliberate	4,576	21.37%
Road Traffic Collisions	441	2.06%
Assisting Ambulance in gaining entry	1,033	4.82%
Other special Service Calls	1,881	8.78%
False Alarm - Apparatus Non-Domestic	2,534	11.83%
False Alarm - Apparatus Domestic	3,330	15.55%
False Alarm - Apparatus Other (e.g. Shed or Private Garage)	2	0.01%
False Alarm - Good Intent	2,827	13.20%
False Alarm - Malicious	275	1.28%
Total	21,413	100%



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

Incident Category	Number of incidents 1 April 2012 to 31 March 2013		Number of incidents 1 April 2017 to 31 March 2018		Number of incidents 1 April 2021 to 31 March 2022	
		Percentage		Percentage		Percentage
Primary Fires - Accidental	1,930	8.7%	1,756	7.7%	1,824	7.3%
Primary Fires - Deliberate	1,226	5.5%	1,516	6.6%	1,059	4.2%
Secondary Fires - Accidental	1,060	4.8%	1,652	7.2%	1,629	6.5%
Secondary Fires - Deliberate	3,577	16.1%	5,198	22.7%	4,595	18.4%
Road Traffic Collisions	382	1.7%	599	2.6%	588	2.4%
Special Service Calls	2,046	9.2%	1,898	8.3%	4,057	16.2%
False Alarm - Apparatus	8,501	38.2%	6,537	28.5%	7,650	30.6%
False Alarm - Good Intent	3,055	13.7%	3,403	14.8%	3,237	12.9%
False Alarm - Malicious	457	2.1%	377	1.6%	378	1.5%
Total	22,234	100.0%	22,936	100.0%	25,017	100.0%

Comments on Fatal Fires

Bismark Street, Beeston, Leeds

31st October 2022

The deceased male was 54 years old. He was found in the garden of his property. The fire is believed to have been started deliberately by the individual.

Glenside Close, Edgerton, Huddersfield

7th December 2022

The deceased male was 73 years old and lived in a ground floor flat of a 3-storey purpose-built block of flats. This is believed to be an accidental fire caused by smoking materials.

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

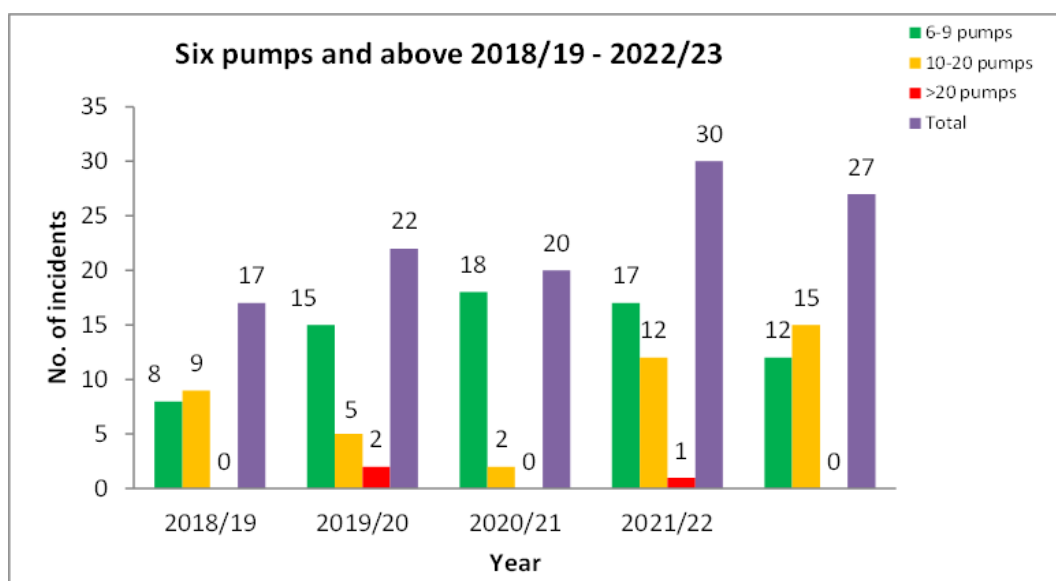
General Commentary

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.

Our operational commanders are trained to the highest possible standard and are able to anticipate the resources required for any given incident type. To ensure safe systems of work, to protect life and property, and to mitigate the impact on the environment, Commanders will often request a large number of fire engines at the early stage of an incident before releasing them once the emergency is under control. This 'speed and weight' of response allows the service to quickly and safely resolve incidents.

The following chart details the numbers and severity of such incidents over the last five years up to 30 September 2022:



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

New incidents added to the table are shaded in white.

Date & Time	Address	Premises Use	Station Area	Cause	Pumps Plus Specials	Number of Personnel
Saturday 02/04/2022	LSS Waste Knowsthorpe Lane Cross Green Leeds	Recycling	Hunslet	Natural Occurrence	8 Pumps 3 Support 4 Specials	52 Ffs 6 Officers 2 CLM Vehicles
Sunday 10/04/2022	86 Queen Street Ravensthorpe Dewsbury	Dwelling	Dewsbury	Deliberate	10 Pumps 3 Support 5 Specials	62 Ffs 7 Officers 2 CLM Vehicles
Friday 15/04/2022	Pearl Supermarket Ltd Queens Road Works Queens Road Halifax	Supermarket	Halifax	Deliberate	10 Pumps 5 Support 6 Specials	72 Ffs 6 Officers 5 CLM Vehicles
Wednesday 20/04/2022	Derelict building Waterton Road Wakefield	Derelict school	Ossett	Deliberate	5 Pumps 3 Support 3 Specials	38 Ffs 4 Officers 2 CLM Vehicles
Saturday 23/04/2022	High Bracken Hill Farm Green Lane Silsden	Barn	Silsden	Bonfire out of control	13 Pumps 5 Support 4 Specials	80 Ffs 8 Officers 5 CLM Vehicles
Thursday 28/04/2022	Trade Bathrooms & Tiles Savile Road Castleford	Bathroom and tile showroom	Castleford	Lithium-ion battery	7 Pumps 5 Support 4 Specials	56 Ffs 5 Officers 3 CLM Vehicles
Sunday 15/05/2022	Widdop Road Heptonstall Hebden Bridge	Moorland	Todmorden	Deliberate	11 Pumps 4 Support 5 Specials	70 Ffs 6 Officers 4 CLM Vehicles
Saturday 04/06/2022	156 Grattan Road Bradford	Café	Bradford	Faulty electricity supply	12 Pumps 3 Support 6 Specials	72 Ffs 6 Officers 5 CLM Vehicles
Monday 06/06/2022	Cathedral City Furniture Unit 4 Millennia Park Wakefield	Furniture Unit	Wakefield	Deliberate	8 Pumps 3 Support 5 Specials	54 Ffs 6 Officers 4 CLM Vehicles
Wednesday 08/06/2022	BSB Furnishings Unit 2 Millennia Park Wakefield	Vehicle Diagnostics	Wakefield	Deliberate	5 Pumps 1 Support 3 Specials	26 Ffs 4 Officers 2 CLM Vehicles
Friday 10/06/2022	Wolseley UK Ltd Elmfield Road Morley Leeds	Vehicle Repair	Morley	Spark from welding equipment	12 Pumps 5 Support 6 Specials	80 Ffs 6 Officers 5 CLM Vehicles
Monday 27/06/2022	Cardinal Logistics Logistics House St Johns Works Neville Road Bradford	Office	Bradford	Deliberate	8 Pumps 4 Support 5 Specials	58 Ffs 6 Officers 5 CLM Vehicles

Wednesday 29/06/2022	Landmark House 11 Broadway Bradford	Flats	Bradford	Naked Flame	10 Pumps 3 Support 3 Specials	58 Ffs 6 Officers 5 CLM Vehicles
Monday 11/07/2022	Spa Field Terrace New Street Slaithwaite	Waste Plant	Slaithwaite	Deliberate	10 Pumps 2 Support 5 Specials	58 Ffs 7 Officers 4 CLM Vehicles
Saturday 16/07/2022	Castleford and Fryston Skip Service Kirkhaw Lane Knottingley	Waste Recycling Plant	Pontefract	Lithium-ion battery	10 Pumps 4 Support 4 Specials	64 Ffs 6 Officers 3 CLM Vehicles
Sunday 17/07/2022	Bradley Avenue Castleford	Derelict Public House	Castleford	Not known	5 Pumps 3 Support 4 Specials	40 Ffs 5 Officers 2 CLM Vehicles
Sunday 17/07/2022	Dacre Avenue Wakefield	Grassland	Ossett	Careless disposal of unknown items	15 Pumps 2 Support 3 Specials	74 Ffs 6 Officers 3 CLM Vehicles
Tuesday 02/08/2022	Burlees House Hangingroyd Lane Hebden Bridge	Office	Mytholmroyd	Faulty electrical supply	10 Pumps 4 Support 5 Specials	66 Ffs 6 Officers 5 CLM Vehicles
Sunday 04/09/2022	Allied Glass South Accommodation Road Hunslet, Leeds	Factory	Hunslet	Faulty Kiln	6 Pumps 3 Support 4 Specials	44 Ffs 5 Officers 1 CLM Vehicle
Sunday 02/10/2022	Prima Continental Bakeries Buck Street Bradford	Bakery and Car Wash	Bradford	Deliberate	8 Pumps 3 Support 4 Specials	52 Ffs 6 Officers 4 CLM Vehicles
Saturday 15/10/2022	Leonardo Building 2 Rossington Street Leeds	Building under construction	Leeds	Deliberate	10 Pumps 2 Support 2 Specials	52 Ffs 6 Officers 4 CLM Vehicles
Saturday 05/11/2022	N&P Recycling Ltd Unit 1 Thorpe Hill Farm Lingwell Gate Lane Thorpe Wakefield	Recycling Plant	Morley	Deliberate	6 Pumps 3 Support 5 Specials	46 Ffs 4 Officers 3 WM Vehicles
Friday 11/11/2022	P Waddington & Co Buck Street Bradford	Recycling Plant	Bradford	Vehicle fault (Vehicle inside building)	10 Pumps 5 Support 5 Special	70 Ffs 6 Officers 5 WM Vehicles
Wednesday 16/11/2022	Allied Glass Containers Ltd Fernley Green Road Knottingley	Industrial Manufacture	Pontefract	Electrical Appliance	10 Pumps 2 Support 4 Specials	56 Ffs 7 Officers 5 WM Vehicles
Wednesday 07/12/2022	Leeds City College Printworks Campus Hunslet Road Hunslet Leeds	College	Hunslet	Natural Occurrence	8 Pumps 3 Support 4 Specials	52 Ffs 6 Officers 2 WM Vehicles
Wednesday 21/12/2022	Allan Austin Ltd Jacob Street Bradford	Warehouse	Odsal	Faulty electrical appliance	9 Pumps 3 Support 3 Specials	54 Ffs 7 Officers 5 WM Vehicles
Tuesday 27/12/2022	Premier Beds Bradford Road Batley	Factory	Dewsbury	Not known	10 Pumps 3 Support 5 Specials	62 Ffs 6 Officers 6 WM Vehicles

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

Prima Continental Bakeries, Buck Street, Bradford

2nd October 2022

This incident was a fire in a bakery and car wash in Bradford station area.

The pre-determined attendance was 3 pumps from Bradford and Shipley. This was increased to 8 pumps and pumps from Odsal, Fairweather Green, Stanningley, Bingley and Cookridge were mobilised. Four CLM vehicles were also mobilised.

Also mobilised were the Command Unit Lite from Featherstone, an aerial from Leeds and Bradford, the Hose Laying Unit from Mirfield and the Personnel Refreshment Unit from Ilkley. Support pumps were also mobilised from Cleckheaton, Illingworth and Mirfield.

Officers also attending the incident were Group Manager Rose as Incident Commander, Station Manager Garvey was Ops Assurance Officer, Station Manager Kovacs was Command Support, Station Manager Fox was Hazmat Officer, Station Manager Kilburn as a Working Officer and Station Manager Butterfield was Fire Investigation Officer.

The time of call for this incident was 2349 hours and the stop was sent at 1003 hours on 3rd October 2022. The incident was closed the same day at 1424 hours.

The cause of the fire was deliberate.

Leonardo Building, Rossington Street, Leeds

15th October 2022

This incident was a fire in a building under construction in Leeds station area.

The pre-determined attendance was 4 pumps from Leeds, Hunslet and Killingbeck and one aerial from Bradford. This was increased to 10 pumps and pumps from Odsal, Moortown, Morley and Rothwell were mobilised along with a further pump from Leeds and Killingbeck. Four CLM vehicles were also mobilised.

Also mobilised were the Command Unit Lite from Featherstone, an aerial from Wakefield and the Personnel Refreshment Unit from Ilkley. Support pumps were also mobilised from Dewsbury and Huddersfield.

Officers also attending the incident were Group Manager Gardiner and Station Manager Clark as Incident Commanders, Station Manager Moxon was Ops Assurance Officer, Station Manager Bairstow was Command Support, Station Manager Thornton was Hazmat Officer and Watch Manager Driver was Fire Investigation Officer.

The time of call for this incident was 1947 hours and the stop was sent on 16th October 2022 at 1129 hours. The incident was closed the same day at 1257 hours.

The cause of the fire was deliberate.

Thorpe Hill Farm, Lingwell Gate Lane, Thorpe, Wakefield

5th November 2022

This incident was a fire in a recycling plant in Morley station area.

The pre-determined attendance was 3 pumps from Morley, Rothwell and Hunslet. This was increased to 6 pumps and pumps from Ossett, Leeds and Wakefield were mobilised. Three WM vehicles were also mobilised.

Also mobilised were the Command Unit Lite from Featherstone, an aerial from Leeds, the Hose Laying Unit from Mirfield and the Personnel Refreshment Unit from Skelmanthorpe. Support pumps were also mobilised from Dewsbury, Mirfield and Castleford.

Officers also attending the incident were Station Manager Kovacs as Incident Commander, Station Manager Garvey was Command Support, Station Manager Fox was Hazmat Officer and Station Manager Cookson was Fire Investigation Officer.

The time of call for this incident was 1007 hours and the stop was sent at 1335 hours. The incident was closed the same day at 1530 hours.

The cause of the fire was deliberate.

Buck Street, Bradford

11th November 2022

This incident was a fire in a recycling of animal waste site in Bradford station area.

The pre-determined attendance was 3 pumps from Bradford, Rawdon and Cleckheaton. This was increased to 10 pumps and pumps from Morley, Cookridge, Hunslet, Todmorden and Dewsbury were mobilised. Five WM vehicles were also mobilised.

Also mobilised were the Command Unit from Pontefract, aerials from Huddersfield and Bradford, the Hose Laying Unit from Mirfield and the Personnel Refreshment Unit from Skelmanthorpe. Support pumps were also mobilised from Bradford, Normanton, Garforth, Pontefract and Mirfield.

Officers also attending the incident were Group Manager Daly as Incident Commander, Station Manager Goldwater was Ops Assurance Officer, Station Manager Earl was Command Support, Station Manager Atkins was Hazmat Officer, Station Manager Butterfield as a Working Officer and Station Manager Griffiths was Fire Investigation Officer.

The time of call for this incident was 1528 hours and the stop was sent at 1834 hours. The incident was closed the same day at 2142 hours.

The cause of the fire was deliberate.

Fernley Green Road, Knottingley

16th November 2022

This incident was a fire in industrial premises in Pontefract station area.

The pre-determined attendance was 3 pumps from Pontefract, Castleford and Normanton. This was increased to 10 pumps and pumps from South Kirkby, Rothwell, Wakefield, Garforth, Killingbeck, South Yorkshire and North Yorkshire were mobilised. Five WM vehicles were also mobilised.

Also mobilised were the Command Unit Lite from Featherstone, the Hose Laying Unit and Salvage Unit from Mirfield and the Personnel Refreshment Unit from Skelmanthorpe. Support pumps were also mobilised from Hunslet and Mirfield.

Officers also attending the incident were Group Manager Jones as Incident Commander, Station Manager Garvey was Ops Assurance Officer, Station Managers Loney and Fox were Command Support, Station Manager Bell was Hazmat Officer, Station Manager Goldwater and Bowen as Working Officers.

The time of call for this incident was 1200 hours and the stop was sent at 1215 hours on 17th November 2022. The incident was closed the same day at 1232 hours.

The cause of the fire was a faulty electrical appliance.

Leeds City College, Printworks Campus, Hunslet Road, Hunslet, Leeds

7th December 2022

This incident was a fire in a college in Hunslet station area.

The pre-determined attendance was 1 pump from Leeds. This was increased to 8 pumps and pumps from Killingbeck, Leeds, Rothwell, Morley and Ossett were mobilised. Two WM vehicles were also mobilised.

Also mobilised were the Command Unit from Featherstone, the Hose Laying Unit and Salvage Unit from Mirfield, an aerial appliance from Leeds and the Personnel Refreshment Unit from Ilkley. Support pumps were also mobilised from Stanningley, Moortown and Mirfield. The Drone was also mobilised.

Officers also attending the incident were Group Manager Jones and Station Manager Fitt as Incident Commanders, Station Manager Bowen was Ops Assurance Officer, Station Manager Bairstow was Command Support, Station Manager Hudson was Hazmat Officer and Watch Manager Lister was Fire Investigation.

The time of call for this incident was 0002 hours and the stop was sent at 0914 hours. The incident was closed the same day at 1341 hours.

The cause of the fire was a natural occurrence of self-heating of tea towels which had become contaminated with oils.

Jacob Street, Bradford

21st December 2022

This incident was a fire in a warehouse in Odsal station area.

The pre-determined attendance was 3 pumps from Odsal, Fairweather Green and Bradford. This was increased to 9 pumps and pumps from Shipley, Cleckheaton, Bingley, Hunslet, Rawdon and Halifax were mobilised. Five WM vehicles were also mobilised.

Also mobilised were the Command Unit from Featherstone, the Hose Laying Unit from Mirfield and an aerial from Leeds. Support pumps were also mobilised from Mirfield, Illingworth and Dewsbury.

Officers also attending the incident were Group Manager Rose and Station Manager Cookson as Incident Commanders, Station Manager Holdsworth was Ops Assurance Officer, Station Manager Howorth was Command Support, Station Manager Bell was Hazmat Officer, Station Manager Butterfield was Command Support and Station Manager Kilburn was Fire Investigation.

The time of call for this incident was 0755 hours and the stop was sent at 1108 hours. The incident was closed the same day at 1328 hours.

The cause of the fire was a faulty electrical appliance.

Bradford Road, Batley

27th December 2022

This incident was a fire in a factory in Dewsbury station area.

The pre-determined attendance was 3 pumps from Dewsbury and Cleckheaton. This was increased to 10 pumps and pumps from Morley, Ossett, Hunslet, Huddersfield, Leeds, Rastrick and Bradford were mobilised. Six WM vehicles were also mobilised.

Also mobilised were the Command Unit Lite from Featherstone, the Hose Laying Unit from Mirfield, aerial appliances from Leeds and Wakefield and the Personnel Refreshment Unit from Ilkley. Support pumps were also mobilised from Odsal, Moortown and Mirfield.

Officers also attending the incident were Group Manager Gardiner as Incident Commander, Station Manager Hawley was Ops Assurance Officer, Station Manager Loney was Command Support, Station Manager Bruce was Hazmat Officer, Station Manager Thornton was a working officer and Watch Manager Lister was Fire Investigation.

The time of call for this incident was 0239 hours and the stop was sent at 0805 hours.
The incident was closed the same day at 1524 hours.

The cause of the fire was unable to be determined at this time

7. Violence at Work

Attacks on Personnel

There have been 68 incidents reported by West Yorkshire FRS so far in the financial year.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Attacks on Firefighters	40	76	64	60	87	92	75	81	68	66	68

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

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

Attacks on Firefighters as a Percentage of Turnouts										
District / Station	No. of Turnouts	Physical Assault	Weapon Brandished	Missile Thrown	Firework Thrown	Stoning	Aggressive Behaviour	Verbal Abuse	Total	Percentage
Bradford District										
Bradford	3306	4	1	2	1	7	4	1	20	0.60%
FWG	1021			1	3	1			5	0.49%
Keighley	742				2			1	3	0.40%
Odsal	1173		1				1		2	0.17%
Shipley	1452	1			2				3	0.21%
District Total	8339	5	2	3	8	8	5	2	33	0.40%
Calderdale District										
Rastrick	954			1				1	2	0.21%
Halifax	974						1		1	0.10%
Ilkley	875					1			1	0.11%
District Total	3153	0	0	1	0	1	1	1	4	0.13%
Kirklees District										
Huddersfield	2030	1			1		1	1	4	0.20%
Dewsbury	1842	3							3	0.16%
District Total	5828	4	0	0	1	0	1	1	7	0.12%
Leeds District										
Leeds	3312			1	1	1	1	1	5	0.15%
Cookridge	658				2		1		3	0.46%
Moortown	805							1	1	0.12%
Rawdon	419			1					1	0.24%
Stanningley	998	1				2			3	0.30%
Killingbeck	2292			2		1	1	2	6	0.26%
District Total	12461	1	0	4	3	4	3	4	19	0.15%
Wakefield District										
Wakefield	915						1		1	0.11%
Ossett	722							2	2	0.28%
Pontefract	799							1	1	0.13%
South Kirkby	531							1	1	0.19%
District Total	4074	0	0	0	0	0	1	4	5	0.12%
Totals	33973	10	2	8	12	13	11	12	68	0.20%

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 (0.20% overall). Some stations might appear to suffer a relatively high percentage of attacks, but this is largely due to the number of incidents attended from such stations.

The Chief Fire Officer re-emphasises that even one attack is one too many and that every assistance and encouragement will be given to the police to bring offenders to

court. Work is continuing with a variety of agencies from the police and district councils to community groups and youth leaders to address these issues.

District Actions to Address Violence

All districts are undertaking the following actions:

- Communicating a positive image of the fire service in the community
- Taking part in community events to support this image
- Provision of conflict management training to service delivery staff
- Encouraging all staff to use the SCIP when intelligence or other information is received for risk issues
- Encouraging any watch who place the information on SCIP to email other local stations to alert them to the fact that the address has been added and to make sure that they then view the SCIP for the details
- Consistently promoting the knowledge of Silent Witness cameras with crews and to the public at events etc. to discourage anti-social behaviour
- Where incidents do occur, publicising through the media any arrests made by the police and any sentences given by the courts
- Close working with partner agencies to produce robust multi-agency response plans
- Targeted Intervention days led by the Youth Intervention Team
- Youth engagement work is being undertaken in higher risk areas
- Actively pursuing prosecution of any individual identified attacking a WYFRS employee
- Deployment of body worn video cameras

Bradford

In Bradford there were 33 attacks on firefighters at incidents, details of which are available from the District Commander. At one of these incidents a firefighter was hit with a stone thrown by a member of the public. Five of these attacks have resulted in minor damage to our fire appliances with one causing severe damage to the fire appliance shattering a window and denting panels.

Calderdale

In Calderdale there were 4 attacks on firefighters at incidents, details of which are available from the District Commander. None of these caused injuries to firefighters but one instance resulted in damage to fire appliances during these attacks.

Kirklees

In Kirklees there were 7 attacks on firefighters at incidents, details of which are available from the District Commander. There was an injury to a firefighter at two of these incidents and one incident where there was damage to the fire appliance.

Leeds

In Leeds there were 19 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to fire appliances during these attacks.

Wakefield

In Wakefield there were 5 attacks on firefighters at incidents, details of which are available from the District Commander. There were no injuries to firefighters or damage to fire appliances during these attacks.

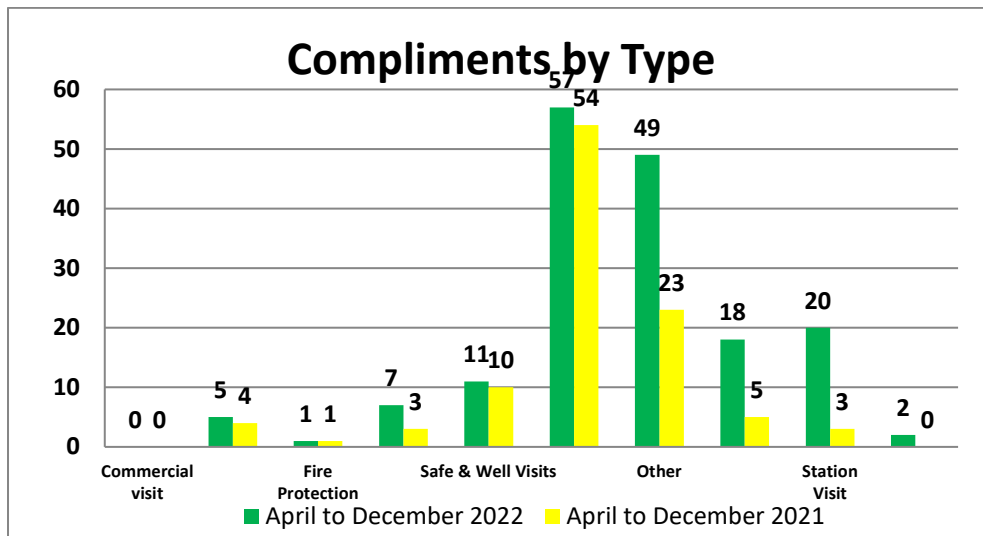
8. Corporate Performance Activity

Details of key corporate performance areas are shown below.

Compliments

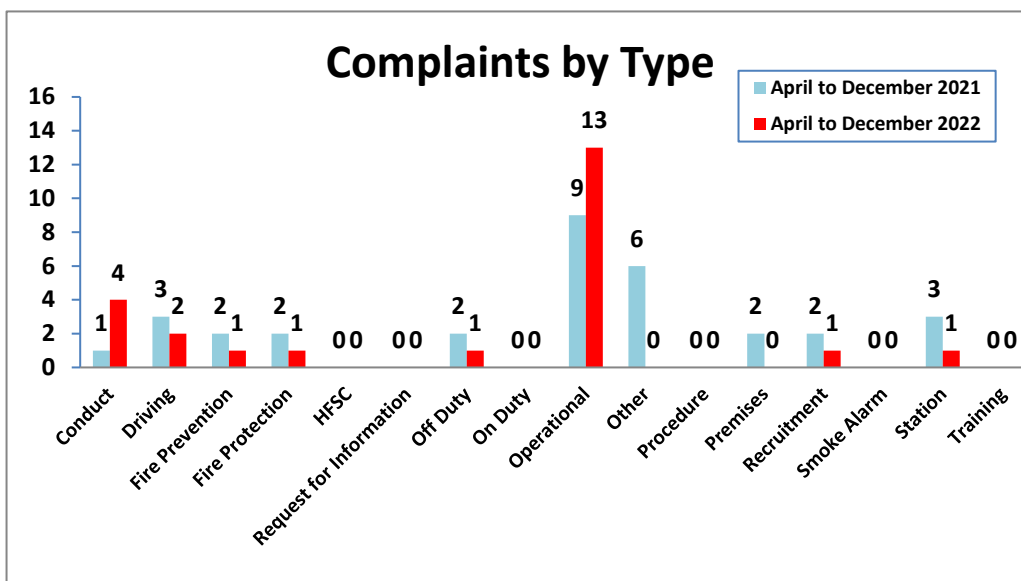
The charts below show by the type and the number of compliments and complaints received by West Yorkshire FRS for the period 1 April to 31 December 2022 and the same period in 2021.

During this period West Yorkshire FRS has recorded 170 compliments, which is higher than the 103 received in 2021.



Complaints

For the period 1 April to 31 December 2022, we have received 24 complaints, of which 9 were upheld. This compares to 32 received between the same dates in 2021, of which 12 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 2022 to 31 December 2022 and a comparison with the same period during the year 2021-22.

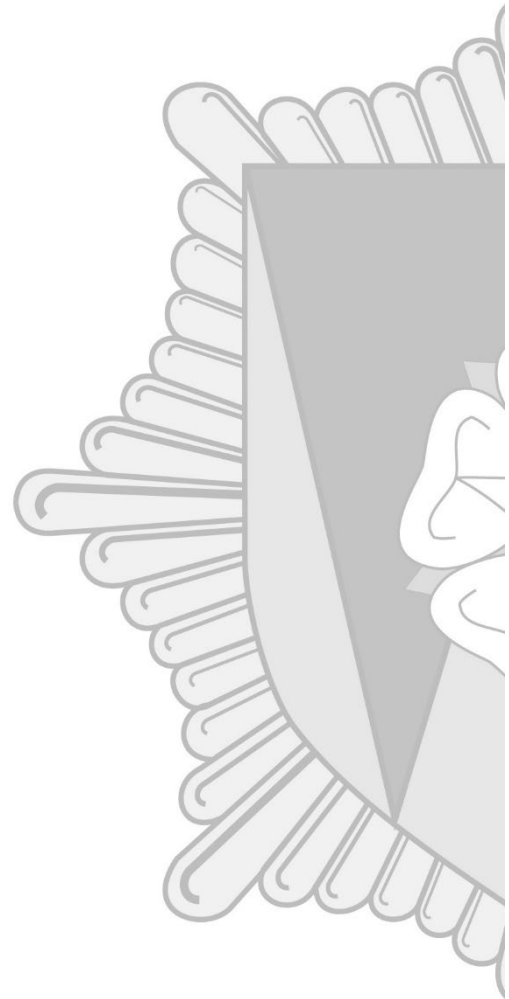
Category	2021-22		2022-23	
	Received	Upheld	Received	Upheld
Conduct	1	1	4	1
Driving	3	2	2	1
Fire Prevention	2	0	1	1
Fire Protection	2	0	1	1
HFSC	0	0	0	0
Request for Information	0	0	0	0
Off Duty	2	0	1	0
On Duty	0	0	0	0
Operational	9	3	13	4
Other	6	1	0	0
Procedure	0	0	0	0
Premises	2	1	0	0
Recruitment	2	2	1	0
Smoke Alarm	0	0	0	0
Station	3	2	1	1
Training	0	0	0	0
TOTALS	32	12	24	9

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 2022 to 31 December 2022.

Freedom of Information Requests	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number due for response	6	6	6	6	12	8	12	6	9				71
Number responded to within time limit	6	6	6	6	12	8	12	6	9				71
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	1	1	0	0	0	0	0	0				2
Number of Internal Reviews due for response	0	0	0	0	0	0	0	1	0				1
Number of Internal Reviews responded to within time limit	0	0	0	0	0	0	0	1	0				1

Subject Access Requests	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number due for response	0	3	0	0	0	0	2	1	2				8
Number responded to within time limit	0	3	0	0	0	0	2	1	2				8
Number responded to out of time	0	0	0	0	0	0	0	0	0				0



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



OFFICIAL

Programme of Change

Full Authority

Date: 23 February 2023

Agenda Item:

10

Submitted By: Director of Service Support

Purpose

This report submits for information an update on the Programme of Change 2022-23 and the proposed Programme of Change 2023-24.

Recommendations

That Authority note the proposed Programme of Change 2023-24.

Summary

The Programme of Change has been revised to reflect progress and the addition of new activities which were approved in principle at the Organisational Planning Day (September 2022) followed by final approval at Star Chamber (January 2023).

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 for the inclusion in 'Your Fire and Rescue Service' 2022-25.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Benjy Bush, Service Support AM
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Background papers open to inspection: None

Annexes: Annex 1 – Update Programme of Change 2022-23

Annex 2 – Proposed Programme of Change 2023-24

1 Introduction

- 1.1 The Organisational Annual Planning Cycle is 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.
 - Streamline 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.

An update on the Programme of Change 22/23 is detailed within [Annex 1](#). Out of the 13 projects/programmes; one project is overdue however is in the final stages, one project is closed, and one project is on hold. The remaining 10 projects/programmes will be added to the Programme of Change 23/24.

Several projects from the Programme of Change have successfully completed and as a result have been removed. Projects include Corporate Identity Refresh, Mobile Working Phase 2 and Special Projects design which encompasses fire stations, fire appliances, and aerial appliances. The recommendations captured now sit within the Special Projects Implementation.

- 2.2 Running alongside the Programme of Change a review of departmental business as usual (BaU) process is in place. This started in January 2022 and is run over a two-year schedule. Aims of the BaU review process are:

- To provide visibility and awareness of departmental BaU across the organisation.
- To provide a structured approach to review and give feedback on departmental BaU.
- To identify potential opportunities of smarter ways of working.
- To ensure all activities support and align to organisational priorities.
- To allow information to be captured which will be used to inform decisions around capacity to support projects including prioritisation at the Organisational Planning Day.

- 2.3 [Annex 2](#) shows the revised Programme of Change for the financial year 23/24. This includes additional activities identified and approved through the annual planning cycle.

- 2.4 An interim Planning meeting is scheduled to be held on 23 March 2023 which will look at several areas including progress of the Programme of Change.

3 Financial Implications

- 3.1 Although there are no financial implications arising from this report, each project completed a full business case which highlights any financial implications.
- 3.2 The proposed revenue and capital expenditure associated with each business case has been costed within the 2022/23 budget. Capital /revenue bids were submitted for proposed change initiatives and approved at Star Chamber.

4 Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority’s Constitution

5 Human Resource and Diversity Implications

- 5.1 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.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	N/A At the start of every programme/project an EIA is completed.
Date EIA Completed	N/A
Date EIA Approved	N/A

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

7 Health, Safety and Wellbeing Implications

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

8 Environmental Implications

- 8.1 There are no Environmental Implications arising from this report at the time of submission.

9 Your Fire and Rescue Service Priorities

- 9.1 This report details the activities undertaken in meeting our Priorities as detailed in Your Fire and Rescue Service 2022-25.

10 Conclusions

- 10.1 West Yorkshire Fire and Rescue Authority are asked to approve the Programme of Change 2023/24 for inclusion in ‘Your Fire and Rescue Service 2022-25’.

Annex 1 – Review of Programme of Change 22/23

Project / Initiative	Project / Initiative description	Target completion date	Project Status	Comments
SharePoint 2016	Update software for corporate intranet and document management system.	31/07/2022	Overdue	<p>Project is in final stages which includes deleting old content and migrating any remaining sites. There have been several factors which have resulted in timeline slippage including the impact of COVID-19 and staff shortage.</p> <p>The project will be removed from the Programme of Change as soon as completed. An evaluation will be produced to capture learning.</p>
OneView Programme	Performance management programme to provide a transparent, timely and flexible method of sharing performance data with colleagues, partners, and the communities.	17/05/2025	On Track	Added to Programme of Change 23/24.
Leadership Strategy	A new approach that will develop and enhance leadership and our service values at all levels and allow for continuous improvement.	31/03/2022	Closed	<p>The project has now closed as outstanding objectives are now part of business as usual.</p> <p>Removed from Programme of Change.</p>
Grenfell Programme	Review and implement the recommendations from the Grenfell Tower Inquiry: Phase 1 Report.	31/05/2023	On Track	Added to Programme of Change 23/24.

Project / Initiative	Project / Initiative description	Target completion date	Project Status	Comments
HQ Fire Control	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.	31/12/2024	On Track	Added to Programme of Change 23/24.
WY ESMCP	Provision of a national radio scheme utilising mobile phone technology.	Tbc	On Hold	The project is hold due to the national timeline moving to the right (18 month +). WYFRS ESMCP Assurance Partner role will cease at the end of the current fiscal year. Unknown impacts and potential for Airwave/ESN infrastructure at HQ and SDC until detailed timeline available.
FSHQ Programme	Redevelopment of FSHQ.	01/03/2024	On Track	Added to Programme of Change 23/24.
Fire Standards Programme	Implementation of nationally agreed fire standards across Fire & Rescue Service core functions.	31/12/2029	On Track	Added to Programme of Change 23/24.
Accessible Content Toolkit	Ensuring the digital content, including websites, mobile apps and documents that are shared electronically are accessible to all audiences.	01/07/2023	On Track	Added to Programme of Change 23/24.
Command Support Software	WYFRS currently don't have dedicated command support software. The project will scope the basic requirement of a deployable command support systems (hardware	01/09/2023	On Track	Added to Programme of Change 23/24.

Project / Initiative	Project / Initiative description	Target completion date	Project Status	Comments
	and software).			
Keighley Fire Station	The construction of a new fire station on the existing site to replace an oversized and outdated fire station.	March 2025	On Track	Added to Programme of Change 23/24.
Special Projects Implementation	Following the conclusion of the Special Projects research phase on Aerial Appliances, Fire Appliances and Fire Station Design, the project has moved onto the implementation phase.	30/09/2023	On Track	Added to Programme of Change 23/24.
Office 365	Technical requirement to keep Microsoft office products up to date with the latest features and security.	August 2023	On Track	Added to Programme of Change 23/24.

Annex 2 – Proposed Programme of Change 2023/24

Project / Initiative	Project / Initiative description	Target completion date	Project Status
OneView Programme	Performance management programme to provide a transparent, timely and flexible method of sharing performance data with colleagues, partners, and the communities.	17/05/2025	On Track
Grenfell Programme	Review and implement the recommendations from the Grenfell Tower Inquiry: Phase 1 Report.	31/05/2023	On Track
HQ Fire Control	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.	31/12/2024	On Track
FSHQ Programme	Redevelopment of FSHQ.	01/03/2024	On Track
Fire Standards Programme	Implementation of nationally agreed fire standards across Fire & Rescue Service core functions.	31/12/2029	On Track
Accessible Content Toolkit	Ensuring the digital content, including websites, mobile apps and documents that are shared electronically are accessible to all audiences.	01/07/2023	On Track
Command Support Software	WYFRS have procured Airbox MOSAIC command support software based and will be deployed on Panasonic A3 Toughbook tablet. The project will implement the system across all areas of Command Support to allow for a	01/09/2023	On Track

Project / Initiative	Project / Initiative description	Target completion date	Project Status
	deployable and scalable command support solution.		
Keighley Fire Station	The construction of a new fire station on the existing site to replace an oversized and outdated fire station.	March 2025	On Track
Special Projects Implementation	Following the conclusion of the Special Projects research phase on Aerial Appliances, Fire Appliances and Fire Station Design, the project has moved onto the implementation phase.	30/09/2023	On Track
Office 365	Technical requirement to keep Microsoft office products up to date with the latest features and security.	August 23	On Track
Data Centre	The backup data centre where all on-premise back-office systems and data are backed up and replicated for disaster recovery and business continuity purposes is currently located at SDC. Prior to SDC closing down it is priority to move the data centre to Ossett Fire Station.	Tbc (Dependant on control project)	Not started
MDT software	Replacement of Lego MDT software to coincide with the go live of the replacement mobilising system.	Tbc (Not known at this stage)	Not started



OFFICIAL-SENSITIVE

Industrial Action - Contingency Arrangements

Full Authority

Date: 23 February 2023

Agenda Item:

11

Submitted By: Deputy Chief Fire Officer/Director of Service Delivery

Purpose

To inform Members of the contingency planning arrangements being put in place in response to potential strike action called by the Fire Brigades Union (FBU)

Recommendations

That Members endorse the contingency planning arrangements developed

Summary

The FBU is balloting its members for strike action in relation to a trade dispute regarding pay and conditions. The Fire and Rescue Authority has statutory duties under the Fire and Rescue Services Act 2004 for the provision of a fire and rescue service and under the Civil Contingencies Act 2004 they have a duty to assess the risk of, and plan for, industrial action. This report provides Members with an overview of the contingency arrangements to ensure, so far as reasonably practicable, that, if industrial action occurs, the Authority is able to continue to perform its functions

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Area Manager (AM) David Teggart
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Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 The fire service employers have previously made two pay offers, the first was 2% and this was followed by an increased offer of 5%. Following a significant period of Fire Brigades Union (FBU) member consultation, the FBU membership rejected the 5% offer on the 14th November 2022.
- 1.2 Shortly after, the FBU announced members would be balloted on strike action between 5th December 2022 and 23rd January 2023, this was extended to an 8 week period and closed on the 30th January 2023. The aggregated national vote had a 73% membership turnout with 88% voting in favour of strike action
- 1.3 The FBU have committed to not announcing strike action until after the 8th February 2023. As the National Joint Council (NJC) for Local Authority Fire and Rescue Services which negotiates pay and conditions between the employee's representatives (FBU) and Employers from across the UK and NI meet. Meaning the first possible strike date is the 23rd February 2023.
- 1.4 Under the Fire and Rescue Services Act, West Yorkshire Fire and Rescue Authority (WYFRA) has a statutory duty to make provision for firefighting and rescue from road traffic accidents as necessary to efficiently meet all normal requirements and to deal with calls for help. Under the Civil Contingences Act 2004, it has a duty to assess the risk of, and plan for, industrial action with a view to seeking to prevent it and reduce, control, or mitigate its effects, and to maintain plans for the purpose of ensuring (so far as reasonably practicable) that, if industrial action occurs, the Authority is able to continue to perform its functions.
- 1.5 The Authority must also have regard to the Fire & Rescue Service National Framework in carrying out its functions. The National Framework states that fire and rescue authorities must have effective business continuity arrangements in place in accordance with their duties under the Civil Contingencies Act 2004, to meet the full range of service delivery risks and national resilience duties and commitments that they face. It goes on to say business continuity plans should not be developed on the basis of armed forces assistance being available.
- 1.6 These statutory duties are administrative targets and not absolute performance duties, and the public at large cannot sue for the consequences of non-performance. However, it is clearly prudent to develop realistic contingency plans and, as far as is reasonably practicable, implement those plans to safeguard the public in the event of industrial action.
- 1.7 This report provides information for Members, summarising the contingency plans for industrial action that form part of a wider range of business continuity plans for staff shortages and other significant events which have the potential to impact on service delivery. The report also informs Members of the actions taken to date in preparation for industrial action and includes details from various strategic risk assessment and the associated impacts of industrial action from the perspective of the community, the organisation, employee safety and equality and fairness.

2 Information

- 2.1 The Industrial Action Business Continuity Plan has been developed against a number of planning assumptions. The plans cover the following aspects:
- The planning arrangements in place for periods of Industrial Action.
 - The mobilising and command and control arrangements for periods of Industrial Action.
 - The stakeholders (persons, organisations, agencies and bodies) who need to be informed/receive communication when the Authority will not be in a position to provide an effective emergency response.
 - Prevention and protection arrangements as a result of not providing an effective emergency response.
 - The welfare provision to ensure the health and safety of WYFRS employees both working and striking.
- 2.2 The plans have been developed to cater for the worst-case scenario, i.e., that none of our front-line operational staff will be available and contingency cover would need to be provided, up to the minimum acceptable standard of emergency cover that the Fire and Rescue Authority would consider appropriate. The following sections provide information on analysis of the most likely scenario for the current dispute.
- 2.3 The plans consider the potential tactics to be employed by the FBU in terms of the duration of any strike. This could be a short period of action, (several hours up to a complete shift), periods of 24 hours, or periods greater than 24 hours up to continuous strike action. Clearly the duration of any strike will have implications for contingency arrangements, with shorter periods being easier to resource.

Crisis Management Arrangements

- 2.4 All business continuity arrangements are supported by a management structure which can respond to any crisis. The Crisis Management Team (CMT), chaired by the Chief Fire Officer/Chief Executive or in his absence the Deputy Chief Fire Officer, is convened whenever a crisis is anticipated or occurs and is responsible for creating and approving the Gold Strategy, maintaining focus on delivery of the strategy and ensuring appropriate resources and approvals are in place to deliver the contingency plan. A number of working groups sit beneath the CMT, developing and delivering tasks and activities to meet the contingency plans and to deliver the Gold Strategy.
- 2.5 The business continuity plans seek to promote delivery of an emergency response to incidents and also the continuation of some normal day-to-day services, including fire prevention and fire protection during periods where staff shortages are anticipated to fall well below normal levels.
- 2.6 This dispute involves all FBU members, the vast majority of our operational and control staff are members of the FBU. The plans being developed assume that any operational or control employee who is a member of the FBU will withdraw their labour, including non-union members and members of other operational representative bodies such as the Fire Officers Association (FOA).

- 2.7 The Authority should acknowledge that the service being provided as part of the contingency plans will, in most likelihood, not be as effective as the normal service. Our staff/resources will be severely limited, therefore, response times in many areas will be longer, the capabilities of the response will be limited and there will undoubtedly be increased risk to communities. The control measures developed as part of the contingency plans will, as far as is reasonably practicable, ensure the health, safety and welfare of employees. Industrial action on a major scale will, however, inevitably have an impact on public safety and that of our contingency response staff.
- 2.8 It is anticipated that the receipt of emergency calls and dispatch of resources will remain available, albeit with a more limited capability and capacity. A wide range of community safety activities, including fire safety enforcement will continue to be delivered by non-operational staff. Support functions such as ICT, vehicle maintenance, finance etc. will remain largely unaffected.

Emergency Response

- 2.9 Clearly, the most significant challenge associated with contingency planning for industrial action is the availability of sufficient numbers of appropriately skilled and equipped personnel to respond to emergency incidents. It is not possible to make accurate predictions in terms of staff availability and therefore steps must be taken based on a worst-case planning assumption. For planning purposes, contingency arrangements are developed in an attempt to meet our statutory duties. With the intention, where possible, to meet 60% of our Risk Based Planning Assumptions response times and in line with 30% of our day-to-day normal operational resource availability. This is considered to be the lowest level of service that is appropriate in extreme and unavoidable circumstances. This level of service requires the provision of a minimum of 12 pumping appliances.
- 2.10 The contingency plan includes an assumption that a small number of operational staff will work, however, not in sufficient numbers to meet our staffing requirements. These will be supplemented by the recruitment of sufficient people from the community who are willing to be provide contingency staffing and will include crew members and pump drivers.
- 2.11 The contingency crew members are being employed on a zero hours contract, they are being paid for the time they have been training, and will receive payment for any shifts they work. They will also receive a monthly retaining payment. Contingency staff will undertake ongoing training to maintain their skills. WYFRS non-uniformed support staff can apply for the contingency roles and an appropriate remuneration package will be developed should this be necessary.
- 2.12 In the past, we used our premises, however, a request has been made to use military establishments in West Yorkshire for standby/logistical purposes should this prove necessary.
- 2.13 Whilst it is impossible to know exactly how many firefighters and officers will turn up to work during any strike, operational personnel will be asked to indicate their intentions in the lead up to any period of strike. Some have stated that they are only prepared to work their normal shifts, but others are prepared to work more flexibly. Payment for those who work will be consistent with current practice, with additional payments for flexible working, standby and overtime.

- 2.14 An assessment of the intentions of On-Call firefighters indicates that there may be fire appliances available to support emergency cover, in accordance with their normal arrangements by providing cover in their own communities and not be moved to cover higher risk areas as part of pre-deployed contingency arrangements.
- 2.15 Operational staff who will ride pumps during periods of strike will be assessed and, where necessary, given refresher training so that they can provide the most suitable level of firefighting and rescue capability. This will include FDS officers who will ride as the officer in charge of contingency pumps.
- 2.16 Should the Authority be unable to implement a plan which delivers the level of service laid out above, it may be necessary to seek additional support. This may include the need to formally request military staff to provide assistance. However, the capability is extremely limited, and the cost is significant.

Communications Strategy

- 2.17 A comprehensive Communications Strategy has been developed for internal and external communications. Although this dispute is between the FBU and National Employers, there is a need to supply information to our workforce in relation to both sides of the argument so that informed decisions can be taken. All information produced by both sides is to be placed on a dedicated SharePoint site and answers to Frequently Asked Questions (FAQ's) will also be provided.
- 2.18 This process is being supplemented by senior officers visiting every Watch on every fire station and also in Control. The intention is to provide an opportunity for face-to-face communication to answer questions, clarify any areas of confusion, provide an explanation of contingency plans being put in place and to reassure in equal measure, those wishing to work and those contemplating strike action.
- 2.19 The Communication Strategy incorporates a range of initiatives to deliver fire safety messages and increase awareness during the dispute. It will make use of the press, broadcast media and social media in order to raise public awareness of the risks and reduce any likely calls during a period of strike action. Discussions are taking place nationally and in the region in an attempt to coordinate messaging with the media.
- 2.20 Dialogue is being maintained with FBU officials on a regular basis in an attempt to alleviate tensions locally, improve understanding of respective positions and attempt to reach agreement on any issues which may impact at a local level. The intention is to maintain a non-confrontational approach with the FBU and workforce and yet stress the importance of maintaining public safety during any periods of strike action and the need for early consideration of post-dispute resolution.
- 2.21 In accordance with the nationally agreed NJC circular 2/2022 "FBU trade dispute – major incident agreements" we are working with local FBU officials will agree to a local procedural note. The key elements within the agreement allow for striking staff to voluntarily return to work should a major incident occur. Neither FBU nor WYFRS will be in a position to compel any personnel to deal with a major incident. It is agreed that in respect of pay, pension, insurance, liability and other employment issues, members who return to duty in these circumstances will be treated for all purposes as being on duty.

Fire Prevention and Fire Protection

- 2.22 The loss of operational staff undertaking Fire Prevention and Protection work whilst on strike, will see a corresponding reduction in Safe and Well visits and the gathering of risk information at business premises. The most important aspect of the contingency arrangements for this area of service delivery relates to the need to raise awareness of the increased risk arising from the reduced response service.
- 2.23 In preparation for any potential strike action, we have produced various documents for businesses, which will be sent to those higher risk premises in the days immediately prior to any strike action. Our Fire Protection dept is primarily staffed with by people conditioned to the Green Book and as such the Fire Protection activities will continue, such as the ability to deal with any complaints or dangerous conditions will be maintained.
- 2.24 Our Green Book Prevention staff will be available to carry out Safe and Well visits for those at greatest risk throughout any periods of strike. In the lead up to any periods of industrial action, we will work with local authorities to remove any potential rubbish and waste from the streets prior to any periods, thus reducing the possible fuel for deliberate fires.

West Yorkshire Resilience Forum

- 2.25 The West Yorkshire Resilience Forum, which consists of representatives from the blue light services, local authorities, military, public utilities, health service, etc. has been briefed on the potential implications of a strike and are considering the wider support that may be provided. WYFRS will continue to provide regular briefings and assessments for partners to consider how they can mitigate the impact of any strike across West Yorkshire and, in particular, how it may affect their area of activity, for example the Ambulance Service receives support in casualty care from firefighters attending road traffic collisions and this service may be significantly affected.
- 2.26 It is also considering the broader industrial action landscape, as there are multiple unions and sectors undertaking or balloting for strike action due to pay and conditions. This includes Teachers, train drivers, NHS workers and ambulance staff. Should multiple sectors undertake strike action at the same time, this would increase the impact on ourselves and our communities considerably.

3 Financial Implications

- 3.1 The Finance and Resources Committee in October 2022 approved the creation of a new earmarked reserve for industrial action by the transfer of £1.00m from the pension equalisation reserve. If this reserve is fully consumed, the costs of industrial action will either have to be met from revenue budgets or another transfer from earmarked reserves.
- 3.2 To the end of January 2023, approximately £250,000 has been spent from this budget, primarily on staff on-boarding, initial and refresher training costs and additional equipment purchases.
- 3.3 The Medium Term Financial Plan (MTFP) also includes £0.641m within the revenue budget for 2023/24 for the continuation of the training and maintenance of the skills of contingency crew members.
- 3.4 During periods of strike, savings will be made on operational staff wages not being paid, however, dependent on the length of the periods of strike action, these may not offset the costs associated with providing the contingency cover.

3.5 In the event of any request being made for military support and should this be approved by the Home Office/Ministry of Defence, the Authority will be liable for the full costs. This will likely be in excess of any savings arising from salary costs.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

4.2 We continue to engage with workforce representatives at a national and local level to ensure all possible means of negotiation remain open to hopefully ensure a swift conclusion to this period of industrial action.

5 Human Resource and Diversity Implications

5.1 Even with significantly reduced resources during a dispute, WYFRA needs to deliver its services equitably. Under normal circumstances communities receive varying levels of service that are relative and proportionate to risk. Higher risk areas will therefore benefit from increased levels of prevention, protection, and response services compared to lower risk areas. During an industrial dispute Prevention and Protection services should be largely unaffected but Response services will be significantly affected, albeit the reduced resources will still be distributed based on risk and therefore will be equitable.

5.2 There are a number of other implications associated with an industrial dispute. Employees are entitled, as part of a lawful trade dispute, to withdraw their labour. Clearly this will have implications for their pay, pensions and allowances for the period they are not working but should not result in any further punitive action by the employer, which would amount to victimisation.

5.3 During and following industrial action, there can be significant tensions between those who choose to work and those who do strike. Where there is any evidence of victimisation and/or harassment and bullying, firm action will be taken in accordance with existing policies.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes
Date EIA Completed	26 th January 2023
Date EIA Approved	6 th February 2023

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

7 Health, Safety and Wellbeing Implications

- 7.1 The provision of a reduced emergency service has significant health and safety implications. The impact of industrial action involving a firefighters' striking presents additional risks to the community and those involved in responding to emergencies during a strike. The Fire and Rescue Authority also takes on additional risks.
- 7.2 Risk assessments have been undertaken and emergency operating procedures developed to take account of the limited capabilities of the response service being provided. Whilst some firefighters and officers may work during the strike, providing a professional response, they will be limited in number and insufficient to deal with all eventualities. It is therefore necessary to supplement these with contingency staff. Within the timescales available, training has been provided for all involved to ensure they are capable of undertaking the limited firefighting role they are expected to fulfil. They cannot, and will not, be permitted to undertake activities beyond that which they are trained and equipped to deal with.
- 7.3 There will be potential for increased risk to members of the public arising from the dispute and the reduced service that will be available. This risk will, to some degree, be mitigated through high profile awareness campaigns which form part of the contingency planning arrangements. Experience has shown that the public actively respond to such campaigns during industrial action and call volumes decrease.

8 Environmental Implications

- 8.1 Due to the limited availability of appliances, there will be less fuel used and a corresponding reduction in Co2 emissions.

9 Your Fire and Rescue Service Priorities

- 9.1 This meets the Community Risk Management Plan strategic priorities 2022-2025:
- Plan and deploy our resources based on risk to provide an efficient and effective operational response
 - Constantly review and when necessary, develop new ways of working to improve the safety and effectiveness of our firefighters
 - Promote the health, safety and wellbeing of all our staff in the workplace
 - Encourage a learning environment in which we support, develop and enable all our people to be at their best
 - Engage with our communities to focus our prevention and protection activities on reducing risk and vulnerability
 - Provide ethical governance and value for money
 - Collaborate with partners to improve the efficiency and effectiveness of our services.
 - Continue working towards achieving a more inclusive workforce, which reflects the diverse communities we serve

9.2 In doing this also meets the Community Risk Management Plan areas of focus:

- be innovative and work smarter by investing in information, communication and digital technology
- use data and performance management processes to understand how and where we can improve
- prepare and respond effectively to incidents caused by extreme weather
- engage with the community to inform our firefighter recruitment campaign to improve the diversity of our workforce
- maximise the health, safety and wellbeing of all our staff by investing in innovative fire station and fire engine design

10 Conclusions

10.1 Should the FBU ballot result in a vote in favour of strike action and periods of strike take place. WYFRS has taken all reasonably practicable steps to develop contingency plans to deliver a fire and rescue service during any period of strike. Whilst it is acknowledged that this service will be no match for the normal arrangements, we will continue to provide effective prevention and protection services, along with suitable call handling and mobilisation arrangements and a basic, but limited, emergency response capability.

10.2 Application of the contingency arrangements will require a large degree of flexibility and reactive management against the overall plan of strike action implemented by the FBU. The contingency arrangements will be far more effective during short periods of strike action but, where the FBU select to use longer periods of strike action in excess of 24 hours, the plans become less robust, and the standard of service being provided will inevitably be much lower.



OFFICIAL

Treasury Management Strategy 2023/24

Full Authority

Date: 23 February 2023

Agenda Item:

12

Submitted By: Chief Finance and Procurement Officer

Purpose To present the Treasury Management Strategy 2023/24

Recommendations That members approve:

- a) Treasury Management Practices
- b) the capital strategy outlined in section 2.1
- c) the borrowing strategy outlined in section 2.2
- d) the investment strategy in section 2.3 and Appendix B
- e) the policy for provision of repayment of debt outlined in Appendix D
- d) the Treasury Management Prudential indicators in Appendix E
- e) the Capital Plan 2023/24 – 2027/28 in Appendix F

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: The Prudential Code for Capital Finance in Local Authorities

Statutory Guidance on the Flexible Use of Capital Receipts

Annexes:

- Appendix A – Treasury Management Practices
- Appendix B– Investment strategy
- Appendix C– Credit rating scores
- Appendix D – Provision for repayment of debt
- Appendix E – Treasury Management indicators
- Appendix F – Capital Plan 2023/24 -2027/28

Summary

The Treasury Management Strategy Statement is an annual statement that sets out the expected treasury activities for the forthcoming year 2023/24. These activities include the Authority's expected borrowing and treasury investments, cashflows and banking.

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.

1 Introduction

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

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

- 1.2. There are two parts to the treasury management operations, the first is to ensure that the Authority’s cash flow is adequately planned, with cash being available when it is needed. Surplus monies are placed in low-risk counterparties or instruments in line with the Authority’s low risk appetite, providing adequate liquidity initially before considering investment return. The second main function of treasury management is the funding of the Authority’s capital plans. The Capital Strategy provides a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning to ensure that the Authority can meet its capital spending obligations.
- 1.3. The CIPFA Code of Practice on Treasury Management (TM) and the CIPFA Prudential Code require local authorities to determine and set the Authority’s Treasury Management Strategy, its Strategy relating to investment activity, and Prudential Indicators on an annual basis. The Authority currently has cash backed reserves and balances of circa £43m, so it is important that robust and appropriate processes are in place to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund. Set out below are the key elements of the Strategy covering the borrowing requirements and investment arrangements.
- 1.4 The Authority’s Investment Strategy has regard to the TM Code and the Guidance. It has two objectives: the first is security, in order to ensure that the capital sum is protected from loss, ensuring that the Authority’s money is returned; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and liquidity have been determined can the Authority then consider the yield that can be obtained within these parameters.
- 1.5 This Strategy has been created based on CIPFA Prudential and Treasury Management Codes, which requires the Authority to prepare a Capital Strategy. This Authority does not envisage any commercial investments and has no non-treasury investments.
- 1.6 Treasury Management activity is governed and managed by using a set of standards which are called Treasury Management Practices. These set out the manner in which the Authority aims to achieve its treasury management policies and objectives and how it will manage and control those activities. It is good practice that these are presented to members for information. These are attached in Appendix A

National Guidance and Governance

- 1.7 CIPFA published the revised CIPFA Treasury Management Code and Prudential Code on the 20th of December 2021 and has stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Authority, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Authority for approval.

The revised Treasury Management Code will require an authority to implement the following:

- a) Adopt a new debt liability benchmark treasury indicator
- b) Re-class long term treasury investments as commercial investments (not applicable)
- c) Pooled funds to be included in the indicator for principal sums maturing in year beyond the initial budget year (not applicable)
- d) Amendments to the knowledge and skills register for those involved in the treasury management function (TMP6)
- e) Report to members quarterly on indicator performance
- f) Environmental, social and governance (ESG) issues to be addressed within the Authority's treasury management policies and practices (TMP1)

In addition, this Strategy also complies with the CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes ("the TM Code"), and Guidance on Local Government Investments issued by the Secretary of State for Communities and Local Government under section 15(1)(a) of the Local Government Act 2003 ("the Guidance"). Specific decisions on the timing and amount of any borrowing will be made by the Authority's Director, Finance and Corporate Services in line with the agreed Strategy.

- 1.8 The Local Government Act 2003, section 15 (1)(a), gives local authorities the power to use capital receipts to fund certain categories of expenditure. Guidance around the flexible use of capital receipts was issued by The Secretary of State and was effective from the 1st of April 2022. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities', or several authorities, and/or to another public sector body's net service expenditure. A list of types of projects that would qualify for the flexible use of capital receipts is included in the Guidance. These include investment in service reform feasibility work, the cost of service reconfiguration, restructuring or rationalisation, improving systems to tackle fraud and corruption, setting up commercial delivery models to deliver services more efficiently. If the Authority decides to use capital receipts flexibly on projects included in the guidance, it is required to produce a Flexible use of Capital Receipts Strategy.

It is not expected that the Authority will call upon the flexible use of capital receipts and will continue to use them to fund existing capital expenditure. As such a capital receipts strategy is not required.

Governance

- 1.9 CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes (2021) requires public sector organisations to nominate a responsible body for the scrutiny of treasury management strategy and policies. The Finance and Resources Committee is the nominated committee to scrutinise treasury management and to support this it receives and approves a number of financial reports each year, which cover the following:

- (a) **An Annual Treasury Management and Investment Strategy:** This Strategy is reported annually to Full Authority in February. This Strategy includes:-
- the Capital Programme together with the appropriate prudential indicators.
 - the minimum revenue provision (MRP) policy, which details how residual capital expenditure is charged to revenue over time.

- the Treasury Management Strategy, which defines not only how the investments and borrowings are to be organised, but also sets out the appropriate treasury indicators; and
- an Investment Strategy which sets out the parameters on how deposits are to be managed.

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

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

CIPFA has developed a self-assessment tool to support the development of effective scrutiny. The Chief Finance and Procurement Officer (CPFO) will undertake the self-assessment and report back to Finance and Resources Committee in the new financial year.

External Support

2.0 The Authority uses Link Group as its external Treasury Management Advisor. The Authority recognises that the responsibility for treasury management decisions remains with itself and will ensure that undue reliance is not placed upon the external advisor. The Authority appointed Link Group in July 2021 when the responsibility for Treasury Management was transferred to the Authority from Kirklees Council, where it was provided as a Service Level Agreement.

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

2.01 Training

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

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

2 Information

2.1 Capital Strategy

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

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

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

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

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

- **Capital Expenditure**

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

- **Capital Financing and Borrowing**

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

- **Chief Finance and Procurement Officer statement**

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

2.1.2 Capital Expenditure

Capitalisation Policy

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

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

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

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

- Where the Authority has no direct future control or benefit from the resulting assets but would treat the expenditure as capital if it did control or benefit from the resulting assets. For example, where a grant is provided by the Authority to an external body in order that the body can purchase an asset for its own use. The provision of the grant would be treated as capital expenditure in the accounts of the Authority.

- Where statutory regulations require the Authority to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules. For example, where the Government permits authorities, in special circumstances, to treat redundancy costs as capital costs therefore increasing flexibility as such costs can then be met using their existing borrowing powers or capital receipts.

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

Governance

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

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

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

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

2.1.10 The Budget Management Monitoring Group meet bi-monthly where the capital plan is scrutinised, and managers are required to report on the progress of each capital scheme for which they are responsible. This is chaired by the CFPO.

Capital Financing and Borrowing

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

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

- **Capital grants and contributions** – amounts awarded to the Authority in return for past or future compliance with certain stipulations.

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

Chief Finance and Procurement Officer Statement

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

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

Statement of Policy on the Minimum Revenue Provision (MRP)

2.1.14 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

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 D.

Capital Financing Requirement

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

Forecasts for CFR as at the 31 March 2023 are as follows:

	Estimate 2023/24 £000'S	Estimate 2024/25 £000'S	Estimate 2025/26 £000'S	Estimate 2026/27 £000'S
CFR	66,324	75,101	73,924	75,793

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

	Estimate 2023/24 £000'S	Estimate 2024/25 £000'S	Estimate 2025/26 £000'S	Estimate 2026/27 £000'S
CFR b/fwd	37,896	66,324	75,101	73,924
Capital Expt	49,197	16,013	7,105	6,720
Capital Receipts	0	0	-3,500	0
Earmarked Reserve	-17,321	-3,000	0	0
Revenue Contribution	-950	-950	-950	-950
MRP	-2,498	-3,286	-3,832	-3,901
Closing CFR	66,324	75,101	73,924	75,793

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

receivable on investments, particularly when compared to the cost of borrowing longer term loans from the PWLB. Interest received on investments has increased following the increase in bank base rate over the past few months with the average rate been at 2.198%, however, there has been an increase in PWLB borrowing rates, which is still at a higher rate than that earned on investments.

2.2 Borrowing Strategy

2.2.1 Borrowing Arrangements

The Authority has been using its cash balances by deferring long term borrowing, no new long-term borrowing has been taken out since December 2011. Accountants engaged in treasury management monitor interest rates and receives advice from the Authority’s Treasury Management Advisor on changes to market conditions, so that borrowing and investing activity can be undertaken at the most advantageous time. At the time of writing this report, it is not anticipated that the Authority will take out any new external borrowing until late 2024 / early 2025.

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

2.2.3 It is predicted that as at the 31 March 2023, the Authority will have total external borrowing and other long-term liabilities of around £43.9 million.

This is analysed as follows:

	Estimated Debt 31 March 2023	
	£m	%
PWLB Loans	41.90	95.4
LOBO	2.00	4.6
TOTAL	43.90	100

2.2.4 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for money and also flexibilities to restructure and make possible savings. Although, the Government decided to raise rates for new PWLB loans in October 2010 by around 0.90%, it has since introduced a discounted rate for local authorities joining the new “certainty rate” scheme. The Authority has joined the scheme and will have access to loans discounted by 0.20% in 2023/24.

- 2.2.5 The Authority also has a LOBO (Lender’s Option, Borrower’s Option) loan. The way this loan works is that the Authority pays interest at a fixed rate for an initial period and then the lender has the option in the secondary period to increase the rate. If the option is exercised, the Authority can either accept the new rate or repay the loan. The Authority’s loan is in its secondary period with intervals of 5 years between options. The next option date is May 2026. There have been moves by some lenders to amend the terms of their LOBO loans to convert them to ‘vanilla’ fixed rate loans. No approach has yet been made by Dexia Credit Local, the lender to the Authority to amend any of the conditions of the loan.
- 2.2.6 The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative source of Local Authority finance. It plans to issue bonds on the capital markets and lend the proceeds to Local Authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other Local Authority borrowers default on their loans; there will be a lead time of several months between committing to borrow and knowing the interest rate payable.
- 2.2.7 In terms of meeting the Authority’s borrowing requirement over the next five years, as short-term rates are forecast to stay low, it may be opportune to take short-term loans either at fixed or variable rates. However, with long term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.

The table below shows the forecast for PWLB bank rates to March 2025

PWLB	Dec-22	Mar-23	Sep-23	Mar-24	Sep-24	Mar-25
	%	%	%	%	%	%
5 year	4.20	4.20	4.10	3.90	3.60	3.40
10 year	4.30	4.40	4.30	4.00	3.80	3.50
25 year	4.60	4.60	4.50	4.20	4.00	3.70
50 year	4.30	4.30	4.20	3.90	3.70	3.50

- 2.2.8 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Authority may take advantage of this and replace some of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk. A review is undertaken annually to assess if this is financially advantageous for the Authority, all reviews have concluded that it is not viable to repay existing loans.
- 2.2.9 Borrowing in Advance of Need

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

2.2.10 Debt Rescheduling

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

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

2.3 Investment Strategy

Overview

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

2.3.2 The Authority's Investment Strategy has regard to:

- DLUHC's guidance on Local Government investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021.

The Investment Strategy has two main objectives: the first is security, in order to ensure that the capital sum is protected from loss; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and portfolio liquidity have been determined can the Authority then consider the yield that can be obtained within these parameters.

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

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

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

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties
- Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

2.3.3 As at the 31 March 2023, the Authority is expected to have around £52.0 million invested externally, primarily in instant access accounts or short-term deposits, with local authorities, major British owned banks, building societies or Money Market Funds (MMFs). This will also ensure compliance with The Markets in Financial Instruments Directive II, whereby those maintaining a professional status must keep a minimum of £10 million invested at any point in time.

Guidance

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

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

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

Strategy

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

Key features of the strategy are as follows:

Specified Investments

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

Non-Specified Investments

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

2.3.7 A maximum limit of £6 million applies to any one counterparty and this applies to a banking group rather than each individual bank within a group. For illustrative purposes, Appendix B lists which banks and building societies the Authority could invest with based on credit ratings as at the beginning of December 2022.

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

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

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

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

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

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

2.3.13 Following the Government’s fiscal event on the 23rd of September 2022, both Standard and Poor’s and Fitch have placed the UK sovereign debt on negative outlook in light of expectations of weaker finances and the economic outlook.

2.3.14 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.

2.3.15 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.

2.3.16 Investment of money borrowed in advance of need

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

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

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

3 Prudential Indicators

3.1 The Authority is asked to approve certain treasury management indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decision impacting negatively on the Authority’s overall financial position. However, if

these are set to be too restrictive, they will impair the opportunities to reduce costs. The proposed indicators are set out in Appendix E.

4 Financial Implications

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

5 Legal Implications

5.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

6 Human Resource and Diversity Implications

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

7 Equality Impact Assessment

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

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

9 Environmental Implications

9.1 None

10 Your Fire and Rescue Service Priorities

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

11 Conclusions

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

TREASURY MANAGEMENT PRACTICES

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

1. **TMP 1 Risk management**

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

Credit and counterparty risk management

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

Liquidity risk management

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

Interest rate risk management

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

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

Exchange rate risk management

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

Refinancing risk management

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

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

Legal and regulatory risk management

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

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

Fraud, error and corruption, and contingency management

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

Market risk management

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

Environmental, Social & Governance Considerations

The Authority's credit and counterparty policies set out the policies and practices relating to environmental, social and governance investment considerations. The credit rating agencies that the Authority uses, incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings.

2. **TMP2 Performance measurement**

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

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

treasury management function will be measured using the criteria set out in the schedule to this document.

2 TMP3 Decision-making and analysis

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

3 TMP4 Approved instruments, methods and techniques

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

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

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

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

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

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

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

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

The delegation to the Chief Finance & Procurement Officer in respect of treasury management is set out in the schedule to this document. The Chief Finance & Procurement Officer will fulfil all such responsibilities in accordance with the Authority's

policy statement and TMPs and, as a CIPFA member, the Standard of Professional Practice on Treasury Management.

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

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

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

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

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

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

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

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

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

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

9. **TMP9 Money laundering**

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

10. **TMP10 Training and qualifications**

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

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

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

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

12. **TMP12 Corporate governance**

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

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

Appendix B

Specified

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at December 2022
	Fitch	Moody's	S & P	£m	Period (1)	
Banks / Building Societies (Reverse Repurchase Agreements)	F1 AAA,AA+,AA, AA-,A+,A,A-	P-1 Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1 AAA,AA+,AA, AA-,A+,A,A-	10	Up to 364 days	
Banks / Building Societies (Deposit Accounts, fixed term deposits)	F1 AAA,AA+,AA, AA-,A+,A,A-	P-1 Aaa,Aa1,Aa2, Aa3,A1,A2,A3	A-1 AAA,AA+,AA, AA-,A+,A,A-	6	<100 days	
MMF (3)	-	-	-	6	Instant access/ up to 2 day notice	Aberdeen Standard, Aviva, Goldman Sachs
UK Government (Fixed Term Deposits)	-	-	-	Unlimited	<6mth	DMADF
UK local authorities (Fixed Term Deposits)	-	-	-	Unlimited	Up to 364 days	Medway Council, Blackpool BC, Basildon BC, Cheshire East Council, Cambridgeshire Council, Highlands Council, Lancashire CC

Non-Specified (4)

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at December 2022
	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	

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

Credit ratings

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

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

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

1. Background

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

2. Prudent Provision

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

The guidance provides two basic criteria for prudent provision:-

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

3. MRP Overpayments

As defined in the Code the Authority has always set aside additional funding, on top of the regulated MRP, to repay the borrowing of money to fund capital. This additional funding that is set aside is called a Voluntary Revenue Provision (VRP). A change introduced by the revised DLUHC MRP Guidance, allows for any charges made over the statutory minimum revenue provision (MRP), to be reclaimed, if required, for use in the budget. These revised guidelines came into effect from the 1st of April 2019. Up until the 31 March 2022 the total VRP overpayments were £5.4m. These overpayments have allowed for prudent voluntary repayments to reduce the indebtedness of the Authority within a shorter timescale providing greater financial stability in the long term

4. Proposed policy for 2023/24

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 to 13-year period and all new buildings over 40. These additional voluntary contributions covered all debt, not just unsupported, and have been calculated using an annuity method with reference to asset lives.

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 or be transferred to the earmarked capital finance reserve.

It is recommended that this policy is adopted for 2023/24. 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 yearson 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

The proposed medium term financial plan includes budget provision to meet the MRP and interest payments based on historicand 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, thereasons 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 2023/24, 2024/25 and 2025/26 of 100% of net interest payments. It is further recommended that the Authority sets an upper limit on its variable interest rate exposures for 2023/24, 2024/25 and 2025/26 of 40% of its net interest payments.

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

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

Maturity Structure of Borrowing

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

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate	Limit Set 2022/23	Forecasted Actual 2022/23
Under 12 months	0% - 20%	4.8%
12 months to 2 years	0% - 20%	2.4%
2 years to 5 years	0% - 60%	5.9%
5 years to 10 years	0% - 80%	7.2%
More than 10 years	20% - 100%	79.7%

*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

Liability Benchmark

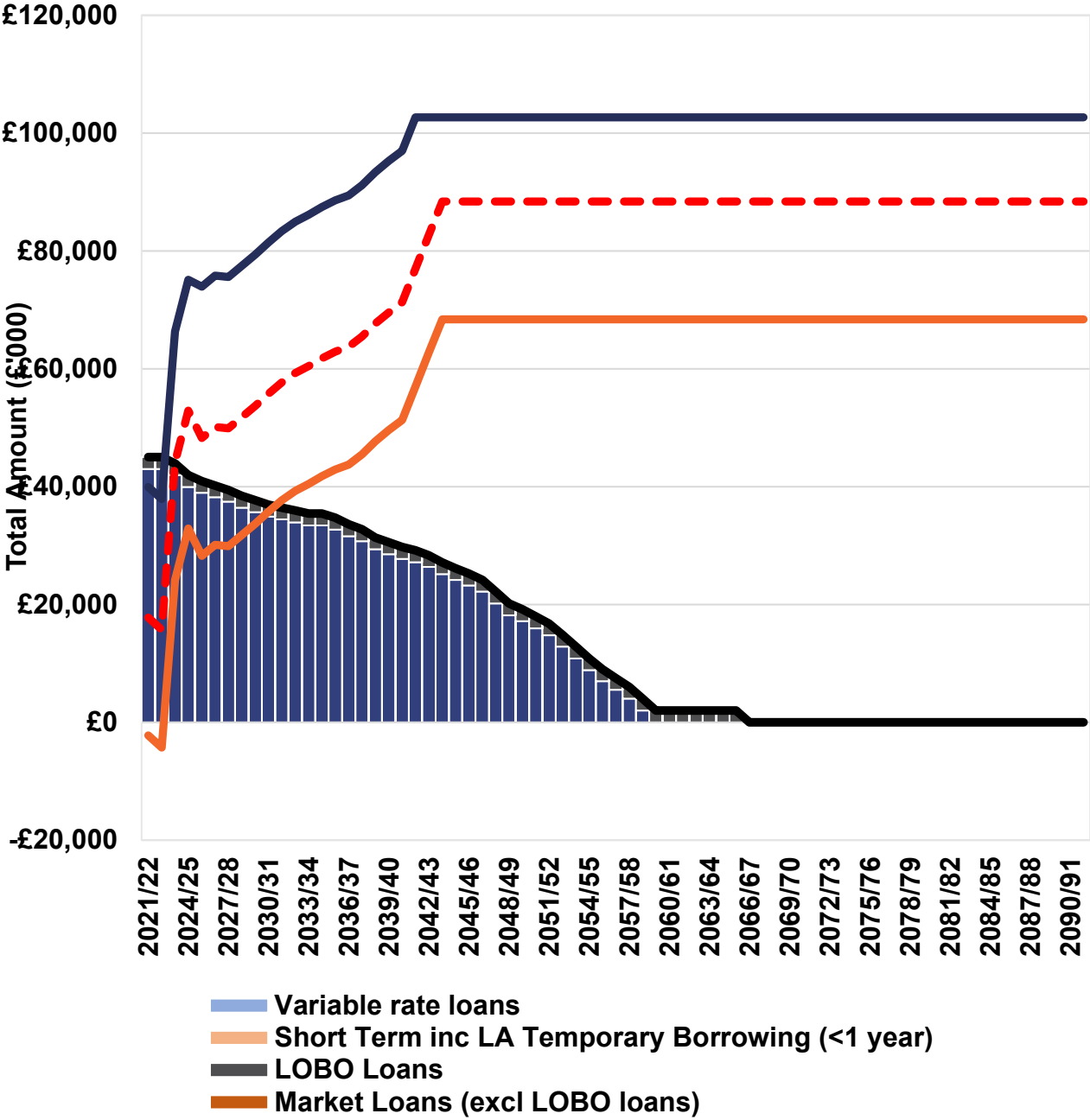
The liability benchmark is a projection of the amount of loan debt outstanding that the Authority needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. It is a long-term forecast of the Authority's gross loan debt (or 'gross loans requirement') based on its current capital programme and other forecast cash flow movements.

This is shown by the gap between the Authority's existing loans that are still outstanding at a given future date and the Authority's future need for borrowing (as shown by the liability benchmark).

It therefore shows how closely the existing loans book fits the future needs of the Authority based only on its current plans. Any shortfall will need to be met by future borrowing; any excess will have to be invested (unless existing borrowing is prematurely repaid). Refinancing risk, interest rate risk and credit risk can be minimised or reduced by ensuring that the existing loans portfolio shows a profile close to the liability benchmark.

In particular, the liability benchmark identifies the maturities needed for new borrowing in order to match future liabilities. It therefore avoids borrowing for too long or too short.

Liability Benchmark



Appendix F

	5 Year TOTAL £000's	2023/24 £000's	Slippage to 2023/24 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's
Property New Builds	£42,464	£16,031	£9,761	£25,792	£5,272	£6,000	£4,900	£500
ICT	£3,271	£551	£540	£1,091	£1,150	£610	£210	£210
Fire Safety	£2,000	£400	£0	£400	£400	£400	£400	£400
Operations	£8,724	£2,059	£2,582	£4,641	£2,673	£500	£410	£500
Property	£10,452	£1,880	£122	£2,002	£2,230	£2,220	£2,000	£2,000
Transport	£20,895	£7,695	£6,325	£14,020	£4,800	£375	£700	£1,000
TOTAL	£87,806	£28,616	£19,330	£47,946	£16,525	£10,105	£8,620	£4,610
Financed by								
Borrowing (Internal/External)	£52,419			£22,859	£12,575	£5,655	£7,670	£3,660
Reserves	£27,137			£24,137	£3,000	£0	£0	£0
Capital Receipts	£3,500			£0	£0	£3,500	£0	£0
Revenue Contributions	£4,750			£950	£950	£950	£950	£950
TOTAL	£87,806	£0	£0	£47,946	£16,525	£10,105	£8,620	£4,610



OFFICIAL

Capital Investment Plan/Revenue Budget and Medium Term Financial Plan

Full Authority

Date: 23 February 2023

Agenda Item:

13

Submitted By: Chief Finance and Procurement Officer

Purpose To present a capital investment plan, a revenue budget and medium-term financial plan.
To set the council tax precept for 2023/24

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

Summary This report presents details of the revenue budget for 2023/24 along with the four-year Medium-Term Financial Plan and Capital Programme. Included within the report are details of the Local Government Finance Settlement 2023/24, a standstill budget, a forecast funding position, and the reserves strategy.

Local Government (Access to information) Act 1972

Exemption Category: None

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

Annexes: Appendix A Capital Plan 2023/24 to 2027/28
Appendix B Standstill Budget 2023/24
Appendix C Revenue Budget 2023/24
Appendix D Directorate Budgets 2023/24

1 Introduction

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

- (i) A Capital Investment Plan for the five years to 2027/2028.
- (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 £87.807m which includes expenditure of £47.947m in 2023/2024. This is analysed by directorate in the table overleaf.
- 2.2.2 The largest capital scheme is the re-development of FSHQ, which received Authority approval in July 2022 which has a forecast completion date of July 2024.

The 2023/24 capital plan also includes:

- Replacement of the command-and-control system in 2023/24
- Replacement of twenty-one fire appliances
- Installation of a second thermal image camera on fire appliances
- Replacement of Breathing Apparatus (BA) cylinders, compressors, and BA ancillary equipment
- Replacement of wildfire personal protective equipment
- Transfer of the ICT data transfer centre to Ossett Fire Station
- A major refurbishment of Bingley and Rawdon Fire Stations plus upgrades to showers and fuel tanks at a number of stations
- Installation of Ludo charging points on fire stations
- Feasibility studies for the replacement of Huddersfield and Halifax Fire Stations

2.2.3 Capital Schemes Slipped from 2022/23

For transparency, the table includes the cost of capital schemes that have slipped from this financial year. These are the development of FSHQ and the rebuild of Keighley Fire Station, the fleet replacement programme and the replacement of the command-and-

control system. The slippage is primarily due to delays in the tender contract process and supply chain problems.

	5 Year TOTAL	2023/24	Slippage to 2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Property New Builds	£42,465	£16,032	£9,761	£25,793	£5,272	£6,000	£4,900	£500
ICT	£3,271	£551	£540	£1,091	£1,150	£610	£210	£210
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TOTAL	£87,807	£28,617	£19,330	£47,947	£16,525	£10,105	£8,620	£4,610
Financed by								
Borrowing (Internal/External)	£52,420			£22,860	£12,575	£5,655	£7,670	£3,660
Reserves	£27,137			£24,137	£3,000	£0	£0	£0
Capital Receipts	£3,500			£0	£0	£3,500	£0	£0
Revenue Contributions	£4,750			£950	£950	£950	£950	£950
TOTAL	£87,807	£0	£0	£47,947	£16,525	£10,105	£8,620	£4,610

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

2.3 Capital Financing

All capital expenditure must be financed, 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.

2.3.1 Capital Grants

The Authority does not anticipate the receipt of any capital grants in 2023/24.

2.3.2 Capital Receipts

Capital receipts are used to either purchase new capital assets or repay outstanding loans. It is expected that the Authority will have capital receipts from the sale of the Service Delivery Centre, Cleckheaton Fire Station and Oakroyd Hall following completion of the FSHQ site re-development.

2.3.3 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 £52.419m 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.

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP, or debt repayments) are

charged to revenue, offset by interest receivable. The net annual charges is known as capital financing costs

Due to the size of the capital plan over the next four years it is likely that the Authority will be required to take out borrowing in late 2024/25, the costs of current and future debt servicing costs have been built into the Medium-Term Financial Plan. The Authority does not distinguish between capital and revenue cash flows.

2.3.4 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 on external loans and taxpayers of West Yorkshire will not be subject to MRP charges over the next forty years (i.e.) the life of the asset. For example, an asset costing £2m with an estimated life of 40 years, the average annual charge of MRP in revenue would be £86k per annum, this saving means that the Authority can spend this money on other areas.

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

The capital finance reserve, which currently has a balance of £24.1m, will be used in full on the re-development of FSHQ. If the Authority underspends the revenue budget in 2022/23, this will be transferred to the capital finance reserve.

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

	Estimate 2023/24 £000'S	Estimate 2024/25 £000'S	Estimate 2025/26 £000'S	Estimate 2026/27 £000'S
CFR	66,324	75,101	73,924	75,793

The table shows an estimated borrowing requirement of £75.793m by 2026/27 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 2022/23 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 2021/22, and no difficulties are envisaged for the current or future years.

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

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

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

	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Authorised Limit for External Debt	53	55	59	65
Operational Boundary for External Debt	51	53	58	60

3.4 **Affordability Prudential Indicators**

3.4.1 The previous sections cover the overall capital and control of borrowing prudential indicators but within this framework a prudential indicator is required to assess the affordability of the capital investment plans. The following indicator provides 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 against the net revenue stream (amounts met from Revenue Support Grant, local taxpayers, and balances):

	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
Ratio of Financing to Net Revenue Stream	5.42%	6.88%	6.09%	7.09%	7.52%	7.34%

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, but 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 2023/24 it is important that the Authority consider the medium-term impact of the decision.

This section is split into 5 key areas: -

- 1 Review of the economy, cost pressures and the current year's budget position
- 2 The cost of a standstill budget for 2023/24
- 3 The Local Government Finance Settlement
- 4 Medium-Term Financial Plan
- 5 Reserves

4.2 **National Overview**

4.2.1 The country is facing extremely difficult economic times with high inflation, increases in interest rates and the general cost of living crisis. The financial impacts across English Fire and Rescue Authorities are estimated to be circa £145m, mainly as a result of agreed pay awards and significant increases in utility costs, diesel, and green book salary costs as a result of an increase in the national living wage. This estimate does not include the current pay negotiations regarding firefighter pay which could see the final pay award been higher than the 5% that has been offered.

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 updated in September 2022 to reflect the current inflationary pressures affecting Fire and Rescue Authorities (FRA) and was submitted to the Treasury to support increase to funding for the fire sector.

This was supported by a letter that was sent by the Chairs of all FRA's to their respective local MP's to lobby the Department for Levelling Up, Housing and Communities (DLUHC) minister for increased funding to the sector and a precept flexibility of £5 for all FRA's not just those in the lowest quartile.

I'm pleased to report that this lobbying was successful, resulting in an increase to the settlement funding assessment (government funding) and precept flexibility of an increase of £5 for a Band D property for all FRA's.

4.2.2 In terms of the overall economic position, the Consumer Price Inflation (CPI) saw sharp increases during 2022 reaching a peak of 11.1% in October, the highest since October 1981. CPI eased slightly in December to 10.5%, both the OBR and the Bank of England expect the annual inflation rate to ease in 2023, as the steep rises in energy prices seen in 2022 fall out of the annual comparison. The OBR expects inflation to slow to 3.8% by Q4 2023, while the Bank of England forecasts that CPI will drop to 2% by Q1 in 2024. Obviously, these are forecasts are subject to change and are dependent on the world economy.

4.2.3 The Bank of England's monetary policy committee at its meeting on the 2nd of February voted to raise interest rates by 0.5 percentage points to 4.0%. It is the tenth consecutive hike since December 2021 when the rate was 0.25% and is at its highest level for fourteen years. Our treasury management consultants, Link Group, forecast that the bank rate will increase further in 2023, reaching a peak of 4.5% in June 2023 and then falling back steadily from March 2024 to 2.5% in September 2025.

The increase in interest rates is having a favourable effect on the Authority's investment income, it is forecast that in 2022/23 over £0.700m will be earned in investment income compared to £0.186m earned in 2021/22.

4.3 **Financial Overview of West Yorkshire Fire and Rescue**

Unlike other public services, which are demand led, the Authority needs to have enough resources available to provide an emergency response in times of exceptional demand. This includes the ability to deal with large scale emergencies, a range of smaller incidents that may happen together and/or incidents that are of an extended duration such as the Moorland Fires in Summer 2022.

4.3.1 The Authority considered its revenue budget and precept strategy on the 24th of February 2022 and approved a precept increase of £5 resulting in a Band D property precept of £72.18. Dispensation to increase the precept on a Band D property by £5 was given to the eight lowest precepting fire authorities. West Yorkshire Fire and Rescue still remains the fourth lowest precepting Fire Authority in England.

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

4.3.2 Pay Awards

The Authority made a 4% provision in the 2022/23 budget for pay awards for all staff groups. When the budget was calculated in December 2021, a provision of 4% was considered to be reflective of expected inflation going forward. However, issues in the global economy has seen inflation rise to its highest level in forty years.

A pay offer was made to firefighters and control employees by the National Joint Council (NJC) of 2%, which was then increased to 5% in October 2022. This pay offer was out to ballot with Fire Brigade Union (FBU) members and on the 30th January it was announced that the pay offer had been rejected. On the 9th of February the NJC increased the pay offer to 7% for 2022/23 and 5% for 2023/24. This revised pay offer is currently out to consultation with FBU members until the 6th of March.

The revised pay offer of 7% is 3% above 2022/23 budget provision, which will cost an additional £1.245m in 2022/23 and has to be built into 2023/24 base budgets. If this pay offer is rejected and further increases to the pay award are made by the employers, each additional 1% will cost an extra £0.609m in 2023/24.

The financial impact of the 2022/23 pay award can be seen in the table below:

	2022/23 £000's	2023/24 £000's
7%	1,245	1,827
8%	1,660	2,436

The impact of a pay award above 7% must be considered in the Medium-Term Financial Plan (MTFP) and the consequence on the 2023/24 revenue budget.

Support Staff accepted a pay offer of £1,925 per pay point rather than a % uplift across all grades. This resulted in an average increase of 7% across pay grades 1 to 12, which was in excess of the budget provision of 4%. This cost an additional £0.227m in 2022/23 and has been factored into the base budget for 2023/24.

If support staff are to receive another flat rate increase in 2023/24, the total effect will be in excess of a 5% provision across all grades. Increases to the National Living Wage will also impact on the support staff budget.

In addition, if the government is to reform fire fighters' roles which is included in the White Paper on Fire Reform, there will be pressure to increase salary levels to reflect the change. Previous cost estimates have been calculated of an increase of around 15% to fire fighter pay. For West Yorkshire a 15% increase for fire fighter pay would be in the region of £9.1m per annum.

4.3.3 Industrial Action

Finance and Resources Committee in October 2022 approved the creation of a new earmarked reserve for industrial action by the transfer of £1.00m from the pension equalisation reserve. If this reserve is fully consumed, the costs of industrial action will either have to be met from revenue budgets or another transfer from earmarked reserves. It is worth pointing out that the current reserves levels will be significantly reduced due the

development of FSHQ so the use of reserves to fund a period of industrial action will become more challenging. More detail on reserves is provided in section 7 of this report.

4.3.4 Pensions

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

The new rates will be implemented from the 1st of April 2025. Even though this increase will take effect in two years' time, the impact on the MTFP must be considered. To put this into financial context for West Yorkshire, a 1% increase in the employers' rates from the 1st of April 2025 will cost an estimated additional £0.451m per annum. In the previous actuarial valuation in 2016, which saw an increase in employers' contribution rates of 12.6% from April 2020, the same increase in 2025 would add £5.68m to ongoing employee budgets. Currently, the government reimburses 90% of this cost in the way of an additional pension grant.

If the same level of government funding is used in this valuation, the Authority could face an additional unfunded pension cost of £0.568m. This maybe an optimistic view in terms of government support, if so, the additional cost could be significantly higher.

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

4.3.5 Pension Remedy

There is currently much confusion about the pension remedy costs for the age discrimination case of McCloud/Sargeant, especially around the costs of Immediate Detriment payments. On the 29th of November 2021, the Home Office withdrew its informal guidance on the processing of certain kinds of immediate detriment cases ahead of legislation. West Yorkshire has already processed twenty immediate detriment cases who have retired from the service (eleven in 2021/22 and nine in 2022/23) and is looking to process those cases for those affected employees who have already retired. The government has confirmed that it will not reimburse non-legitimate expenditure that has been paid to these employees, meaning that the Authority may be unable to claim these costs via the top up grant system. This could have a significant financial impact on the Authority.

4.3.6 New Burdens

The Authority has received one off grants in 2022/23, to fund the financial pressures of the implementation of the Building Safety Bill and costs associated with 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.

Moreover, the Authority received notification from the Home Office in June 2022 that the Fire Link Grant which the Authority was budgeted to receive £0.469m in 2022/23 is to be reduced by 20% each year over the next five years.

4.3.7 Inflationary Pressures

The current economic environment is such that certain parts of the economy are experiencing either a shortfall in availability or a hike in prices. Within this Authority we have seen issues with supplies, including increased lead times for the delivery of certain goods, in particular vehicles. There has been a need to increase both utility and vehicle fuel budgets by a total of £0.638m during the course of the year, due to large increases in prices. The Authority does not receive any assistance under the non-domestic energy bill relief scheme as consumption is below the threshold for assistance.

There have been large increases in the cost of capital schemes during 2022/23, with both the re-development of the FSHQ site and the rebuild of Keighley Fire Station realising a 40% increase in cost against estimates.

A large proportion of the capital budget has already been slipped to 2023/24, but further slippage may occur if goods, which are currently expected to be delivered, aren't delivered before the end of the financial year. In addition, some planned revenue expenditure may be delayed until next financial year if supplier availability is limited or if there are issues with the supply of materials required to carry out the works.

In terms of the financial outturn, the Authority is forecast to under-spend the budget by around £0.422m for the current financial year. Any budget underspends will be used to make additional voluntary minimum revenue provision charges or make additional contributions to the capital finance reserve, which will reduce the Authority's capital financing requirement and reduce the revenue cost of the capital plan over the long term.

4.4 Background on West Yorkshire Central Government Funding

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

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

	2010	2022	Reduction
Firefighters (Wholetime)	1,490	937	-553
Control Staff	56	48	-8
Support Staff	383	312	-71
Fire Stations	48	40	-8
Fire Appliances	62	46	-16

The one-year settlements over the past three years have included no real terms growth in funding as central government grants were only inflated by CPI. No assurance has been provided regarding the funding of the implementation of the pensions remedy and the White Paper into the reform of fire and rescue services.

4.5 **A Standstill Budget for 2023/24 – Maintaining the current level of service**

A standstill budget has been prepared for 2023/24, for the purpose of providing a baseline from which to measure changes in the proposed budget. This is calculated by updating the 2022/23 budget for increases in pay and prices, new capital financing charges and other budget calculation adjustments. A standstill budget for 2023/24 would amount to £96.336m.

The changes from the 2022/23 budget are detailed in the table below.

	£m
2022/23 Approved Revenue Budget	95.651
Efficiency savings 2022/23	-0.504
Additional Revenue Bids 2022/23	0.422
Pay and Price Increases	
Operational Employees	2.241
Support Staff	0.638
Non employee budgets	0.755
Budget Adjustments	-2.867
2023/24 Standstill Budget	96.336

The main changes to the 2022/23 budget are explained below:

- a) **Efficiency savings and revenue bids** Following approval of the 2022/23 budget at Full Authority in February 2022, a number of additional revenue bids were identified. In order to fund these bids, non-contractual base budgets had no inflationary increase and an efficiency saving of 7.5% was applied.
- b) **Pay and Price Increases** These represent the full year effect of the actual pay award for support staff and an estimated 5% for operational staff. It also includes price increases that have been built into the base budget for 2023/24.
- c) **Budget Calculations** During the budget setting process, there are a number of budget adjustments that are identified which are not required in the following years budget. For example, one off costs, reductions in costs due to contract renewals, demand changes etc. The above table shows standstill budgets and do not include areas for growth and savings which are identified separately in the MTFP.

A subjective analysis of the Standstill budget for 2023/24 is shown in Appendix B.

4.6 **Revenue Balances**

- 4.6.1 The Authority maintains both earmarked reserves and a general fund reserve, earmarked reserves are amounts set aside for a specific purpose and the general fund reserve is

used to manage fluctuations in revenue budgets. The Authority's reserves strategy was approved at F&R in October 2022 and is published on the Authority's website. The strategy for the use of reserves to support the MTFP is detailed in section 7 of this report.

4.6.2 Minimum Revenue Balance

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

As at the 1st of April 2022 the Authority had £5.0m of general fund reserves and £37.8m 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 October 2022 and identifies a requirement to maintain a minimum revenue balance of £5.0m.

5 **Local Government Finance Settlement**

- 5.1 The finances of government departments are determined by a process called the Comprehensive Spending Review (CSR); the Authority's last multi-year settlement ended in 2019/20. Since then the Authority has received one-year roll over budgets up to the current financial year. Although, there is no multi-year settlement for 2023/24, the Secretary of State confirmed that core grants will continue to increase in line with baseline funding levels, (i.e.) September 2023 CPI inflation. This does provide some clarity over funding levels.

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

5.2 **Settlement**

The final Local Government Settlement was published on the 6th of February, this was subject to a period of consultation which closed on the 16th of January.

The central government grant allocations for 2023/24 are shown in the table overleaf.

	2022/23 Actual £m	2023/24 £m
Settlement Funding Assessment:		
Top Up Grant central pool	16.922	17.737
Top Up local	7.814	7.925
Base line funding (business rates)	24.736	25.662
Revenue Support Grant	14.048	15.472
Local Government Finance Settlement	38.784	41.134

The revenue support grant has increased in line with September CPI, which is 10.1% and overall baseline funding has increased by 3.74% which is the inflationary uplift remaining in the small business rates multiplier in 2023/24 after the multiplier was frozen.

This has given the Authority a total of £2.350m additional funding from 2022/23.

Once again, the government announced in the Autumn Statement that the business rate multiplier for 2023/24 will be frozen at 49.9p in the pound. Local authorities are compensated from this freeze by a Section 31 grant.

5.2.1 Core Spending Power

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

In the local government finance settlement, core spending power across the fire sector has increased by 7.9%. The 2023/24 core spending power for West Yorkshire has increased from £91.249m in 2022/23 to £98.224m in 2023/24, an increase of 7.64%. This includes inflationary increases to revenue support grant, allocation of the Services Grant an assumed tax base growth of 1.1%, a precept increase, of £5 and increases for the under indexing of the business rates multiplier.

5.2.2 Service Grant 2023/24

The Services Grant was a new grant introduced in 2022/23 and was worth £845m for the fire sector. The grant is distributed using the 2013/14 shares of the Settlement Funding Assessment which equated to funding of £1.700m for West Yorkshire. The grant is un-ringfenced and was introduced to recognise the inflationary pressures on the sector resulting from pay and prices inflation in 2021/22 and the increase in National Insurance contributions from April 2022. Following the reversal of the National Insurance increase with effect from the 6th of November, it was expected that the grant would reduce by 25% in 2023/24 to reflect the change. The actual reduction in grant for the sector is £384m. The reason for the increased reduction is that some of the grant has been top sliced to fund the CPI uplift to the revenue support grant. The Authority will receive £1.000m of service grant in 2023/24, a reduction of 41% from 2022/23.

The Service Grant is not built into core funding, and it is subject to variation, for this reason a prudent approach must be taken when forecasting allocations in future years.

5.2.3 Section 31 Grant

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

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

The Authority will receive a Section 31 grant of £3.021m direct from DLUHC in 2023/24 for the freezing of the multiplier explained in paragraph 5.2.

5.2.4 Pension Grant

Confirmation has been received that the pension grant to cover the increased cost of employer fire fighter pension contributions as a result of a reduction in the SCAPE discount rate will be paid as a cash flat grant in 2023/24 (further detail was provided in paragraph 4.3.3). This means that the Authority will receive £4.285m, the same amount of grant as in 2022/23. Following the transfer of responsibility for the grant payment from the Home Office to the DLUHC, it was expected that this would be rolled into base line funding and would be subject to CPI uplift. This has not materialised, and the grant will continue to be paid as a section 31 cash flat grant.

5.2.5 Collection Fund

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

In 2021/2022 the Government announced measures to assist local authorities for dealing with forecast collection fund deficits that had arisen as a result of measures announced to deal with Covid19. For eligible 2020/2021 deficits these could be charged to the general fund over a 3-year period (2021/2022 to 2023/2024). This is the final year of the deficit spread of which the deficit to be met by the Authority is £0.414m, this has been offset by a small collection fund surplus for 2023/24 of £0.022m, resulting in a net deficit of £0.391m.

One third of the tax income guarantee grant totalling £0.274m, which is held in an earmarked reserve will be applied to support this collection fund deficit.

5.2.6 Tax Base

The tax base is the overall number of weighted equivalent Band D 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
- Changes in council tax banding due to adjustment and appeals
- Discounts, exemptions, and reliefs, for example, changes in the council tax support scheme
- Ending of the discount period on empty properties or their reoccupation.

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

- 5.2.7 The five district councils have declared an overall tax base increase of 1.04% in 2023/24 which is lower than the 1.5% forecast increase included in the 2022/23 MTFP. The lowest increase was Bradford at 0.35% and the highest been Leeds at 1.52%.

This slowdown in the growth of the tax base may be indicative of the inflationary and supply pressures that are affecting the housing sector.

5.3 **Referendum Principles**

- 5.3.1 The Local Government Finance Settlement has set the basic referendum limit for local authorities (including fire) at 2.99% for 2023/24 and 2024/25, plus a referendum principle of £5 on a Band D property for 2023/24 for all English fire and rescue authorities.
- 5.3.2 For information, local authorities are able to increase the precept by an additional 2.0% for adult social care, and shire district councils in two-tier areas will be allowed increases of up to 2.99% or up to and including £5 whichever is higher.

The referendum threshold for the Police and Crime Commissioners has been set at £15 (£10 in 2022/23).

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

5.4 **Business Rates**

- 5.4.1 All business rates used to be paid directly from central government. In order to devolve responsibility locally, from 2013/14 local councils maintain 50% of business income, with the other 50% being redistributed by government via a business rates pool. The fire authorities receive 1% of the business rates collected by the district councils.
- 5.4.2 The settlement indicates the Authority will receive £25.662m in business rate income with £17.737m paid directly from central government in the form of a central pool top up grant and the balance of £7.925m being paid by the five district councils which equates to 1% of the income they collect. Following receipt of all the National Non-Domestic Rate returns (NNDR1) the amount to be received from the local share of business rates has been confirmed at £7.589m, some £0.335m less than that estimated in the Settlement Funding Assessment.

The Authority must also bear a share of the business rates deficit, which for 2023/24 is £0.083m.

- 5.4.3 The Authority in addition receives a local share of section 31 grants to compensate for any policy changes introduced around local business rates. The size of grant is confirmed by the district councils when they submit their NNDR1 to the DLUHC on the 31st of January. The amount of section 31 grant for 2023/24 from the district councils is confirmed at £2.963m.

5.5 **Precept Income**

- 5.5.1 As Members are aware, the Authority is also dependent upon precept income from the five districts which will provide £48.232m of its income in 2022/23. This income is dependent upon two factors, namely the size of the tax base and the precept set by the Authority.
- 5.5.2 The precept flexibility of £5, would generate an estimated additional £3.376m of precept income from that generated in 2022/23. In comparison, a precept increase, of 2.99% would result in an estimated additional precept income of £1.457m. (These figures have been calculated on the 2023/24 tax base).

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 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 MTFP, including the revenue budget for 2023/24. The MTFP will address the key issues of central government funding, precept strategy, cost pressures and the use of balances. This will be discussed with political groups and presented to the Authority within the final budget report to the Authority in February.
- 7.3 The table below shows the revenue budget and estimated funding for 2023/24 and shows the impact of a precept freeze, an increase in precept of 2.99% and an increase of £5. Based on estimated funding, if members decide to freeze or increase the precept by 2.99%, the Authority will need use reserves or find efficiency savings totalling £3.376m and £1.918m respectively. If the Authority approves an increase to the precept of £5, the budget will be balanced and no savings will be required.

	Precept Freeze	2.99%	£5
Revenue Budget	£m	£m	£m
Standstill Budget	96.393	96.393	96.393
Recruitment and Retirements	0.032	0.032	0.032
Growth and Savings	3.385	3.385	3.385
Cost pressures	4.490	4.490	4.490
Budget 2023/24	104.300	104.300	104.300
Funding			
Revenue Support Grant	15.472	15.472	15.472
Business Rates - Top Up	17.737	17.737	17.737
Business Rates - Local Share	7.925	7.925	7.925
Business Rates - Local Share Adjustment	-0.335	-0.335	-0.335
Collection Fund Deficit	-0.391	-0.391	-0.391
Business Rates Deficit (net)	-0.083	-0.083	-0.083
Under Index Grant	3.021	3.021	3.021
Section 31 Grant - Local Share	2.963	2.963	2.963
Building Safety Grant	0.320	0.320	0.320
Services Grant	1.001	1.001	1.001
Pension Grant	4.285	4.285	4.285
Tax Income Guarantee Grant	0.274	0.274	0.274
Precept income	48.735	50.193	52.111
Funding 2023/24	100.924	102.382	104.300
Budget Deficit	-3.376	-1.918	0.000
Service Investment			0.000
Use of Reserves	3.376	1.918	0

- 7.4 The table below shows the effect on the precept to a Band A to a Band D council taxpayer based on a 2.99% and £5 precept increase:

Precept Increase £5

	Annual Cost	Total Per month	Total Per Week	Annual Increase from 22/23
Band A	£51.45	£4.29	£0.99	£3.33
Band B	£60.03	£5.00	£1.15	£3.89
Band C	£68.60	£5.72	£1.32	£4.44
Band D	£77.18	£6.43	£1.48	£5.00

Precept Increase 2.99%

	Annual Cost	Total Per month	Total Per Week	Annual Increase from 22/23
Band A	£49.56	£4.12	£0.95	£1.44
Band B	£57.82	£4.82	£1.11	£1.68
Band C	£66.08	£5.51	£1.27	£1.92
Band D	£74.34	£6.20	£1.43	£2.16

7.6 Budget Calculations

- 7.6.1 The Authority had a balanced budget in 2023/24 meaning that expenditure was matched by income.

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

- 7.6.2 The transfer of budgets to contingencies that were approved at Finance and Resources in July and October 2022 and pending committee approval in February 2023 and increases and changes to employee budgets approved at Human Resources Committee in March, July and, October 2022 have been incorporated into the base budget for 2023/24.

- 7.6.3 The budget is not calculated in isolation as it reflects the Workforce Plan, the Community Risk Management Plan (CRMP) and the Programme of Change which ensures that the capital and revenue budget support the Authority's Your Fire and Rescue Service. Details of the budget analysed by directorate is shown in Appendix D.

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

7.6.5 Recruitment and Retirements

There are twenty-seven planned retirements and forty new recruits in 2023/24, these are phased during the year, but due to external factors are subject to variation. The operational employee budget is calculated using the workforce plan which underpins the Community Risk Management Plan (CRMP). The workforce plan manages the recruitment process so that employee strength is aligned to the establishment, which is currently 937 whole-time employees.

7.7 Budget Growth, Savings and Cost Pressures 2023/24

7.7.1 In addition to the budget adjustments approved at committee during 2022/23 there are a number of areas of growth, savings and cost pressures that have been identified as part of the budget planning process. £2.1m of this growth is unavoidable plus, the £4.084m identified as cost pressures would have to be met regardless of funding levels.

Employee Budgets

- a) £0.552m has been included for the continuation of the training and maintenance of the competence of contingency resilience fire crews who will provide fire cover during periods of industrial action.
- b) £0.452m has been included for staff that will manage the FSHQ transition project, this is a large project that will require detailed planning and co-ordination as teams are transitioned into the new building.
- c) £0.112m has been included for increases to budgets for specialist teams, such as drone operators, Marauding Terrorist Firearms Attack (MTFA) and Joint Emergency Service Interoperability Programme (JESIP) for increased training and resilience. In addition, a provision has been included for honorarium payments and the extension of fixed terms contracts.
- d) £0.133m has been included for three new support posts which will be subject to a separate report presented to the Human Resources Committee

Non-Employee Budgets

- e) £0.423m has been allocated to the FSHQ transition budget, this is for the cost of the relocating of employees back to Birkenshaw, the majority of the cost (£0.390m) is for the breathing apparatus training at the Fire Service College as the smoke house at FSHQ is unavailable for training during the rebuild. The transition budget will reduce in 2024/25, once all staff have fully migrated to the new FSHQ.
- f) £0.250m has been added to training budgets, the training budget has been reduced over a number of years, resulting in the number of training bids that have been submitted for 2023/24 has exceeded budget provision. The Authority has a back log of training resulting from the pandemic.
- g) The electricity and gas budgets have been increased by £0.977m which are a result of inflationary increases. The increase to gas is relatively small at £0.098m as this is due to increases in standing charges only, the contract for gas is not due for renewal until Autumn 2025.
- h) The vehicle fuel budget has been increased by £0.162m which reflects the inflationary increase in fuel prices.

- i) Further increases have been required to transport related budgets of £0.102m. These are for the initial start-up costs of a car salary sacrifice scheme for employees, inflationary increases to spare parts and an increase in vehicle and plant hire costs relating to the moving of employees around sites during periods of industrial action and the development of FSHQ.
- j) There are a number of smaller growth requests for staff advertising, equipment, consultancy fees, extension to the cleaning contract and increased audit fees, totalling £0.222m.

7.7.2 Cost Pressures

A cost pressure is a cost that is known that it will occur, but the timing and the actual cost are subject to variation.

- k) From the 1st of April 2023, the Authority will become a member of the Fire and Rescue Indemnity Company (FRIC) for the majority of our insurance provision. This will save an estimated (£0.285m) per annum compared to the current cost of insurance provision.
- l) (£0.259m) has been deducted from employee budgets for vacancy management for support staff.
- m) The ill health retirements budget has been reduced by (£0.100m) which reflects current expenditure.
- n) The pay award for 2022/23 has yet to be settled, for budget planning purposes it has been assumed that a 7% pay award will be paid to fire fighters. This will cost an additional £1.218m in 2023/24 (a 5% provision is included in 2023/24 base budgets). The back dated cost will also need to be factored into the MTFP, in 2022/23 a provision of 4% was included in base budgets, so a 7% pay award will cost £1.245m.
- o) The overtime and detached duty budgets are forecast to overspend in 2022/23, this is due to increase in sickness, attendance on training courses and staff vacancies. A provision of £0.500m has been included to support the employee budgets if overtime and detached duties continue to remain at a high level in 2023/24. Moreover, the Covid grant will be fully expended in 2022/23 so it can no longer support the payment of overtime which is undertaken to cover leave that was cancelled during the early stages of the pandemic.
- p) As detailed in section 4.3.2 of the report, there is a possibility that a flat amount will be offered again as a pay award to support staff in 2023/24. This would ease the issue of complying with the National Living Wage in April 2024. Assuming a similar pay award is offered in 2023/24, this would cost an estimated additional £0.200m over the 5% budget provision.
- q) £0.102m has been added to employee contingency budgets to cover the cost of three employees who have exceeded their projected retirement date and are still in employment at the time of budget setting.

- r) £0.100m has been included for retained recruitment in order to increase retained availability.
- s) A provision of £0.132m has been included in employer pension contributions to fund the cost of those firefighters who have opted out of a pension scheme, re-joining. This provision assumes that 25% may decide to opt back in.
- t) Although the ongoing revenue costs of the new control system will not take effect until 2024/25, there will be an increase in maintenance of the existing system of £0.088m in 2023/24. Once the new system is fully implemented in 2024/25, the increase in revenue costs will be significant with an estimated additional cost of £0.690m per annum.
- u) A provision of £0.303m has been made for a potential change in policy of charging of some operational capital expenditure to revenue.
- v) The income budgets have been reduced by £0.049m to meet the anticipated reduction in enhanced logistics grant and telephone mast rental.
- w) The Authority's payroll is managed by Kirklees Council through a Service Level Agreement (SLA) agreement. From March 2024, the council will no longer maintain 4-weekly payrolls. If the Authority decides to continue with 4-weekly pay rather than move to monthly pay, this will incur an additional annual SLA charge of £0.040m.
- x) A provision of £0.107m has been included in employee budgets for increases to support staff grades due to job evaluation and the payment of honorariums following the implementation of the pay spine review and for temporary staff to undertake project work.
- y) £1.050m has been included for additional revenue contributions to capital expenditure which will reduce the Authority's capital financing requirement.

7.8 **Budget Calculation Assumptions**

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

- A precept increase of £5 in 2023/24, 2.99% in 2024/25 and 1.99% each year thereafter.
- Tax base increase in 2023/24 of 1%, and 1.1% increase each year thereafter
- Pay increases for all staff groups of 5% in 2023/24, 3% in 2024/25 and 2% each year onwards.
- General price inflation of 5% in 2023/24, 3% in 2024/25 and 2% each year after
- Central government grant to increase by September CPI inflation, estimated to be 5.0% in 2024/25 and 2% each year thereafter
- Employees retire as per their projected retirement date and the Authority continues to recruit in order to maintain establishment at 937 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.

The largest risk to the MTFP is the uncertainty of the outstanding fire fighters pay award, as already noted earlier in the report, each 1% above provision will cost an additional £0.609m. A 7% pay award for 2022/23 has been assumed in the budget calculations for the 2023/24 employee budget, but any increase in this will have to be funded from the revenue budget.

7.9 Financial Planning April 2024 Onwards

7.9.1 Although members will be asked to approve the budget for 2023/24, the longer-term impact on the MTFP also needs to be considered.

The table below shows the impact of a precept freeze, a 2.99% precept increase, and a £5 precept increase over the next four financial years, with two pay award scenarios, 7% and 8%.

The MTFP has been prepared taking into account the assumptions outlined in 7.8.

It has been assumed there will be no cuts to funding in the next Comprehensive Spending Review from 2025/26.

		Precept Freeze 23/24 £m	2.99% £m	£5 £m
2024/25	Deficit / Surplus 7%	-£4.210	-£2.693	-£0.695
	Deficit / Surplus 8%	-£4.837	-£3.320	-£1.322
2025/26	Deficit / Surplus 7%	-£4.076	-£2.832	-£0.772
	Deficit / Surplus 8%	-£4.722	-£3.478	-£1.418
2026/27	Deficit / Surplus 7%	-£4.351	-£3.051	-£0.919
	Deficit / Surplus 8%	-£5.016	-£3.717	-£0.158

7.9.2 The table shows that for all precept options it will result in a budget deficit from 2024/25 and will require the Authority to find efficiency savings over the next three years. This is primarily due to the financial impact on the revenue budget of the new command and control system which will become operational in 2024. The increased cost is an estimated £0.690m.

Due to recent periods of high inflation, increases in the cost of delivering the capital plan, uncertainty about the 2022/23 final fire fighter pay award and the potential cost of industrial action means that the deficit and surplus could be subject to large variation and the managing of a deficit through the use of reserves would be difficult.

7.9.3 The Government has clarified that the Review of Relative Needs and Resources (The Fair Funding Review) and a reset of accumulated business growth will not be implemented until the next spending review in 2025/26. Although the fire sector falls outside the review, there is to be a separate review into the allocation of fire resources. This could have a unfavourable impact on this Authority if current formula is changed significantly as a large proportion of funding is related to population and deprivation.

- 7.9.4 It has been assumed that there will be no cuts to central base line funding from 2025/26 and that government grant will continue to rise in line with September CPI inflation. There has been no guarantee that the Authority will continue to receive the annual grants to cover the costs falling out of Grenfell and the Building Safety Bill for which the Authority received £0.377m in 2022/23, if these grants were ceased the Authority would have to meet these costs from existing budgets or stop the work on these projects.
- 7.9.5 It has been assumed that the Services grant and the Under Indexing of Business Rates grant, for which the Authority will receive a total of £3.02m in 2023/24 will remain at the same level in future settlements, because these are not built into the base budget, continuation at the same level cannot be guaranteed. The 2023/24 settlement has seen that the Services Grant is subject to variation, as this grant has been reduced by 44% from 2022/23.

In addition, it has been assumed that the district councils will reduce their collection fund deficits by 50% in 2024/25, with a surplus position to be resumed from 2025/26.

- 7.9.6 The effect on the cost of goods and services from inflation and ongoing supply issues due to the world economy may add further pressure to the revenue budget.
- 7.9.7 As detailed in section 4.3 of this report the Authority is facing a number of cost pressures particularly around pay which constitutes 74% of total expenditure. These are the pressures on pay awards, increased pay as a result of the White Paper on Fire Service Reform and the increase in fire fighter employer contributions from the actuarial valuation of pensions. The financial burden is currently unknown but could have a significant impact on the revenue budget.
- 7.9.8 As Chief Finance and Procurement Officer and as Section 73 officer there is a statutory duty to present a balanced budget as the use of reserves cannot be sustained over the longer term.
- 7.9.9 An assessment against the Financial Resilience Index has been carried out to assess the financial risk facing the Authority. The Financial Resilience Index is a tool developed by CIPFA which is made up of a set of indicators which take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance.
- 7.9.10 There is a mandatory requirement for a local authority to undertake an assessment of their financial resilience, however this is not compulsory for fire and rescue services. CIPFA have devised a model to facilitate the financial resilience. An assessment of the Authority's financial reliance was undertaken prior to the setting of the 2023/24 budget which included an assessment against the three indicators in the CIPFA model. These indicators are usable reserve levels, social care ratio and gross external debt. Based on these indicators, the CFPO has assessed that WYFRS has strong financial resilience, in that, usable reserves amount to 44% of the 2022/23 annual revenue budget, there is no social care requirement, and the authority has a low level of debt.

7.10 Reserves

7.10.1 Finance and Resources Committee approved the Reserves Strategy in October 2022

There are two types of reserves: general fund and earmarked reserves.

- General Fund – this reserve is necessary to fund any day-to-day cash flow requirements and also to provide a contingency in the event of any unexpected events or emergencies; and
- Earmarked Reserves – these have been created for specific purposes and involve funds being set aside to meet known or predicted future liabilities. By establishing such reserves, it will smooth the expenditure profile and avoid liabilities being met from Council Tax in the year that payments are made.

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

Reserve Description	Origin	Balance	Planned Use	Planned Use	Planned Use	Planned Use	Planned Use	Balance
		£m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	31/03/2027 £m
General Fund		-£5,000						-£5,000
Transparency	Government Grant	-£62						-£62
Regional Control Funding	Government Grant	-£563	£563					£0
Enhanced Logistical Support	Government Grant	-£202				£202		£0
Decontamination of Body Bags	Government Grant	-£40						-£40
Council Tax Reform	Government Grant	-£27						-£27
Business Rate Appeals	Internal & Grant	-£1,301						-£1,301
Tax Income Guarantee	Government Grant	-£604	£274	£274				-£56
COVID19	Government Grant	-£675	£675					£0
Pension Admin Remedy	Government Grant	-£145	£15	£65	£65			£0
Insurance Claims	Internal	-£388						-£388
Service Support Reserve	Internal	-£248	£50	£50				-£148
Pension Equalisation Reserve	Internal	-£4,022				£479	£488	-£3,055
Provision for pay and prices	Internal	-£2,127	£1,154	£900				-£73
Industrial Action	Internal	-£1,000	£450	£550				£0
Capital Financing Reserve	Internal	-£24,137	£6,975	£12,000	£5,162			£0
ESMCP	Internal	-£258			£258			£0
Medium Term Funding Impact	Internal	-£2,000				£2,000		£0
Total Earmarked		-£37,799	£10,156	£13,839	£5,485	£2,681	£488	-£5,151
TOTAL USABLE RESERVES		-£42,799	£10,156	£13,839	£5,485	£2,681	£488	-£10,151

It is worth noting 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.

Its important to note that reserves can only be used once, and the use of reserves is not a solution to the long-term financial pressures that the Authority is facing.

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

- It is recommended that costs associated with the implementation of the performance management system and the data and digital strategy are met from the Service Support Reserve. It is expected that these projects will generate ongoing revenue benefits over the longer term even though they will need initial investment in the first instance.

- b) The pension equalisation reserve may be called upon from 2025/26 to fund any increase in cost resulting from the increase in firefighter pension contributions that will not be met by government grant. This is explained in further detail in paragraph 4.3.3. £1.0m of this reserve was transferred to establish the Industrial Action reserve.
- c) The pay and prices reserve will be used to pay for the back pay relating to the payment of holiday pay in overtime (*Bear v Scotland*) and pay awards that are over and above budget provision in the MTFP. This reserve will also be used to fund any inflationary increases in contracts that are not included in base budgets.
- d) If industrial action does happen and dependant on the length of industrial action, the reserve allocation of £1.0m may not be adequate and further calls on other earmarked reserves may be required. This will be monitored closely and reported to Finance and Resources Committee.
- e) The capital finance reserve will be fully spent on the FSHQ redevelopment. Any underspends on the revenue budget will be moved to this reserve. If rebuilds are paid from reserves, it will mean that capital financing charges in the form of statutory Minimum Revenue Provision is not charged to this £24.1m of capital investment resulting in revenue savings over many years. This is because Minimum Revenue Provision is chargeable to revenue over the life of the asset, in the case of a new fire station, 40 years. It is proposed that the capital finance reserve is maintained and “topped up”, although the reserve will be fully used for the FSHQ development, it is intended this reserve will be used to fund station rebuilds that are in the capital plan.
- f) Until confirmation is received from the Home Office regarding the funding of the replacement of control room servers, the ESMCP reserve has been forecast to be used for this purchase.
- g) Although the Authority has some certainty in that funding will be increased by CPI inflation in 2024/25, if from 2025/26 the funding settlement is not as favourable as forecast in the MTFP and results in real terms funding cuts, the Authority will need to call upon its reserves in order to achieve a balanced budget. This will be met from the Medium-Term Funding Impact reserve.

8 Legal Implications

- 8.1 The Authority is required to set a budget/issue a precept for 2023/24 before 1st March 2023. 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 Authority on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The

Authority must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer is also obliged to report to the Authority if in relation to the previous financial year it appears that a controlled reserve is or is likely to be inadequate. A controlled reserve is one where the Secretary of State has, by regulation, defined the appropriate minimum level of reserve. The S73 officer must report the reasons for that situation, and the action, if any, which she considers it would be appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration. No Regulations defining controlled reserves have been made.

- 8.3 In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered, and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Authority's finances. The resources available to the Authority must be deployed to their best advantage. Members must also act prudently.
- 8.4 Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Authority's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
- 8.5 In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Director of Finance as Chief Financial Officer. The Authority may take decisions which are at variance with her advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts, and future liabilities.
- 8.6 The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 to ensure that the Authority's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. She is in addition subject to the requirements set out in paragraph 2 above.
- 8.7 Members must also have regard to, and be aware of, the wider duties placed upon the Authority by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure, specified in the Local Government and Housing Act 1989. The law in relation to the Authority's borrowing was changed by the Local Government Act 2003. The previous regime of capital controls was abolished, and the Authority is required to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable. The prudential indicators include the borrowing limits and Treasury Management Strategy that were formerly set by the Authority as part of the budget process. The implications of this are explained more fully in the body of the report.
- 8.8 In setting the precept for the next financial year and in agreeing the Authority's budgetary requirements, the Authority also needs to take into account the fact that the Government still has power to cap local authority budgets under the Local Government Act 1999. The Government may either set a maximum amount for the budget in the forthcoming year or put an authority on notice to set a maximum budget in the next financial year. If the Government proposes to cap the authority, the authority will be given a short period to put its case. If the cap is then confirmed in the current year, this could require the authority to revisit its budget decisions and would be likely to require rebilling of precept.

- 8.9 Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

9 Recommendations

Members to consider the joint report of the Chief Fire Office/Chief Executive and the Chief Finance & Procurement Officer, which presents an overview of the financial position for the current year together with the revenue budget for 2023/24, the capital plan for 2023/24 to 2027/28, the four-year medium-term financial plan and the precept options.

The detail of the report advises Members of:

- (i) The content of the five-year capital plan £87.807 with a forecast spend by the end of 2023/24 of £47.947m (as set out in Appendix A).
- (ii) Capital Financing Requirement of £66.324m in 2023/24.
- (iii) The Authorised Limit for external debt of £53.0m and an Operational Boundary of £51.0m.
- (iv) Capital finance charges of 6.09% of the revenue budget.
- (v) Forecast general fund balances of £5m by 31 March 2023 with a minimum balance to be maintained at £5.0m.
- (vi) A council tax collection fund deficit of £391,293.
- (vii) Details of the Local Government Finance settlement 2023/24.
- (viii) Positive assurance from the Chief Finance Officer under section 25 of the Local Government Act 2003 of the adequacy of balances and the robustness of the budget estimates.

Medium Term Financial Strategy 2023/2024 – 2026/2027 (incorporating revenue budget and capital plan)

- (i) Set a revenue budget of £104.300m incorporating the service development and efficiencies set out in paragraph 7.1.4 and 7.3.1.
- (ii) Approve a precept increase of £5 for 2023/24

10 Resolution

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

- a) the Capital financing Requirement as set out in paragraph 3.2;

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

10.2 Having considered the recommendations of the Chief Fire Officer/Chief Executive and the Chief Finance and Procurement Officer on service delivery and related budget requirements and, having taken account of the views of the consultees and, acting in accordance with the requirements of the Local Government Finance Act 1992 (as amended) (“the Act”) and, having approved a capital expenditure programme for the financial year 2023/24 of £47.947m 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 2023/24.

Authority	Tax Base 2023/24
Bradford	143,920.00
Calderdale	63,146.62
Kirklees	123,215.79
Leeds	239,337.80
Wakefield	105,564.00
TOTAL	675,184.21

10.3 The Authority calculates its council tax requirements under Sections 40 to 47 of the Act for Financial Year 2023/24 as the aggregate of the following:

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

- £104,300,004 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

- £52,189,287 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

- £52,110,717 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

- £77.18 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 £52,110,717 and the council tax base is 675,184.21 which is equal to £77.18 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	£51.45
Band B	£60.03
Band C	£68.60
Band D	£77.18
Band E	£94.33
Band F	£111.48
Band G	£128.63
Band H	£154.36

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	£11,107,746
Calderdale	£4,873,656
Kirklees	£9,509,794
Leeds	£18,472,091
Wakefield	£8,147,430
TOTAL	£52,110,717

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.

Department	Description	Estimated Total Capital Cost	Capital Budget Required 23/24	Agreed Slippage 22/23	Estimated Slippage 22/23	Agreed 23/24 from 22/23 (Schemes over 2 years)	Capital Bids 23/24	Requested Capital budget 24/25	Requested Capital budget 25/26	Requested Capital budget 26/27	Requested Capital budget 27/28
Operations	New Control Project	£3,000,000	£2,000,000	£750,000	£250,000	£1,000,000	£0	£1,000,000	£0	£0	£0
Operations	Hose Reels	£43,000	£32,500	£0	£0	£0	£32,500	£10,500	£0	£0	£0
Operations	BA Ancillary Equipment	£275,000	£0	£0	£0	£0	£0	£275,000	£0	£0	£0
Operations	BA Cylinders	£450,000	£450,000	£0	£0	£0	£450,000	£0	£0	£0	£0
Operations	BA Sets & Charging Kits	£837,000	£0	£0	£0	£0	£0	£837,000	£0	£0	£0
Operations	BA Compressors	£130,000	£130,000	£0	£0	£0	£130,000	£0	£0	£0	£0
Operations	Dividing Breeches	£30,000	£30,000	£0	£0	£0	£30,000	£0	£0	£0	£0
Operations	Gas Tight Suits	£10,000	£10,000	£0	£0	£0	£10,000	£0	£0	£0	£0
Operations	Hydrants	£2,070,000	£450,000	£0	£0	£0	£450,000	£360,000	£450,000	£360,000	£450,000
Operations	Ladders	£247,000	£190,000	£50,000	£20,000	£0	£120,000	£57,000	£0	£0	£0
Operations	PPV Fans	£42,000	£42,000	£0	£0	£0	£42,000	£0	£0	£0	£0
Operations	Vehicle Stabilisation strut	£48,500	£35,500	£0	£0	£0	£35,500	£13,000	£0	£0	£0
Operations	2nd Thermal Image Camera	£290,000	£220,000	£0	£0	£0	£220,000	£70,000	£0	£0	£0
Operations	Water Rescue Equip	£12,000	£12,000	£0	£0	£0	£12,000	£0	£0	£0	£0
Operations	Wildfire PPE	£476,500	£476,500	£0	£0	£0	£476,500	£0	£0	£0	£0
Operations	Layflat Hose	£250,000	£50,000	£0	£0	£0	£50,000	£50,000	£50,000	£50,000	£50,000
Operations	Particulate Flash hoods	£210,000	£210,000	£0	£210,000	£0	£0	£0	£0	£0	£0
Operations	Wildfire Vehicle	£112,000	£112,000	£0	£112,000	£0	£0	£0	£0	£0	£0
Operations	Body Worn Camera	£60,000	£60,000	£0	£60,000	£0	£0	£0	£0	£0	£0
Operations	Expansion Foam Concrete	£15,742	£15,742	£0	£15,742	£0	£0	£0	£0	£0	£0
CRMP		£42,464,973	£25,792,814	£8,114,420	£1,646,986	£0	£16,031,408				
Transport	Vehicle Replacement	£20,645,178	£13,770,178	£6,325,178	£0	£0	£7,445,000	£4,800,000	£375,000	£700,000	£1,000,000
Transport	Airwave hardware	£250,000	£250,000	£0	£0	£0	£250,000	£0	£0	£0	£0
Operations	BA Cleaning drying units	£40,000	£40,000	£0	£0	£40,000	£0	£0	£0	£0	£0
Property	Cookridge	£22,380	£22,380	£0	£0	£22,380	£0	£0	£0	£0	£0
ICT	Purchase Order System	£100,000	£100,000	£0	£0	£0	£100,000	£0	£0	£0	£0
ICT	WiFi replacement	£90,000	£0	£0	£0	£0	£0	£0	£90,000	£0	£0
ICT	Kemp virtual Load balancers	£20,000	£0	£0	£0	£0	£0	£20,000	£0	£0	£0
ICT	PA Systems	£410,000	£0	£0	£0	£0	£0	£410,000	£0	£0	£0
ICT	MDT Software	£150,000	£100,000	£0	£0	£0	£100,000	£50,000	£0	£0	£0
ICT	Visitor Management Solution	£11,000	£11,000	£0	£0	£0	£11,000	£0	£0	£0	£0
ICT	Resource Booking Solution	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
ICT	Prevention tablet refresh	£50,000	£50,000	£0	£0	£0	£50,000	£0	£0	£0	£0
ICT	Data centre transfer	£250,000	£250,000	£0	£0	£0	£250,000	£0	£0	£0	£0
ICT	Backup Solution	£120,000	£0	£0	£0	£0	£0	£0	£120,000	£0	£0
ICT	ESN/DSN Server	£40,000	£40,000	£0	£0	£0	£40,000	£0	£0	£0	£0
ICT	Firewalls HQ	£90,000	£0	£0	£0	£0	£0	£0	£90,000	£0	£0
ICT	DMZ server replacement	£40,000	£0	£0	£0	£0	£0	£40,000	£0	£0	£0
ICT	Nimble Storage replacement	£85,000	£0	£0	£0	£0	£0	£85,000	£0	£0	£0
ICT	VDI Solution	£80,000	£0	£0	£0	£0	£0	£80,000	£0	£0	£0
ICT	VMware server	£140,000	£0	£0	£0	£0	£0	£140,000	£0	£0	£0
ICT	Autopilot	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
ICT	Mobile phones	£225,000	£0	£0	£0	£0	£0	£125,000	£100,000	£10,000	£0
ICT	Laptop & Desktop refresh	£830,000	£0	£0	£0	£0	£0	£200,000	£210,000	£210,000	£210,000
ICT	Digital Humans	£50,000	£50,000	£0	£0	£50,000	£0	£0	£0	£0	£0
ICT	One View	£25,000	£25,000	£0	£0	£25,000	£0	£0	£0	£0	£0
ICT	WAN	£250,000	£250,000	£0	£250,000	£0	£0	£0	£0	£0	£0
ICT	MDT Software	£215,000	£215,000	£0	£215,000	£0	£0	£0	£0	£0	£0
ICT	Print Solution	£74,000	£74,000	£0	£74,000	£0	£0	£0	£0	£0	£0
Property	Rawdon - Facilities upgrade	£240,000	£240,000	£0	£0	£0	£240,000	£0	£0	£0	£0
Property	Otley - Showers	£65,000	£65,000	£0	£0	£0	£65,000	£0	£0	£0	£0
Property	Odsal boundary fence	£150,000	£150,000	£0	£0	£0	£150,000	£0	£0	£0	£0
Property	Ludo charging points	£300,000	£300,000	£0	£0	£0	£300,000	£0	£0	£0	£0
Property	Fire alarm upgrades	£40,000	£40,000	£0	£0	£0	£40,000	£0	£0	£0	£0
Property	Bradford EV Charging points	£90,000	£90,000	£0	£0	£0	£90,000	£0	£0	£0	£0
Property	Dewsbury Showers	£50,000	£50,000	£0	£0	£0	£50,000	£0	£0	£0	£0
Property	Bingley - Upgrade works	£770,000	£770,000	£0	£0	£0	£770,000	£0	£0	£0	£0
Property	Fuel tanks - Garforth & Rawdon	£100,000	£100,000	£0	£0	£0	£100,000	£0	£0	£0	£0
Property	Mytholmroyd - drainage	£25,000	£25,000	£0	£0	£0	£25,000	£0	£0	£0	£0
Property	Wetherby - Kitchen	£50,000	£50,000	£0	£0	£0	£50,000	£0	£0	£0	£0
Property	Capital Program future years	£8,450,500	£0	£0	£0	£0.00	£0.00	£2,230,500	£2,220,000	£2,000,000	£2,000,000
Fire safety	Smoke alarms	£2,000,000	£400,000	£0	£0	£0	£400,000	£400,000	£400,000	£400,000	£400,000
Property	Cookridge	£100,000	£100,000	£0	£100,000	£0	£0	£0	£0	£0	£0
		£87,806,773	£47,946,614	£15,239,598	£2,953,728	£1,137,380	£28,615,908	£11,253,000	£4,105,000	£3,720,000	£4,110,000

2022/23 £m	STANDSTILL REVENUE BUDGET	2023/24 £m
56.176	Firefighters	60.889
12.286	Support Staff	13.665
1.800	Ill Health Pensions	1.700
1.093	Other Employees	1.138
4.717	Premises	4.885
2.249	Transport	2.241
5.764	Supplies and Services	6.571
0.285	Lead Authority Charges	0.327
7.005	Capital Financing	7.005
0.450	Contingency	0.450
91.825	GROSS EXPENDITURE	98.870
-2.433	Less Income	-2.534
89.392	NET EXPENDITURE	96.336

2022/23 £m	REVENUE BUDGET	2023/24 £m
58.511	Firefighters	64.448
12.687	Support Staff	14.012
1.700	Ill Health Pensions	1.600
1.113	Other Employees	2.155
5.118	Premises	6.339
2.267	Transport	2.506
6.970	Supplies and Services	6.550
0.285	Lead Authority Charges	0.367
6.055	Capital Financing	6.055
0.450	Contingency	0.753
2.928	Contribution to Capital	2.000
98.084	GROSS EXPENDITURE	106.785
-2.433	Less Income	-2.485
95.651	NET EXPENDITURE	104.300

2022/23 £m	FUNDING	2023/24 £m
16.922	Top Up Grant	17.737
14.047	Revenue Support Grant	15.472
3.998	Section 31 Grants	6.578
4.286	Pension Grant	4.285
1.700	Services Grant	1.001
7.226	Local Business rates	7.590
-0.760	Collection Fund Deficits	-0.474
47.419	GOVERNMENT FUNDING	52.189
48.232	PRECEPT	52.111

2022/23 £m	REVENUE BUDGET	2023/24 £m
57.293	Firefighters	64.448
12.004	Support Staff	14.012
1.700	Ill Health Pensions	1.600
1.149	Other Employees	2.155
5.205	Premises	6.339
2.455	Transport	2.506
6.140	Supplies and Services	6.550
0.313	Lead Authority Charges	0.367
8.983	Capital Financing	6.055
3.198	Contingency	0.753
0.000	Contribution to Capital	2.000
98.440	GROSS EXPENDITURE	106.785
-2.789	Less Income	-2.485
95.651	NET EXPENDITURE	104.300

2022/23 £m	Service Delivery	2023/24 £m
53.081	Firefighters	59.727
4.181	Support Staff	5.221
0.000	Ill Health Pensions	0.000
0.064	Other Employees	0.643
2.335	Premises	2.946
0.119	Transport	0.125
1.915	Supplies and Services	1.912
0.000	Lead Authority Charges	0.000
1.716	Capital Financing	2.479
0.000	Contingency	0.000
0.000	Contribution to Capital	0.000
63.411	GROSS EXPENDITURE	73.053
-1.968	Less Income	-1.872
61.443	NET EXPENDITURE	71.181

2022/23 £m	Service Support	2023/24 £m
3.307	Firefighters	3.667
4.409	Support Staff	4.823
0.000	III Health Pensions	0.000
0.462	Other Employees	0.838
2.787	Premises	3.306
2.097	Transport	2.129
2.707	Supplies and Services	3.262
0.000	Lead Authority Charges	0.000
2.711	Capital Financing	1.764
0.000	Contingency	0.000
0.000	Contribution to Capital	0.000
18.480	GROSS EXPENDITURE	19.789
-0.427	Less Income	-0.239
18.053	NET EXPENDITURE	19.550

2022/23 £m	Corporate Services & Governance	2023/24 £m
0.086	Firefighters	0.128
0.708	Support Staff	0.819
0.000	III Health Pensions	0.000
0.001	Other Employees	0.000
0.000	Premises	0.000
0.004	Transport	0.004
0.397	Supplies and Services	0.423
0.000	Lead Authority Charges	0.000
0.000	Capital Financing	0.000
0.000	Contingency	0.000
0.000	Contribution to Capital	0.000
1.196	GROSS EXPENDITURE	1.374
-0.013	Less Income	-0.013
1.183	NET EXPENDITURE	1.361

2022/23 £m	Employment Services	2023/24 £m
0.341	Firefighters	0.354
1.740	Support Staff	1.870
1.700	Ill Health Pensions	1.600
0.536	Other Employees	0.590
0.000	Premises	0.000
0.003	Transport	0.004
0.220	Supplies and Services	0.281
0.063	Lead Authority Charges	0.063
0.000	Capital Financing	0.000
0.000	Contingency	0.000
0.000	Contribution to Capital	0.000
4.603	GROSS EXPENDITURE	4.762
-0.012	Less Income	-0.012
4.591	NET EXPENDITURE	4.750

2022/23 £m	Finance & Procurement	2023/24 £m
0.232	Firefighters	0.319
0.925	Support Staff	1.234
0.000	Ill Health Pensions	0.000
0.086	Other Employees	0.084
0.083	Premises	0.087
0.229	Transport	0.241
0.875	Supplies and Services	0.655
0.250	Lead Authority Charges	0.304
4.556	Capital Financing	3.812
3.198	Contingency	0.753
0.000	Contribution to Capital	0.000
10.434	GROSS EXPENDITURE	7.489
-0.369	Less Income	-0.349
10.065	NET EXPENDITURE	7.140

2022/23 £m	Chief Fire Officer	2023/24 £m
0.246	Firefighters	0.253
0.041	Support Staff	0.045
0.000	Ill Health Pensions	0.000
0.000	Other Employees	0.000
0.000	Premises	0.000
0.003	Transport	0.003
0.026	Supplies and Services	0.017
0.000	Lead Authority Charges	0.000
0.000	Capital Financing	0.000
0.000	Contingency	0.000
0.000	Contribution to Capital	0.000
0.316	GROSS EXPENDITURE	0.318
	Less Income	0.000
0.316	NET EXPENDITURE	0.318



OFFICIAL

Constitution Review - Amendment to Contract Procedure Rules (CPR)

Full Authority

Date: 23 February 2023

Agenda Item:

14

Submitted By: Director of Corporate Services

Purpose	To inform Full Authority of a proposed change to CPR (Contract Procedure Rules) and request approval to implement the change.
Recommendations	That Members approve the requested amendment to CPR
Summary	This report outlines the justification for the request to amend CPR.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Kim Larter, Head of Procurement
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Background papers open to inspection: None

Annexes: Annex A. PPN (Procurement Policy Note) 1/23
Annex B. CPR (Contract Procedure Rules)

1 Introduction

- 1.1 Contract Procedure Rules (CPR) are a legal requirement, constitute standing orders for the purpose of s135 of the Local Government Act 1972 and form part of the Constitution (Part 4). The aim of CPR is to define the procedures for obtaining written quotations and competitive tenders from Suppliers for the provision of goods, services and works.

2 Information

- 2.1 The Head of Procurement receives PPNs (Procurement Policy Notes) from the Cabinet Office in regard to PCR (Public Contract Regulations) 2015 and an amendment (The Public Contracts (Amendment) Regulations 2022) has been received (please refer to annex A).
- 2.2 The Authority's current CPR (Contract Procedure Rules) are modelled on the thresholds set out within the above mentioned PCR. Currently, for any requirement with a total contract value* above £25,000, the Authority are mandated to publish tender opportunities on Contracts Finder. This process is managed via the Procurement Team and opportunities are published on the Authority's e-procurement system which is called In-Tend.
- 2.3 Within the latest PPN, the £25,000 threshold has been increased to £30,000 which means the Authority are now mandated to publish on Contracts Finder any requirement with a total contract value above £30,000.
- 2.4 The proposed changes to CPR would require any reference to '£25,000' to be amended to £30,000. This effectively increases the upper threshold for RfQ (Request for Quote) processes from £24,999 to £29,999 and the lower threshold for tender processes to be increased to from £25,000 to £30,000.
- 2.5 Table 2.5(a) below provides the current thresholds in section 12 of CPR.

ESTIMATED VALUE	PROCEDURE	AUTHORISATION
Up to £250	Purchasing Card Purchase Order No need for written quotations	Card holder Budget holder Station personnel
£250 to £9,999	One written quotation via email that must constitute value for money	Group Managers Support Staff Grade 7 and above
£10,000 to £24,999	RfQ (Request for Quote) Process Minimum three (3) invites via the E-procurement system	Central Procurement Team Stores and Deputy Property Managers EO grades Operational Equipment Manager GM Operational Support Area Managers GM Human Resources Organisation Development Manager
£25,000 to £74,999	Open Tender process involving the Procurement Team	Central Procurement Team Stores and Deputy Property

	via the E-procurement system and published to Contracts Finder	Managers EO grades Area Managers GM Human Resources Organisation Development Manager
£75,000 to £213,477 (incl. VAT)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder	Management Board Central Procurement Team
> £213,477 (incl. VAT) (Goods and Services)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder and FTS	Management Board Central Procurement Team
> £5.3m (incl. VAT) (Works)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder and FTS	Management Board Central Procurement Team
Any tender process involving TUPE	Tender process managed by the Procurement Team via the E-procurement system	Management Board Central Procurement Team

2.6 The proposed changes to CPR would effectively be:

RfQ - £10,000 to £24,999 would be amended to £10,000 to £29,999

Tender - £25,000 to £74,999 would be amended to £30,000 to £74,999

2.7 The Authority now has much improved control in regard to compliant procurement practise and therefore the requested changes to CPR, to adhere to the PPN, present no risk.

* Total contract value is the total cost for the goods, works or Services for the entire term of the contract.

3 Financial Implications

3.1 There are no financial implications.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

5.1 There are no Human Resource and Diversity Implications

6 Equality Impact Assessment

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

7 Health, Safety and Wellbeing Implications

7.1 There are no Health, Safety and Wellbeing Implications

8 Environmental Implications

8.1 There are no Environmental Implications.

9 Your Fire and Rescue Service Priorities

9.1 Provide ethical governance and value for money.

10 Conclusions

10.1 Members are requested to approve the suggested amendment to CPR slightly by increasing the upper threshold for RfQs to £29,999 and any requirement with a total contract value above £30,000 will require a tender process which will be published to Contracts Finder, adhering to the PPN.



Procurement Policy Note – update to legal and policy requirements to publish procurement information on Contracts Finder

Action Note PPN 01/23

January 2023

Issue

1. This PPN and associated guidance replaces PPN 09/21. The PPN provides consolidated guidance that reminds public bodies of the requirements of the Public Contracts Regulations 2015 (PCR 2015) to publish information about opportunities and awards, over certain value thresholds, on Contracts Finder (CFS). The guidance incorporates additional policy requirements for Central Government to publish procurement and contract documents.
2. [The Public Contracts \(Amendment\) Regulations 2022](#) came into force on 21 Dec 2022. This makes two changes to the Below Threshold Regime:
 - a. The contract value limits have been amended:
 - i. from £10,000 to £12,000 for central government authorities; and
 - ii. from £25,000 to £30,000 for sub-central authorities.
 - b. NHS Foundation Trusts now have the same publication value thresholds as sub-central authorities, alongside NHS Trusts (i.e. £30,000 and above), and need only publish the minimum information required by the PCR 2015, and to the 90 day timescale.
3. All contracting authorities should also note that the contract value limits are to be calculated inclusive of VAT (this took effect from 1 Jan 2022).

Dissemination and Scope

4. The attached “Guidance on transparency requirements for publishing on Contracts Finder” is in two parts. Part 1 sets out the legal requirements to publish certain information on Contracts Finder. Part 2 places requirements on central government authorities to publish the tender and contract documents on Contracts Finder with the appropriate notice at certain stages of the procurement.

5. The guidance applies to the organisations as detailed below (which together are referred to as 'In-Scope Organisations').
6. **Part 1** of the guidance applies to all contracting authorities across the public sector other than (as set out in section 6 of Part 1):
 - a. contracting authorities whose functions are wholly or mainly Scottish, Northern Ireland or Welsh devolved functions (as defined by regulation 1(7) and 1(8) PCR 2015);
 - b. the procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013;
 - c. maintained schools, academies and sixth form college corporations.
7. In addition, in respect of below-threshold procurements, the Part 1 publication of information requirements only apply to In-Scope Organisations that are also (as set out in section 3 of Part 1):
 - a. central government authorities, where the contract value is at least £12,000 (inc VAT); and
 - b. sub-central contracting authorities, NHS Trusts and NHS Foundation Trusts, where the contract value is at least £30,000 (inc of VAT).
8. **Part 2** of the guidance applies to all central government authorities other than (as set out in section 5 of Part 2):
 - a. contracting authorities whose functions are wholly or mainly Northern Ireland, Welsh or Scottish devolved functions as defined by regulation 1(7) and 1(8) PCR 2015);
 - b. the procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013;
 - c. maintained schools, academies and sixth form college corporations (which are generally not considered central government authorities);
 - d. NHS Trusts and NHS Foundation Trusts.

Timing

9. In-Scope Organisations may apply the changes brought in by these amendments with immediate effect. Contracting authorities requiring more time to adopt the higher thresholds may continue to publish at the lower thresholds during this period.

Action

10. All In-Scope Organisations should apply Part 1 of the guidance to publish information about opportunities and contract awards over the applicable contract value limits on Contracts Finder within the timescales set out in the guidance.

11. Relevant central government authorities considered an 'In Scope Organisation' for Part 2 of the guidance should also publish associated documents with the relevant notice on Contracts Finder.

Background

12. As set out in [PPN 10/21](#) when calculating the estimated value of the contract to determine whether the regulations apply, the contract value estimation should be inclusive of VAT (where applicable) from 1 January 2022. This had the effect of bringing more contracts into scope of the requirement to publish on Contracts Finder. We have now amended these low value thresholds to the values set out above.
13. There was previously uncertainty around whether NHS Foundation Trusts should be considered central government authorities. For clarity, in 2021 they were added to Schedule 1 of PCR 2015 as a category distinct from other NHS Trusts.
14. The equivalent amendment to regulation 109(2)(c)(i), which includes NHS Trusts alongside sub-central authorities in applying the higher value limit, was not made at the same time. The impact of this is that NHS Foundation Trusts were required to follow the lower contract value limit of £10,000.
15. The 2022 Regulations rectify this by applying the same threshold to NHS Foundation Trusts as is applied to NHS Trusts (i.e. £30,000 including VAT).
16. Previous policy and guidance was last issued in December 2021 under PPN 09/21 and in June 2021 under PPN 07/21. This was to reflect changes following the end of the transition period, subsequent updates to Schedule 1 of the PCR 2015 and to provide further clarity to enable In-Scope Organisations to meet their transparency obligations. The key changes then were:
 - a. References to OJEU/TED were replaced with Find a Tender service (FTS), reflecting the UK's departure from the EU. Additional information has been provided on publishing to FTS and Contracts Finder.
 - b. The term "contract award date" was further defined as the date on which the contract is signed by the last contracting party, to avoid varying interpretations. Timescales are to be taken to commence on the day after the contract has been signed by the last contracting party and, if the deadline for publication of the information falls on a non-working day, the guidance clarified that the contracting authority has until the end of the next working day to publish the information on Contracts Finder.
 - c. The definition of Central Government in the Guidance on Transparency Requirements for publication on Contracts Finder was aligned with that in regulation 2 of the PCR 2015 (which includes the bodies listed in Schedule 1 to PCR 2015).
 - d. For the purposes of Part 2 of the guidance, departments may include other Executive Agencies and bodies for which they are responsible, that are not

explicitly listed in Schedule 1, as central government authorities and should encourage their wider families of Arms Length Bodies (ALBs) and Non Departmental Public Bodies (NDPBs) to adopt this transparency policy on a voluntary basis as appropriate. Departments should keep this coverage under review.

- e. The requirement to publish details of the award and the awarded contracts by central government authorities was amended from 20 days following the end of the ten-day standstill period (where applicable) to a fixed 30 calendar days from contract award date. This brought the timescale for publication of award information on Contracts Finder in line with requirements to publish contract award notices on FTS.
- f. Further clarity was provided for redactions, framework agreements and contract modifications.

Contact

17. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk on 0345 410 2222 or info@crowncommercial.gov.uk.

This document is scheduled for review to ensure we are meeting accessibility legislation.
If you need this document in an alternative format, please contact
procurement@westyorkfire.gov.uk



CONTRACT PROCEDURE RULES

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1. Compliance

- 1.1. Contract Procedure Rules (CPR) are a legal requirement and constitute standing orders for the purpose of s135 of the Local Government Act 1972. S135 of the Local Government Act 1972' (3) states 'Standing orders made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited'. All tender processes must include a Selection Questionnaire which addresses mandatory requirements to comply with legislation in regard to corruption, fraud, terrorist offences or offences linked to terrorist activities, money laundering or terrorist financing, child labour and other forms of trafficking in human beings and obligations related to the payment of tax or social security contributions'.
- 1.2. The aim of these CPR is to define the procedures for obtaining written quotations and competitive tenders from Suppliers for the provision of goods, services and works.
- 1.3. The Authority's Constitution incorporates Financial Procedure Rules, Scheme of Delegations and Contract Procurement Rules that provide a framework for managing the Authority's financial affairs which apply to every Member and Officer of the Authority and anyone acting on its behalf.
- 1.4. These CPR should be read in conjunction with the Financial Regulations, the Scheme of Delegation and supporting standards, procedures and instructions published on SharePoint.
- 1.5. These CPR set out the key responsibilities and actions that Authorised Officers must follow when undertaking procurements.
- 1.6. CPR do not apply to:
 - a. Contract of employment which make an individual a direct employee of the Authority. (However, these Rules do apply to Contracts for recruitment agency services and the employment of consultants or agency staff);
 - b. Agreements regarding the acquisition, disposal or transfer of land for which provision is made within the Local Government Act 1972 and in relation to which Financial Regulations apply;
 - c. The engagement of external legal services (but which must be commissioned via the Director of Corporate Services);

- d. An arrangement with a statutory body to provide a service that the statutory body can legally provide;
 - e. Financial Services in connection with the issue, sale, purchase or transfer of securities or loans.
- 1.7. The general principles of non-discrimination, equal treatment, proportionality and transparency shall be applied to all procurement processes, above and below Public Contract Regulation thresholds.
- 1.8. Non-compliance with UK legal requirements, CPR and Financial Regulations can have serious consequences for the Authority including financial penalties, legal action and reputational damage.
- 1.9. Following CPR allows the Authority to comply with both procurement and data transparency legislation and staff should be aware that any non-compliance may result in disciplinary action.
- 1.10. Authorised Officers shall take appropriate measures to prevent, identify and remedy any conflicts of interest arising within a procurement process or subsequent management of Contracts to avoid any distortion of competition and to ensure non-discrimination and equal treatment at all times.

2. Local Government Transparency Code

- 2.1 As part of the Governments' commitment to greater transparency, the Authority is required to regularly publish procurement information. This means the Authority will publish on its website details of purchases over £500, and a version of the Authority's Contracts Register for Contracts with a value above £5,000 as well as all transactions undertaken using a Government Purchasing Card.

3. Responsibilities of the Management Board

- 3.1 Executive Officers of the Management Board are responsible:
- (a) For ensuring compliance with these CPR by their Authorised Officers.
 - (b) For reporting any known breaches of these CPR to the Director of Corporate Services, Chief Finance & Procurement Officer and Finance and Resources Committee.

4. Responsibilities of the Chief Finance & Procurement Officer

- 4.1. The Chief Finance & Procurement Officer:
- a) Is responsible for ensuring appropriate publication on behalf of the Authority all tender notices, Contract Award notices and other notices required by the Public Contracts Regulations.
 - b) Will ensure a Contracts Register of all Contracts valued £5,000 and above is maintained and published.

- c) Shall ensure a rolling Procurement Plan of upcoming procurement projects valued £5,000 and above that aligns with the approved Revenue budget and the Capital programme.
- d) Shall ensure counter-signature of all Contracts valued £75,000 and above by a Management Board member.
- e) Shall report to the scheduled meetings of the Finance & Resources Committee:
 - i. Any early termination of Contracts with a residual value of £75,000 or more.
 - ii. Any exemption to CPR involving sums of £75,000 or more.
 - iii. Any disposal of Assets that realised a value of £75,000 or more.

5. Delegated Authority

- 5.1 Any procurement carried out on behalf of the Authority may only be undertaken by Authorised Officers with the appropriate authority to carry out such tasks. If permitted to do so and only after consultation with the Procurement Team, Officers with delegated authority may only delegate to other members of staff who also have the appropriate skills, knowledge and requisite training appropriate to the task. Further subsequent sub-delegation is not permitted. Officers must make enquiry of and be instructed by their senior managing officer and / or Procurement Manager to the extent of any delegated authority and any applicable financial thresholds for each procurement.
- 5.2 Within approved budgets and in accordance with the WYFRA Financial Scheme of Delegation and Annual Procurement Plan (where applicable), Authorised Officers may instruct members of staff to place orders against agreed Contracts.
- 5.3 For the purpose of managing RfQ (Request for Quotations) up to £24,999 and tender processes valued above £25,000, Authorised Officers shall be those who are registered on the E-procurement system and shall have obtained the necessary procurement skills, knowledge and training.

6. Transfer of Undertakings (Protection of Employment) - (TUPE)

- 6.1 Any Contracts awarded which involve the Transfer of Undertakings (Protection of Employment) Regulations 2006 of employees into or out of the Fire Service shall be reported to the Director of Human Resources, Fire and Rescue Authority and any appropriate Committee.

7. Pre-Procurement Planning

- 7.1 The Authorised Officer leading a procurement must:
 - (a) Identify the need and fully assess any options for meeting those needs;

- (b) Determine the total value of the Contract (total Contract value is the full cost of goods, services or works across the number of years the Contract is in place) including any options to extend;
- (c) Consider the Authority's Procurement Strategy & Policy;
- (d) At the pre-procurement phase, consider Social Value and Sustainability within any procurement and consider how what is being procured might improve the economic, social and environmental well-being of the communities the Authority serves and how the Authority might secure that improvement in the procurement process itself.
- (e) Consider all other means of satisfying the specific requirement (including recycling, re-use, joint working and shared services) and establish a business case and approved budget for the procurement;
- (f) Consider whether a Community Impact Assessment should be completed dependent upon the nature of the goods, services or works being procured.
- (g) Consult with all relevant stakeholders including Members, service users and trade unions where necessary.
- (h) Take all necessary financial (including insurance) and other professional advice (for example procurement, health and safety and risk management). Officers should have regard to current Authority policies, procedures and standard documentation.
- (i) Seek legal advice when required to mitigate any apparent risks or liabilities.
- (j) Regularly review the Contracts Register to determine whether there are opportunities to aggregate spend for better value or whether any Contract or appropriate Framework Agreement already exists that could be accessed;
- (k) Utilise the E-procurement system electronic tendering system for all procurement requirements with a total contract value above £5,000 unless this system cannot deliver the required procurement objectives.

7.2 The Authorised Officer and Procurement Team where appropriate, can undertake pre-procurement market consultation with potential Suppliers in an open and transparent manner to inform them of the planned procurement and to gain a better understanding of market conditions and use this information in the preparation of tender documents.

8. Estimating the Contract Value and Variations

8.1 In cases involving goods, services or works where a Contract fixed term is not defined, the estimated total contract value shall be calculated by multiplying the estimated monthly value by 48 (4 years), using historical spend information where available.

8.2 Where the total estimated cost of the goods, services or works has been determined to exceed FTS thresholds, Officers should consider subdividing the requirements into “Lots” to enable Small Medium Enterprises (SME’s) the opportunity to be involved in the procurement process.

9. Framework Agreements

9.1 Framework Agreements (also referred to as Frameworks) can be used to contract for the supply of goods, services or works without conducting a full open procurement exercise.

9.2 Where the Authority is able to procure from an existing Framework procured by Central Government agencies, public sector purchasing consortia or other local authorities or public bodies, then the Authority may benefit from using those agreements without undertaking a separate procurement exercise.

9.3 There are two routes to utilising a Framework:

- (a) Direct Award; where a single Supplier is selected in accordance with the Terms & Conditions of the original criteria used to award the Framework. Under no circumstances can new information be asked of a selected Supplier to support an award decision as this would be viewed as opening a further-competition process without affording the opportunity to all other Suppliers on the Framework. Procurement Team advice should be sought.
- (b) Further-Competition; where a number of different Suppliers are able to provide a particular category of goods, services or works and further competition between those Suppliers is needed in accordance with the Terms & Conditions of the Framework. Procurement Team advice should be sought.

9.4 A signed Access Agreement will be required between the Framework provider and the Authority, when specified within the Framework conditions.

9.5 A legal agreement (e.g. Contract or Letter of Appointment) should be signed between the Authority and the appointed Framework Supplier, upon awarding the procurement.

9.6 All Purchase Orders raised in relation to the Framework Contract must clearly identify which Framework has been utilised.

10. Dynamic Purchasing Systems

10.1 A Dynamic Purchasing System (DPS) is an open version of a Framework that allows new Suppliers to join (or leave) at any time over its duration, providing that Suppliers meet minimum entry standards as defined in the DPS.

10.2 A DPS must be operated entirely electronically and implementation of a new DPS or accessing a Framework DPS will be managed with the assistance of the Procurement Team.

10.3 Any intention to use a DPS process along with details of the DPS provider and how Suppliers can apply to join must be stated in any Contract Notice.

11. Electronic Auctions

11.1 Electronic Auctions are mainly used for large quantities of standard goods with known specifications and often in collaboration, providing financial savings due to economies of scale.

11.2 An Electronic Auction is a repetitive electronic process resulting in the lowest priced bid being awarded the Contract.

11.3 Electronic Auctions may not be used in circumstances involving intellectual criteria that cannot be ranked (e.g. building design, consultancy services).

11.4 Authorised Officers must take advice from the Procurement Manager before agreeing to take part in any form of Electronic Auction.

12. Contract Procedure Rule Thresholds

ESTIMATED VALUE	PROCEDURE	AUTHORISATION
Up to £250	Purchasing Card Purchase Order No need for written quotations	Card holder Budget holder Station personnel
£250 to £9,999	One written quotation via email that must constitute value for money	Group Managers Support Staff Grade 7 and above
£10,000 to £24,999	RfQ (Request for Quote) Process Minimum three (3) invites via the E-procurement system	Central Procurement Team Stores and Deputy Property Managers EO grades Operational Equipment Manager GM Operational Support Area Managers GM Human Resources Organisation Development Manager
£25,000 to £74,999	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder	Central Procurement Team Stores and Deputy Property Managers EO grades Area Managers GM Human Resources Organisation Development Manager
£75,000 to £213,477 (incl. VAT)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder	Management Board Central Procurement Team

> £213,477 (incl. VAT) (Goods and Services)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder and FTS	Management Board Central Procurement Team
> £5.3m (incl. VAT) (Works)	Open Tender process involving the Procurement Team via the E-procurement system and published to Contracts Finder and FTS	Management Board Central Procurement Team
Any tender process involving TUPE	Tender process managed by the Procurement Team via the E-procurement system	Management Board Central Procurement Team

13. Estimated Value less than £9,999

13.1 Competitive quotations are not required for awarding Contracts with an estimated value below £9,999. However, regard should still be paid to obtaining value for money and to undertake price comparisons or to invite alternative quotations, as appropriate.

13.2 For purchases up to £250 a Government Purchasing Card may be used or a Purchase Order issued without the need for a written quotation.

13.3 For purchases £250 - £9,999 a written quotation must be obtained from the chosen single Supplier via email and retained in accordance with the Authority's Retention of Documents Policy.

13.4 Where provided in the opinion of the Authorised Officer best value can be achieved, this process shall prioritise the placing of orders with local businesses (i.e. within WYFRA boundaries).

13.5 The purchase order shall specify the goods, services or works to be provided and clearly state the agreed quantity and price.

14. Estimated Value between £10,000 - £24,999

14.1 This process may be conducted by Authorised Officers in departments for simple, non-complex and low risk procurements.

14.2 Where appropriate, if the intended procurement is complex; involves relatively high risk and would therefore benefit from the added safeguards afforded by a tendering process and more appropriate terms and conditions, then the Authorised Officer should refer the project to the Procurement Team to undertake a tender process.

14.3 For procurements with an estimated Contract value over £10,000 but less than £24,999 at least 3 written quotations should be obtained. If less than 3 quotations

are received at the first attempt, further request for quotations should be issued or an exemption form completed and approved prior to award of a Contract.

14.4 Request-for-Quotation (RfQ's) should be issued utilising the electronic procurement system (once trained to do so by the Procurement Team) and where appropriate, at least 2 of the Suppliers invited to submit quotations should be local businesses (i.e. within WYFRA boundaries).

14.5 The outcome of the Contract award details shall be recorded in the Contracts Register.

15. Estimated Value between £25,000 to £74,999 and above £75,000

15.1 Procurements with an estimated value between £25,000 to £74,999 shall be managed by the Procurement Team via an open tender process published to Contracts Finder via the E-procurement system. A PAD (Procurement Approval Document) must be used.

15.2 At least 2 of the suppliers invited where appropriate should be from local businesses within WYFRA boundaries but being mindful to use as wide a pool of Suppliers as possible and to avoid repeatedly inviting the same few Suppliers each time.

15.3 The open tender process shall be managed by the Procurement Team via the E-procurement system with the outcome of the Contract award details recorded on the Contracts Register.

15.4 Where the estimated Contract value is above £75,000, the above process is required, managed by the Procurement Team via a formal tender process and a PAD must be used and countersigned accordingly by the Chief Finance and Procurement Officer.

16. Contracts above Regulation Thresholds

16.1 The tender process shall be managed by the Procurement Team.

16.2 The Regulation thresholds as of 1 January 2022 are:

- Goods and Services - £213,477 incl. VAT
- Works - £5,336,937 incl. VAT

16.3 The thresholds change every 2 years and are scheduled to change again on 1 January 2024. Further help and guidance can be obtained by contacting the Procurement Team.

16.4 Where an estimated Contract value exceeds the current Regulations threshold then the requirement shall be tendered in accordance with the Regulations and appropriate procedure.

- 16.5 The Regulations set out the minimum timescales for receipt of expressions of interest and tenders. Where the Authority has published a Prior Information Notice announcing its forthcoming contracts for the year ahead or is using electronic means of tendering, then the Authority may rely on reduced timescales if appropriate and advised by the Procurement Team.
- 16.6 Where possible the use of “Lots” shall be used to sub divide the requirement in order to allow Small Medium Enterprises (SME’s) and local supply chain to bid (in accordance with CPR 8).
- 16.7 The process shall be managed via the E-procurement system with the outcome of the contract award details being recorded on the Contracts Register.

17. Open Tender Procedure (1 Stage Process)

- 17.1 An open procedure may be used for any value of procurement.
- 17.2 All compliant submissions from bidders must be evaluated equally and fairly applying the scoring methodology within the tender documents.
- 17.3 All documentation must be published on the E-procurement system at the time of the primary Contract Notice, with all quotations / tenders and correspondence being submitted by bidders via this system.

18. Restricted Tender Procedure (2 Stage Process)

- 18.1 A restricted procedure may only be used for Contracts above the Regulation threshold and not for any Contracts below the relevant Regulation threshold.
- 18.2 The requirement to publish an FTS notice is the same as in the open procedure except that the notice shall state that a restricted procedure is being used.
- 18.3 All documentation must be published on the E-procurement system at the time of the FTS notice and all tender responses must be submitted by bidders via the E-procurement system.
- 18.4 Under the restricted procedure, potential Suppliers are invited to apply within the period of advertising by the completion of the Standard Selection Questionnaire (SSQ). Any service-specific questions entered within Section 3 of the Standard Selection Questionnaire must be relevant to the subject matter of the procurement and be proportionate.
- 18.5 Following an assessment of the SSQ at least 5 suppliers (where there are 5 or more who meet the requirements and are also absent of any grounds for exclusion and as per the criteria set out in the tender documents) should be selected to receive an Invitation to Tender (ITT).
- 18.6 If fewer than 5 suppliers have applied who meet the requirements and are absent of any grounds for exclusion, all those who have applied shall receive an Invitation to Tender. Where, in this situation, Authorised Officers are concerned there may

not be adequate competition; they should obtain advice from the Procurement Manager.

19. Other Permitted Tender Procedures

The following procedures are also permitted within the Regulations for above threshold values, but may only be applied following consultation with and the prior approval of the Chief Financial & Procurement Officer:

- a) Competitive Procedure with Negotiation (Regulation 29)
- b) Competitive Dialogue Procedure (Regulation 30)
- c) Innovative Partnership Procedure (Regulation 31)
- d) Negotiated Procedure without Prior Publication (Regulation 32)

and managed by the Procurement Team.

20. Publicising Quotations and Tenders

20.1 There is no need to advertise quotations valued below £10,000.

20.2 For quotations and tenders above £10,000, the E-procurement system should be used for advertising.

20.3 Where the estimated value of the Contract is £25,000 or above AND an Open procedure is being used, a notice must also be placed on Contracts Finder (automatically via the e-procurement system), advertising the opportunity.

20.4 There is no need to publish a notice on Contracts Finder if the opportunity is being offered to a restricted number of suppliers or is being managed via a Framework Agreement.

20.5 Where the Regulations apply, an FTS Contract Notice must be published in the prescribed format before any other notice is published and no other notice should contain any more information than that published on FTS.

20.6 If an FTS notice is required, then no other means of advertising is permitted until the FTS notice has been acknowledged or as a minimum within 48 hours of the FTS notice being sent for publication.

21. Submission and Opening of Quotations/Tenders

21.1 Quotations/Tenders valued £10,000 or above shall be managed via the E-procurement system.

21.2 The opening of quotations and tenders on the E-procurement system will be performed at the stated date/time.

21.3 When the opening of any quotation or tender has taken place, the Authorised Officer shall ensure that a Quotation/Tender Opening Record form and PAD document is updated, fully completed and safely filed for future reference.

22. Late Quotations/Tenders

22.1 Late bids may only be accepted with the approval of the Procurement Manager where other bids have not yet been opened and the late bidder has gained no advantage as a result of the late submission for reasons where, for example, there is evidence that technological reasons have prevented the submission on time, through no fault of the bidder.

23. Abnormally Low Quotations/Tenders

23.1 Where a submitted price appears abnormally low it may not be rejected without:

- a) giving the bidder an opportunity to explain the tendered price (such explanation to be given in writing),
- b) considering the evidence provided, and
- c) obtaining the written approval of the Chief Finance & Procurement Officer or an Executive Officer.

24. Errors or Omissions in Quotations/Tenders

24.1 Errors or omissions in quotations/tenders shall be dealt with in one of the following ways:

- (a) The bidder shall be given details of the error(s) or omissions found during the examination of the quotation/tender and shall be required at the decision of the Procurement Manager to confirm without amendment or withdraw the quotation/tender.
- (b) Amending the quotation/tender to correct genuine error(s) or omissions provided that, in this case, apart from these genuine errors or omissions no other adjustment, revision or qualification is permitted.

24.2 All amendments shall be fully recorded with justification for the action taken. Where necessary legal advice will be sought.

25. Tender Evaluation

25.1 All criteria, sub-criteria and weightings must be made available to bidders at the ITT/RfQ stage.

25.2. Criteria, sub-criteria and weightings cannot be used for evaluation purposes which have not previously been brought to all bidders' attention.

- 25.3 Published criteria must be strictly observed at all times throughout the procurement process, selection and Contract Award stages by the Authorised Officer managing the tender evaluation.
- 25.4 Records should be kept of the evaluation process, (e.g. criteria, sub-criteria, weightings, individual and joint scoring and reasons for any adjusted scores), signed and dated by the individuals involved in the process and electronically filed in a secure place with the full document set.

26. Post Tender Negotiation

- 26.1 Where the procurement is conducted through either an Open or Restricted procedure, no post tender negotiations are permitted other than to clarify details prior to Contract Award or in accordance with CPR 37. Under no other circumstances must material changes be made to the Authority's requirements or the winning bidders' submission that could be deemed to disadvantage other bidders, distort competition or adversely impact the competitive tendering process.
- 26.2 Where "Competitive Procedure with Negotiation – Regulation 29" or "Negotiated Procedure without Prior Publication – Regulation 32" have been used, the Authorised Officer must fully comply with the Regulations and procedures stated in the tender instructions.
- 26.3 Negotiations must be conducted on behalf of the Authority by at least two appropriately trained or experienced Officers. A full written record shall be kept of the results of the negotiations, signed by the Authorised Officer and the Supplier and retained with the procurement documentation.
- 26.4 At all times during any negotiation the Authorised Officer shall ensure that all bidders are treated equally and in a non-discriminatory and transparent manner.
- 26.5 Prior to undertaking any Post Tender Negotiation advice must be obtained from the Procurement Manager.

27. Bonds, Guarantees and Security

- 27.1 For procurements valued above £75,000 the Authorised Officer and Evaluation Team shall consider as part of the criteria whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred Supplier dependent upon the preferred Supplier's status, the product characteristics and a thorough risk analysis.
- 27.2 The Authority will only accept Performance Bonds or Sureties that are UK based or held in UK escrow arrangements.
- 27.3 Authorised Officers must consider any steps necessary to protect the Authority's interests in the event of a Suppliers' default, having regard to advice from the Director of Corporate Services and Chief Finance & Procurement Officer.

27.4 This consideration should be based on risk to the Authority, taking account of the circumstances, including:

- (a) the value of the Contract;
- (b) the type of goods, services or works being procured;
- (c) the payment profile of the Contract;
- (d) the financial strength of the Suppliers in the market;
- (e) affordability and proportionality;

and should assess whether additional security is required in the form of a bond, guarantee, fee retention (where performance is required by a particular date, and where delay would have financial consequences for the Authority) or provision for liquidated damages.

27.5 The Authorised Officer shall ensure minimum levels of appropriate insurance are provided for within each Contract. Minimum levels are:

- a) Employee Insurance - £5m
- b) Public Liability Insurance - £10m
- c) Professional Indemnity Insurance - £2m

28. Acceptance of Quotations/Tenders and Award

28.1 The Authority is not bound to accept any quotation or tender and this must be made clear to bidders in writing at the beginning of the procurement process and as appropriate throughout.

28.2 Quotations and tenders may be accepted on behalf of the Authority by the relevant Authorised Officer in accordance with the Contract value and the Financial Scheme of Delegation, provided they have been invited, evaluated and are to be awarded fully in compliance with these rules.

28.3 In relation to all Contracts valued over £10,000, once a decision to award a Contract is made, all bidders must be notified at the same time via the E-procurement system of the intention to award the Contract to the successful bidder.

29. Standstill (Alcatel) Period and Debriefing

29.1 For procurements above Regulation thresholds, there must be a mandatory period of at least ten calendar days between the electronic notification of an award decision being sent to all bidders and before a Framework or Contract is concluded with the successful Supplier(s); to allow unsuccessful bidders to consider any challenge to the award decision.

- 29.2 If the expiry of the ten calendar days falls on a weekend or bank holiday, then the expiry shall be extended to the next working weekday.
- 29.3 The Authority shall voluntarily apply the same best practice standstill period and process for all tenders (except in cases of genuine urgency).
- 29.4 The Authorised Officer responsible for each procurement must ensure the award decision notice is fully compliant with Regulations and additionally that any written debriefing requested by unsuccessful tenderers is provided within 15 calendar days of receipt of such a request.
- 29.5 Any complaints from bidders must be recorded in the project file and dealt with in the most appropriate manner taking due consideration of whether to proceed to Contract Award or to defer the award pending resolution of the complaint.

30. Contract Award Notice

- 30.1 Where a Contract has been tendered pursuant of the Regulations, the Authorised Officer shall publish a Contract Award notice on FTS and on Contracts Finder no later than 30 days after the date of the Contract Award.
- 30.2 Where a Contract has been awarded that is valued above £25,000 but below Regulation thresholds AND an Open procedure has been used, then a Contract Award notice shall be published on Contracts Finder only, no later than 30 days after the date of Contract Award.
- 30.3 Where the opportunity was initially only sent to a limited number of Suppliers e.g. using an RfQ process or a Framework then there is no requirement to publish Contract Award notices valued above £25,000 on Contracts Finder.

31. Letters of Intent

- 31.1 Letters of intent shall only be used in exceptional circumstances ahead of formal Contract signature as follows:
- (a) Where a Supplier is required to provide goods, services or works prior to formal written acceptance by the Authority; and
 - (b) Where the Authority's form of tender does legally bind either Party until such time as a formal Contract is executed.
- 31.2 Letters of Intent shall only be used following consultation with the Chief Finance & Procurement Officer and/or Procurement Manager where a delay would cause a significant interference with the provision of service delivery.
- 31.3 Letters of Intent shall be limited to 10% value of an agreed goods or services Contract and limited to 10% or £20,000 (whichever is the lowest) for works Contracts.

32. Contract Terms and Conditions

- 32.1 Contracts shall be entered into on the Authority's Terms and Conditions which shall be included with each invitation to quote / tender and orders sent by electronic means.
- 32.2 The exception to using the Authority's Terms and Conditions arises when using Terms and Conditions provided by:
- Crown Commercial Services (e.g. Consultancy Services)
 - Framework Agreements
 - Utility Company (Gas, Electricity and Water)
 - Telecommunications
 - Construction Industry Terms and Conditions (but limited to NEC, JCT, RIBA and RICS).
- 32.3 Exceptions to CPR 31.1 and 31.2 must be approved beforehand at tender preparation stage by the Procurement Manager.
- 32.4 The Authority may accept equivalent Terms and Conditions of other public sector Authorities when participating in joint working and collaboration, provided they are deemed to be suitable and fit-for-purpose.
- 32.5 Every Contract awarded that is concluded via an RfQ_process shall:
- a) Specify the goods, services or works to be provided;
 - b) Specify the quantities and price to be paid with a statement of any discounts or other deductions;
 - c) Specify the time or times within which the Contract is to be performed;
 - d) Use an official order form to confirm the Contract using the Authority's standard terms and conditions whenever possible.
- 32.6 Every Contract awarded that is concluded via a tender process shall contain:
- a) A statement of the goods, services or works to be provided;
 - b) Reference to and identification of the winning tender documents;
 - c) A statement of the price, payment terms and any applicable interest;
 - d) Restrictions on the awarded Supplier(s) from re-assigning or sub-contracting any part of the Contract without prior written WYFRA consent;
 - e) Insurance clauses - (see minimum levels in CPR27.5);

- f) Health & Safety clauses and a requirement to comply with all relevant Health and Safety regulations and instructions issued by the Authority;
- g) General Data Protection Regulations clauses;
- h) Equalities and anti-discrimination clauses that relate in particular to the Equalities Act and the Living Wage Act;
- i) An Audit clause that provides a right of access to records pertaining to the Contract and service delivery;
- j) A clause that states the Authority's duty to comply with the Freedom of Information Act and that the awarded Supplier(s) is obliged to assist the Authority in fulfilling these duties where appropriate;
- k) Human Rights clauses;
- l) A clause that requires the awarded Supplier(s) to pay subcontractors within 30 days;
- m) A clause allowing the Recovery of Sums owed to the Authority by the awarded Supplier(s) by off-setting against any sums owed by the Authority to the awarded Supplier(s);
- n) Anti-Corruption and anti-Bribery clauses;
- o) A Dispute Resolution clause;
- p) Clauses for the provision of a performance bond, parent company guarantee or other form of security (but only when considered necessary);
- q) Liquidated Damages clause in the event of the awarded Supplier's failure to deliver the Contract;
- r) A right of Early Contract Termination in specified instances e.g. money laundering, fraud, bankruptcy; tax evasion; etc
- s) A clause for Termination and Damages in the event of the awarded Supplier's default;

33. Execution of Contracts

- 33.1 Any Contracts that have potential long-term liabilities as determined through a risk assessment on a case by case basis and would benefit from the added legal protection afforded by the process of "sealing" shall be made by affixing the Common Seal of the Authority. This shall only be attested by the Director of Corporate Services or nominated Deputy.
- 33.2 Contracts with a total value up to £75,000 should be signed by an Authorised Officer in accordance with the Scheme of Delegation and provided this is within approved budget.

33.3 Contracts with a total value of £75,000 or above should be signed by an Authorised Officer in accordance with Financial Procedures (Scheme of Delegation) but must be counter-signed by the Chief Finance & Procurement Officer or another Management Board member and sealed if appropriate. Individual Purchase Orders with a value above £75,000 that are not under an established Contract must be countersigned by the relevant department Director prior to sending to the Supplier.

34. Records of Contracts

34.1 A Contracts Register of Contracts awarded with a value above £5,000 shall be managed electronically by the Procurement Team on behalf of the Authority.

34.2 Authorised Officers awarding Contracts must complete all necessary details on the Contracts Register, including the agreed Contract Manager.

34.3 Contract files shall be maintained in accordance with the Authority's retention schedule.

35. Contract Management

35.1 Contract Managers listed in the Contracts Register are responsible for effectively monitoring and reporting on Supplier's performance in the delivery of the required goods, services or works.

35.2 Risk assessments and the value of the Contract shall be used, in consultation with the Procurement Manager, to determine the degree of monitoring and reporting necessary.

36.3 Contract management training is available by contacting the Procurement Manager.

36. Novation

36.1 Novation occurs where there is an agreement to change a Contract by substituting a third party for the original awarded Supplier. Where the Authority is approached regarding novation the Authorised Officer must seek advice of both the Procurement Manager and Chief Finance and Procurement Officer before novation can be agreed.

37. Modification of Contracts During Their Term

37.1 Contracts and Framework Agreements may be modified (including extensions) without a new procurement procedure, in the following cases:

- a) The modification, irrespective of monetary value, was provided for in the initial Contract as clear, precise and unequivocal clauses.

- b) The additional goods, services or works by the original Supplier that have become necessary were not included in the initial procurement and where a change of Supplier;
 - i. Cannot be made for economic or technical reasons such as interchangeability or interoperability with existing equipment, services or installations; or
 - ii. Would cause significant inconvenience or substantial duplication of costs;
 - iii. Provided that any increase in price does not exceed 50% of the value of the original Contract.
- c) Where all of the following conditions apply:
 - i) The need for modification came about by unforeseen circumstances;
 - ii) The modification does not alter the overall nature of the Contract;
 - iii) The increase in price does not exceed 50% of the original Contract

37.2 Any modifications to Contracts as described in CPR37.1 must be agreed beforehand by the Chief Procurement & Finance Officer and signed by all Parties in the form of a Contract Variation Agreement.

37.3 Any modifications described in b) and c) as relating to the original Contract Award value that exceeded Regulation thresholds must be notified to the Procurement Manager who shall in turn publish the necessary Notice.

37.4 Any proposals to modify a Contract or Framework that would be considered substantial are not permitted and would require a new procurement procedure. Advice from the Procurement Manager must be sought.

38. Termination of Contract

38.1 Contracts may be terminated early by the Chief Finance & Procurement Officer in accordance with the termination provisions set out in the Contract.

38.2 Any Contracts that are terminated early with a residual value exceeding £75,000 shall be reported to the next Finance and Resources Committee meeting by the Chief Finance & Procurement Officer.

39. Exemption to Contract Procedure Rules

39.1 The Authority does not have the power to exempt Public Contract Regulations and which take precedence over CPR.

39.2 The Authority does have the power to approve an exemption to CPR for specific projects and circumstances where necessary because of an unforeseeable emergency involving immediate risk to persons and property or serious disruption to services or can otherwise be reasonably justified. An Authorised

Officer (up to £25,000) or an Executive Officer (up to £75,000) may request an exemption to CPR after consulting with the Procurement Manager.

39.3 Exemptions to CPR in excess of £75,000 must be agreed by the Chief Executive Officer or in their absence; the Deputy Chief Fire Officer, Chief Finance and Procurement Officer, Chief Employment Services Officer or Director of Service Support. Any such exemptions must be reported to the next meeting of the Finance & Resources Committee by the Chief Finance & Procurement Officer.

39.4 The Officer seeking the exemption must ensure a copy of the approved request is registered and filed centrally with the Procurement Team for audit purposes.

40. Disposal of Assets

40.1 Leased assets must be disposed of in accordance with written lessor's instructions.

40.2 Where assets (other than land & buildings) are to be disposed of because they are surplus to requirements, damaged or obsolete; reasonable endeavours must be undertaken to realise the residual value of the assets.

40.3 Assets having little or no realisable value may be disposed of as waste with the approval of the relevant Executive Officer, provided the disposal favours re-use / recycling wherever possible.

40.4 Assets with a realisable value shall be disposed of in the manner most likely to secure best value including the use of auction houses and on-line auctions involving multiple bidders.

40.5 Disposal of assets that realise a value of £75,000 or more must be reported to the next meeting of the Finance & Resources Committee by the Chief Finance & Procurement Officer.

41. Review and Amendment of Contract Procedure Rules

41.1 These Contract Procedure Rules shall be reviewed and updated at least annually by the Chief Finance and Procurement Officer in consultation with the Procurement Manager.

41.2 Any proposed amendments as determined by the Chief Finance and Procurement Officer that would materially change overall governance or introduce significant change shall be presented beforehand to the Fire & Rescue Authority or relevant Committee for approval.

42. Definitions

Access Agreement	An agreement between the Framework provider and the Contracting Authority to enable access to the Framework.
Authorised Officer	Persons with appropriate delegated authority to act on the Authority's behalf and which includes budget holders (as identified within the Financial Regulations) and those persons registered on the E-procurement system.
Authority	West Yorkshire Fire and Rescue Authority; or any designated Committee of the Authority that has delegated powers to act on behalf of the Authority.
Constitution	The Authority's Constitution as adopted and amended from time to time and maintained on the Authority's website particularly references to the Articles, Scheme of Delegation, Officer Codes, Procedural Procedure Rules, Rules of Procedure, Access to Information Procedure Rules, these Contract Procedure Rules and Member Codes of Conduct.
Contracts Finder	The web-based government procurement portal provided on behalf of the Cabinet Office for public bodies at https://www.gov.uk/contracts-finder
Contracts Register	A register held and managed by the Procurement Team containing details of contracts entered into by the Authority above a threshold value of £5,000.
Framework Agreement	An agreement which allows an Authority to call-off from a Supplier to provide goods, services or works in accordance with the terms of the agreement. The Framework Agreement itself usually constitutes a nonbinding offer with no obligations on the Authority to call-off from the Supplier. If the Authority calls-off from the Supplier, a binding Contract comes into being.
ITT	Invitation to Tender
FTS	Find a Tender Service
PIN	Prior Information Notice for publication on FTS
Procurement	Any arrangement whereby a new, replacement, amended or extended Contract for the supply of goods, services or works is to be put in place. This includes circumstances where more than one provider is invited to tender and also where goods, services or works are procured through a negotiation with a single provider.
Procurement Plan	A plan identifying procurement projects so that appropriate resources can be allocated and Suppliers notified to give advance notice of bidding opportunities.
Procurement Team	The Officers employed in the WYFRA Procurement Service
Purchasing Consortia	A collaborative arrangement in which two or more organisations join together to combine their individual requirements for goods, works or services to gain better prices, design, supply availability and assurance benefits compared to if each member purchased the goods or services alone.
Retention Schedule	The Authority's Retention Schedule is located on the WYFRA intranet.

Regulations	The Public Contracts Regulations 2015 or any subsequent amendment.
RfQ	Request for Quotation
Social Value Act	A requirement to consider economic, social and environmental well-being of an area, at the pre-tender stage
Supplier	Any person or body of persons providing, or seeking to provide, goods, services or works to an Authority.
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations 2006.
Value for Money	The optimum combination of whole life costs and benefits to meet the customer's requirement. Such term equates to "most economically advantageous offer" (MEAT).



OFFICIAL

Pay Policy Statement

Full Authority

Date: 23 February 2023

Agenda Item:

15

Submitted By: Chief Employment Services Officer

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

Local Government (Access to information) Act 1972

Exemption Category: None

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

Background papers open to inspection: None

Annexes: Annex A – Pay Policy Statement 2023-24

1 Introduction

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

2 Information

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

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

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

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

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

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

2.3 The draft Pay Policy statement for 2023-24 is attached for approval as Annex A

3 Financial Implications

3.1 There are no financial implications arising from this report

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority’s Constitution.

5 Human Resource and Diversity Implications

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

6 Equality Impact Assessment

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

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

7 Health, Safety and Wellbeing Implications

There are no health and safety implications arising from this report

8 Environmental Implications

There are no environmental implications

9 Your Fire and Rescue Service Priorities

- Support, develop and enable our people to be at their best

- Continue working towards delivering a more inclusive workforce, which reflects and serves the needs of the diverse communities of West Yorkshire

10 Conclusions

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

WEST YORKSHIRE FIRE AND RESCUE AUTHORITY PAY POLICY STATEMENT

1 April 2023 - 31 March 2024

Introduction and purpose

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

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

This policy statement has been approved by the Fire Authority and is effective from April 1st, 2022. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

Accountability and decision making

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

Responsibility and scale

WYFRA is directly responsible for a budget of circa £80 million and for the employment of 1,453 staff (as at December 31st, 2022).

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 9 pay grades. There are also pay increments within each grade. Progression through the pay grade is based on:

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

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

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

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

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

Other employment-related arrangements

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

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

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

Pay arrangements for Chief Officers

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

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

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

	Salary Point One	Salary Point Two	Salary Point Three	Lease Car
Chief Fire Officer	£163,725	£167,924	£172,123	£7,868
Deputy Chief Fire Officer	£139,167	£142,734	£146,304	£6,898
Assistant Chief Fire Officer	£122,277	£125,943	£129,093	£6,898
Chief Finance and Procurement Officer (CFPO)	£102,328	£104,953	£107,577	£4,926
Chief Employment Services Officer (CESO)	£102,328	£104,953	£107,577	£4,926
Director of Corporate Services	£77,455			£4,926

The above is based on Full Time Equivalent.

- The Chief Fire Officer is currently paid at salary point 3
- The Deputy Chief Fire Officer is currently paid at salary point 3
- The Assistant Chief Officer is currently paid at salary point 3
- CFPO is paid at salary point 3
- CESO is paid at salary point 3
- The DCS is on a fixed salary

Note: Pay awards pending from January 2022 and January 2023 – Still to be agreed.

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 2023, this is scale point 1 within Grade 1 of the Authority's pay scale and has a salary of £21,189 (£11.01 per hour). The Living Wage currently stands at £10.42 per hour which equates to a salary of £20,048 per annum. The Authority is committed to paying the Real Living Wage. This currently stands at £10.90. The Real Living Wage rates increase in November each year and the Authority has 6 months to implement any increase (the increase will be implemented on April 1st 2024). (It should be noted that the national pay award, effective from April 1st, 2023, 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 Authority's 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 8.12. (9.09 in 2022-23)
- The pay multiple between the highest paid salary and the median salary of the whole of the Authority's workforce is 5.33. (5.19 in 2022-23)

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. The last external review was completed in 2022.

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 13.5% and 14.5%. 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 10.5%. In addition, there is provision at a local level for them to request flexible retirement via the Flexible Retirement Policy which is available on the Authority website.

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

In cases where an employee's contract is terminated on the grounds of redundancy or on grounds of efficiency there is discretion to pay a lump sum of up to 104 weeks' pay. Further details of these payments can be found within the Authority's 'Early Termination Policy' sited within the Human Resources section of the Authority website. This will be reviewed once the Government plans to cap public sector exit payments are enacted to ensure full compliance.

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

Publication of pay policy statement

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

- Salary, fees or allowances paid to or receivable by the person in the current and previous year
- Any bonuses so paid or receivable by the person in the current and previous year
- Any sums payable by way of expenses allowance that are chargeable to UK income tax

- Any compensation for loss of employment and any other payments connected with termination
- Any benefits received that do not fall within the above.