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Staffordshire Police, Fire and Crime Panel

Monday 12 February 2024

10:00

Oak Room, County Buildings, Stafford

The meeting will be webcast live and archived for 12 months. It can be viewed at the following link: <https://staffordshire.public-i.tv/core/portal/home>

John Tradewell
Secretary to the Panel
2 February 2024

Agenda

- 1. Apologies**
- 2. Declarations of interest**
- 3. Decisions published by the Police, Fire and Crime Commissioner (PFCC)**
- 4. Questions to the PFCC from Members of the Public**

Questions to the Commissioner are invited from members of the public who live or work in Staffordshire. Notice of questions must be received by no later than three clear working days before the Panel meeting. More information on where and how to submit a question can be found at <https://bit.ly/34arVDw>

- 5. Proposed Fire and Rescue Budget and Precept 2024/25** (Pages 5 - 100)
- 6. Fire and Rescue Service Safety Plan - Update report** (Pages 101 - 120)
- 7. Police Misconduct and Complaint Regulations 2020 - annual report** (Pages 121 - 128)

8. **Questions to the PFCC by Panel Members**
9. **Dates of Future Meetings and Work Programme** (Pages 129 - 132)
10. **Exclusion of the Public**

The Chairman to move:

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below”.

Part Two

(All reports in this section are exempt)

Membership	
Charlotte Atkins	Staffordshire Moorlands
Adrian Bowen	Co-optee
Richard Cox (Vice-Chair)	Lichfield District Council
Jo Elson	Cannock Chase District Council
Gill Heesom	Newcastle-under-Lyme District Council
Zdzislaw Krupski	East Staffordshire
Angela Loughran	Stafford Borough Council
Daniel Maycock	Tamworth Borough Council
Vince Merrick	South Staffordshire
Bernard Peters (Chair)	Staffordshire County Council
David Williams (SoTCC)	Stoke-on-Trent City Council

Notes for Members of the Press and Public

Filming of Meetings

Staffordshire County Council is defined as a Data Controller under the Data Protection Act 2018. The County Council has agreed that public meetings should be the subject of live web transmission 'webcasting'. Fixed cameras are located within meeting room for this purpose.

The webcast will be live on the County Council's website and recorded for subsequent play-back for 12 months. The recording will also be uploaded to YouTube. By entering the meeting room and using the seats around the meeting tables you are deemed to be consenting to being filmed and to the possible use of those images and sound recordings for the purpose of webcasting.

If you have privacy concerns about the webcast or do not wish to have your image captured, then please contact the Member and Democratic Services officer named at the top right of the agenda.

Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.





Item No. _____ on Agenda

Report to the Police Fire and Crime Panel

12th February 2024

Fire Revenue Budget Report (incl. MTFS and Precept)

Report of the Staffordshire Commissioner

Introduction

The purpose of this report is to set out the proposed revenue budget and precept proposals for the Staffordshire Commissioner Fire and Rescue Authority for 2024/25. This is the third budget report and Medium-Term Financial Strategy (MTFS) for the Staffordshire Commissioner. This report delivers one of the Commissioner's key responsibilities as laid out within the Police Reform and Social Responsibility Act 2011.

The report sets out the following:

- Net revenue budget requirement for 2024/25
- Proposed precept for the fire element of the council tax 2024/25
- Proposed Medium Term Financial Strategy (MTFS)
- Outline Capital Budget for 2024/25 to 2026/27

The report should be read in conjunction with the accompanying:

- Treasury Management Strategy
- Capital Strategy and Capital Programme Report
- Reserves Strategy Report

Recommendations

The Police, Fire and Crime Panel is asked to:

- a) Examine the information presented in this report, including:
 - The Total 2024/25 net revenue budget requirement of £50.065m, including
 - A council tax requirement for 2024/25 of £31.746m before collection fund surplus/deficits are taken into account (**see Appendix 6**)
- b) Note that the funding for 2024/25 is based upon the Provisional Local Government Finance Settlement, and includes the estimated business rates information for the nine billing authorities.

- c) Support the Commissioner's proposal to increase the 2024/25 precept for the fire element of the council tax bill by 2.99% or £2.52 per annum which is equivalent to 4.8p per week, increasing the council tax to £86.77 for a Band D Property (**see Appendix 6**)
- d) To note that the Council Tax base has increased to 365,868 properties (**see Appendix 5**) equivalent to an increase of 1.5%. The Council Tax collection fund has also been finalised delivering a surplus of £401k (**see Appendix 4**)
- e) To note the MTFS summary financials (**Appendix 7**) and MTFS assumptions contained within the report (see page 16)
- f) To note the MTFS shows a balanced position into the medium term and includes the use of reserves in 2024/25 (£0.1m), and 2025/26 (£0.4m)
- g) Support the proposed three year Capital Investment Programme (**see Appendix 8**). Note there is a Capital Strategy to accompany the programme
- h) To note the business rates for 2024/25 is based upon the Provisional Local Government Finance Settlement. This will be adjusted within the Earmarked Business Rates adjustment reserve when compared to the actual Non-Domestic Rates Income Returns (NNDR returns) from the nine billing authorities.
- i) Note the outcome of The Staffordshire Commissioner's budget consultation
- j) Support the delegation to the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority to make any necessary adjustments to the budget as a result of late changes to central government funding (including changes due to the final funding settlement being announced) via an appropriation to or from the general fund reserve
- k) To note the proposed fees and charges for 2024/25 (**see Appendix 10**)
- l) To note the Statement from the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority on the robustness of the Budget and adequacy of the proposed financial reserves

Ben Adams
Staffordshire Commissioner

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Commissioner's Foreword



This is my third budget and council tax precept proposal for Staffordshire Commissioner Fire and Rescue Authority as Police, Fire & Crime Commissioner. Since my election in May 2021, the professionalism and commitment of our Fire officers and staff has helped to ensure good progress has been made to deliver the ambition I set out within my Fire and Rescue Plan. I would like to thank them for this and particularly for their ongoing commitment and dedication ensuring the safety of the communities we serve.

This 2024/25 budget and Medium Term Financial Strategy (MTFS) is set against this backdrop that includes some significant uncertainties. The combined 2022 and 2023 pay awards for Firefighters' at 12% has impacted upon budgets in addition to the assumption that pay increases for 2024 will continue to be at a challenging level. Since the last budget was set we have also seen the further unrest within Israel in addition to the first anniversary of the war in Ukraine which continues to challenge western economies.

In December 2021 I published my local Fire and Rescue Plan which sets out priorities and service expectations on behalf of Staffordshire residents. These include a flexible and responsive Service, protecting people and places, helping people most at risk stay safe and ensuring that we have a Fire and Rescue Service fit for tomorrow. I have reported progress against my plan to the Police Fire and Crime Panel and also challenged the performance of the Service by questioning the Chief Fire Officer during a number of Public Performance Meetings held during the last year.

I have worked with Staffordshire Fire to address future years' budget gaps through a number of planning sessions, and I am pleased to present a five-year budget and MTFS that has incorporated around £1.3 million of cash savings as part of this transformation work. However, there is still more to do as we look at options to improve efficiency and productivity into the medium term and allow for some investment into key areas of the Service. The commitment by the Service to deliver savings and the funding guarantee provided by Government within the provisional settlement has helped to present a more positive financial position.

I am also very pleased with the excellent work being done by the Fire and Rescue Service to support the local health economy through two initiatives; firstly, providing a falls response service and more recently the Home from Hospital initiative. These are both excellent examples of how the Service can add real value and support the communities we serve, but in different ways.

HMICFRS recognised that following their inspection carried out in 2021 there were 20 areas for improvement identified by the Inspectorate and good progress has been made by the Service and I remain confident with the next inspection commencing in February 2024 there will be tangible improvements in many areas.

This MTFS will ensure that the Chief Fire Officer has the resources needed to deliver on the local plan and national government priorities. With this, inflation and wage pressures in mind, I have concluded that the 2024/25 Fire and Rescue council tax precept should increase by 2.99%, equivalent to £2.52 per year or 5p per week for a band D property.

The proposed increase in the Fire and Rescue council tax precept over the four-year period of this MTFS is once again lower than the forecast cumulative rate of inflation and wage growth. I will always aim to keep council tax as low as possible without compromising safety. The Council Tax proposal is in line with the referendum limit which was set at 3% for Fire & Rescue Authorities in 2024/25.

I am acutely aware that household budgets are tight, so I expect every pound of taxpayer's money invested in Fire and Rescue to be spent wisely and for Staffordshire Fire to continually seek efficiencies and look at areas where productivity can be improved and savings achieved without compromising of the safety of our firefighters or communities we are here to serve.

Staffordshire Fire and Rescue continue to perform well and with your support and the continued investment set out in this MTFS it is my expectation that our Chief Fire Officer, Rob Barber, will continue to keep us safe.

<https://staffordshire-pfcc.gov.uk/new-document/fire-and-rescue-plan-2021-24/>

Executive Summary

This report advises the Panel on the revenue budget for 2024/25, and the proposed level of council tax for the Staffordshire Commissioner Fire and Rescue Authority. It also presents an updated Medium Term Financial Strategy for the following four year period to 2028/29.

The Chancellor of the Exchequer, Jeremy Hunt, presented his 2023 Autumn Statement to Parliament on 22 November 2023 and the Office for Budget Responsibility (OBR) published updated forecasts for the UK's economic and fiscal outlook. UK economic growth has been weak since early 2022 with high inflation and rising interest rates have constricted household budgets and consumer and business spending. The OBR forecasts that the economy will grow more slowly than it had forecast in March 2023. Inflation is now forecast to be more persistent and domestically driven. Higher domestically driven inflation improves the outlook for the public finances, boosting tax revenues by more than it raises public spending. The Chancellor used much of the improvement in the public finances to fund business and personal tax cuts.

On 18 December 2023 the Secretary of State, Michael Gove MP, set out the Provisional Local Government Finance Settlement for 2024/25 in the form of a written ministerial statement. Alongside the statement, details of the provisional settlement have been published on the Gov.uk website. The statement recognised that providing councils with greater certainty on key aspects of their funding is vital for the budget setting process. The Provisional Settlement publication marked the start of the four-week consultation which closed on 15 January 2024. The Settlement Funding assumptions contained within this report are based upon the Provisional Settlement and also updated to include the announcement regarding additional funding.

The Secretary of State also confirmed on 24 January that there will be additional funding within the Final Local Government Settlement for 2024-25. Specifically:

- £500m of additional funding for social care
- £15m additional rural services delivery grant
- Funding guarantee increased from 3% to 4%.
The additional funding for announced specifically for Fire is £111m, of which £21.2m is for stand-alone FRA's, and £1.1m (5% of the £21.2m) for Staffordshire
- Additional funding for IoW and IoS TBC at Final Settlement.

Following the receipt of the draft local government finance settlement which included the referendum limits reducing from £5 (6.2% for this authority) to 3% (£2.52) for Council Tax increases, the Commissioner has considered; current and future funding requirements, together with the factors included within his Fire and Rescue Plan, the results of the survey with local residents, as well as actual and expected cost pressures and expected efficiency savings available to the Service as part of its ongoing savings programme.

The Commissioner has considered the adequacy and level of reserves and the impact of future financial challenges and opportunities in the MTFs. This paper is accompanied by a revised Reserves Strategy which is supported by the Commissioner.

As at Quarter 3 2023/24, the forecast outturn for 2023/24 is in line with budget at £46.5m, however savings achieved in year as part the review of Prevention and Protection, where vacancies have been held, in addition to additional S31 grant funding and higher receipts from cash investment has resulted in a lower level of planned reserve utilisation. This positive financial position for the current year has helped support the improved financial picture into the medium term.

The Settlement Funding for 2024/25 includes an inflationary increase in Revenue Support Grant (RSG) set at 6.6%, increasing by £359k. The business rates top-up has also been increased by 4.5%, and the 4% Funding Guarantee which is expected to be increased to £1,489k within the Final Settlement.

The Commissioner is proposing a 2.99% increase in Council Tax equivalent to an additional £2.52 per annum (5 pence per week) and will increase the Band D Council Tax for the Staffordshire Commissioner FRA to £86.77.

For 2024/25 in support of this recommendation the online precept consultation with residents undertaken by the Commissioner shows that overall, 60% of all respondents supported the proposed level of increase in precept for the Fire and Rescue Service. The resident's survey generated 1966 responses and shows that 1182 of individuals favoured an increase, with 784 not supporting any increase at all.

The budget process for 2024/25 involved full consultation with all budget holders and calculated from a zero base. Where possible all recurring efficiencies and savings achieved to date have been incorporated into the base budget.

The Commissioner has considered the adequacy and level of reserves and the impact of future financial challenges and opportunities in the MTFs. The MTFs assumes a net draw on reserves of £0.2m to support the MTFs revenue budget over the five year planning window. This paper is accompanied by a revised Reserves Strategy. There are significant risks and uncertainties beyond 2024/25 that are reflected and narrated within this paper which include the uncertainty regarding pay awards, the impact of increasing pension contributions and future certainty for the 2024/25 4% Funding Guarantee expected within the Final Settlement.

In summary, when considering the settlement funding position, additional grants offered by Government and the precept proposal from the Commissioner a balance budget position is presented for the budget year 2024/25 and into the medium term, however the continuing uncertainty beyond next year, not helped by a further single year settlement, continues to make planning beyond 2024/25 challenging.

Background

1. The budget proposals contained within this report are based upon the provisional 2024/25 Local Government Finance Settlement received on 18 December 2023.
2. Settlement Funding comprises of three funding streams shown below. The Revenue Support Grant (RSG), Business Rates top-up the 1% share of local business rates shown as extracted from the Provisional Local Government Finance Settlement.

	2023/24 £m	2024/25 £m	Movement £m
1% share of Local Business Rates	4.070	3.935	(0.135)
Business Rates Top-up	6.212	6.494	0.282
Revenue Support Grant (RSG)	5.422	5.781	0.359
Firefighters' Pension Grant (now rolled into RSG) from 24/25	1.707	1.707	
Total Settlement Funding	17.411	17.917	0.506

3. The Total Settlement Funding for 2023/24 has been restated and includes the Firefighters' Pension Grant which has been rolled into the RSG from 2024/25. This ensures that the year on year comparison is accurate as shown above. The Firefighters pension grant of £115m was introduced in 2019/20 with grants allocated to Fire and Rescue Authorities to cover 90% of the 12.6% increase in employer pension contributions following the scheme valuation undertaken based upon the 2016 position. The grant allocated to the Staffordshire Commissioner was £1.707m as shown above.

Business Rates / Business Rates Top-up

4. The Staffordshire Commissioner Fire and Rescue Authority receives a 1% share of local business rates, in addition to a business rates top-up. The Panel should note that the 1% share of local business for 2024/25 has been estimated based upon the Provisional Local Government Finance Settlement.
5. The actual 1% share of the district/boroughs and city council's NNDR forms (Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits), will be calculated with any surplus/deficit transferred to the new business rates earmarked reserve.
6. Dialogue with the nine billing authorities will be undertaken during the year to ensure any impact of the future business rates reset is understood and included within future updates of the MTFS.
7. S31 grants are also received as part of the NNDR1 returns and have been included as estimates within the budget for 2024/25 and maintained at this level for the MTFS period. The S31 Grants are shown as income for the Authority. This is in addition to the tariff/top-up adjustment of 124/499 that is applied to the Business Rates Top-up and again shown as income for the Authority.
8. The S31 grants included within the district/boroughs and city council's NNDR forms (Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits) have been estimated; any surplus/deficit for S31 grants will be transferred to the new Business Rates Earmarked Reserve.

Council Tax

9. The setting of Council Tax is under the control of the Staffordshire Commissioner. The process for issuing the precept is aligned to the setting of the Staffordshire Police precept following the change in governance arrangements in 2018. This process is laid out within Schedule 5 of the Police Reform and Social Responsibility Act 2011.
10. From 1 August 2018, the Staffordshire Commissioner assumed the functions of the former Stoke-on-Trent and Staffordshire Fire and Rescue Authority, including the power to issue a fire precept from 2019/20.
11. The Band D Council Tax for the Authority was approved at £84.25 for 2023/24, this report includes the proposal by the Commissioner to increase Council Tax by 2.99% to £86.77 in 2024/25.
12. The referendum limit for 2024/25 has been reduced to 3% (£2.52) for 2024/25 from £5 (6.2%). This is for a single year as announced within the settlement. The MTFs assumes an increase of 2.99% for 2025/26 and 1.99% thereafter.
13. A 2.99% increase in Council Tax is equivalent to an increase in Band D of £2.52 per annum (5 pence per week), and will increase Band D to £86.77. This proposed increase is in line with the referendum limit.
14. The Council Tax base shown in **Appendix 5** has increased to 365,868 from 360,299 properties in 2023/24, which is equivalent to an increase of 1.5%. The Council Tax collection fund is also in surplus by £401k, shown in **Appendix 4**. Both the Council Tax base and the surplus on the collection fund have been finalised and agreed with the billing authorities.
15. A 1% sensitivity in precept for the Staffordshire Commissioner is equivalent to £0.3m.
16. Based upon a 2.99% increase, the total budgeted precept (including collection fund) has increased by £1.322m, as follows:

Council Tax Amount 2023/24	£30.761m
Increase in Council Tax Base by 1.5%	£0.469m
Movement in Council tax Surplus	(£0.004m)
Increase in Council Tax by 2.99%	£0.922m
Council Tax Amount 2024/25	£32.148m

17. The Staffordshire Commissioner issued a budget consultation document in December which concluded on 4 January 2024 which also included a survey regarding options for the local precept. The results of this consultation show that over 60% of the 1966 that responded supported an increase in Council Tax of above £2.50.

18. The table below illustrates the financial impact of the precept changes on the Council Band D rate and increase in funding for the Staffordshire Commissioner Fire and Rescue Authority:

Council Tax (Fire Element)	2023/24	2024/25
Band D Council Tax Proposed	£84.25	£86.77
Increase on Prior Year	£3.90	£2.52
Percentage increase on Prior Year	4.85%	2.99%
Council Tax Increase*	£1,822,896	£1,376,901
Total Precept Levied (Band D)	£30,355,199	£31,746,378
Council Tax surplus (Deficit)	£405,402	£401,125
Total Council Tax	£30,760,601	£32,147,503
Weekly Increase	£0.075p	£0.05p

**This includes changes in the tax base as well as precept rate changes*

Revenue Budget 2024/25

19. The Revenue Budget sets out to support the recently extended Corporate Safety Plan and Fire and Rescue Plan issued by the Staffordshire Commissioner.
20. **Appendix 1** sets out the proposed revenue budget of £50.065m for 2024/25 based upon a Council Tax Increase of 2.99% and the provisional Local Government Finance Settlement and the estimated 1% share of local business rates from the nine billing authorities within Staffordshire and Stoke-on-Trent.
21. The key features of the budget, are as follows:

Pay costs

The overall pay costs budget for 2024/25 at £34.1m, shows an increase of £1.5m more than last year's budget after restatement for the consolidation of the firefighter's pension grant of £1.7m.

The budget for 2023/24 included the finalised 5% pay award for 2023/24 and the 7% pay award for 2022/23. The latest budget assumption assumes that the pay award for 2024/25 will again be 5%, despite overall levels of key inflation measures reducing during 2023 there remains significant pressure on public sector pay.

There is, therefore, some risk associated with the assumed level of pay award for 2024/25 and the assumptions included within the updated MTFS. Pay awards for 2024/25 could also come in lower than this assumption.

The following bridge explains the net increase in pay costs:

	<u>£m</u>
Pay Budget – 2023/24	31.0
Adjusted for Firefighters’ Pension Grant	1.7
Pay Budget – 2023/24 Adjusted	32.7
Pay Award Provision (2024/25 at 5%)	1.2
Other Employee Costs	0.2
New Posts (incl. temporary investment and re-grades)	0.2
Restructure and efficiency savings (transformation)	(0.3)
Non Recurring Pay Funded (e.g. Secondments, Falls Response, Home from Hospital)	0.4
Pension – estimated additional cost	0.1
Other factors (incl. vacancy factor review)	(0.3)
Pay Budget – 2024/25	34.2

Non-pay costs

Non-pay costs are budgeted to increase by over £1.3 million year on year. Some of the main movements in non-pay costs are as follows:

- Premises costs have reduced by £0.1m and includes additional Business Rates of £0.3m following the 2023 revaluation by the Valuations Office Agency (VOA) which came into effect in England and Wales on 1 April 2023, this has been mitigated by a revised budget for electricity costs. Total electricity costs have not increased to the level expected during 2023
- Transport costs are showing an increase in the budget year of £0.27m which reflects the additional costs for fuel, oil, tyres and external repairs experienced during 2023/24
- Non-Pay includes a charge of £1.3m payable to West Midlands Fire Service, this represents 30% of the budgeted cost of running the Joint Fire Control. Costs have increased by £0.1m and reflects the additional pay rates and assumptions discussed above
- Non-pay includes impact of contract renews etc. reflecting the general increase in prices for goods and services, and additional requirements for response equipment purchased by the Emergency Response Team, £0.3m
- Collaboration (shared service charges), overall costs have increased by £0.4m and includes pay awards for Police Staff (7% award for 2023). In addition there is further investment included within restructure of the Property and Estates team in order to provide greater resilience and additional resource across the Police and Fire estate

- Firelink/Airwave costs (Emergency Services network) have also increased significantly based upon the current contractual arrangement with the Home Office. In addition, all grant funding for Airwave will be removed by 2025/26, representing a cash reduction of £0.3m per annum

Income

Income for 2024/25 is budgeted to increase by £2.4m to £6.8m

- The Commissioner is expecting to receive a Funding Guarantee as part of the Final Settlement of £1,489k. This ensures that there is at least a 4% increase in Core Spending Power before any decision is made regarding Council Tax or the use of reserves. This will be incorporated into the Final Settlement and is assumed to continue into the medium term
- The Special Services Grant has been reduced as part of the Provisional Settlement from £344k to £61k (nationally there has been a 84% reduction)
- The S31 Grant for Business Rates is assumed to increase by £0.4m as additional business rates relief has been committed within the Provisional Settlement. This includes the small business rate multiplier increasing to 124/499
- The budgeted income also reflects the income received to support the Falls Response initiative and also Home from Hospital trial, in addition to secondment opportunities that have been supported by the Chief Fire Officer, £0.4m
- The returns received from cash invested by the Authority (see Treasury Management Strategy), are now headlining interest returns in excess of 5%, driving a further £0.3m benefit

Capital Charges

Total capital charges are budgeted to increase by £0.5m to £7.1m

- The £1.6m minimum revenue provision requirement for 2024/25 is in line with the MRP Policy. This is based upon the capital investment programme and strategy and remains at the same level as the 2023/24 budget
- The budgeted level of interest on the existing long terms loans of £16.700m is 4.31% (Budget 2024/25, £0.720m). In total £550,000 in loans are due to be repaid in year reducing long term loans to £16.150m by 31 March 2025
- The budget includes a proportion of direct funding for the replacement of operational vehicles (including appliances) cars and vans
- The unitary charge will increase by RPIx applied to the variable elements of both PFI contracts. The RPIx rate led to increases of 8.2% in 2022/23 and 12.9% for 2023/24 and is estimated at estimated at 4.8% for 2024/25. Total impact of high inflation in the last three years is £1.1m by March 2025

Budget Monitoring 2024/25

22. A budget monitoring report will be considered by the Strategic Governance Board on a quarterly basis. A monthly Finance Report will be issued to members of the Service Delivery Board (SDB) and all budget holders. In addition, the Finance System (Integra) issues automated monthly reports to budget holders.
23. The Finance Panel, which is a sub-group of the Ethics, Transparency and Audit Panel (ETAP) will continue to review the budget monitoring reports on a quarterly basis with a summary report submitted to ETAP by the Finance Panel Chair.

Service Transformation Programme

24. Service Transformation has been necessary to ensure that Staffordshire Fire and Rescue Service can continue to deliver 'a modern, efficient, and sustainable level of service to the public' that prioritises the safety of both our staff and our communities. The Deputy Chief Fire Officer oversees the Service's Transformation Programme, which aligns to our Safety Plan 2020-2024 priority of 'Service Reform' and the Commissioner's Fire and Rescue Plan 2021-2024, which prioritises a 'flexible and responsive service' and a 'fire service for tomorrow'.
25. The Service Transformation Board was formed in Feb 2022, with representatives from various areas of the Service. Its purpose is to investigate ways to transform the Service and ensure its financial sustainability. The Board has met regularly to monitor and evaluate progress through an action plan, while also providing recommendations through the relevant governance channels.
26. A number of the work streams that are aligned with the current Service's Medium-Term Financial Strategy (MTFS) have already been considered and completed such as a high-level management restructure, the change to a minimum of four staff on whole-time fire engines, a review of operational exercises, review of incident command and outreach training and the 'On-call Nine-Point Plan' to improve availability of fire engines and crews.
27. Service Transformation has also taken into account additional work streams. For instance, working on a 'Clean Concept' initiative to minimise operational staff's exposure to contaminants from fires. Additionally, a project to review the standards and accreditation for fire investigation officers.
28. This work is transforming the Service to ensure that it delivers even better outcomes for the communities of Staffordshire and Stoke on Trent and at the same time means that the Service is working more efficiently.
29. It is estimated that the delivery of the transformation programme will achieve a recurring saving of circa £1.3 million for the Service, of which all savings have been incorporated into the updated MTFS. Of the £1.3m, £1.1m of recurring savings have been delivered.
30. As a result of the updated MTFS the Transformation Board has now moved into the next phase and will be reviewing options to further transform the Service in order to increase

productivity and drive efficiency. This will include a review to ensure that risk and demand are considered fully and are proportionate when reviewing existing station locations and current shift patterns.

31. The updated MTFs includes the use of £0.2m of reserves but incorporated a balance position over the next five years.

Firefighters' Pension Schemes

32. Pensions Grant

Following the results of the 2016 Valuation of the Firefighter's Pension Schemes employer contribution rates were increased by an average of 12.6% (to an average 30.2%), resulting in additional costs for Staffordshire of around £1.8m per year. A pension grant has been received for the last five years' from the Home Office covering 90% of this increase.

For 2024/25 this grant has been rolled into RSG (see paragraphs 2 and 3). This means that in future years this funding will also increase by the increase in the small business rate multiplier (or compensated if the rate is frozen or capped) and could also be subject to reduction should RSG face cuts into the medium term beyond 2024/25.

The Home Office have announced that there will be a further £85.3m Fire Pensions Grant in 2024/25, and £6m towards the admin costs, to compensate for the increased Firefighters' Pension Scheme employer contribution rate. This is following the results of the actuarial valuation of the Firefighters' Pension Schemes (England) (the 'scheme') as at 31st March 2020 undertaken by the Government Actuarial Department (GAD). The results have incorporated changes in the economic and demographic factors and mortality rates in addition to incorporating the estimated impact of Sargeant/McCloud remedy and also the second options exercise following the Matthews ruling.

This has resulted in a 8.5% increase in employer pension contributions into the scheme with rates rising from 28.8% to 37.6% to be implemented from 1 April 2024.

A separate grant allocation is expected in January 2024 which should cover the estimated £1.5m of additional annual employer pension contributions into the Scheme. The Home Office have only guaranteed to fund the additional costs for 2024/25 and the Commissioner has adjusted the earmarked pension grant to £1.5m should this grant not be made available for 2025/26. There is therefore a significant risk into the medium term. It has been assumed within the medium term, to be prudent, that the grant will cover 90% of the additional cost when it is announced.

33. Firefighters' Pension Scheme Update – impact of Sargeant/McCloud judgement

The Police Fire and Crime Panel will be aware that as a result of legal cases brought in respect of the Firefighters Pension Reforms, it has been found that the implementation of

the Firefighters Pension Scheme 2015 was discriminatory as outlined in the McCloud/Sargeant judgement.

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA) provided an overarching framework to allow public service pension schemes to remedy the impact of this unlawful age discrimination. That discrimination arose due to certain transitional arrangements put in place when public service pension schemes (including the fire schemes) were reformed between 2014 and 2016. Secondary legislation has been laid to amend the rules of each affected public service pension scheme to implement the remedy for their members. The remedy was designed to be delivered in two stages: the first, to bring the discrimination to an end (the prospective remedy) from 1 April 2022, and the second, to be implemented by 1 October 2023, to remedy the discrimination that had taken place between 1 April 2015 and 31 March 2022 (the retrospective remedy). The legislation to remedy this discrimination was enacted in October 2023 and Authorities have 18 months to implement and remedy members who have suffered the impact of this unlawful discrimination.

As individual members' circumstances will differ, the impact of implementing the remedy will vary. The firefighters' pension scheme manager must provide all eligible members and member representatives with information about the benefits available to them under the remedy and to enable them to make a choice of benefits with a remedial services statement (RSS). This will provide the member with an option to take benefits based upon the legacy pension scheme or the reformed pension scheme for the remedy period 1 April 2015 to 31 March 2022.

34. Firefighters' Pension Scheme Update – Matthews second option exercise

The Board will be aware of the category of members of the Firefighters' Pension Scheme 2006 (FPS 2006) known as "special members" was introduced in 2014, following *Matthews v Kent and Medway Towns Fire Authority & others*, which allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the 2006 Scheme with retrospective effect to 1 July 2000.

This judgment was later challenged at the European Court of Justice in relation to fee-paid judges (*O'Brien v Ministry of Justice*). The Court ruled in that case that service going back to the start of employment could be taken into account. The government accepted that the same principles apply to certain retained firefighters, whether they have made a legal claim or not.

A second options exercise is now taking place allowing those who have retained service between 7 April 2000 and 30 June 2000 to backdate their membership to 7 April 2000 and before (to the start of their employment), providing that the retained service is continuous.

The Service has issued formal notification to over 400 current and deferred on-call firefighters who are eligible for the second options exercise. The Home Office have been approached in order to provide funding upfront for this exercise as the cash outflow implications could result in cash flow issues for the Authority and a loss of interest due to reduced cash availability.

Reserves and Balances

35. The Authority holds two reserves, a Specific/Earmarked Reserve which is built up through any surplus within the Income and Expenditure account. The utilisation of this fund has been established with the approved Reserves Strategy that was last updated in February 2023; and a General Reserve which is held to protect against any spate or emergency conditions that may arise, **(see Appendix 3)**.
36. At 1 April 2023 the Authority held £1.9m in General Reserves and a risk assessment for this reserve was undertaken as part of the budget setting process for 2024/25 and the overall provision of £1.9m has remained unchanged for a number of years and represents less than 4% of the proposed revenue budget for the year.
37. At 1 April 2023 the Authority held £7.5m in Earmarked Reserves. **Appendix 2** demonstrates the impact on Specific Reserves for the Council Tax proposal included within this paper. The schedule also assumes utilisation of capital spend as incorporated within the Reserves Strategy. It does not assume use of reserves for other contingency areas that are incorporated within the Reserves Strategy.
38. The Earmarked Reserved is forecast to reduce to £5.0m by 2027/28 in line with the MTFS assumptions
39. The forecast balance on the Earmarked Reserves is detailed within the Reserves Strategy update paper and shown below **(see Appendix 2)**.

Medium Term Financial Strategy

40. The MTFS has been updated to reflect the budget proposals for 2024/25 and incorporates the assumptions contained with the Provisional Local Government Settlement, which includes the assumed increase in Council Tax of 2.99%. A summary of the financials covering the medium term period 2024/25 to 2028/29 are included within **Appendix 7**.
41. Should the overall funding for the Authority not be in line with the assumptions incorporated within this report following the Final Settlement, saving targets and use of reserves will need to be re-visited.
42. The budget for 2024/25 and 2025/26 shows a balanced position, and includes the utilisation of £0.2m of budget reserve by 2028/29.
43. There remains a significant level of financial uncertainty regarding the funding position for the Authority beyond and including 2024/25, this unfortunately results in a higher level of risk associated with the funding assumptions contained within the updated MTFS.

44. The main areas of uncertainty must be considered when reviewing this MTFS:

- The likely impact of pay awards for 2024/25 and beyond above the budgeted 5% and MTFS levels – see paragraph 46 below.
- The Impact of Inflation on all costs which could be impacted upon events outside of the control of the Authority
- The impact on Firefighter pension costs after 2024/25, should funding not be included within the next Comprehensive Spending Review
- The impact on funding should the 2024/25 funding guarantee be removed
- The impact of economic and political uncertainty into the medium term

45. A 1% sensitivity across key budget areas is reflected below:

Cost / Income Area	Change	£000s
Pay Costs	+/- 1%	315
Premises Costs (incl utilities)	+/- 1%	30
Vehicles	+/- 1%	10
Supplies and Services	+/- 1%	92
Employer Pension Contributions	+/- 1%	233
Business Rates	+/- 1%	22
Revenue Support Grant	+/- 1%	58
Precept	+/- 1%	321
Council Tax Base	+/- 1%	317

46. A summary of the main MTFS assumptions are shown below for consideration:

	2024/25 Budget	2025/26 Plan	2026/27 Plan	2027/28 Plan	2028/29 Plan
<u>PAY COSTS</u>					
Pay Award Operational Staff	5.0%	3.0%	2.0%	2.0%	2.0%
Pay Award Non Operational Staff	5.0%	3.0%	2.0%	2.0%	2.0%
Other Pay Costs	5.0%	3.0%	2.0%	2.0%	2.0%
Pension Costs - Firefighters' Pension Schemes	+£1.5m	+£1.5m	+£1.5m	+£1.5m	+£1.5m
Pension Costs - Fire Fighters Pension Grant (Est)	(£1.4m)	(£1.4m)	(£1.4m)	(£1.4m)	(£1.4m)
<u>NON PAY COSTS</u>					
Electricity	-26.7%	5.0%	5.0%	5.0%	5.0%
Gas	-7.8%	5.0%	5.0%	5.0%	5.0%
Business Rates	21.1%	3.0%	2.0%	2.0%	2.0%
Water and Sewerage	2.0%	3.0%	2.0%	2.0%	2.0%
General Supplies and Services	2.0%	3.0%	2.0%	2.0%	2.0%
<u>INTEREST RATES</u>					
Interest on Investments	5.0%	3.1%	2.5%	2.5%	2.5%
Interest on Debt	4.4%	4.4%	4.4%	4.4%	4.4%
<u>GENERAL FUNDING</u>					
Council Tax Increases	2.99%	2.99%	1.99%	1.99%	1.99%
Council Tax Base Growth	1.55%	1.50%	1.50%	1.50%	1.50%
Revenue Support Grant	6.7%	3.0%	2.0%	2.0%	2.0%
Local Business Rates	2.0%	3.0%	2.0%	2.0%	2.0%
Business rates Top-up grant	2.0%	3.0%	2.0%	2.0%	2.0%

Capital Programme

47. The three year Capital Programme and Capital Strategy for 2024/25 to 2026/27 has been developed and is reviewed within the Capital Strategy.
48. The Capital Programme has been developed by the operational budget holders with all plans submitted to the Capital Review Group chaired by the Director of Finance.
49. The total programme of £5.7m for 2024/25 includes an element of carry-over from the current year. Whilst this delay has not impacted upon service delivery to date, it has culminated in a challenging but deliverable programme for 2024/25.
50. The revenue consequences of the proposed programme have been considered in the development of the revenue budget and the required prudential indicators are set out within the Treasury Management Strategy.
51. As part of the capital programme for 2024/25 the Commissioner has committed the use of £0.5m of reserves to support the station refurbishment work at Brewood, with a further £0.5m earmarked for Tutbury Fire Station in 2025/26.
52. The summary capital programme for the next three years is shown within **Appendix 8**.
53. The detailed programme for 2024/25 is shown within **Appendix 9**.

Statement from the Director of Finance / S151 Officer on the robustness of the Budget and adequacy of the proposed financial reserves

54. The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2013, requires the Commissioner's CFO to report on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves. The Commissioner is required to have regard to the report of the Chief Financial Officer and the report must be given to the Police Fire and Crime Panel.
55. I can confirm that the budget for 2024/25 is balanced and has been produced on a robust basis. Whilst there remains some uncertainty with regard to future settlement funding, increased pay awards and the costs of Firefighter's pensions, estimates have been included within the Medium Term Financial Strategy and appropriate provision made within Earmarked Reserves.

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Revenue Budget Summary 2024/25

	Budget 2023/24	Budget Proposal 2024/25	Year on Year Change
	£000s	£000s	£000s
Pay			
Pay Costs	30,323	31,653	1,331
Other Employee Costs	2,389	2,600	211
Total Pay	32,711	34,253	1,542
Non Pay			
Premises Costs	5,154	5,092	(63)
Transport Costs	775	1,044	269
Supplies & Services Costs	7,941	9,050	1,108
CFS Costs and Initiatives	323	340	17
Total Non Pay	14,193	15,525	1,332
Income			
Income - General	(4,081)	(6,226)	(2,145)
Interest Receivable	(285)	(541)	(256)
Total Income	(4,366)	(6,767)	(2,401)
Capital charges	2,108	2,343	235
Interest Payable	732	720	(12)
PFI Unitary Charge	3,776	4,114	338
Total Capital Charges	6,616	7,176	560
Total Revenue before Reserves	49,155	50,188	1,033
Transfer to/(from) Reserves	(983)	(123)	860
Budget Gap in Year			
Total Revenue Budget	48,172	50,065	1,893
FINANCED BY:			
<u>Settlement Funding</u>			
Revenue Support Grant	7,130	7,489	359
Local Business Rates (1%)	4,070	3,935	(135)
Government Top-up (business rates)	6,212	6,494	281
Total Settlement Funding	17,411	17,917	506
<u>Council Tax</u>	30,761	32,148	1,387
Total Financing	48,172	50,065	1,893

Earmarked and General Reserves Summary to 2028/29

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Est.	Est.	Est.	Est.	Est.	Est.
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<u>Earmarked Reserves</u>							
PFI Reserve (Project Reserve Deductions)	0.6	0.7	0.7	0.2	0.2	0.2	0.2
Reserve - Brewood Refurbishment	0.5	0.5					
Operational Budget Holder Reserves	0.5	0.7	0.9	0.8	0.6	0.4	0.2
Insurance Reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Budget and MTFS Support Reserve	0.9	1.0	0.8	0.4	0.4	0.5	0.7
Capital Reserves	0.8	0.3	0.3	0.3	0.3		
Pension Reserve	1.8	1.5	1.5	1.5	1.5	1.5	1.5
Collaboration Reserve	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Future Funding and Investment Reserve	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Earmarked Reserve	7.5	7.1	6.6	5.6	5.4	5.0	5.0
Total Reserves Available (Useable)	9.4	9.0	8.5	7.5	7.3	6.9	6.9
Percentage of Revenue Budget							
General Reserve	4.5%	4.0%	3.8%	3.7%	3.6%	3.5%	3.4%
Earmarked Reserve	17.7%	14.7%	13.2%	10.7%	10.1%	9.1%	8.8%
Total	22.1%	18.7%	17.0%	14.4%	13.7%	12.6%	12.2%

Risk Assessment of General Reserves for 2024/25

CIPFA guidance indicates that a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves and that chief financial officers should take account of the strategic, operational and financial risks facing the authority.

A risk assessment for general reserves was undertaken as part of the budget setting process for 2024/25 and the overall provision of £1.9m has remained unchanged for a number of years and represents 3.8% of the revenue budget set for the year.

Whilst not a complete list of all the financial risks, the assessment focused on those most likely (High and Medium risks) to have a significant impact on the budget year.

Area of Expenditure	Level of Risk *	Explanation of risk/justification of reserves	2024/25 Provision £000
Loss of Employees / additional pay costs	High	Spate conditions caused by for example; prolonged severe weather conditions (e.g. hot weather or flooding), unexpected loss of staff through COVID-19, Avian Flu / Ebola etc.	650
Insurance loss / impact of data breach	Medium	Risk of incurring uninsured losses Risk of breach due to inappropriate information sharing / failure to implement EU GDPR	550
Ill health retirement costs	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce	300
Other unforeseen costs	Medium	Risk of unforeseen event: emergency incident, waste fires / tipping	300
Other costs	Medium	Risk of failure of strategic partnership / collaboration initiatives	100
TOTAL			1,900

Council Tax Report 2024/25**Council Tax Surplus / (Deficit) by Authority**

	2022/23	2023/24	2024/25	Variation
	£	£	£	£
Cannock Chase	112,486	(46,934)	(12,031)	34,903
East Staffordshire	48,291	74,054	20,909	(53,145)
Lichfield	(14,191)	21,029	35,000	13,971
Newcastle	11,107	22,674	2,364	(20,310)
South Staffordshire	53,244	70,810	55,514	(15,296)
Stafford	21,882	109,918	(6,416)	(116,333)
Staffordshire Moorlands	22,740	37,539	(3,760)	(41,299)
Stoke	1,000	91,542	297,961	206,419
Tamworth	31,345	24,770	11,584	(13,186)
Budget Adjustment				
Total (per budget paper)	287,904	405,402	401,125	(4,277)

Council Tax Report 2024/25Taxbase by Authority

	2022/23	2023/24	2024/25	Var	YOY %
Cannock Chase	29,458	29,851	30,015	164	0.5%
East Staffordshire	39,059	40,060	40,935	875	2.2%
Lichfield	39,695	40,534	41,116	581	1.4%
Newcastle	37,668	38,099	38,738	639	1.7%
South Staffordshire	39,066	39,609	39,914	305	0.8%
Stafford	48,490	48,864	49,303	439	0.9%
Staffordshire Moorlands	33,510	33,374	33,737	363	1.1%
Stoke	65,185	66,532	68,632	2,100	3.2%
Tamworth	22,968	23,376	23,479	103	0.4%
Total	355,100	360,299	365,868	5,569	1.5%

Council Tax Report 2024/25Council Bands for Each Band and District PreceptsBased upon a Band D Increase of 2.99%STAFFORDSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITYCouncil Tax Band Figures

	2023/24	2024/25	Increase	Per Week
Band	£	£	£	Pence
A	56.17	57.85	1.68	3.2
B	65.53	67.49	1.96	3.8
C	74.89	77.13	2.24	4.3
D	84.25	86.77	2.52	4.8
E	102.97	106.05	3.08	5.9
F	121.69	125.33	3.64	7.0
G	140.42	144.62	4.20	8.1
H	168.50	173.54	5.04	9.7

Precept Payable

	2023/24	2024/25	Variation	
	£	£	£	%
Cannock Chase	2,514,951	2,604,381	89,430	3.78%
East Staffordshire	3,375,055	3,551,930	176,875	5.64%
Lichfield	3,415,023	3,567,618	152,595	4.78%
Newcastle	3,209,841	3,361,296	151,456	5.00%
South Staffordshire	3,337,058	3,463,341	126,283	4.02%
Stafford	4,116,754	4,277,998	161,244	4.14%
Staffordshire Moorlands	2,811,760	2,927,359	115,600	4.29%
Stoke	5,605,329	5,955,181	349,852	6.68%
Tamworth	1,969,428	2,037,273	67,845	3.68%
Total	30,355,199	31,746,378	1,391,178	4.88%

MTFS Summary Financials to 2028/29

	2024/25 Budget £000s	2025/26 Plan £000s	2026/27 Plan £000s	2027/28 Plan £000s	2028/29 Plan £000s
Pay					
Pay Costs	31,653	32,381	32,876	33,380	33,891
Other Employee Costs	2,600	2,658	2,698	2,739	2,780
Total Pay	34,253	35,039	35,575	36,118	36,670
Non Pay					
Premises Costs	5,092	5,283	5,449	5,622	5,802
Transport Costs	1,044	1,075	1,097	1,119	1,141
Supplies & Services Costs	9,050	9,321	9,508	9,698	9,892
CFS Costs and Initiatives	340	350	357	364	372
Total Non Pay	15,525	16,029	16,411	16,803	17,206
Income					
Income - General	(6,226)	(6,164)	(6,167)	(6,167)	(6,217)
Interest Receivable	(541)	(318)	(139)	(89)	(89)
Total Income	(6,767)	(6,481)	(6,306)	(6,256)	(6,306)
Capital charges	2,343	2,806	2,685	3,079	3,554
Interest Payable	720	720	720	800	880
PFI Unitary Charge	4,114	4,237	4,322	4,408	4,496
Total Capital Charges	7,176	7,763	7,726	8,287	8,931
Total Revenue	50,187	52,350	53,406	54,952	56,500
Use of Reserves	(123)	(429)	52	90	175
Total Revenue	50,065	51,921	53,458	55,041	56,676
FINANCED BY:					
Settlement Funding					
Revenue Support Grant	7,489	7,662	7,815	7,972	8,131
Local Business Rates (1%)	3,935	4,053	4,134	4,217	4,301
Government Top-up (business rates)	6,494	6,688	6,822	6,959	7,098
Total Settlement Funding	17,917	18,403	18,771	19,147	19,530
Council Tax	32,148	33,518	34,686	35,894	37,146
Total Financing	50,065	51,921	53,458	55,041	56,676

Capital Programme Summary 2024/25 to 2026/27

	2024/25 Budget	2025/26 Plan	2026/27 Plan
	£	£	£
Building & Infrastructure Works			
Refurbishment Programme	619,000	550,000	100,000
Improvement Works	1,160,000	545,000	450,000
Total	1,779,000	1,095,000	550,000
Operational Equipment	854,696	146,000	210,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,260,904	2,005,000	1,050,000
Vans & Cars	840,000	430,000	371,000
Total	2,100,904	2,435,000	1,421,000
Information Technology			
ICT Hardware, Software Systems & Installations	970,000	1,275,000	645,000
Total	970,000	1,275,000	645,000
Total Capital Programme	5,704,600	4,951,000	2,826,000
Funding			
Direct Revenue Funding	782,952	947,500	522,500
Unsupported Borrowing	4,421,648	3,453,500	2,303,500
Earmarked Reserves	500,000	550,000	
Total Funding	5,704,600	4,951,000	2,826,000

Capital Programme Detail - 2024/25

Scheme Description	Detail	2024/25 Capital Programme £
IADS		
Brewood Refurbishment	Mnор refurbishment of Brewood FS	519,000
Abbots Bromley Tower	Demolish tower and replace training facility	100,000
		619,000
<u>Building Works - Improvements</u>		
PV Panels Installation	Feasibility study to undertake solar installation at Pirehill	100,000
HQ - Resurfacing Works	Phase 3 - Control building and Portakabin/stores	70,000
HQ - Lighting replacement programme	Phase 3 - Replace lighting with Energy Efficient LED to Stores + L&D + Appliance Bay	50,000
HQ - Control / Old House - Welfare Facilities	Phase 1 - Carry out refurbishment works to toilet facilities in the Control building and Old House	70,000
HQ - Control Building - Fire Doors	Replacement of fire doors - Current doors are compliant with regulations	60,000
Stations - Lighting replacement programme	Phase 4 - Replace lighting with Energy Efficient LED at Biddulph(Old Part) & Gnosall	50,000
BEMS installation - Stations	Intelligent Heating / Sustainable Controls - Stations	60,000
Stores Expansion	Undertake work to provide further storage capacity	100,000
Ipstones - Resurfacing Works	Resurface drill yard	40,000
Eccleshall - Gym Area Refurb	Removal of asbestos, replacement of floor/ceiling finishes, upgrading of lighting	40,000
Stafford Fire Station - Minor Refurb	Phase 1 - Undertake further improvement works	150,000
FBT - Resurfacing Works	Remove current stone and replace with hard wearing surface	70,000
L&D Remodelling	Remodel L&D - Gender neutral facilities	300,000
		1,160,000
<u>Operational Equipment</u>		
Operational Equipment Pool	Miscellaneous	25,000
BA compressors x 2	To be replaced in line with BA Project	50,000
Body Worn Cameras	Equipment is due for replacement - Cameras will be upgraded	45,000
Hydraulic Cutting Equipment	For the roll out to all appliances	494,696
Lighting Replacement	Service wide	35,000
Asset Tracking System	Software & hardware implementation	40,000
RTC Stabilisation		15,000
Electric PPV Fans		25,000
BA Set Washing Machine	1 machine - In line with Clean Concept Initiative	60,000
Cobra System Equipment	Misting Equipment	65,000
		854,696
<u>Appliances & Vehicles</u>		
Unmarked Response Cars x 3	Group Managers	75,000
Marked Standard Response Cars x 5	Station Managers	125,000
Marked 4x4 Response Vehicles x 3	£35k per vehicle	105,000
Utility Vans x 3	SDG Vans - Small/ Medium - £25k per vehicle	75,000
Marked Non-Response Van x 1	CFS Van - £30k per vehicle	30,000
BA Vehicle		35,000
Utility Van x 1	Crew Cab	30,000
L&D Minibus	Replace existing mini bus due to age	45,000
Mobile Workshops Van		50,000
ERPs	ERP 1 / ERP 2 - Body Build Payments - £255,452 per vehicle	510,904
PRLs	PRL 3 / PRL 4 / PRL 5 - Chassis Payments - £150k per vehicle	450,000
PRLs	PRL 1 / PRL 2 - Chassis Payments - £150k per vehicle - New tender process	300,000
Godiva Pumps x 2	To extend the working life of appliances where the chassis and cabs are not causing issues with breakdown and repairs	60,000
BA Stowage	Upgrade the BA stowage to accommodate the new MSA BA sets - 41 appliances at £4,000 per vehicle	160,000
Cobra System Vehicle		50,000
		2,100,904
<u>Information Technology</u>		
ICT Rolling Programme - Desktop	Ongoing replacement programme	150,000
ICT Rolling Programme - Infrastructure	Ongoing replacement programme	200,000
Stations/L&D Teams Rooms Enablement	Completing the activities started in 2023/24	125,000
MDT Replacement - Software	MDT Replacement 4 Year Investment	150,000
MDT Replacement - Hardware	MDT Replacement 4 Year Investment	100,000
MS Enablement		50,000
Station End	Station End equipment replacement	125,000
Mobile Phone Replacement	Replacement programme	70,000
		970,000
Total Programme 2024/25		5,704,600

	Current (Net of VAT) £	Charges from 1st April 2024 (Net of VAT) £	VAT Status
(a) Special Service Charges			
Attendance per Appliance per hour* (Including crew) <i>*£388.31 for the first hour and £97.08 per ¼ hour thereafter. e.g. between 1-6 mins round down, or 7-15 mins round up to the nearest ¼ hour interval.</i>	372.66	388.31	Standard
Professional services per hour <i>e.g. Officer interviews, provision of advice</i>	97.96	102.07	Standard
Fire investigation Interviews <i>£100.10 per hour or part hour</i>	125.37	130.64	Standard
Fire Investigator detailed Fire report	438.79	457.22	Standard

(b) Other charges

Extract of Fire reports	103.73	103.73	Exempt
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Some information retrieval may incur an additional administration charge of £48.36 ex VAT per search.

Photographic/digital images	Price on Application	P.O.A	Standard
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c) Conference Suite
Scale of Charges from 1st April 2024

Room Hire Only
Monday – Friday
Whole-day
£

Conference Suite

Room 1	322.88
Room 2	220.56
Room 3 - break out area	138.26
Room 4 (VDR)	220.56
Rooms 1 and 2	454.76
Rooms 1, 2 and 3	568.44

Catering Charges

Prices will be quoted to clients on request taking into account their requirements, location and current food costs.

Charges quoted are subject to VAT at prevailing rates

A 50% charge of the total cost of the Room Hire Booking will be made if a cancellation is not received within 10 working days of the date of the hire.

Half day rates will be charged on a 25% reduction on a whole day rate.

The full charge for catering will be made if a cancellation is not received within 48 hours of the date of the hire. A charge of 25% of the total food cost will be made if the cancellation falls in the period of 5 working days to 48 hours prior to the booking.

The full cost of any damage or breakages inclusive of any consequential financial losses which such damage may incur whilst repairs or replacement of equipment is arranged, will be charged to the hirer

Precept consultation outcomes

Purpose of report

This report is a summary of the results obtained from the public and stakeholder consultation undertaken to seek views on the amount of council tax the people of Staffordshire and Stoke-on-Trent are willing to pay towards their Police and Fire & Rescue services.

Background

Funding for police and fire & rescue services is made up of a mix of central government grants, combined with the 'precept' – the contribution residents make as part of their annual council tax.

The Staffordshire Commissioner is responsible for setting the budget for Staffordshire Police, and Staffordshire Fire & Rescue Service, including the amount of council tax used for both services.

It is the Commissioner's responsibility to ensure policing, fire & rescue and community safety is properly funded in 2024/25 to provide the services expected by those who live, work and visit Staffordshire and Stoke-on-Trent.

A formal consultation took place between 7 December and 4 January. A range of methods were used to encourage participation, resulting in responses from 1,985 people from Staffordshire and Stoke-on-Trent.

The views from this consultation will help the Commissioner arrive at his proposals for the setting of the 2024/25 budgets.

How we did it

We used a range of methods to promote the consultation including:

- **Social media** – Multiple social media posts were issued from the Staffordshire Commissioner's Office (SCO), Staffordshire Police, Staffordshire Fire & Rescue and partners. Paid adverts also ran on facebook and Instagram targeting residents of Staffordshire and Stoke-on-Trent.

- **Media** – A press release issued to inform local media of the importance of the consultation
- **Stakeholders** – Emails sent from the Commissioner requesting key partners' involvement including local MPs, Councillors, volunteers, community groups and business owners
- **Smart Alert** – Multiple messages issued to over 21,000 residents via Staffordshire Smart Alert
- **Internal** – Internal message sent to police and fire staff to encourage participation
- **SCO Newsletter Subscribers** – Email sent to the SCO newsletter subscriber list of 1,636 people

Consultation foreword

As your Police, Fire & Crime Commissioner, it is my duty to secure effective and efficient Police and Fire & Rescue services that ensure community needs are met, while commissioning services to prevent crime, reduce anti-social behaviour and support victims across Staffordshire and Stoke-on-Trent.

I do this by setting out a strategic direction in Local Plans for Staffordshire Police and Staffordshire Fire & Rescue. I am responsible for setting their budgets and determining the contribution you make as part of your annual council tax precept.

I also appoint our Chief Constable and Chief Fire Officer. Their role is crucial as they make the operational decisions and run the organisations. I believe I have recruited two of the best in Chris Noble and Rob Barber. They have each built strong leadership teams that are driving our local services forward with dedicated and hard-working teams made up of police officers, PCSOs, firefighters, staff and volunteers.

Last year's cost of living rise hit residents hard so I decided to set council tax increases below the maximum allowed by government and below inflation. Even so, you provided an additional £6m for your local Police and £1.9m for Fire & Rescue and this has made a difference.

Our Fire & Rescue service are tackling more incidents, many due to climate change, and continue to target prevention activity at the most vulnerable while pioneering activity to support our local NHS and West Midlands Ambulance.

Staffordshire Police are more local, visible and responsive. 999 and 101 have improved and crucially the force is set to have 2,000 officers by April 2024, 400 more than 2019, and even more than I promised when elected in 2020.

Other priorities are being met too. 24/7 roads policing is imminent, new safety cameras and vans are being rolled out to improve road safety and £500k has been invested in more number plate recognition to track criminals using our roads. My office is supporting more victims, doing more prevention work and making our neighbourhoods safer.

While both services have sound finances the future is uncertain with energy costs remaining high, international instability and the cost of servicing our national debt following the pandemic likely to restrict central government grants. Staffordshire Police and Fire & Rescue will continue to make savings and increase productivity but to secure their future, to keep improving service levels and provide the security we expect, it will require investment.

Additional investment would help Staffordshire Police carry out more pro-active investigations into serious organised crime. It would also allow the service to take advantage of new technology including artificial intelligence - freeing up officers to target criminals.

Investment in Staffordshire Fire & Rescue would help secure the number of wholetime and on-call firefighters required to respond effectively across all our urban and rural areas while building their prevention team's capacity to work with NHS and others to keep us safe.

This year many people have seen their pay, benefit or pension increase but I know balancing household budgets is still challenging. I aim to keep council tax as low as possible. I will only ask for more in order to maintain or improve your Police and Fire & Rescue Service.

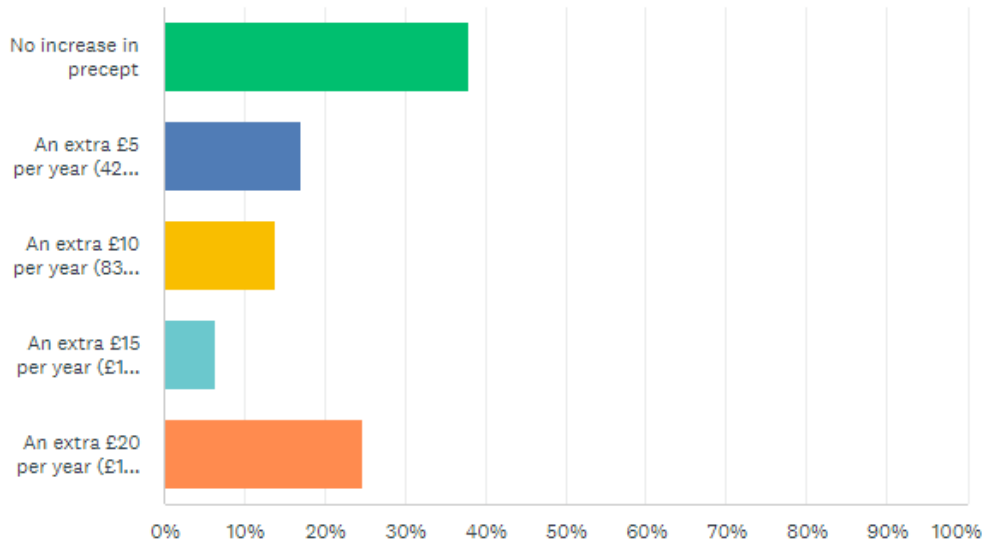
So, I would welcome your thoughts. What level of additional council tax contributions would you support to help our Police and Fire & Rescue services?

Every penny helps to keep Staffordshire safe.

The results

The following options are based on a Band D property currently paying £260.57 each year for Police services. How much more would you be prepared to pay per year for your Police services?

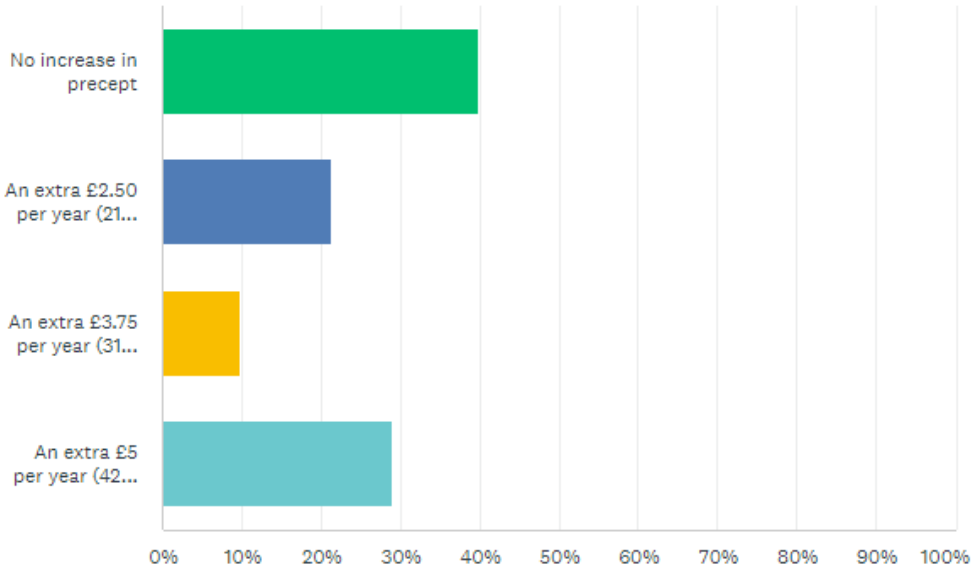
Answered: 1,969 Skipped: 16



ANSWER CHOICES	RESPONSES
▼ No increase in precept	37.89% 746
▼ An extra £5 per year (42p extra a month) This is a 1.92% increase	17.06% 336
▼ An extra £10 per year (83p extra a month) This is a 3.84% increase	13.81% 272
▼ An extra £15 per year (£1.25 extra a month) This is a 5.76% increase	6.40% 126
▼ An extra £20 per year (£1.67 extra a month) This is a 7.68% increase	24.83% 489
TOTAL	1,969

The following options are based on a Band D property currently paying £84.25 each year for Fire services. How much more would you be prepared to pay per year for your Fire & Rescue services?

Answered: 1,966 Skipped: 19



ANSWER CHOICES	RESPONSES
▼ No increase in precept	39.88% 784
▼ An extra £2.50 per year (21p extra a month) This is a 2.97% increase	21.31% 419
▼ An extra £3.75 per year (31p extra a month) This is a 4.45% increase	9.72% 191
▼ An extra £5 per year (42p extra a month) This is a 5.94% increase	29.09% 572
TOTAL	1,966

Common themes from the precept consultation

891 respondents provided comments in the question 4 free text box which asked 'If you have any additional comments, please include these in the box below'. The following sections include key themes from the responses.

Police and Crime

A number of comments were focused on the lack of visible policing in their local areas, with 'no bobbies on the beat' and police stations closed. A number of respondents also expressed concerns over the quality of the service, contact and distractions from the issues that matter to communities.

'In over 38 years of living on Boley Park, Lichfield, I have only seen a full police officer once. I think closing the Police Station in the centre of Lichfield was a mistake. Not everyone can jump in a car to go out of town to the north of the City to report a crime.'

'No policing seen in my area for years and when they do come out, nothing is done, no crime number etc just told to get my own security cameras.'

'Police need to stop spending money on 'Woke' nonsense. How much and who briefed on what words to use and not use! Absolute waste of money.'

'I do not want our police force becoming the "thought police". That direction is outrageous.'

'Every year the police budget rises but we in Audley never see uniformed officers patrolling the area, crime is on the increase and phoning 101 is an absolute joke, I wouldn't mind paying the extra but like I say we do not see regular police patrols at all.'

'Policing should be centrally funded and come from an entirely different pot of money than council tax. As the partner of a serving officer I see the trauma, the hours, the behaviours they have to contend with, and how work is not always restricted to the locality for which they work in.'

'Both services are underfunded by Government and it is necessary to protect these essential life-saving services as well as build them back up to what they used to be. Without additional funding we will continue to see the most vulnerable suffer and crime rates being high. Currently there are huge issues with anti-social behaviour and Staffordshire has been identified as a failing force. There is too much emphasis on more police officers when they are only part of the answer. There are other roles in the police which can help if they have the resources and then the officers can be back out on the streets.'

'Delivery of services currently feels poor, so can't justify an increase in precept without an initial improvement in service delivery.'

'Police on the streets is what is required. A visible presence. Give PCSOs responsibility to ticket parking offences.'

'We see very little police activity in Wombourne. No police station but a working office. Very confusing. We need a face-to-face point of contact, not a multi-response telephone system and/or email. We need more visible police presence to deter thieves and law breakers.'

'I do not get a good service now, the Police force are dealing with social care issues predominantly and crime is not getting reported due to the public awareness that nothing gets done – why should we pay more? You should be working harder to expose the govt. shortcomings and promote an increase in social care spending.'

'Unfortunately, given our rural location and the fact the police are hugely overstretched, it's more feasible for us to spend more money on protecting our own properties such as upgrading burglar alarms, windows and insurance policies than it is to fund an increase which may not necessarily see increased services to our village, but instead the funding directed elsewhere.'

'My honest view is that the Police do not perform the duty that they are commissioned to do effectively at all. In fact I am very disappointed. I feel that the uniform is shoddy, attitude dreadful, officers including PCSOs not wishing to make eye contact. Trying to telephone the police is a lengthy affair. Not everyone has computers and the like. Overall I am very disappointed. I rarely see an officer in the town centre and never in my street.'

Fire and Rescue

Fewer responses were received about Staffordshire Fire & Rescue Service, but those that did included comments around demand, supporting other emergency services and staffing levels.

'I think more can be done with the fire service to reduce crewing overnight. They have very little calls for service in the night-time hours, and by either switching wholetime firefighters to a blend of in-station and on-call approaches or widening the response base during night-time hours to reduce the crews needed would save money.'

'I'm a firefighter, and I can't see anything improving, just constant cuts!'

'FRS is hugely understaffed, the levels of work are disproportionate to the people able to deliver it. This increases pressure on those in post and an increase in staffing levels would help deliver the priorities in a more proportional and productive manner.'

'I am not sure what the Fire Service is doing extra to support communities so unsure why they need a rise? Could they not be doing more? They seemed to have stuck to a traditional role when every other agency has had to do more with less. Given their 12% pay rise, the highest in public sector, I am not prepared to pay more for little to no change in role. Could they not support the Ambulance or Police more on incidents?'

'Prove to me that SFRS are attending more calls due to climate change? I spent 21 years in the job and flooding caused by development doesn't count. Sort out the retained section so

pumps are on the run at weekends instead of booked off, and get rid of pointless managers instead of frontline staff.'

'The fire and rescue service offers excellent value for money and can be protected for what is an insignificant amount given other cost of living pressures.'

'After many years of funding austerity, the Fire Service should receive maximum additional precept funding and I would choose to pay an extra £5 every year.'

'The police already get the largest amount of money and have no issues with spending on things. Whereas the fire service are running on bare bones and haven't got the equipment, facilities or money for personnel.'

'In recent years the proactive approach of the fire brigade has kept people safe. We want this vital service to be properly funded.'

'Our fire services are already well paid and have proven themselves to be self-serving rather than operating for the community with their too easily remembered strike action. Coupled to the fact the work schedules are 'light' and I don't know a single firefighter who doesn't have the ability to work a second job. As for the police – they need way more support. Services have been cut too far and society is become lawless. Irrespective of the actions of the courts, we need a stronger police presence.'

'We need more firefighters!'

Supporting an increase

A number of comments explained the reasons why they would support an increase in council tax as long as the money went to frontline services to keep communities safe.

'I think if the police are to meet the standard that are expected of them, they need much more funding than they currently have. There aren't enough officers to attend all the jobs in the timeframes expected of them.'

'Ultimately if I was victim of crime or unfortunate enough to need fire and rescue I'd expect/need help fast. For that to be the case the services need appropriate finding and efficient use of resources. The funding is the role of the taxpayer, as much as we begrudge that on a monthly payment, ultimately we'll be grateful.'

'I would be happy to contribute more if I could see how and where that benefit is gained, even if not directly to myself, but others in need.'

'Would like to see more police presence if there is an increase in the cost.'

'I feel that what they do goes unrecognised therefore would be happy to pay the extra as each day they risk the loss of their life for people.'

‘We are aware that inflationary pressures have meant significant increases in the costs of running Staffordshire Police outside of the wages bill. We are concerned that this could mean, without an increase in precept, paying the bills can only be done at the expense of police staff jobs. If that happens we will see a reduction in service to the people of Staffordshire and a less cost-effective service as the essential roles will necessarily be filled by police officers with different training.’

‘I would only be happy paying additional money if I could be sure it would be used as intended. At the moment, we have virtually no police presence and crime is on another level in Stafford.’

‘I would be prepared to pay more for the police if there was a police station, it's ridiculous to have an office in Wombourne, but with no access for the public.’

‘When you see an improvement in service you don't mind paying a bit more. Since you became Commissioner I think we have seen that.’

‘We sympathise with your position around having to raise local taxation to maintain public safety when we believe this should be funded by the Home Office as opposed to the local taxpayer. However, our precept increase last year was the lowest in the UK at £12 and over the last decade increases have been the 2nd lowest in the UK. Staffordshire has one of the lowest number of police officers in the UK. On a per head of population basis we have the 4th lowest number in the UK. The impact of this on welfare from cancelled rest days to maintain public safety is a challenge for us that higher numbers of officers would alleviate.’

‘I would want some guarantee that this was where the extra tax money was going. I would want it to be spent wisely and not just to increase the amount of middle management there are in these services.’

‘These essential services are well worth paying extra to maintain high standards. Thank you for consulting the public directly.’

‘An extra £25 a year to have a safer Staffordshire is worth every penny.’

‘My agreement to paying more for Police services is subject to the Police being far more visible and responsive in South Staffordshire.’

‘The Police and Fire Service save lives, they respond, I think both services should be getting a higher % of the council tax bill.’

‘I would sooner have a decent police and fire service and pay the higher level. When the worst happens, I want protecting and not just have a basic response “trying” to protect me.’

Not supporting an increase

The majority of additional comments were against an increase in council tax, with rising household bills being a factor. There were also concerns about Police performance in

particular, and a number of responses calling for greater efficiencies rather than increased taxation.

‘We keep paying more for a less of a service, where does the money go? Cuts to police and fire, they’re sharing locations etc, so what are you actually spending the money on?’

‘Both have had quite an increase over the last few years and I've not seen any benefit, so I am loathe to pay more for the same.’

‘We pay enough for a service that does not deliver. If the services were businesses, they would be bankrupt within 6 months.’

‘I can’t afford an increase. I recognise the need for finances for both fire and police but this should come from central government.’

‘Council tax is already crippling and yet many services are being cut despite costs rising. It's unaffordable to fund more emergency services when the local government is so unbearably greedy for money that lines their pockets and no one else's. It's their fault we can't afford more. I still believe there are efficiencies that can be made before increasing either precept.’

‘Residents are already drained dry by wildly expensive, hopelessly bad local government delivering very, very little at very, very high cost. Pay more for dire services? Why?’

‘I think the focus should be on the best possible use of the existing budget and try to avoid precept increases unless it can be shown that the increase will enable the introduction of new and additional services.’

‘People are facing hardships in their daily lives, food inflation is out of control, rent and mortgage increases are continuing. The public purse has to be curtailed.’

‘After the number of cases of police officers being found guilty of sexual assaults, rapes, kidnappings, coercive control and even murder, why should the public plough more into the institution? It’s a disgrace of a service I have absolutely no faith in. In the majority of cases the police aren’t bothered about the effects of crime on people. Don’t deserve a penny!’

Commissioner’s Office

A number of responses specifically mentioned the role and cost of the Commissioner and his office, feeling the money would be better spent on frontline services.

‘Whilst the Police force is under special measures and no sign of any real improvement following the recent IOPC report, there should be no increase in precept. I do not believe as PCC you are sufficiently holding the Chief Constable to account.’

‘Get rid of the pointless police and fire Commissioner and use the money saved to improve community police and fire services.’

'I think the office of Commissioner for Police is a created one and the millions of pounds it costs would be better spent sending direct to the police force for police officers, CID officers and forensic officers as these are wanted more than anything.'

'Yes. sack the Commissioner who is costing far too much for him and his office, money wasted on an appointment that is not necessary. We pay a Chief Constable who should be qualified enough to run his department, same with fire.'

'Delete the position of Commissioner and the extra bureaucracy associated with the role. It adds no value just additional cost.'

'The PCC role should be abolished to save money. The Conservative Party has argued for this in the West Mids as they are in special measures. It's not clear why they believe the role should continue to exist in Staffs which is in the same position.'

'Remove the Commissioner's Office and spend on policing instead.'

The Police and fire Commissioner role is to scrutinise these bodies to ensure value for money and with both of these organisations under the same body service can be shared ie service of vehicles, buildings and so forth.'

'Private companies cannot just ask for more money just because they can't manage a budget. You should look at your office and cuts there first rather than asking the public.'

Additional comments

'Council tax is a burden we don't deserve. There's problems everywhere – people striking, potholes a disgrace, speed cameras that don't work, pavements that need urgent repair that never get done. Police short staffed, can't cope – and we are paying for something we are not getting. Always excuses – councils going broke. It's all one big farce!!'

'Funding should come from central government. The number of people who pay council tax shouldn't be expected to keep footing the bill.'

'Police and Fire personnel should report all potholes etc they come across to the Highways Authority.'

'If the council filled in the potholes. They need to be held accountable for the waste projects like knock them down and start again. We vote them in, so we should have a say how money gets spent.'

'I would welcome the streets, roads and foot/bridle paths to be swept and tidied more than once a year.'

'We have very few facilities in Edingale and the roads out of Edingale get flooded so what should be a 6 or 7 mile trip to town ends up about 20.'

'I would like to feel that the Council Tax contributions made are being put to good use. I pay a not insignificant amount each month and yet drive down roads littered with potholes, dirt from farms that hasn't been cleaned and hedge clippings that destroy tyres. Social Care is funded via Council Tax contributions and yet is massively underfunded as a sector, with job vacancies at an all-time high and increasingly complex resident needs. With an ageing population this is an area that we too must focus on.'

'I think the Ambulance Service desperately need reviewing. Patients are being left for hours when in need for an ambulance. I believe the current situation is unacceptable. Wait and turnaround times are at an all-time high... Managers are obviously not getting it right. Can the fire brigade help with these wait times?'

'Yes, sirens – are they necessary overnight? We live very close to Eastern Avenue. We support our emergency services but hope they use the sirens with consideration.'

'As we are already paying so much for Council tax – much of which appears to me to be wasted on such things for example as £14 million for a car park on the outskirts of Hanley, and this other wasted monies by an inept council, as pensioners we just cannot afford to pay even more – we are now at breaking point with decisions to be made to heat or eat.'

'I do not know how much money you think we have left over from one OAP, after all the increase in living costs etc. I will not be having a garden waste bin next year, because I do not have the money to pay for it. My savings are dropping by the month.'

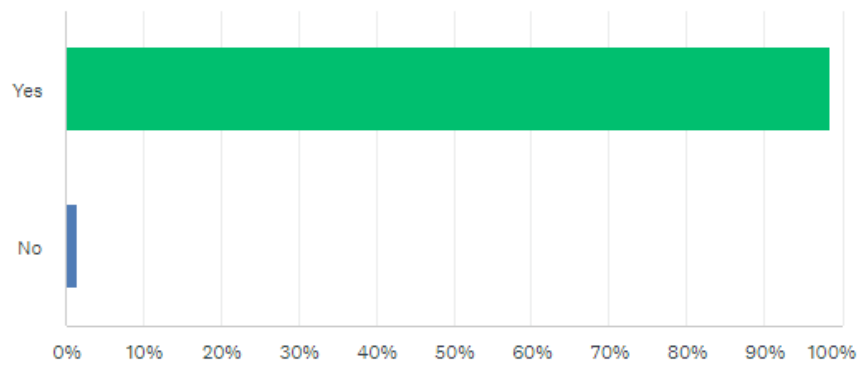
'The Parish Council was unclear as to the purpose of giving options to members of the public and stakeholder organisations when the impact of such spending on services was not clear.

It therefore felt unable to complete the actual survey. The Parish Council was very concerned about the health and safety impact for Fire Service crews and for the public of the proposal to have fire tenders crewed by only three individuals. It strongly recommended that this proposal be withdrawn.'

Additional Questions

Are you responsible for paying council tax?

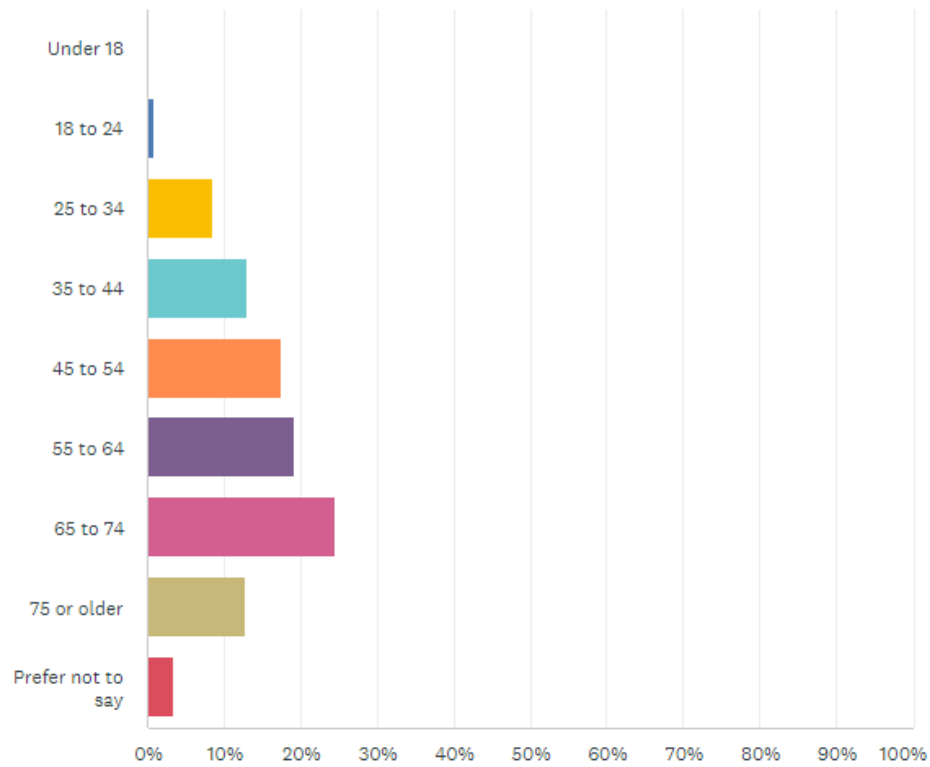
Answered: 1,922 Skipped: 63



ANSWER CHOICES	RESPONSES	
▼ Yes	98.49%	1,893
▼ No	1.51%	29
TOTAL		1,922

What is your age?

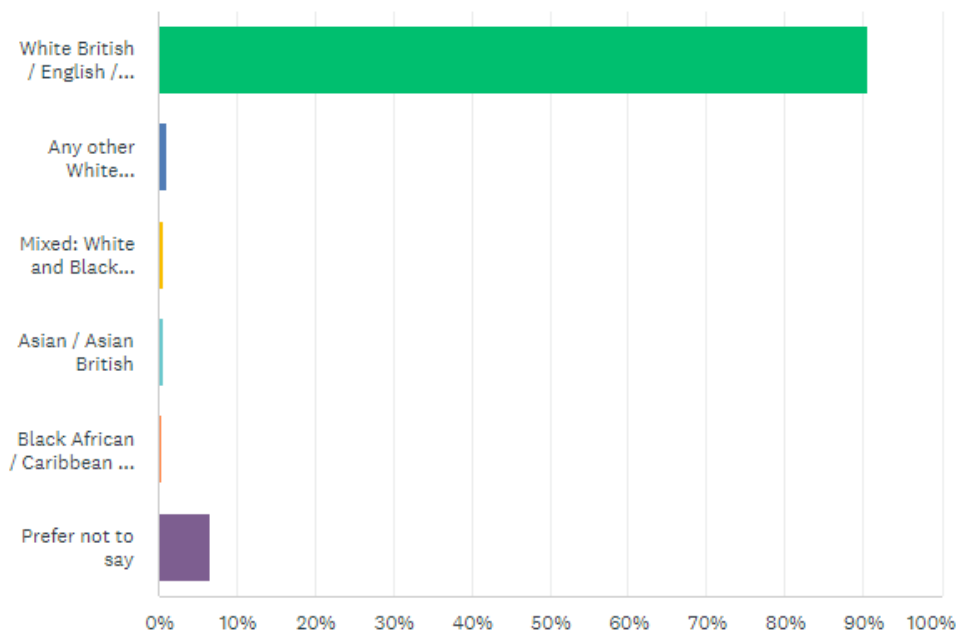
Answered: 1,823 Skipped: 162



ANSWER CHOICES	RESPONSES
Under 18	0.00% 0
18 to 24	0.82% 15
25 to 34	8.61% 157
35 to 44	13.11% 239
45 to 54	17.50% 319
55 to 64	19.20% 350
65 to 74	24.52% 447
75 or older	12.78% 233
Prefer not to say	3.46% 63
TOTAL	1,823

What is your ethnic origin?

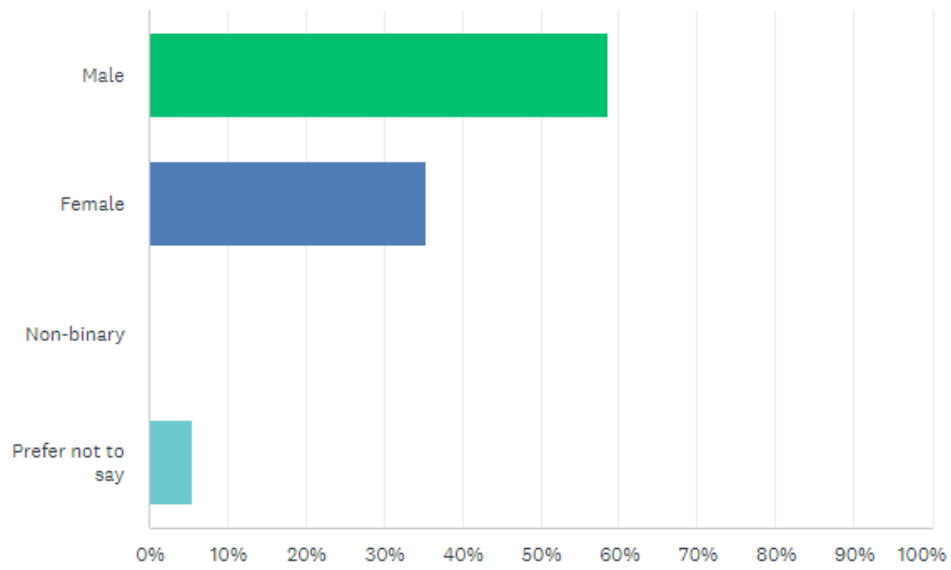
Answered: 1,797 Skipped: 188



ANSWER CHOICES	RESPONSES
White British / English / Welsh / Scottish / Northern Irish / Irish	90.54% 1,627
Any other White background	1.11% 20
Mixed: White and Black Caribbean / African / Asian	0.67% 12
Asian / Asian British	0.61% 11
Black African / Caribbean / Black British	0.45% 8
Prefer not to say	6.62% 119
TOTAL	1,797

Are you?

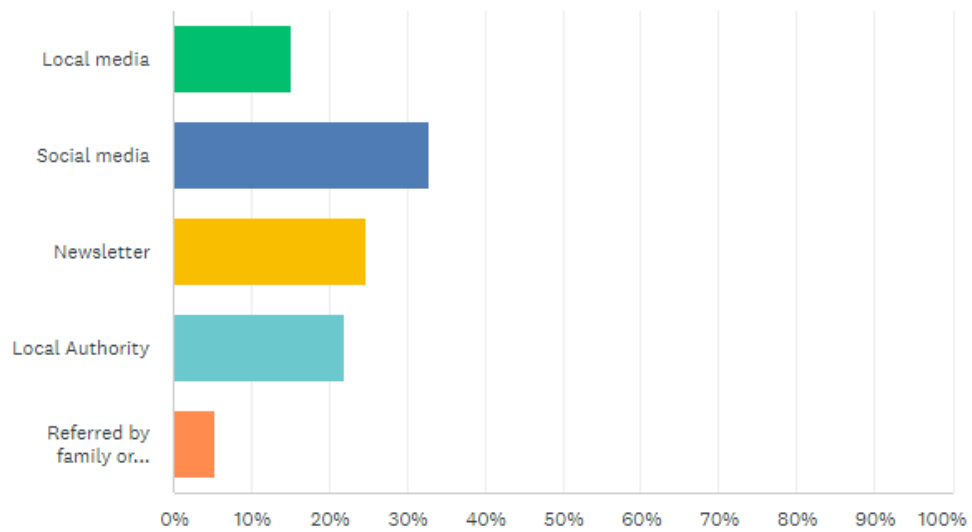
Answered: 1,812 Skipped: 173



ANSWER CHOICES	RESPONSES
▼ Male	58.66% 1,063
▼ Female	35.43% 642
▼ Non-binary	0.28% 5
▼ Prefer not to say	5.63% 102
TOTAL	1,812

Where did you hear about this consultation?

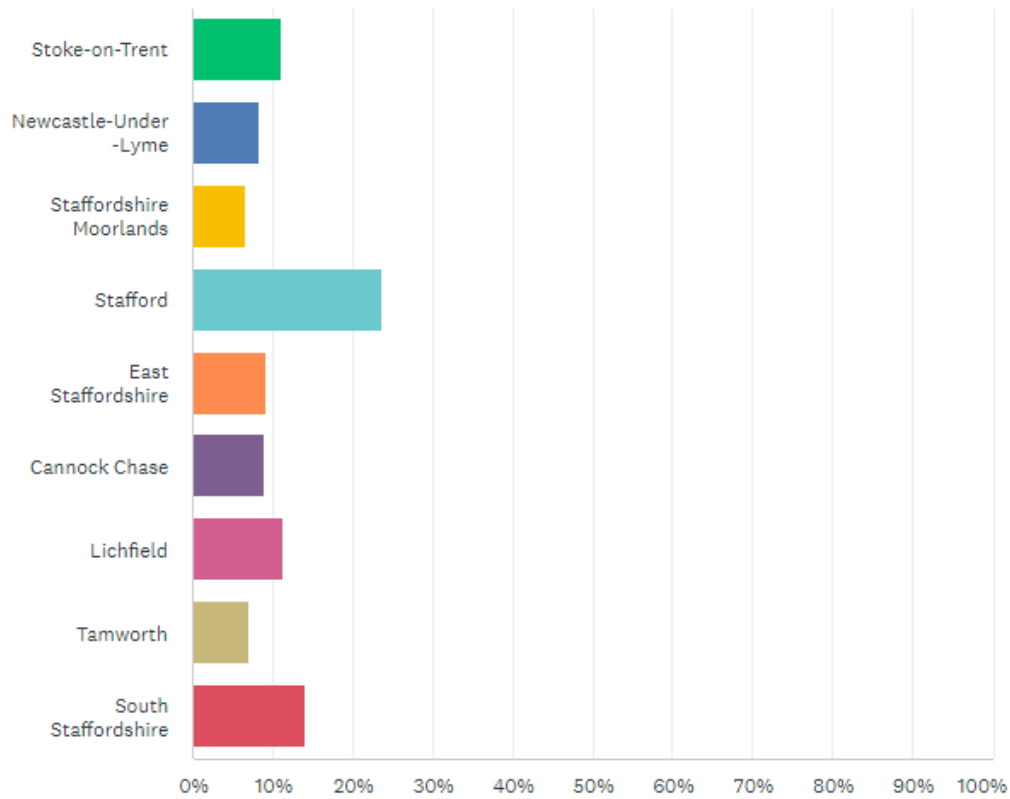
Answered: 1,530 Skipped: 455



ANSWER CHOICES	RESPONSES
Local media	15.03% 230
Social media	32.94% 504
Newsletter	24.77% 379
Local Authority	21.96% 336
Referred by family or friend	5.29% 81
TOTAL	1,530

Which area of Staffordshire or Stoke-on-Trent do you live in?

Answered: 1,822 Skipped: 163



ANSWER CHOICES	RESPONSES
▼ Stoke-on-Trent	11.09% 202
▼ Newcastle-Under-Lyme	8.23% 150
▼ Staffordshire Moorlands	6.53% 119
▼ Stafford	23.60% 430
▼ East Staffordshire	9.11% 166
▼ Cannock Chase	9.00% 164
▼ Lichfield	11.36% 207
▼ Tamworth	7.08% 129
▼ South Staffordshire	14.00% 255
TOTAL	1,822

If you would like to receive updates about the work of the Commissioner, please enter your name and email address below:

Answered: 442 Skipped: 1,543

ANSWER CHOICES	RESPONSES
Name	Responses 99.55% 440
Email address	Responses 99.10% 438



Report to the Police Fire and Crime Panel – 12 February 2024

TREASURY MANAGEMENT STRATEGY 2024/2025

Report of the Staffordshire Commissioner

1. Background

- 1.1 In addition to the existing role overseeing Staffordshire Police, the Staffordshire Commissioner became responsible for the governance of the Staffordshire Fire and Rescue Service from August 2018. However, both remain separate organisations, with separate budgets and governance processes.
- 1.2 This report will detail the Treasury Management Strategy for the Staffordshire Commissioner Fire and Rescue Authority only; a separate report has been completed and supported by the Board for the Staffordshire Police and Crime Commissioner. Therefore, reference is made only to **Staffordshire Commissioner Fire and Rescue Authority ('the Authority')** as part of this report.

2. Introduction

- 2.1 This report outlines the Authority's Treasury Management Strategy for the 2024/25 financial year.
- 2.2 Treasury management comprises the management of the Authority's cash flows, borrowings and investments, and their associated risks. The Authority is exposed to financial risks, including the effects on revenue from changing interest rates on borrowings and investments, and the risks of a potential loss of invested funds. Therefore, it is essential that the Authority successfully identifies, monitors, and controls financial risk as part of prudent financial management.
- 2.3 The Authority conducts its treasury risk management within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services Code of Practice 2017 Edition* (the CIPFA Code). The CIPFA Code requires that the Authority approves a treasury management strategy before the start of each financial year. In addition, this report fulfils the legal obligation to have regard to the CIPFA Code under the Local Government Act 2003.
- 2.4 The Annual Investment Strategy (AIS) for 2024/25 meets the requirements of the statutory guidance issued by the Department for Levelling up, Communities and Local Government (DLUHC), previously the Ministry of Housing, Communities and Local Government in its *Guidance on Local Government Investments 2018 Edition*.

2.5 This strategy has been prepared in conjunction with the Treasury and Pensions team at Staffordshire County Council (SCC), and after consultation with the Director of Finance.

3. **Recommendations**

3.1 That the Police Fire and Crime Panel note the proposed borrowing strategy for the 2024/25 financial year. The main features are:

- a) a borrowing strategy to operate within the prudential limits set out in **Appendix 2**;
- b) a borrowing strategy, to use cash as far as is practical with the option to borrow up to £3m long-term where the Director of Finance considers this appropriate in 2024/25;
- c) a strategy on borrowing in advance of need that will not be used in 2024/25; and
- d) a loan restructuring strategy that is potentially unlimited where this rebalances risk.

3.2 The Strategic Governance Board (Fire) to note in accordance with the DLUHC's Guidance on Local Authority Investments, the adoption of the Annual Investment Strategy (AIS) 2024/25 as detailed in **Section 7** of this report and the risks summarised in **Appendix 5**. Also, to note the policies on:

- reviewing the strategy;
- use of external advisers; and
- training.

4. **External Context**

Economic background

4.1 2023/24 has seen an end to the monthly bank base rate rises by the Bank of England seen in the previous year. UK base rates rose from 4.25% in March 2023 to 5.25% in August 2023, where they have remained since. It is expected that UK interest rates may peak at this level, and begin to reduce by September 2024, after the Bank of England have brought inflation under control.

4.2 The UK Consumer Price Index (CPI) inflation declined from 6.8% in July 2023 to 4.0% in December 2023, with similar declines in core CPI inflation. In its latest monetary policy meeting in December, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the 'stickiness' of inflation.

4.3 The tightness of the labour market continued to ease with the number of job vacancies consistently reducing, with the rate falling to 2.9%. This is close to the 2.5% associated with low wage growth, however, the cooling in labour market conditions still has not fed through to an easing in wage growth.

4.4 The registering of -0.1% GDP growth for Q3 2023 suggests that underlying growth has stalled since the start of the year. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was

broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.

4.5 In the US, the Federal Reserve has increased rates to a range of 5.25% to 5.5%, the European Central Bank have also increased rates to 4.0% with further tightening a possibility. The main message coming from most central banks is that interest rates will be held higher until inflation is fully under control.

4.6 Global events such as the war in Ukraine and now the turbulence in the Middle East mean that there is elevated instability in the global economic environment.

Credit outlook

4.7 Although bank Credit Default Swaps (CDS) prices, the market indicators of credit risk, spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have since returned to more normal levels. However, market sentiment can shift, so it remains important to undertake continual monitoring of all aspects of risk and return in current circumstances.

4.8 Significant levels of downgrades to short and long-term credit ratings have not materialised since the Covid-19 crisis in March 2020. In the main, where they did change, any alterations were limited to credit outlooks. Nonetheless, when setting minimum sovereign debt ratings, the Commissioner will not set a minimum rating for the UK.

4.9 Looking forward, potential for bank losses still remains a risk and a cautious approach to bank deposits in 2024/25 is advisable. The Commissioner is exposed to bail-in risk, as the Government will no longer support banks if they fail but rather it will be the investors who primarily bear the financial burden of rescuing the bank.

Interest rate forecast

4.10 The Bank of England Base Rate is forecast to remain at 5.25% until around September 2024, with forecasts then for rates to fall steadily to 3.0% by end 2025, where they are expected to remain for some time. As with all projections there are major risks to this forecast, such as the inflation rates, wage growth and geopolitical tensions.

4.11 Gilt yields have continued to fall, with sharp declines during December 2023 as markets anticipated larger rate cuts in the US 2024.

4.12 Due to the ongoing risks outlined above, the treasury strategy retains the low-risk approach adopted in recent years, based on prioritising security, liquidity and then yield.

5. Local Context

5.1 On 12 January 2024, the Authority held £16.700m of external borrowing and had £19.100m temporarily invested. The Authority's future requirements for borrowing and investments can be considered by reviewing its balance sheet forecasts described in the following paragraphs.

Balance sheet

- 5.2 In terms of borrowing, the Authority discloses its Capital Financing Requirement (CFR) as part of its Statement of Accounts. This represents the underlying need to borrow for capital purposes i.e., the amounts that have been financed through external and internal borrowing rather than being permanently financed. As the CFR also includes capital expenditure that has been funded through Private finance Initiatives (PFI), these PFI liabilities are removed to calculate the Authority's Loans CFR.
- 5.3 If the Authority increases debt to fund additional capital expenditure, this will increase its Loans CFR; conversely repaying debt through the Minimum Revenue Provision (MRP) will reduce its Loans CFR. The table below shows forecasts for the Authority's Loans CFR and how this will be financed through external and internal borrowing:

	31.03.24 Estimate £m	31.03.25 Forecast £m	31.03.26 Forecast £m	31.03.27 Forecast £m
Loans CFR	24.8	27.4	29.2	28.4
Less: External borrowing	(16.7)	(16.1)	(16.1)	(15.9)
Less: Capital financing from revenue and reserves	(1.6)	(1.3)	(1.5)	(0.5)
Internal / (over) borrowing	6.5	10.0	11.6	12.0

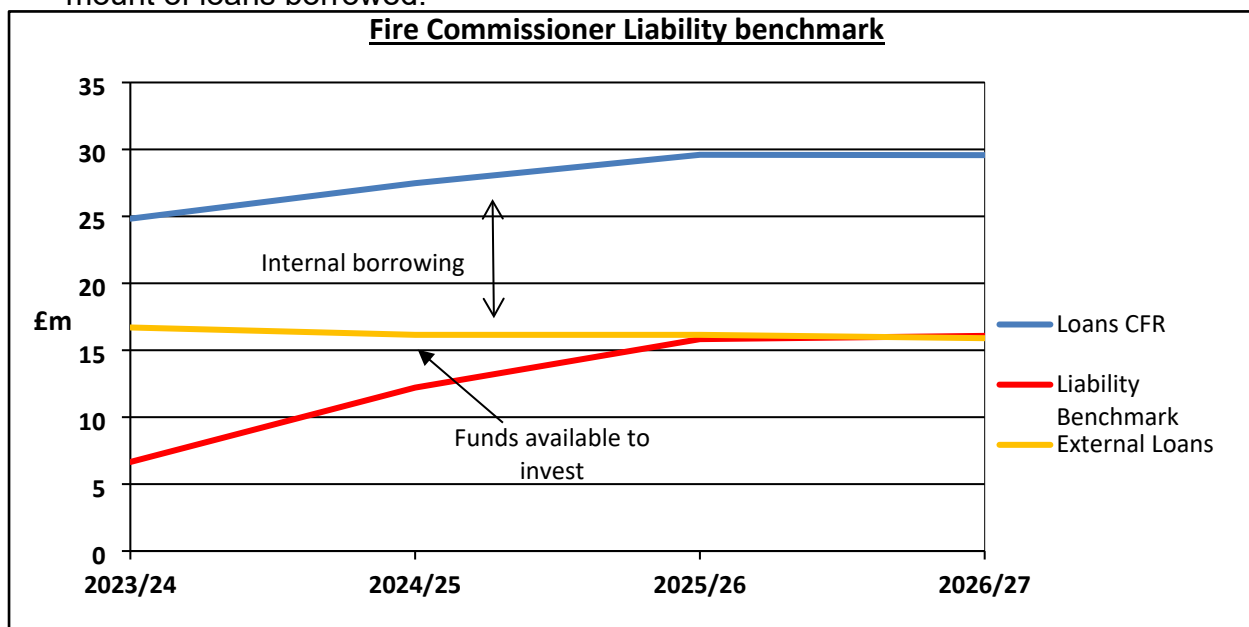
- 5.4 The table at 5.3 shows that the Authority's Loans CFR is forecast to increase steadily over the period, with the exception of the final year when the capital programme is reduced and the MRP is higher. This is because of the following - vehicle replacement capital expenditure including the delivery and final payments for 2 Heavy Rescue Tenders and 3 further Pump Rescue Platforms (PRL's), investment in operations equipment and improvements to ICT infrastructure and increasing security requirements. The Authority's internal borrowing requirements move in line with the Loans CFR projections.
- 5.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total external borrowing should be lower than its highest forecast CFR over the next three years; the information in the table at 5.3 shows the Authority will comply with this recommendation in this period.
- 5.6 For investments, the Authority's total resources available are measured by its usable reserves and working capital less any amounts that have been internally borrowed. This is shown in the following table:

	31.03.24 Estimate £m	31.03.25 Forecast £m	31.03.26 Forecast £m	31.03.27 Forecast £m
Usable reserves	16.7	15.6	14.6	14.0
Working capital surplus	0.0	0.0	0.0	0.0
(Less Internal) / Add Over Borrowing	(6.6)	(10.0)	(11.6)	(12.0)
Investments/ (New borrowing)	10.1	5.6	3.0	2.0

5.7 The table above shows a continuation of the Authority’s recent strategy in using internal borrowing to reduce the need for external borrowing and as a result, reduce temporary investment levels. Forecasts indicate that this strategy can continue until 2025/26 if reserves remain at current levels as projected when further borrowing may be required.

Liability benchmark

5.8 The CIPFA Prudential Code requires local authorities to develop their own liability benchmark to manage treasury management risk. The liability benchmark represents the minimum amount of loans required to maintain cash balances at nil i.e., when all usable reserves and working capital surpluses are used to offset the amount of loans borrowed.



5.9 The chart at 5.8 shows that the Authority’s Loans CFR (blue line) has been financed through a combination of external borrowing (yellow line) and internal borrowing (the difference between the yellow line and the blue line).

5.10 The chart indicates that Authority will have reducing funds available to invest in 2024/25. This is because the Authority’s Loans CFR, and hence its liability benchmark, has been steadily increasing whilst its level of external loans has been steadily decreasing with loans being repaid upon maturity.

6. Borrowing Strategy 2024/25

6.1 In 2024/25, the Authority will hold £16.7m in external loans as part of its strategy for funding previous years capital programmes. The Authority will need to ensure total amounts borrowed do not exceed the authorised limit of £29.6 million (when excluding other liabilities such as PFI), as disclosed in **Appendix 2**.

Objectives

- 6.2 The primary objective for the Authority when considering borrowing money is to strike an appropriate balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The risks associated with the borrowing Strategy are laid out in **Appendix 3**.

Strategy

- 6.3 Given the ongoing financial pressure on public services and local government funding, the Authority continues to address the key issue of affordability without compromising the long-term stability of its debt portfolio. As short-term interest rates have been lower than long term rates, it has been more cost effective to use its internal cash resources in lieu of borrowing in the short term.
- 6.4 The liability benchmark analysis at **paragraph 5.8** indicates that the Authority may not need to take out additional borrowing until towards the end of the 2024/2025 financial year. In addition, the Authority requires a borrowing strategy to mitigate against changing circumstances or when external borrowing to replace internal debt becomes cheaper.
- 6.5 It is important to understand that not all of the borrowing requirement needs to be closed with loans; an important aspect of using some cash in the current financial climate is its risk reduction effects:
- Using cash reduces security risk as investment balances are lower. Regulations emphasise the importance of minimising this risk and is discussed later in this report. This action minimises bail-in risk, where certain investors, such as the Authority (as it is classed as a local authority under legislation) will suffer the financial burden of a failing bank rather than the Government, should there be issues in the future.
 - There is less exposure to variable interest rate changes; this exposure arises when a fixed term loan is taken out with corresponding variable rate investments. This is avoided when cash is used.
 - the yield curve is fairly flat for many years but the margin the PWLB add on to onward lend to local authorities, means it is still cheaper to use cash than to borrow in many cases.
- 6.6 The Authority will monitor the benefits of internal borrowing on a regular basis as this strategy must be balanced against the possibility that long-term borrowing costs may increase in future years, leading to additional costs incurred in deferring borrowing. While the Bank of England Base Rate remains high, it is forecast that interest rates will fall during 2024/25. The Authority will need to determine whether and when it borrows additional sums at long term fixed rates in 2024/25 or continues to use internal borrowing as this is more financially beneficial, with a view to only borrow for longer periods when cash balances are nearly exhausted. To this end, the Authority will consult with the Treasury team at Staffordshire County Council.
- 6.7 The strategy proposed is one that still aims to balance the liquidity needs of day-to-day cash management with the low-risk approach that is offered by using cash. As cash balances may not be sufficient in the future, the Authority will need to consider what loans should be raised to provide the liquidity necessary to allow it to continue to pay its bills.

Sources of borrowing

- 6.8 The approved sources of long term and short-term borrowing are:
- the Public Works Loans Board (PWLB)
 - the UK Municipal Bonds Agency Plc and any other special purpose companies created to enable local authority bond issues
 - Other UK public sector bodies
 - UK public pension funds
 - Approved banks or building societies authorised to operate in the UK
 - Any institutions approved for investments.

Short-term loans

- 6.9 Short-term loans raised from money markets are under 12 months duration. These are low cost, and the Authority can respond flexibly to liquidity pressures by raising these when needed. The disadvantage of short-term loans is one of availability and it can be difficult to raise quickly from banks and building societies.
- 6.10 The local authority lending market has progressed considerably in recent years and funds are generally available in the short to medium term. However, future availability cannot be predicted as loans raised depend upon other local authorities still having cash balances and being prepared to lend it to the Authority.

Long-term loans

- 6.11 Long-term loans are those for a duration of more than 12 months. The Authority has previously raised most of its long-term borrowing from the PWLB, a statutory body that issues loans to local authorities. Government consent is not required hence the PWLB continues to be seen as the 'lender of first resort' because of the flexibility and ease of access. However, local authorities are required by law to have regard to the Prudential Code and only borrow within relevant legislation and its borrowing powers.
- 6.12 The exact type of loan to be raised by the Authority and its duration would have to be considered at the time; but with current interest rates and the maturity profile of the existing loan portfolio, loans towards the shorter end of the yield curve offer better value for money.
- 6.13 The optimum timing for borrowing cannot be foreseen and decisions often need to be taken at short notice. Because of this, it is proposed to delegate the decision to borrow up to £3m in long-term loans to the Director of Finance at the Authority and reported retrospectively to the Strategic Governance Board (Fire). In addition, the treasury management outturn and half-year reports will update the position later in the year.
- 6.14 The overall strategy of maximising the use of cash in lieu of borrowing is still considered a relatively low risk strategy, although it is impossible to eliminate all treasury risk. The consequences of using cash are the possibility of increased costs in the future if interest rates rise; this must be balanced with the extra cost now if loans are raised (the cost of carry).

Loan restructuring

- 6.15 Movements in interest rates over time may provide opportunities to restructure the loan portfolio in one of two ways:
- Replace existing loans with new loans at a lower rate (known as loan rescheduling).
 - Repay loans early without replacing the loans. However, this would increase the use of cash which may not be possible if reserve levels are not adequate.
- 6.16 Market conditions have shifted in the last 12 months and Gilt yields have risen from the historic lows seen over the last 10 years. This rise in Gilt yields means that there is a possibility that PWLB premiums may be low and could be offset by interest savings on extinguished loans in addition discounts may be offered on some loans. The Director of Finance will continue to monitor the market and identify possible savings arising during 2024/25.
- 6.17 The loans position includes a £1m LOBO (Lender Option Borrower Option) loan held with Dexia Bank where the maturity date is uncertain. The bank has an option to amend (i.e., increase) the loan interest rate on pre-determined dates in 2024/25; if this option is exercised then the Authority as a matter of policy will repay the loan.
- 6.18 In recent years, some banks owning LOBO loans have been actively removing these non-core assets from their balance sheet and were willing to significantly reduce the repayment penalty. Dexia Bank are not currently offering such favourable repayment terms for their LOBO loans, although it is possible, they may do so in future years.
- 6.19 Aside from a potential restructure, it is judged unlikely in the current interest rate environment that LOBO loans options will be exercised. A repayment of the LOBO loan would further increase the “gap” funded from cash; alternatively, the Authority could take up an alternative loan, say with the Public Works Loan Board (PWLB), or its successor body. Although the Authority understands that the lender is still unlikely to exercise its option in the current interest rate environment, there does remain an element of refinancing risk.
- 6.20 Market conditions and regulations can change, and the outcome cannot be foreseen. It is therefore proposed to allow unlimited loan restructuring with the decision being delegated to the Director of Finance at the Authority and reported retrospectively to the Strategic Governance Board (Fire).

Policy on Borrowing in Advance of Need

- 6.21 As the borrowing strategy proposed for 2024/25 involves maximising the use of cash until borrowing is required, the policy is not to borrow in advance this year. This will be revisited annually as part of the overall borrowing strategy.

7. Annual Investment Strategy (AIS) 2024/25

- 7.1 It is the Authority’s borrowing strategy that determines its investment strategy and with the Authority’s policy to continue with the use of cash instead of borrowing, balances available for temporary investments are lower.
- 7.2 The Authority still may have significant level of funds to invest at different points of the year; this usually represents income received in advance of expenditure plus

balances and reserves held. In the first 3 quarters of 2023/24, the Authority's investment balance averaged at around £19.0m.

MiFID II

- 7.3 Following the introduction of the second Markets in Financial Instruments Directive (MiFID II) regulations from January 2018, local authorities will automatically be treated as retail clients by financial services firms, unless they meet the criteria and 'opt up' to be professional clients. As a retail client, the Authority would receive enhanced protections, but this would also mean it may face increased costs and restricted access to certain products including money market funds, pooled funds, treasury bills and treasury advice.
- 7.4 The Authority meets the criteria set out under MiFID II and will continue to be treated as a professional client by regulated financial services firms in 2024/25.

Objectives

- 7.5 The CIPFA Code requires the local authorities to invest their funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield.
- 7.6 The Authority's objective when investing its cash is to strike an appropriate balance between risk and return, thereby minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Strategy

- 7.7 The main characteristics which should determine an investment strategy are:
- the credit risk of the counterparties invested with;
 - the length of the investment; and
 - the type of financial instrument that is used.
- 7.8 The Authority has taken a low-risk approach to investment and the AIS for 2024/25 will continue to do so. Short term unsecured bank investments have generally provided very low returns with additional risk from bail-in regulations. The Authority will continue to concentrate its short-term investments in more secure MMFs and government investments.
- 7.9 DLUHC Guidance on Local Government Investments specifies the types of financial instruments that local authorities can invest with, and the Authority has divided its approved treasury investments into Standard Investments and Non-Standard Investments.

Standard investments

- 7.10 The Authority considers Standard Investments to be those made with approved counterparties that do not require further approval from the Director of Finance at the Authority. These investments are for a period of less than a year and are those most frequently used by the Authority. Standard Investments can be invested with:
- UK Government – central government or local authority, parish council or community council
 - short term MMFs
 - bank and building society investments

i) Government

- 7.11 The Authority invests with central government by using its Debt Management Account Deposit Facility (DMADF) account. Funds held in the DMADF account are backed by the UK Government, so they are very secure; however, returns tend to be lower than those received elsewhere.
- 7.12 The Authority invests in term deposits with local authorities which can provide a higher return depending on the availability of, or the need for cash in the local authority lending market. Like central government investments, local government investments are not subject to bail in risk.
- 7.13 Although investments in the local authority lending market have a low risk of insolvency, they are not completely without risk. The financial risks of a few local authorities have been documented in the press; the Authority will continue to monitor such developments and seek information from the County Council's Treasury team where necessary.

ii) Money Market Funds (MMFs)

- 7.14 Money Market Funds have high credit quality and are pooled investment vehicles consisting of money market deposits and similar instruments. Short-term MMFs that offer same day liquidity can be used as an alternative to instant access bank accounts. The Authority has used same day notice MMFs for some time as they have tended to provide greater security and a higher yield than bank accounts.
- 7.15 EU regulation introduced in January 2019 have meant most same day notice MMFs have converted from a Constant Net Asset Value (CNAV) to a Low Volatility Net Asset Value (LVNAV) structure. The assets of LVNAV MMFs are marked to market, meaning the dealing NAV (unit price) may fluctuate in extreme circumstances. However, LVNAV MMFs are allowed to maintain a constant dealing NAV provided they meet strict criteria and minimum liquidity requirements. Public debt CNAV MMFs are still available where 99.5% of assets are invested in government debt instruments.
- 7.16 The Authority will continue to use same day notice MMFs that meet the criteria listed below. These are considered to have sufficient high credit quality to be included on the Authority's Approved Lending List:
- Diversified – MMFs invest across many different investments meaning they achieve more diversification than the Authority could achieve on its own account.
 - Short liquidity – cash can be accessed daily.
 - Ring-fenced assets – the investments are owned by investors and not the fund management company.
 - Custodian – the investments are managed by an independent bank known as a custodian, who operates at arms-length from the fund management company.
- 7.17 Like all treasury instruments, MMFs do carry an element of risk, such as the failure of one or more of an MMF's investments leading to a investor run on an MMF, especially during a period of financial turbulence. The MMF regulations introduced in recent years do limit this risk however.

iii) Bank and building society accounts

7.18 The Authority can make investments with banks and building societies that meet the minimum threshold set out in **paragraph 7.32** by using call accounts or term deposits, but these investments will run the risk of credit loss via a bail in, if the regulator determines that the bank is failing or likely to fail. Due to this issue and a general cautious approach to bank and building society investments, currently the only bank or building society in use by the Authority is its banking provider, Lloyds Bank (see section below). Use of any further banks or building societies is delegated to the Director of Finance with the outcome reported in the regular treasury management reports to the Strategic Governance Board (Fire).

iv) Operational bank account

7.19 The Authority's banking provider is Lloyds Bank. Cash is retained with Lloyds Bank each night earning interest at below market rate; the amount retained will be set in line with the diversification policy set out at **paragraph 7.24**.

7.20 In respect of the Bank ring-fencing legislation Lloyds Bank has a relatively small investment banking operation meaning that 97% of the bank's assets remain within the 'retail bank' ring-fence. The Authority's business with Lloyds Bank will take place within the 'retail bank' ring-fence (Lloyds Bank Plc) and not form part of their investment banking operations (Lloyds Bank Corporate Markets).

7.21 Should the Lloyds credit rating fall below the Authority's minimum threshold, then minimum balances will be retained for operational efficiency. The Authority will continue to seek support from the County Council's Treasury team on bank credit risk and any changes will be determined by the Director of Finance at the Authority.

Standard Investment diversification

7.22 Risks to investments, such as those discussed for MMFs in **paragraph 7.17**, point towards the fundamental need for diversification across counterparties and investment categories, where possible. Diversification can help to protect the security of investments by limiting the Authority's loss in the event of a counterparty default. Diversification will not protect the Authority from a systemic failure of the banking sector even if the risk of this has diminished following the bail-in banking regulations.

7.23 Diversification can be achieved by setting a maximum amount to be invested with each counterparty, to limit risk and to ensure a spread of investments.

- No limits are proposed for government investments as these may be utilised for all the Authority's investments in certain circumstances.
- For MMF's a standard limit of £2.5m per MMF is in place to meet liquidity requirements. It is proposed that a temporary increase on the limit up to £3m is put into place during 2024/2025 for the MMF's. This will allow additional flexibility when looking to place surplus funds. It also reflects the increased interest rates currently available from the MMF's compared with term deposits placed with the Debt Management Office (DMO).

7.24 For Lloyds Bank a limit is set of the lower of 10% of total balances or £1.0m (subject to a minimum upper level of £500k); this amount will minimise processing costs and provide additional liquidity for the Authority. The Treasury team at Staffordshire County Council will review and reset this limit once a month.

- 7.25 Where cash balances are low then this may mean that all investments are placed with the MMFs and Lloyds Bank. However, balances will be within the limits stated above.
- 7.26 It is proposed that both the application and amendment of this policy are delegated to the Director of Finance at the Authority with the outcome reported in the regular treasury management reports to the Strategic Governance Board (Fire).

Non-Standard Investments

- 7.27 The Authority considers Non-Standard Investments to be all other types of approved investment counterparties that are not included as part of Standard Investments i.e., those investments that are used less frequently and may require further approval from the Director of Finance at the Authority.
- 7.28 Collective Investment Schemes are Non-Standard Investments that range from enhanced MMF's to property and equity funds. These all have varying risk and return profiles. The Authority approved a decision to use this category of investment in 2016/17 by committing to the Royal London Fund, a AAA rated enhanced Cash Plus MMF with a 3-day liquidity notice period.
- 7.29 The Royal London Cash Plus Fund allows the Authority to earn an increased yield in a low interest rate environment, and where the Authority has high cash balances. Security is maintained as it invests in highly sought after covered (secured) bonds, which are exempt from bail-in. These enhanced duration MMF's have the same characteristics as same day liquidity MMF's but typically have a 3–5-day notice period. They also have a recommended investment duration of at least 6 months, due to their longer investment horizon.
- 7.30 The financial limit for the Royal London Cash Plus MMF is £2.5m, in line with the same day liquidity MMF's. It also allows for additional flexibility at times when there are surplus funds available to invest.

Credit Management Strategy for 2024/25

- 7.31 Investments made by the Authority should be of 'high credit quality'. Although this can be difficult to define, credit ratings can be used as published by external credit rating agencies (the three main agencies are Moody's, Standard & Poors and Fitch). Credit ratings can be obtained from the County Council's Treasury team, where available.
- 7.32 For 2024/25, the minimum credit-rating thresholds are set at a long-term rating of A- where applicable. Counterparties that are rated below this level are excluded. However, credit ratings are not the only aspect of how creditworthiness is assessed.
- 7.33 The following elements are also factored in when evaluating creditworthiness:
- Potential government support.
 - Credit Default Swap prices (CDS) (i.e., the cost of insuring against counterparty default).
 - Share prices and bond yields.
 - Balance sheet structure.
 - Macro-economic factors.

- A subjective overlay, i.e., a judgement being made about whether the counterparty should be recommended or not.

7.34 The Authority remains responsible for all its investment decisions. The County Council's Treasury team will continue to have treasury management meetings with the Authority on a quarterly basis where a review of the Lending List will take place.

7.35 Under stressed market conditions, additional meetings with County Council's Treasury team may take place at very short notice. A decision may be made to adjust the Authority's investment risk profile; the end result may involve moving investments to lower risk counterparties or instruments.

Non-treasury investments

7.36 Under the CIPFA Codes and DLUHC Guidance, local authorities may invest in other financial assets and property for financial return, and also make loans and investments for service purposes.

7.37 Such non-treasury investments should be assessed as part of a separate investment strategy. They should set out the specific policies and arrangements for non-treasury investments and ensure the same robust procedures for the consideration of risk and return are applied to these, as for treasury investments.

7.38 In the absence of any legal powers to do so the Authority does not currently hold any non-treasury investments and, therefore, no additional commercial strategy is required.

Risk

7.39 Although guidance sets out security and liquidity as being the main treasury risks, they are not the only investment risks faced by the Authority. **Appendix 5** sets out a high-level risk assessment for six of the key risks which are summarised in the following table:

Risk	Assessment
Security	Low
Liquidity	Low to Medium
Interest rate	Low to Medium
Market	Low
Refinancing	Low to Medium
Regulatory and legal	Low

7.40 Within the Authority's AIS there is a balance to be struck between the security of investments and liquidity; the safest investments are not necessarily the most liquid and so a pragmatic approach must be taken.

7.41 The proposed AIS has been evaluated against these risks and the judgement is that the most significant risks have been reduced as far as possible. This is not to say that all risk has been eliminated which is not possible in treasury terms.

8. Review of strategy

- 8.1 The Authority will prepare a revised strategy when there are significant changes to the following factors:
- the economic environment.
 - the financial risk environment.
 - the budgetary position.
 - the regulatory environment.
- 8.2 The responsibility for assessing these circumstances and proposing changes to the strategy is allocated to the Director of Finance at the Authority.

9. Policy on the use of external service providers

- 9.1 Currently the Authority has no contracted external treasury adviser and this is considered appropriate with the simple arrangements set out.
- 9.2 The treasury service for the Authority is provided by the County Council's Treasury team, who use Link as their external treasury management adviser. The County Council's contract with Link started in 2021 following a tender process. The Authority could use Link to provide consultancy advice on an ad-hoc basis should this be considered necessary.

10. Investment management training

- 10.1 Treasury management is a specialised area requiring high quality and well-trained staff with an up-to-date knowledge of current issues, legislation and treasury risk management techniques.
- 10.2 The County Council's Treasury team who provide the treasury service, are experienced and attend regular CIPFA and treasury consultant training seminars throughout the year as well as speaking to brokers and fund managers to further understand the market.
- 10.3 Training needs for Authority's staff who attend quarterly meetings with the County Council's Treasury team are assessed on an ongoing basis by local managers.

11. Service Level Agreement

- 11.1 Staffordshire County Council provides treasury management and banking services as part of a Service Level Agreement (SLA) with the Authority. The SLA does not constitute a contract but is a document of good practice; it outlines the range of services offered by the County Council and the degree of co-operation required from the Authority in order for the County Council to fulfil its role.

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Background Documents:

1. Treasury Management in the Public Services: Code of Practice (CIPFA) (2017)
2. The Prudential Code for Capital Finance in Local Authorities (CIPFA) (2017)
3. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
4. Statutory Guidance on Local Government Investments – Issued under Section 15(1) (a) of the Local Government Act 2003 (2018)
5. Statutory Guidance on Minimum Revenue Provision – Issued under section 21 (1A) of the Local Government Act 2003 (2018)

Financial Implications

All financial implications are covered in the body of this report.

Legal Implications

Approval of Prudential Indicators and an Annual Investment Strategy are necessary to meet the requirements of the Local Government Act 2003.

Equality & Diversity Implications

There are no equality and diversity implications.

Risk Implications

Risk is inherent in treasury management operations and is dealt with throughout this report. **Appendices 3 and 5** show a risk assessment for borrowing and investment activities.

Consultation and Engagement Undertaken

Staffordshire County Council's Treasury and Pension Fund Team have provided the economic background and forecasts for this report.

Procurement and Social Value Implications

The daily treasury management function is carried out on behalf of the Authority by Staffordshire County Council, under a Service Level Agreement (SLA).

Protective Security Considerations

Data protection and protective security policies are implemented within Staffordshire County Council and all departments within the County Council. Treasury management activities are undertaken in line with these policies and the agreed SLA.

**Police Fire and Crime Panel
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Treasury Management Indicators

Indicator	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
1. External Debt	£m	£m	£m
Authorised Limit	29.6	32.1	32.1
Authorised Limit for other liabilities	63.7	60.8	57.7
TOTAL	93.3	92.9	89.8
Operational Boundary	17.8	17.9	19.1
Operational Boundary for other liabilities	63.7	60.8	57.7
TOTAL	81.5	78.7	76.8
External Loans	16.1	16.1	15.9
<p><i>The Authorised Limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the Capital Programme.</i></p> <p><i>The Operational Boundary represents the Director's estimate of the day-to-day limit for Treasury Management activity based on the most likely i.e., prudent but not worst-case scenario</i></p> <p><i>Other liabilities relate to PFI schemes on the balance sheet.</i></p>			
2. Interest Rate Exposures	£m	£m	£m
a. Upper Limit (Fixed)	27.5	29.6	29.6
b. Upper Limit (Variable)	(25)	(25)	(25)
<p><i>Upper limits of fixed and variable borrowing and investments are required to be set. This limits the Authority's exposure to both fixed and variable interest rate movements as part of the overall risk management strategy for treasury management activities. Negative figures are shown in brackets; these relate to investments at a variable rate which are not offset by variable borrowings.</i></p>			
3. Maturity Structure of Borrowing	Upper Limit	Lower Limit	
Under 12 months	10%	0%	3.29%
12 months and with 24 months	10%	0%	0.00%
24 months and within 5 years	30%	0%	3.89%
5 years and with 10 years	50%	0%	8.68%
10 years and above	100%	25%	84.13%
<p><i>This indicator identifies the amount of loans maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time.</i></p> <p><i>The Authority currently applies the prudent practice of ensuring that no more than 10% of its total gross fixed rate loans mature in any one financial year.</i></p>			
4. Total principal sums invested for periods longer than a year	£	£	£
<i>Any investments made for longer than a year will be in accordance with the limits on non-specified investments.</i>	nil	nil	nil

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Risk assessment – Borrowing Strategy

Risk heading	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Security	A third party fails to meet its contractual obligations (i.e., counterparty risk).	Unlikely that there is a failure between the agreement to borrow and sums being received a few days later. However, if we borrow in advance we must invest until this is needed, and this increases exposure to investment risk.	Usually borrow from the Government (PWLB or its successor body) with funds received within 3 working days from the date of agreement to borrow.	LOW	Use of cash to fund borrowing reduces this risk further i.e., less money is held with banks and third parties as a result.
Liquidity	Cash is not readily available when it is needed.	Only borrow for capital – usually borrow from Government (PWLB or its successor body) with a maximum limit of £3m for long-term borrowing set in 2024/25.	Prudential rules on borrowing and consideration of whether Government is secure.	LOW	Use of cash to fund borrowing increases this risk as liquidity is reduced when borrowing is avoided. However, the Authority is able to borrow money temporarily using the money markets should it need to, so the overall risk remains low.
Interest rate	Unexpected <u>reduction</u> in short term Interest rates.	Depends on the mix between fixed rate borrowing and variable rate borrowing. Higher exposure to variable rate borrowing helps the budget.	The control is set out below.	LOW to MEDIUM	Pursuing a strategy of using cash reduces the overall net exposure to sudden interest rate falls.
Interest rate	Unexpected <u>increase</u> in short term interest rates.	Mix of variable and fixed rates – Lower exposure to variable rate borrowing helps the budget.	Limit variable rate borrowing to a relatively small proportion (e.g., 20%).	LOW to MEDIUM	20% limit provides a suitable risk control.

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Risk heading	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Market	The market value of loans changes substantially (i.e., how much is the borrowing strategy exposed to long term interest rate change).	How much risk is built into the maturity profile of the loans structure. LOBO's (5% of all loans) are the only 'market' instrument in borrowing terms currently used.	This is inversely linked to refinancing risk below.	MEDIUM	Use of cash will shorten the duration of the loan portfolio and reduces this risk. Without the use of cash this risk assessment would probably be high.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Need to avoid a high level of borrowing over a short period where you are exposed to high interest rates.	The Authority has a policy of limiting maturing loans to 10% of the loans portfolio.	MEDIUM	Using cash to fund borrowing potentially increases the refinancing risk. Without the use of cash this risk assessment would probably be low.
Regulatory and legal risk	Rules governing local government borrowing are changed or amended without notice, which has happened in the recent past.	Local government is heavily reliant upon PWLB (or its successor body); cost and ability to reschedule / manage loans are determined by the Government The Government could close the PWLB (or its successor body) and force local authorities to use market loans for all new borrowing.	Market loans will be evaluated and taken if these are good overall value and dilute reliance on the PWLB (or its successor body). The UK Municipal Bonds Agency may provide an alternative in the future. .	MEDIUM	One LOBO loan is held. Use of cash means that PWLB (or its successor body) loans are not being taken. If the PWLB (or its successor body) was closed to new business, then market loans would be the only option.

Police Fire and Crime Panel
13th February 2024

Lending List – January 2024	
Time Limit	
<i>Regulation Investments</i>	
UK Government DMADF account	6 months
UK Local Authority	12 months
<i>Banks</i>	
Lloyds Group (£1.0m max)	overnight
<i>MMF</i>	
Federated (£2.5m max)	call only
Morgan Stanley (£2.5m max)	call only
Aberdeen Standard (£2.5m max)	call only
<i>Enhanced MMF</i>	
Royal London Cash Plus (£2.5m max)	3-day notice

Police Fire and Crime Panel
13 February 2024

Risk assessment - Investments

Risk heading	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Security	A third party fails to meet its contractual obligations (i.e., counterparty risk).	Crucial that money invested is returned (principal and interest).	Relies on credit management policy including credit risk, diversification, duration and amount of investment, and an ongoing review of the credit environment. Prudential limit on investment over 1 year.	LOW	Use of the counterparties identified within the AIS reduces this risk to a low level. The borrowing strategy identified will reduce cash balances and the resulting security risk. With the exception of regulation investments, counterparties have a financial limit to ensure funds are spread amongst them. Overall, this remains a low-risk strategy.
Liquidity	Cash is not readily available when it is needed.	Need to plan investment to match cash requirements.	Managed through detailed cash flow forecast and investment in highly liquid funds – can also borrow temporarily (Local Authorities are a good credit risk if lent money).	LOW	Same day access accounts are currently held with: <ul style="list-style-type: none"> • Federated MMF • Morgan Stanley MMF • Aberdeen Standard MMF • Lloyds Banking Group (as banker) Cash flow plans are completed annually and regularly updated. Overall, the risk is low.

Appendix 5 (continued)

Risk heading	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Interest rate	Unexpected <u>reduction</u> in Interest rate.	Reduces the return on investment and reduces the level of reserves.	Can reduce risk by; A) netting off investment against borrowing to reduce net exposure B) investing for longer periods.	LOW	Investments will be short term; this does not protect against an interest rate reduction. The current interest rate environment has interest rates at historically low levels.
Interest rate	Unexpected <u>increase</u> in interest rates.	In order to take advantage of the unexpected return, would need to keep investment short term and increase the amount of cash invested (e.g., by not using cash in lieu of borrowing).	Controlled through the overall strategy.	MEDIUM	Current policy allows upturns to be taken advantage of as investments are not fixed for long periods. Using cash to fund borrowing (the proposed borrowing strategy) reduces this risk as the overall exposure to short term interest rates is less.
Market	Unexpected need to liquidate market instrument quickly and accept 'price on the day'.	Only relevant if invest in market instruments (e.g., CD's, Gilts).	Limit investment in market instruments or alternatively have capacity to borrow to avoid need to liquidate. Controlled by limits on Non-Standard Investments.	LOW	Market instruments are not in use by the Authority.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Reflected in the term (duration) of investments. If everything invested shorter term, there is a higher refinancing risk.	Proportion of investments maturing in the short term.	LOW/ MEDIUM	The current policy is to invest in the relatively short term. There is an increased risk with this strategy due to frequent 'refinancing' but this is expected to be advantageous in a rising interest rate environment. Using cash to fund borrowing (the proposed borrowing strategy) reduces this risk as the overall exposure to short term interest rates is less.

Appendix 5 (continued)

Risk heading	Risk description	Relevance to investment	Key control	Assessment	Approved Investment Strategy (AIS)
Regulatory and legal risk	Rules governing local government investment powers are changed or amended without notice.	Investment powers are granted through statute and guidance.	None.	LOW	<p>The current policy of using cash in lieu of borrowing reduces the Authority's dependency on interest receipts.</p> <p>The AIS is low risk and uses liquid and conservative investment instruments.</p>



Item No. _____ on Agenda

Report to the Police Fire and Crime Panel

12 February 2024

Fire Capital Strategy and Capital Programme 2024/25 to 2026/27 (Incl. Minimum Revenue Provision Policy)

Report of the Staffordshire Commissioner

INTRODUCTION

As part of the overall financial strategy for the Staffordshire Commissioner Fire and Rescue Authority a three year Capital Programme has been prepared. This report schedules the proposed investment programme for 2024/25 to 2026/27, and presents the indicators required within the updated Prudential Code. This all forms part of the Capital Strategy for the Staffordshire Commissioner Fire and Rescue Authority for the next three years.

The Prudential Code requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning. The Capital Strategy is part of the Authority's sound medium term financial planning process, ensuring there is a clear strategy supporting the next three years of capital investment.

The Capital Strategy sets out how the long-term context in which capital investment and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes in line with the current Corporate Safety Plan. It also demonstrates that the Authority takes capital and investment decisions in line with Service objectives and properly takes account of stewardship, value for money, prudence, sustainability and importantly affordability.

This report also reviews the approach that the Authority has taken during the last few years, successfully managing the capital programme, reducing future capital financing requirements, and through the repayment of long term loans reducing interest payments.

This report should also be considered alongside the Treasury Management Strategy, with both reports covering the reporting requirements of CIPFA's Prudential Code and Treasury Management in the Public Sector.

RECOMMENDATIONS

That the Police Fire and Crime Panel note:

- a) the three year Capital Programme for 2024/25 to 2026/27 as set out in Appendix 1,
- b) the detailed capital programme for 2024/25 as set out within Appendix 2
- c) the Capital Strategy for 2024/25
- d) the Prudential Indicators that are set out within Appendix 3 including the Capital Financing Requirement for the three year period
- e) that the funding of capital expenditure from Reserves for the period 2024/25 to 2026/27 is in line with the updated Reserves Strategy
- f) the Minimum Revenue Provision (MRP) policy statement incorporated within this report
- g) the capital programme and capital strategy supports the main Budget and MTFS paper

Ben Adams
Staffordshire Commissioner

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1. Background

- 1.1 The Capital Strategy forms a key part of the Staffordshire Commissioner Fire and Rescue Authority's overall Corporate Planning Framework. It provides a mechanism by which the Commissioner's capital investment and financing decisions can be aligned over the medium term planning horizon.
- 1.2 The Strategy sets the framework for all aspects of the Commissioner's Fire and Rescue capital and investment expenditure; including planning, outcomes, prioritisation, management, funding and repayment.
- 1.3 There are four main areas of spend which feature within the Capital Programme;
 - Estates and Facilities
 - Operational Equipment
 - Transport
 - Information systems and technology

2. Objectives

- 2.1 The key aims of the Capital Strategy are to:
 - provide a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment is targeted at meeting the vision, aims and priorities of the Authority;
 - set out how the Authority identifies, programmes and prioritises capital requirements and proposals;
 - consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment;
 - identify the resources available for capital investment over the MTFS planning period;
 - ensure the strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return;
 - establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment;
 - deliver projects that focus on delivering the long term benefits to the Authority and the communities served within Staffordshire and Stoke on Trent.

3. Governance of the Capital Programme

- 3.1 A governance process is clearly established within the Service and Authority and will continue to be adhered to, will follow standing orders and financial regulations to ensure that available resources are allocated optimally and deliver value for money, and that

capital programme planning is determined in parallel with the Service and revenue budget planning process within the framework of the MTFS. These include:

- The Strategic Governance Board (SGB) which is ultimately responsible for approving the Capital Strategy for investment and the Capital Programme for approving changes to the programme within financial regulations and for the approval of business case submissions.
- The Ethics, Transparency and Audit Panel (ETAP) which is responsible for scrutiny of the MTFS documents and the capital budget monitoring reports and can make recommendations to the Strategic Governance Board (SGB).
- The Capital Review Group has been established for a number of years and provides detailed scrutiny for all capital spend proposals and monitors delivery of the current year's programme and develops a rolling three year programme. The group consists of key stakeholders from within the Service and holds responsibility for the delivery of the Service's capital programme and has clear Terms of Reference in place. Actions from this group are reviewed by the Service Delivery Board.
- A new capital framework has been introduced by the Authority on 1 October 2023, supported by the Commissioner and Chief Fire Officer. The framework complements the Corporate Governance Framework and gives an overview of the capital authorisation process.

3.2 For new major projects and programmes an outline business case will be submitted through the governance arrangements that needs to include the capital investment requirements, repayment mechanisms, revenue impacts of capital spend and also lifetime costing if applicable in line with the requirements of the updated capital framework.

3.3 For smaller areas of capital spend (based upon a rolling programme of requirements) the proposals may be submitted through the Capital Review Group and approved by the Staffordshire Commissioner Fire and Rescue Authority through the Strategic Governance Board. This is recognising that the programme consists of smaller spend areas that do not require the production of a full outline business case.

3.4 The monthly Finance Report is produced and available to all staff within the Authority, in addition quarterly financial progress and monitoring reports are submitted to the Strategic Governance Board with bi-months reports reviewed by the Finance Panel which is a sub group of the Ethics, Transparency and Audit Panel (ETAP).

4. Capital Priorities

4.1 The capital strategy must recognise that the financial resources available to meet the requirements of the Corporate Safety Plan and the four key priority areas:

- Prevention and early intervention
- Protecting Staffordshire and its people
- Public confidence
- Service Reform

- 4.2 The bringing together of blue light services under a single governance route to the Staffordshire Commissioner provides opportunities to co-locate and share assets to the good of the community, delivering efficiencies and savings.
- 4.3 Staffordshire Fire and Rescue and Staffordshire Police will continue to build upon the collaboration that has resulted in joint response bases in Tamworth Belgrave and Hanley and Chase Terrace. The introduction of the new Police Operating Model has resulted in further opportunities to share locations as the joint estate strategy continues to evolve. The following locations at Stone, Uttoxeter and Kinver and Kids Grove are expected to progress during 2024.
- 4.4 The Staffordshire Commissioner Fire and Rescue Authority will seek to prioritise investment in order to deliver economy and efficiency within the Service. This prioritisation will be achieved through the robust governance arrangements discussed above.

5. Funding Approach

- 5.1 The Staffordshire Commissioner Fire and Rescue Authority's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under The Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of The Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.
- 5.2 The main sources of capital funding are summarised below:
- **The use of internal cash balances**
Interest rates on cash balances, over recent years, have remained low which has resulted in this being a more efficient use of cash to invest in the capital programme rather than taking additional external debt. The use of internal cash is an approach that has been undertaken successfully during the last few financial years.
 - **The use of earmarked reserves**
The Staffordshire Commissioner has a Reserves Strategy which includes the Earmarking of Reserves to support the capital programme. Some funding into the medium term has been identified through this approach and remains a key funding strategy.
 - **The use of capital receipts**
Disposing of surplus assets is a good way to reinvest in the capital programme. Receipts will be targeted at the shortest life assets and then their use considered widely within any flexibility allowed by the appropriate government authority. In accordance with statutory instruments capital receipts may also be used for the repayment of debt.

- **Direct revenue funding**
Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision.
- **Borrowing and leasing**
Under the Prudential Code, the Staffordshire Commissioner has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from the project returns or upon agreement to include within the MTFS estimates.

This discretion is subject to complying with the Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable (Local Government Act 2003). Prudential borrowing does provide an option for funding additional capital development but one which has to be funded each year from within the revenue budget or from generating additional ongoing longer term income streams.

The Staffordshire Commissioner will test the prudence of the borrowing predictions against the prudential indicators set under the Code every year as part of the MTFS process and report on progress against those indicators half yearly (see Appendix 3), in line with the Treasury Management Strategy.

This prudent approach to borrowing will continue into the medium term. However, should borrowing be required the Commissioner will continue to consider on a cautious and prudent basis as informed by a specialist team contracted from Staffordshire County Council in relation to Treasury Management who work closely with the finance team.

6. Risk Management

- 6.1 Risk is the threat that an event or action will adversely affect the ability to achieve a desired outcome or execute strategies successfully.
- 6.2 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 6.3 The Director of Finance will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.
- 6.4 There are many categories of risk to be mindful of; these are detailed in **Appendix 4**:
- Credit Risk
 - Liquidity Risk
 - Interest Rate Risk
 - Exchange Rate Risk
 - Inflation Risk
 - Legal and Regulatory Risk
 - Fraud, Error and Corruption

7. Capital Programme 2024/25 to 2026/27

- 7.1 The summary Capital Programme for 2024/25 to 2026/27 is contained within **Appendix 1** of this report. The total proposed Capital Programme for 2024/25 is £5.7m, for 2025/26 £5.0m and for 2026/27 £2.8m.
- 7.2 The detailed scheme analysis supporting the programme for 2024/25 is shown within **Appendix 2**.
- 7.3 The Staffordshire Commissioner Fire and Rescue Authority is required to set estimates, impose limits and to report and publish actuals in line with The Prudential Code. The indicators for adoption by the Authority for 2024/25, 2025/26 and 2026/27 are set out in **Appendix 3**.
- 7.4 There are four main areas of spend which feature within the capital programme; Estates and Facilities which includes building and infrastructure work, Operational Equipment, Transport (appliances and vehicles) and finally Information Systems and Technology.

The four areas are discussed in more detail below.

- **Building and Infrastructure Work**

The budget proposal for 2024/25 includes a total capital requirement of £1.8m, which consists of the following main building and infrastructure projects plus some minor works:

- Brewood - The refurbishment of the station is also anticipated to commence in the first quarter of 2024/25. The full business case has been approved by the Commissioner and is funded from the Authority's earmarked reserves, £0.5m. This project was originally included within the 2023/24 capital programme and the design and feasibility work has been completed
 - Abbots Bromley – the refurbishment work at this station has now been completed. Work on the training tower and training facility has been re-scheduled for 2024/25. The existing tower is currently out of use, £0.1m
 - Staffordshire Fire HQ (general), £0.4m. This includes resurfacing, lighting and health and safety works and improvement to the fire behavior training site
 - Staffordshire Fire HQ (Learning and Development), £0.3m. This is to enhance and remodel the changing areas to provide gender neutral facilities
 - Staffordshire Fire HQ (Stores), £0.1m. Options to extend the current stores facility will be reviewed as additional space for Fire and Police is now require
 - Staffordshire Fire HQ (Environmental Work), £0.1m. Options to provide solar panels will be developed to help the site become more environmentally sustainable
 - Residual Fire Station works, £0.3m. this included work at Stafford, Ipstones and Eccleshall
- **Operational Equipment**

Total investment of £0.9m has been identified and included within the programme for 2024/25, a full list of the detailed projects is included within Appendix 2. The programme includes the following major items:

- Ongoing rollout of battery operated hydraulic cutting equipment to all appliances, £0.5m
- A number of smaller projects which supporting the clean concept requirements and investment into new firefighting equipment, £0.4m

- **Appliances and Vehicles**

A vehicle replacement programme of £2.1m has been included within the proposed budget for 2024/25:

In summary the vehicle replacement programme includes the following:

- The final payments for the 2 Heavy Rescue Tenders, £0.5m
- The chassis payments for the next 3 Pump Rescue Ladders (PRL's), £0.5 (note these 5 vehicles identified above are all part an approved tender and decision note issued by the Commissioner)
- The purchase of a further two appliances (PRL's) in year, commercial work to be undertaken and specifications completed, £0.2m
- Light Vehicles, £0.6m, the programme includes the replacement of light vehicles as part of the rolling vehicle replacement programme. The commitment to move to a more sustainable fleet and the procurement of hybrid and electric vehicles as part of the overall environmental strategy is part of this ongoing programme.

- **Information Technology**

The ICT programme for 2024/25 of £1.0m includes the following:

- Ongoing ICT rolling replacement programme for desktop and infrastructure and device replacement strategy, £0.350m
- Full MS Teams enablement across all stations, £0.125m.
- Mobile Data Terminals (MDT), £0.25m replacement cost
- Other (includes station end replacement), £0.3m

8. Funding the Programme

8.1 **Appendix 1** also details the proposed funding strategy for the 2024/25 programme together with indications for the funding of the next two years. For 2024/25, the programme will be funded by a combination of grant funding, earmarked reserves, direct revenue funding and the use of internal cash. This is also reviewed within the Treasury Management Strategy Report.

8.2 The Authority will also seek to fund as much of the programme as possible through direct revenue contribution should additional savings be available in year.

9. Minimum Revenue Provision (MRP) Policy Statement

9.1 The Staffordshire Commissioner Fire and Rescue Authority is required each year to set aside some of its revenues as provision for debt repayment. This MRP provision essentially allows the Authority to “pay off” an element of the Capital Financing Requirement annually through a revenue charge known as the Minimum Revenue Provision (MRP).

9.2 The MRP was previously defined by statute with regulations providing for MRP as a 4% charge in respect of the amount of the Capital Financing Requirement (CFR). Under current regulations, the rules have been replaced with a general duty for a local authority to make an MRP charge to revenue which it considers prudent. The new regulation does not itself define “prudent provision”. However, guidance has been issued specifying methods for MRP calculation, which the Secretary of State considers prudent thereby effectively determining prudent provision.

9.3 Regulations require the Authority to approve an MRP Statement in advance of each year. It is recommended that the Authority continue to apply a MRP to capital expenditure funded by borrowing under the ‘Asset Life Method’: which calculates the MRP charge based on the estimated life of the asset for which the borrowing is undertaken.

9.4 The total level of debt for this Authority as at 31 March 2023 was £20.9m, and is forecast to increase to £29.1m by March 2027 based upon the capital investment requirements outlined within this paper.

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Staffordshire Commissioner Fire and Rescue Authority

Summary Proposed Capital Programme 2024/25 to 2026/27

	2024/25 Budget	2025/26 Plan	2026/27 Plan
	£	£	£
Building & Infrastructure Works			
Refurbishment Programme	619,000	550,000	100,000
Improvement Works	1,160,000	545,000	450,000
Total	1,779,000	1,095,000	550,000
Operational Equipment	854,696	146,000	210,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,260,904	2,005,000	1,050,000
Vans & Cars	840,000	430,000	371,000
Total	2,100,904	2,435,000	1,421,000
Information Technology			
ICT Hardware, Software Systems & Installations	970,000	1,275,000	645,000
Total	970,000	1,275,000	645,000
Total Capital Programme	5,704,600	4,951,000	2,826,000
Funding			
Direct Revenue Funding	782,952	947,500	522,500
Unsupported Borrowing	4,421,648	3,453,500	2,303,500
Earmarked Reserves	500,000	550,000	
Total Funding	5,704,600	4,951,000	2,826,000

Appendix 2

Staffordshire Commissioner Fire and Rescue Authority Detailed Capital Programme 2024/25

Scheme Description	Detail	2024/25 Capital Programme £
<u>IADS</u>		
Brewood Refurbishment	Mnor refurbishment of Breweood FS	519,000
Abbots Bromley Tower	Demolish tower and replace training facility	100,000
		619,000
<u>Building Works - Improvements</u>		
PV Panels Installation	Feasibility study to undertake solar installation at Pirehill	100,000
HQ - Resurfacing Works	Phase 3 - Control building and Portakabin/stores	70,000
HQ - Lighting replacement programme	Phase 3 - Replace lighting with Energy Efficient LED to Stores + L&D + Appliance Bay	50,000
HQ - Control / Old House - Welfare Facilities	Phase 1 - Carry out refurbishment works to toilet facilities in the Control building and Old House	70,000
HQ - Control Building - Fire Doors	Replacement of fire doors - Current doors are compliant with regulations	60,000
Stations - Lighting replacement programme	Phase 4 - Replace lighting with Energy Efficient LED at Biddulph(Old Part) & Gnosall	50,000
BEMS installation - Stations	Intelligent Heating / Sustainable Controls - Stations	60,000
Stores Expansion	Undertake work to provide further storage capacity	100,000
Ipstones - Resurfacing Works	Resurface drill yard	40,000
Eccleshall - Gym Area Refurb	Removal of asbestos, replacement of floor/ceiling finishes, upgrading of lighting	40,000
Stafford Fire Station - Minor Refurb	Phase 1 - Undertake further improvement works	150,000
FBT - Resurfacing Works	Remove current stone and replace with hard wearing surface	70,000
L&D Remodelling	Remodel L&D - Gender neutral facilities	300,000
		1,160,000
<u>Operational Equipment</u>		
Operational Equipment Pool	Miscellaneous	25,000
BA compressors x 2	To be replaced in line with BA Project	50,000
Body Worn Cameras	Equipment is due for replacement - Cameras will be upgraded	45,000
Hydraulic Cutting Equipment	For the roll out to all appliances	494,696
Lighting Replacement	Service wide	35,000
Asset Tracking System	Software & hardware implementation	40,000
RTC Stabilisation		15,000
Electric PPV Fans		25,000
BA Set Washing Machine	1 machine - In line with Clean Concept Initiative	60,000
Cobra System Equipment	Misting Equipment	65,000
		854,696
<u>Appliances & Vehicles</u>		
Unmarked Response Cars x 3	Group Managers	75,000
Marked Standard Response Cars x 5	Station Managers	125,000
Marked 4x4 Response Vehicles x 3	£35k per vehicle	105,000
Utility Vans x 3	SDG Vans - Small/ Medium - £25k per vehicle	75,000
Marked Non-Response Van x 1	CFS Van - £30k per vehicle	30,000
BA Vehicle		35,000
Utility Van x 1	Crew Cab	30,000
L&D Minibus	Replace existing mini bus due to age	45,000
Mobile Workshops Van		50,000
ERPs	ERP 1 / ERP 2 - Body Build Payments - £255,452 per vehicle	510,904
PRLs	PRL 3 / PRL 4 / PRL 5 - Chassis Payments - £150k per vehicle	450,000
PRLs	PRL 1 / PRL 2 - Chassis Payments - £150k per vehicle - New tender process	300,000
Godiva Pumps x 2	To extend the working life of appliances where the chassis and cabs are not causing issues with breakdown and repairs	60,000
BA Stowage	Upgrade the BA stowage to accommodate the new MSA BA sets - 41 appliances at £4,000 per vehicle	160,000
Cobra System Vehicle		50,000
		2,100,904
<u>Information Technology</u>		
ICT Rolling Programme - Desktop	Ongoing replacement programme	150,000
ICT Rolling Programme - Infrastructure	Ongoing replacement programme	200,000
Stations/L&D Teams Rooms Enablement	Completing the activities started in 2023/24	125,000
MDT Replacement - Software	MDT Replacement 4 Year Investment	150,000
MDT Replacement - Hardware	MDT Replacement 4 Year Investment	100,000
MS Enablement		50,000
Station End	Station End equipment replacement	125,000
Mobile Phone Replacement	Replacement programme	70,000
		970,000
Total Programme 2024/25		5,704,600

**Staffordshire Commissioner Fire and Rescue Authority
Prudential Indicators**

A. Indicators for Affordability, Prudence and Capital Expenditure

1. Ratio of Financing Costs to Net Revenue Stream

Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
%	%	%
6.1	6.8	6.4

This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and Council Tax. This allows the Authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.

2. Estimates of Capital Expenditure

Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
£m	£m	£m
5.7	5.0	2.8

Expressed in absolute terms rather than as a ratio, this shows the overall level of capital investment irrespective of how it is being funded.

3. Capital Financing Requirement/Gross Debt

Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
£m	£m	£m
27.4	29.2	28.4

This indicator effectively shows the level of the Authority's underlying need to borrow for capital purposes.

Net borrowing is not expected to exceed the total of the capital financing requirement (except in the short term)

It is a key indicator of prudence that, over the medium term, net borrowing is only for capital purposes.

B. Indicators for Treasury Management

1. Treasury Management Code of Practice

The Authority has adopted the CIPFA Code of Practice on Treasury Management

2. External Debt

	Estimate 2024/25 £m	Estimate 2025/26 £m	Estimate 2026/27 £m
Authorised Limit	29.6	32.1	32.1
Operational Boundary	17.8	17.9	19.1

This indicator identifies two limits in relation to external debt, and excludes PFI.

The Authorised Limit is the maximum level of external borrowing which should not be exceeded. The limit is linked to the estimated level of borrowing assumed in the Capital Programme.

In addition an Operational Boundary is required which represents the Treasurer's estimate of the day to day limit for the Treasury Management activity based on the most likely i.e. prudent but not worst case scenario.

The above excludes the PFI Balance Sheet debt position.

Glossary of Risk Management Categories

Credit Risk is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly we will ensure that robust due diligence procedures covers all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

Liquidity Risk is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. The exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Appropriate interventions will occur as early as possible.

Interest Rate Risk is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Exchange Rate Risk is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Inflation Risk is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible any exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Legal and Regulatory Risk is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, we will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

Fraud, Error and Corruption is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. This is supported by the national Code of Ethics and detailed policies such as Counter-Fraud and Corruption and Declaration of Interests.

Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.



Item No. _____ on Agenda

Report to the Police Fire and Crime Panel

12th February 2024

Reserve Strategy Update

Report of the Staffordshire Commissioner

Introduction

Statutory provision is made within the Local Government Finance Act 1992 that requires precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure. The S151 Officer and Treasurer for the Staffordshire Commissioner Fire and Rescue Authority has a duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its annual budget requirement.

This paper gives due consideration to the overall level of reserves held by the Authority as at 31 March 2023, and the Police Fire and Panel are asked to comment and review the overall position as scheduled within **Appendix 1** and **2** and the overall impact on Reserves as incorporated within the approved Medium Term Financial Strategy (MFTS).

The Reserves Strategy was last approved in February 2023 by the Commissioner following presentation to the Police Fire and Crime Panel has now been updated to incorporate and reflect:

- The revised MFTS for 2024/25 to 2028/29
- The actual Reserves position as per the Audited Statement of Accounts for 2022/23
- The forecast revenue and capital spend position for 2023/24
- The impact of approved reserve utilisation and agreed capital programme utilisation requirements

A number of different reserves are held by the Staffordshire Commissioner Fire and Rescue Authority (both usable and unusable) in line with the CIPFA guidance, however this paper focuses on the two key areas of reserves that impact on the future financial strategy.

- A **General Reserve**, to allow for unexpected / emergency events – balance as at 31 March 2023, £1.9m (see **Appendix 1**), this position is retained and no changes are proposed.
- A **Earmarked (Specific) Reserve** – to meet future known or predicted requirements – balance as at 31 March 2023, £7.5m (see **Appendix 2**), forecast 31 March 2024, £7.6m

RECOMMENDATIONS

The Police, Fire and Crime Panel is asked to:

- a) Note the overall reserves position for both General and Earmarked Reserves as contained within this report,
- b) consider the adequacy and categorisation of the Earmarked Reserve that will be incorporated into the Revenue Budget and MTFS for 2024/25, and utilisation of reserves as incorporated within the approved MTFS
- c) Note the updated Reserves Strategy

Ben Adams
Staffordshire Commissioner

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BACKGROUND AND ADDITIONAL INFORMATION

Prudential Code and Capital Spend

1. CIPFA's (The Chartered Institute of Public Finance and Accountancy) Prudential Code requires chief finance officers in local authorities to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Staffordshire Commissioner is required to consider all of the resources available, together with the totality of its capital plans and revenue forecasts for the forthcoming year and into the medium term.
2. The statutory reporting regime discussed within this paper and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and CIPFA recommend that there should be clear protocol setting out the following:
 - the reason for / purpose of the reserve;
 - how and when the reserve can be used;
 - procedures for the reserve's management and control; and
 - a process and timescale for review of the reserve to ensure continuing relevance and adequacy.
3. Whilst it is primarily the responsibility of the Staffordshire Commissioner and its S151 Officer and Treasurer to maintain a sound financial position, our external auditor Azets will annually review for any material uncertainties and test to ensure that the Authority remains a going concern as part of the Value for Money judgement. Even where as part of their wider role Azets will report on the Authority's financial position, it is not however, their responsibility to prescribe the optimum or minimum level of reserves for authorities in general.

Types of Reserve

4. When considering the Medium Term Financial Strategy and preparing annual budgets the Staffordshire Commissioner should consider the establishment and maintenance of reserves. Reserves can be held for three main purposes:
 - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves (see **Appendix 1**);
 - a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements. This is also referred to as the Specific Reserves/Earmarked Reserves (See **Appendix 2**)

Reporting of Reserves

5. The IFRS-based Code of Practice on Local Authority Accounting in the United Kingdom (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of

the Authority analysed into **usable** reserves, (e.g. General and earmarked reserves) and unusable reserves. The Movement in Usable Reserves Statement can be found within the Statutory Accounts for 2022/23, and is shown below:

31-Mar-22		31-Mar-23	
£,000		£,000	
1,906	General Fund (1)	1,906	
1	Capital grants unapplied	1	
1,540	Earmarked reserves - grants	1,728	
5,498	Earmarked reserves - PFI grant	5,788	
731	CCU Reserve	808	
8,342	Other Reserves (2)	7,518	
16,111	Earmarked Reserves	15,634	
18,018	Total Usable Reserves	17,541	

6. The total Usable Reserves as per the statement of accounts is £18 million, however only the General Fund £1.9m and Other Reserves £7.5m are considered within this report. The other grant areas are not for general use as they have already been identified for a particular use or business area. For example, the £5.8m Earmarked PFI Grant will unwind at the end of the two PFI concessionary periods, however the cash can be used to avoid borrowing during this time.
7. Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements (i.e. reconciliation of reporting standards to statutory requirements).
8. Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for local authorities. However, the Government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty.
9. Whilst it remains the responsibility of the Director of Finance/S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority to advise on the overall level of reserves that are held; the Staffordshire Commissioner should assist by providing clear protocols for the establishment and use of reserves, as reserves should not be held without a clear purpose.

Reserves Strategy and Future Outlook

10. This paper gives due consideration to the overall level of reserves held as at 31 March 2023, and the Panel are asked to comment and review the overall position as scheduled within **Appendices 1 and 2**.
 - The Financial Strategy when considering the overall level of reserves held, should importantly take into account:
 - That there are no future capital grants proposed by the Government, which means that all capital spend will increase debt and borrowing unless internally funded by either ongoing savings or the use of reserves

- The future investment required to fund further changes to the Service currently being considered as part of the current Service Transformation work
- The use of Reserves to support Revenue and Capital spend into the medium term, and whilst reserves can be effectively utilised in the short term to secure a balanced financial position this must be temporary whilst savings and transformation plan are being developed into the medium term

General Reserve

11. The General Reserve scheduled within **Appendix 1** has remained unchanged for a number of years and at £1.9m represents around 3.8% of the 2024/25 annual revenue budget. It is recommended by the Home Office that General Reserves held by Fire Authorities do not exceed 5% of overall funding level. The National Framework Document requests that the Reserves Strategy should clearly justify the reasons for holding a general reserve above five percent of budget.

Earmarked / Specific Reserve

12. The forecast balance on this reserve as at 31 March 2023 was £6.4m, is scheduled below and is based upon the categorisation approved by the Staffordshire Commissioner in February 2023:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Est.	Est.	Est.	Est.	Est.	Est.
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Earmarked Reserves							
PFI Reserve (Project Reserve Deductions)	0.8	0.7	0.3	0.3	0.3	0.3	0.3
Operational Budget Holder Reserves	0.2	0.3	0.3	0.3	0.3	0.2	0.2
Budget and MTFs Support Reserve	0.8	0.8	0.8	0.5	0.5	0.5	0.5
Refurbishment Reserve Abbots Bromley	0.5						
Capital Reserves	1.9	0.8					
Pension Reserve	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Collaboration Reserve	0.5	0.3	0.3	0.3	0.3	0.3	0.3
Future Funding Reserve	1.7	1.7	1.5	1.3	1.3	1.3	1.3
Total Earmarked Reserve	8.2	6.4	5.0	4.5	4.5	4.4	4.4
Total Reserves Available	10.1	8.3	6.9	6.4	6.4	6.3	6.3
Percentage of Revenue Budget							
General Reserve	4.5%	4.5%	4.1%	4.0%	3.9%	3.8%	3.7%
Earmarked Reserve	19.5%	15.1%	10.8%	9.4%	9.1%	8.7%	8.5%

13. The Earmarked Reserve provision is required not only to fund future projects and investments but also to provide funding, as follows:

- to support the recurring revenue budget up to 2026 as incorporated within the medium term financial strategy,
- to provide a provision for future capital investment to avoid additional long term borrowing need,
- to provide for costs that may be required to support future change and business transformation

- to provide for any funding uncertainty as discussed within this paper (e.g. pay awards and Pensions)
- to provide for future contingent liabilities that have been identified within the statutory accounts

14. **Appendix 2** incorporates and update of the assumptions for each of the above reserve provisions for discussion by the Panel; including:

- a. The approved revenue budget set for 2023/24
- b. The revised use of reserves incorporated with the approved MTFS
- c. Planning for future transformation workstreams
- d. Any contingent liabilities that needs to be provided for as incorporated within the Statutory Accounts
- e. Any amounts where budget holders have been authorised to earmark a specific expenditure item
- f. Any upward pressures that are anticipated to be placed upon budgets e.g. higher than expected pay awards or pension costs

15. In the instance where a particular reserve needs to be accessed that has not be previously formally approved, approval from The Staffordshire Commissioner would be sought in advance to ensure that plans can be adequately challenged and full transparency exists within the Authority.

16. Whilst it remains the responsibility of the S151 Officer and Treasurer for the Staffordshire Commissioner to advise the Authority about the overall level of reserves that is held; the Service and Staffordshire Commissioner should assist by providing clear protocols for the establishment and use of reserves, as reserves should not be held without a clear purpose.

General Reserves Balance for 2024/25

CIPFA guidance indicates that a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves and that chief financial officers should take account of the strategic, operational and financial risks facing the authority.

A risk assessment for general reserves was undertaken as part of the budget setting process for 2024/25 and the overall provision of £1.9m has remained unchanged for a number of years and represents 3.8% of the revenue budget set for the year.

Whilst not a complete list of all the financial risks, the assessment focused on those most likely (High and Medium risks) to have a significant impact on the budget year.

Area of Expenditure	Level of Risk *	Explanation of risk/justification of reserves	2024/25 Provision £000
Loss of Employees / additional pay costs	High	Spate conditions caused by for example; prolonged severe weather conditions (e.g. hot weather or flooding), unexpected loss of staff through COVID-19, Avian Flu / Ebola etc.	650
Insurance loss / impact of data breach	Medium	Risk of incurring uninsured losses Risk of breach due to inappropriate information sharing / failure to implement EU GDPR	550
Ill health retirement costs	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce	300
Other unforeseen costs	Medium	Risk of unforeseen event: emergency incident, waste fires / tipping	300
Other costs	Medium	Risk of failure of strategic partnership / collaboration initiatives	100
TOTAL			1,900

**Total Reserves including
Earmarked Reserves Balance for 2024/25**

In addition to general reserve balances, usable earmarked reserves that are created for specific purposes. Usable earmarked reserves should be held to meet future liabilities and the following table incorporates an updated categorisation of the balance held for this reserve to be considered by the Staffordshire Commissioner.

Below is a suggested categorisation only based upon the forecast reserves position, but importantly this must remain flexible based upon future funding settlements, delivery of agreed savings and certainty around MFTS assumptions.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Est.	Est.	Est.	Est.	Est.	Est.
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<u>Earmarked Reserves</u>							
PFI Reserve (Project Reserve Deductions)	0.6	0.7	0.7	0.2	0.2	0.2	0.2
Reserve - Brewood Refurbishment	0.5	0.5					
Operational Budget Holder Reserves	0.5	0.7	0.9	0.8	0.6	0.4	0.2
Insurance Reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Budget and MTFS Support Reserve	0.9	1.0	0.8	0.4	0.4	0.5	0.7
Capital Reserves	0.8	0.3	0.3	0.3	0.3		
Pension Reserve	1.8	1.5	1.5	1.5	1.5	1.5	1.5
Collaboration Reserve	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Future Funding and Investment Reserve	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Earmarked Reserve	7.5	7.1	6.6	5.6	5.4	5.0	5.0
Total Reserves Available (Useable)	9.4	9.0	8.5	7.5	7.3	6.9	6.9
Percentage of Revenue Budget							
General Reserve	4.5%	4.0%	3.8%	3.7%	3.6%	3.5%	3.4%
Earmarked Reserve	17.7%	14.7%	13.2%	10.7%	10.1%	9.1%	8.8%
Total	22.1%	18.7%	17.0%	14.4%	13.7%	12.6%	12.2%

The following earmarked reserves have been established (or aggregated as shown above) for the following purposes:

PFI Reserve – This reserve has been established over a number of years and arises from any performance or availability contract deductions from the two PFI contracts. It is intended that this reserve is utilised and invested back into the fire estate. £0.5m has been allocated to support the refurbishment of Tutbury Fire station.

Refurbishment Reserve Brewood – The refurbishment work Brewood will commence in 2024. The feasibility work has been completed and the refurbishment will be financed from reserves.

Insurance Reserve – This reserve has been established to cover any one off or additional unforeseen insurance costs.

Operational Budget Holder Reserves – this includes a number of specific earmarked reserves identified by budget holders for specific reasons.

Budget and MTFS Reserve – this reserve was included within the previous MTFS and additional balances are forecast to be allocated in year.

Service Investment reserve – The Commissioner has considered a number of investment areas presented by the Service, this reserve will support any additional spend approval during the year.

Capital Reserve – to fund future capital projects on identified assets. This reserve has generally been used to support the vehicle replacement reserve with included part funding for the two Aerial Ladder Platforms.

Pension Reserve – provides provision around the additional employer pension contribution required into the Firefighters' Pension Scheme. A government grant will be received in 2024 to cover the additional £1.5m in 2024/25 but it is only guaranteed for a single year. This reserve provides funding for an additional year should this be required. The previous grant of £1.7m has been consolidated into the revenue support grant.

Collaboration Reserve – to support the one-off costs associated with local public sector collaboration. This reserve is used to either support projects aimed at generating a financial return on the one-off investment or improving partnership working and outcomes.

Future Funding and Investment Reserve – held to support the Authority should settlement funding see unexpected reductions in future years. For example, if the funding guarantee for 2024/25 is removed in future settlements. This reserve will also support any key investment areas approved by the Commissioner outside of the approved MTFS.



Police, Fire and Crime Panel – 12 February 2024

Staffordshire Fire & Rescue Service

Safety Plan 2020 - 2024 Update Report

Report of the Police, Fire & Crime Commissioner

1. Purpose of Report

1.1 This report is to update the Police, Fire and Crime Panel on the delivery of the Staffordshire Fire and Rescue Service Safety Plan (SP - Community Risk Management Plan - CRMP). The publication of the Safety Plan fulfils the legislative obligations as defined within the Fire and Rescue Service National Framework for England 2018.

2. Recommendation

2.1 That the Panel note the update on the delivery of the SP 2020 – 2024 and make comment as appropriate.

3. Background

3.1 There is a statutory requirement under the National Framework for England, for each Fire and Rescue Service to have in place a **Community Risk Management Plan (CRMP)**, which describes how the Service intends to keep people safe and meet its statutory obligations. We currently call this our **Safety Plan**.

3.2 The Commissioner approved the Service's Safety Plan for the period 2020 to 2024. Legally the Service must have a new CRMP in place when the previous plan ends and we would normally expect to develop the next CRMP for launch on 1 April 2024 in line with our financial, planning and performance cycles to cover the following four-year period.

3.3 The current 'Safety Plan' was extended by instruction from the Commissioner and will now conclude at the end of December 2024. The decision to extend the current Safety Plan was approved by Strategic Governance Board (SGB) on the 24 April 2023.

- 3.4 The extension to the term of the Safety Plan is necessary due to the election for the office of Police Fire and Crime Commissioner which will take place in May 2024. The Commissioner is required to produce a Fire and Rescue Plan and approve the Service's CRMP and as such, some time will be needed to develop and deliver the plan and ensure this and the Service's plan, priorities and governance arrangements align.
- 3.5 Following consultation with our staff, partners and our communities in the autumn of 2023, we have updated our Safety Plan, which sets our priorities for 2020-2024, to ensure those areas of focus are still relevant and meet the needs of our communities. Responses from the consultation identified a need to increase working with the most vulnerable in our communities and with partner agencies to improve our collective response.
- 3.6 The original Safety Plan document has been reviewed and updated to include:
- A refreshed Welcome message from the Chief Fire Officer and an explanation to inform staff, partners and our communities the reason for extending the period of our Safety Plan.
 - New easy reference sections – What We Do, Your Fire and Rescue Service and Our Principles. Our Principles includes information on values and culture, the Service's adoption of the Core Code of Ethics and highlights the importance we place on Safeguarding.
 - Our Priorities – We have incorporated reference to the Commissioner's priorities so that readers are able to understand how our priorities align. We do this in the annual Statement of Assurance to ensure consistency.
 - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) - Detail in this section has been expanded and elaborated on compared with the original Safety Plan document in light of increased inspection activity and requirements to provide updates to HMICFRS around our progress against recommendations in national reports, e.g. the 2023 Values and Culture in Fire & Rescue Services.
 - Our Achievements – as part of the evaluation of the Service's progress over the life of the Safety Plan since 2020 we have included a new section pointing out some of the positive changes and improvements to date.
- 3.7 The most significant change from the original document is that we have incorporated detail on our approach to Identifying and Understanding our risks to better inform our staff, partners and communities. The Risk Planning team

has undertaken a comprehensive horizon scanning exercise and review of the risks we face to understand what may have changed, aligned to National Fire Chiefs Council (NFCC) guidance and Fire Standards where appropriate.

- 3.8 The revised Safety Plan document describes our community profile and details those known community risks and, importantly, highlights new and emerging risks that we may face and which may impact on the Service's strategic direction or operational delivery during the remaining term of the Safety Plan. You can view the full updated plan [here](#).
- 3.9 During the summer we will start to engage with our staff, partners and communities to develop the next four-year plan, but in line with guidance from the NFCC, moving forward we will refer to our new plan as our CRMP.

4 A flexible and responsive service

- 4.1 **Three-person crewing for on-call staff** has been piloted for six months from 1 June 2023. This departure from the traditional practice of crews responding with crews of four or more aimed to provide extra resources to respond to emergencies. The trial's objective was to improve appliance availability and response times to emergencies to enhance public safety without compromising firefighter safety. The service still strives to crew on-call appliances with 4 or more crew members and is actively recruiting on-call staff. In addition, the service continues to work on an on-call improvement plan to improve staff retention and availability. Prior to its implementation, the trial underwent extensive consultation with the workforce and their representatives on policies, procedures and a risk assessment.
- 4.2 Three-person crewing has been a national issue for some time due to availability and response of on-call staff. Trials have been carried out in many Fire and Rescue Services to address this issue, with some Services already having a 'Reduced Crewing' type policy in place. There is an expectation from communities that firefighters will attend as quickly as possible, and undertake some meaningful activity that begins to establish a safer situation for the communities we serve. Three-Person Crews can respond quickly and take immediate meaningful action, avoiding a delayed response and the risk of escalation of an incident.
- 4.3 As of 30 January 2024, Three-Person Crews attended 338 emergency incidents (in addition, there were 206 standby moves to give fire cover). The top six incident types attended are:
 - 94 Building fires

- 65 Road traffic accidents
- 58 Automatic fire alarms
- 33 Fires in rural areas
- 17 Vehicle fires
- 18 Incidents involving animals

4.4 There have been no reported safety concerns through our Health and Safety System. On-call station availability has increased by a mean average of 12%.

4.5 A report containing data, feedback and options for next steps was considered by the service on 5 December 2023. Ahead of this, four focus groups were held with on-call staff from across the service. These were attended by around one hundred staff members (approximately one-third of the entire on-call staff). At each focus group, on-call staff shared their views about the trial and gave their verbal and online responses to three specific questions:

- Do they feel safe when responding as a three-person crew?
- Do they think that the trial is improving public safety?
- What changes, if any, would they like to make, if the trial was to continue or become adopted practice?

The responses to all of the questions was extremely positive. In general, on-call teams feel safe, recognise the improvement to the safety of the public and have identified a number of changes which would enhance the trial.

4.6 In addition to the staff feedback, the data clearly shows an **improvement in our response times of circa 9 minutes and 45 seconds ahead of the next fully-crewed appliance** and therefore an improvement to the service that is being provided to the community.

4.7 The options presented to the board were:

Option 1. Discontinue the trial with immediate effect

Option 2. Extend the trial for a period of 12 months until the end of 2024.

Option 3. Adopt the trial as a working practice with immediate effect

There was a healthy discussion in relation to the options and the majority of the board voted for option 2, to extend the trial (21 in favour, 2 against). The reason for doing so is to ensure further training, learning, exploration and data gathering can take place. The service also recognised that many on-call firefighters had not yet experienced being mobilised as a crew of three so it was important to allow more time for this to happen.

4.8 After listening to feedback from the representative bodies, it was also agreed that there is a need to consult with the public before making a final decision as to whether this would become an adopted working practice on a permanent

basis, which we will do as part of our CRMP (currently called our Safety Plan) consultation. There were a number of key areas that were agreed to progress during the extended trial:

- That following further work with Fire Control, Three Person Crews be allowed to respond to Motorway incidents and prison incidents as a Multi pump attendance. (feedback from crews)
- Further exploration with Emergency Response Team (ERT) and ICT of equipment such as stabilisation struts, battery operated cutting tools and Airwave radios. (feedback from crews)
- Stations will undertake further training with three-person crews before building up to 4, 5 and 6 crews on drill nights. (feedback from crews)
- The Service will ensure it consults the public further on the issue of how it crews its appliances in the next iteration of the CRMP.

There was also a proposal to extend the types of incidents three-person crews can attend (as part of a multi-pump attendance) to include motorway and prison incidents, following feedback from on-call crews. However, it was requested that further consultation with the representative bodies is carried out in relation to this prior to any changes being made.

4.9 There have been some recent questions from the workforce around the minimum accepted level of **crewing on wholetime appliances**, being four firefighters, which was introduced in July 2022. We recognise that the FBU's national position on crewing, which has been outlined in their recent manifesto, may impact on local views about crewing arrangements. The FBU will not agree to anything less than a minimum of a crew of five on all fire appliances and a response time of 5 minutes, however, neither of these are achievable within Staffordshire Fire and Rescue Service with the current levels of funding and resource available. In light of the questions that have been raised, we have reviewed the current situation ahead of further consultation with the representative bodies and workforce.

4.10 Over the last 12 months, wholetime appliances have been crewed with four riders on 65% of occasions, five riders on 32% and six riders on 3%. During this time:

- There have been no safety concerns recorded.
- The revised crewing arrangements since July 2022 save circa £400,000 per year.
- Data shows that the previous arrangements meant that Hanley was taken off the run to detach out staff on a total of 27 shifts over a 12-month period. It has not been taken off the run since the change in July 2022.

- Prior to the change, there was clear evidence that the workforce had become saturated with overtime working and it was difficult to cover every shift. This has not been the case since the change.
 - In 2022 the WT crewing policy was agreed by the Service and the FBU. An earlier proposal to roster the leave of firefighters was rejected by the FBU. In order to reduce the occasions of four riders, the service will be consulting with the FBU on accepting the previous draft of the crewing policy to bring this into effect for 2025. The estimated impact of this would be that appliances would be crewed with four riders on 20% of occasions rather than 65% currently.
- 4.11 Our **Falls Response Service** has continued throughout 2023 and is currently supported until the end of March 2024. The team has transitioned to the Fire and Health Partnership Team and embarked on a pilot to assist the NHS with the discharging of patients called Home from Hospital (HfH). The team is currently based in two fire stations, Lichfield and Newcastle, and collectively provide cover for a Falls Response Service and a HfH Service. The team has been increased by 4 personnel to facilitate this.
- 4.12 The team has continued to provide this valuable service to the communities across the whole of Staffordshire and since the start of this initiative (7 December 2022) have responded to 863 calls, being mobilised by the Unscheduled Care Coordination Centre (UCCC). These calls are triaged by the UCCC and deemed as 'Green' non-injury falls, where the patient just requires assistance to get up.
- 4.13 The team's average attendance time is approx. 38 minutes, bearing in mind they cover the whole geographical area of Staffordshire. On 86% of occasions the team are able to pick up the patient with no further assistance from NHS Urgent Care services. On some occasions the patient does require some medical intervention, in which case the team will assess and make the necessary arrangements.
- 4.14 The HfH pilot commenced on 4 December 2023 and is scheduled to run until end of March 2024. It provides a discharge and settle-in service for patients identified by the Integrated Discharge Hub (IDH) and is currently operating from various wards of the Royal Stoke Hospital. The team will attend the hospital on request and take a patient home and settle them in, ensuring they have access to all requirements to keep them safe, eg electricity, heat, food etc and will carry out safety checks including a Safe and Well check. The team also have the capability to transport patients in wheelchairs.
- 4.15 Up to the end of December 2023 the team had helped to discharge 63 patients across Stoke-on-Trent and Staffordshire, with each job taking on average 1

hour 45 minutes to complete from time of mobilisation to completion of the job. The Team continues to develop our approach to this.

5. Protect people and places

- 5.1 **Community Sprinkler Project** - In late 2020 SFRS entered into collaboration with Midland Heart to install sprinklers in a number of their properties. What started as an idea to retrofit sprinklers in a single block of flats in Lichfield subsequently turned into a much larger project to provide sprinklers in 8 different buildings across the wider West Midlands area and the Staffordshire phase of this project is now complete.
- 5.2 The final building was Andrews Court, an 8-storey building with 59 flats of sheltered accommodation in Lichfield catering to the over 60s. This project was commissioned and delivered in April 2023.
- 5.3 A renewal of a previous Community Sprinkler Project partnership has occurred with Bromford Housing, a social housing provider in the south of the county. Edgeworth House, a 5 storey building housing people who have been referred for temporary housing, is due to go out to tender for a water-misting system in an extension of the remit of the Community Sprinkler Project. Embracing alternative technologies for bespoke solutions in specialised housing enables the limited funding available in the current climate to be allocated in the most value driven way whilst still maintaining the protection sought.
- 5.4 Stoke-on-Trent City Council are continuing their investment in their high-rise stock with Wellington and Westwood Court going to tender for the retro-fitting of sprinklers in the next few months. It is anticipated that completion of this phase of the project will be completed within the next financial year of 2024-25.
- 5.5 SOTCC have also had some success in engaging leaseholders that were not embracing sprinkler installation in previous developments. Flats in other high rises in the Stoke-on-Trent area, which have already been fitted out with sprinklers, will be retro-fitted, further enhancing the safety of the entire building.
- 5.5 Personal Protection Systems (portable sprinklers) are in high-demand as SFRS Prevent staff, and referrals in from other agencies, identify vulnerable people in the community. Unfortunately, the current financial situation is making it more challenging to gain agreement from housing providers to fund maintenance and servicing costs, and whilst PPS systems are provided as a temporary measure they are becoming ever more long-term as alternative arrangements for the occupier are becoming less available. This has a knock-on effect on SFRS budgets for further systems.

6. Help people most at risk stay safe

- 6.1 **Education and Volunteering;** Supporting communities to make informed and positive lifestyle choices, improving their health, safety and wellbeing.
- 6.2 The updated **Education Policy and Delivery Plan** launched in December 2023. The targeted focus of our education offer is Crews delivering Fire Safety and Road Safety to Key Stage 1, Deliberate Fires to Key Stage 3 and 4, and supporting colleges with Uniformed Public Services students. Safe+Sound is the Service's universal offer to Key Stage 2 children at Fire stations across the County.
- 6.3 Between September and December 2023 **Safe+Sound** was delivered to Year 5 (Key Stage 2 children) as follows;

Safe+Sound live delivery Sept – December 2023				
Fire Station	Dates	Number of children	Number of adults	Partners involved
Stone	18-20 Sep	409	30	SFRS (POD), Police, Canal & River Trust (C&RT), Network Rail, HSBC Bank
Lichfield	25-29 Sep	365	35	SFRS (POD), Police, C&RT, RNLI, Network Rail, HSBC Bank, SFRS (What to do in an emergency), Hawkins Logistics
Burton	4-13 Oct	528	54	SFRS (POD), Police, C&RT, RNLI, Network Rail, HSBC Bank, SFRS (What to do in an emergency), Hawkins Logistics, DHL
Leek	17-25 Oct	504	40	SFRS (POD), Police, C&RT, Network Rail, HSBC Bank, St. John Ambulance, DHL
Biddulph	7-9 Nov	133	13	Fire safety– SFRS, Water safety – Canal & River Trust, Smart money – HSBC, Being a good citizen – Staffordshire Police, Rail safety – SFRS
Tamworth	14–30 Nov	594	58	Fire safety (POD) – SFRS, Water safety – Canal & River Trust and the RNLI, What to do in an emergency – Mercia EMS, Being a good citizen – Staffordshire Police, Dementia Friends – Community Together CIC
Penkridge	4 – 15 Dec	419	45	Fire safety– SFRS, Water safety – Canal & River Trust, Being a good citizen – Staffordshire Police, Smart Money – HSBC, Railway safety – Network Rail
Total		2952	275	

- 6.4 Online delivery of Safe+Sound on the Learn Live Channel is still going very well with a weekly programme every Wednesday (term time only).
- 6.5 September to December 2023 (Autumn Term) saw a total of 147,931 devices tuning in – of which 62,463 were devices based in Staffordshire, compared to 40,266 during the same period in 2022. Feedback from participants and partners remains positive. 22/23 highlights produced by Learn Live can be found here: <https://vimeo.com/851654446>
- 6.6 **Volunteering** opportunities are increasing, including examples of partnership working such as Pathfinder and Community Speedwatch support. There are currently 40 volunteers in the service which is a reduction on the previous year – our current cohort of volunteers are more productive than ever before. Examples of volunteer engagement between October and December 2023 include:
- Support with delivery of a 3-pump exercise - Operational Assurance providing casualties that were used to deliver a realistic scenario for operational crews.
 - Support with hosting and delivering at Safe+Sound events across the County.
 - Continued support for all operational and support staff by our Chaplains.
 - Educational visits to stations for local Beavers, Cubs and Brownies groups.
 - Supporting the Staffordshire Safer Roads Partnership with the Pathfinder project, and community speed watch.
 - Supporting CSO's at local events and delivering fire safety leaflets to businesses.
 - Supporting our community Engagement Officer with local events and open days across the county.
 - Supporting production of Safe+Sound programmes.
 - Helping to maintain and upkeep the Memorial garden.
 - Support in canteen - external partner Agency volunteer.
 - Local community events with Crews.
 - Supporting SFRS Welephant club with Admin.
- 6.7 A total of 1,786 volunteer hours were given between September and December 2023 compared to 999.5 hours in the same period last year.
- 6.8 **Princes Trust** - during 2023 we ran a total of 12 programmes: 6 twelve-week Princes Trust Team programmes out of both Stafford and Cannock Fire Stations, 5 Princes Trust Get Started programmes from various locations and one five-week Explore programme.

- 6.9 In March 2023 we delivered our final Explore program, due to Explore being withdrawn in the south of the county and delivered by Princes Trust themselves in the North. This resulted in a knock effect for our anticipated number of young people whom we are able to engage with. To compensate we sourced and engaged with various alternative organisations, creating positive new long-term partnerships.
- 6.10 It has been encouraging to see how many of our young people are participating in our delivery programmes - a total of 117 young people aged between 16 and 30. Participants have been supported throughout by trained SFRS staff, resulting in positive outcomes where they have progressed onto either further education, work or referred onto appropriate partners.
- 6.11 For 2024 we have scheduled a further 12 programmes, equivalent to 78 weeks of delivery, consisting of 6 Teams programmes and 6 Get Started programmes. It is anticipated that each of these courses will continue to generate positive interest.

7. A fire and rescue service for tomorrow

- 7.1 Following its last full inspection in 2021 HMICFRS identified 20 'Areas for Improvement' (AFIs) for the Service in its report - **Effectiveness, Efficiency and People 2021/22 – Staffordshire Fire and Rescue Service** – published July 2022. To view the report in full please click [here](#).
- 7.2 The Service created an action plan to address these AFIs and progress is monitored via our Action Tracker and scrutinised internally through Service governance boards, and the Staffordshire Commissioner.
- 7.3 The Service has already taken steps to address these AFIs and the most recent updates are below. Eight have been completed and signed off at Service Delivery Board (SDB), with a further three completed and to be taken to SDB for overview and decision.

HMICFRS Staffordshire Fire and Rescue Service 2021/22 Effectiveness, Efficiency and People progress overview

01	The Service should make sure that firefighters are confidently and suitably trained in gathering risk information.	Completed and Signed Off
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02	The Service needs to improve how it engages with seldom-heard people and groups in its local community to build a comprehensive profile of risk in its service area	Completed and Awaiting Sign Off
03	The Service should make sure it puts in place measures to catch up on the backlog of Safe and Well visits	Completed and Signed Off
04	The service should assure itself that its RBIP prioritises the highest risks and includes proportionate activity to reduce risk.	On Track
05	The service should make sure it has an effective quality assurance process, so that staff carry out audits to a consistent standard.	On Track
06	The service should make sure that it has effective systems in place to reliably understand resource availability	On Track
07	The service should improve the availability of its fire engines to respond to incidents in line with its IRMP	On Track
08	The service should make sure that it improves the way in which it captures and shares learning from operational incidents	On Track
09	The service should have effective measures in place to assure itself that its workforce is productive and that their time is used as efficiently and effectively as possible to meet the priorities in the IRMP	Completed and Signed Off
10	The service should assure itself that its IT systems are resilient, reliable, accurate and accessible.	Completed and Signed Off
11	The service should make sure all staff understand and demonstrate its values	On Track
12	The service should assure itself that senior managers are visible and demonstrate service values through their behaviours	Completed and Signed Off
13	The service should monitor secondary contracts and overtime to make sure working hours are not exceeded.	On Track
14	The service should review its succession planning to make sure that it has effective arrangements in place to manage staff turnover while continuing to provide its core service to the public.	On Track
15	The service needs to review its reliance on overtime to consider whether there are more effective arrangements to provide its core service.	Completed and Signed Off
16	The service should assure itself that staff are confident using its feedback mechanisms.	Completed and Signed Off
17	To identify and tackle barriers to equality of opportunity, and make its workforce more representative, the service should make sure	Completed and Signed Off

	diversity and inclusion are a priority and become important values of the service	
18	The service should review how effective its policy on bullying, harassment and discrimination is in reducing unacceptable behaviour towards its staff.	Completed and Awaiting Sign Off
19	The service should make sure HR policy is consistently applied in the management of employment cases.	Completed and Awaiting Sign Off
20	The service should aim to diversify the pool of future and current leaders	On Track

7.4 Following the NFCC’s Culture and Inclusion Conference and the publication of the HMICFRS Spotlight Report - **Values and culture in fire and rescue services** in March 2023, the NFCC developed a Culture Action Plan to improve culture and address discrimination, bullying and harassment across UK fire and rescue services. To view the report in full please click [here](#).

7.5 The NFCC plan is a commitment to work with fire and rescue services, UK Governments and wider fire partners to deliver sustainable improvements and establish an inclusive, safe culture. The plan will do this by continuing to support services in developing effective leadership and behaviours, embedding equality, diversity and inclusion, finding and nurturing diverse talent, and supporting the health and wellbeing of people in fire and rescue services.

7.6 Working with partners, the NFCC will monitor and review progress, drawing on feedback and learning to continue to develop and implement the plan. These national recommendations were directed towards National Government, the National Fire Chief’s Council, Local Authorities and all Fire and Rescue Services within Great Britain.

7.7 Out of these 35 national recommendations; 19 were directed for the attention of Chief Fire Officers, and these have since been adopted by SFRS into an action plan for the review and reform of culture within the Service.

7.8 Four National recommendations have been completed and signed off, and eight further recommendations are completed and to be taken to the next SDB for overview and decision.

HMICFRS Values and Culture in Fire and Rescue Services Progress Overview

(Only actions relevant to Staffordshire Fire and Rescue Service Displayed)

1	By 1 October 2023, chief fire officers should make sure their services provide a confidential way for staff to raise concerns and that staff are aware of whistleblowing processes.	Completed and Signed Off
3	By 1 June 2023, chief fire officers should review the support available for those who have raised concerns and take any action needed to make sure these provisions are suitable.	Completed and Signed Off
4	By 1 June 2023, chief fire officers should assure themselves that updates on how concerns are being handled are shared with those who have raised them. The updates should be given in an accessible way that encourages trust and confidence in the service response. Consideration should be given to creating a professional standards function to handle conduct concerns in service (or from an external service) to have oversight of cases, to make sure they are conducted in a fair and transparent way and to act as a point of contact for all staff involved.	Off Track but in progress.
5	By 1 June 2023, chief fire officers should make sure they provide accessible information for all staff and members of the public on how they can raise concerns and access confidential support (including through external agencies). Chief fire officers should also make sure accessible information is provided on how concerns and allegations will be investigated in a way that ensures confidentiality and is independent of the alleged perpetrator.	Completed and Signed Off
9	By 1 January 2024, chief fire officers should: - immediately review their current background checks arrangements, and make sure that suitable and sufficient background checks are in place to safeguard their staff and communities they serve; and - make sure that appropriate DBS check requests have been submitted for all existing, new staff, and volunteers, according to their roles as identified by the Fire Standards Board.	Completed and Awaiting Sign Off
12	By 1 March 2024, chief fire officers should provide assurances to HMICFRS that they have implemented the standard on staff disclosure, complaint and grievance handling.	On track
14	By 1 March 2024, chief fire officers should provide assurances to HMICFRS that they have implemented the standard on misconduct allegations and outcomes handling.	On Track
17	With immediate effect, chief fire officers should notify HMICFRS of any allegations that have the potential to constitute staff gross misconduct that:- involve allegations of a criminal nature that have the potential to affect public confidence in FRSs;- are of a serious nature; or- relate to assistant chief fire officers or those at equivalent or higher grades.	Completed and Signed Off
18	By 1 August 2023, chief fire officers should provide assurances to HMICFRS that all parties are supported in relation to ongoing investigations.	Completed and Awaiting Sign Off
20	By 1 June 2023, chief fire officers should have plans in place to ensure they meet the "Fire Standards Board's leading the service standard" and its "leading and developing people standard"	Off Track but in Progress

21	By 1 June 2023, chief fire officers should make sure there is a full, 360-degree feedback process in place for all senior leaders and managers (assistant chief fire officer equivalent and above) in service.	Off Track but in Progress
22	By 1 September 2023, chief fire officers should make sure there is a full, 360-degree feedback process in place for all other leaders and managers in service. The process should include gathering feedback from a wide range of sources including colleagues and direct reports.	Off Track but in Progress
23	By 1 June 2023, chief fire officers should seek regular feedback from staff about values, culture, fairness and diversity, with due regard to the leading and developing people standard . They should show how they act on this feedback.	Completed and Awaiting Sign Off
24	By 1 October 2023, chief fire officers should put plans in place to monitor, including through the gathering and analysis of staff feedback, watch and team cultures and provide prompt remedial action for any issues they identify.	Completed and Awaiting Sign Off
27	By 1 June 2023, chief fire officers should make sure their equality impact assessments are fit for purpose and, as a minimum, meet the requirements of the National Fire Chiefs Council equality impact assessment toolkit.	Completed and Awaiting Sign Off
28	By 1 June 2023, chief fire officers should review how they gather and use equality and diversity data to improve their understanding of their staff demographics, including applying and meeting the requirements of the National Fire Chiefs Council equality, diversity and inclusion data toolkit .	Completed and Awaiting Sign Off
32	By 1 June 2023, chief fire officers should, as a priority, specify in succession plans how they intend to improve diversity across all levels of the service. This should include offering increased direct-entry opportunities.	Completed and Awaiting Sign Off
33	By 1 August 2023, chief fire officers should develop plans to promote progression paths for existing staff in non-operational roles and put plans in place to reduce any inequalities of opportunity.	Off Track but in Progress
34	With immediate effect, chief fire officers should review their implementation of the Core Code of Ethics and make sure it is being applied across their services.	Completed and Awaiting Sign Off

7.9 In 2023, the Home Secretary commissioned HMICFRS to carry out a **thematic inspection on the handling of misconduct by fire and rescue services** in England. The Service was chosen as one of 10 fire and rescue services to be inspected. This review builds on the findings in HMICFRS's spotlight report on culture and values in the fire sector and other high-profile reports of unacceptable behaviour.

7.10 The other services included in the inspection are: Northamptonshire, Humberside, Lincolnshire, Dorset and Wiltshire, Tyne and Wear, West

Midlands, Cornwall, Greater Manchester and Kent. The services have been selected to make sure evidence is gathered from a range of services, large and small, rural and urban, cover the different governance models and to avoid overlap with scheduled service inspections.

7.11 These thematic inspections focus on:

- the extent to which services are identifying and investigating misconduct;
- the effectiveness of misconduct processes and how consistently they are applied;
- how confident fire and rescue service staff are in misconduct processes and in raising concerns; and
- the role of fire and rescue authorities and other organisations in handling misconduct.

7.12 Our thematic inspection took place between 6 November and 24 November 2023. The inspection included a mix of remote and on-site engagement and desktop reviews of a sample of complaint, grievance, discipline, and whistleblowing files; interviews; focus groups and reality testing. We were also required to submit a number of policies, procedures and other documents (including completed case files) for review as part of the inspection process.

7.13 The Service received a hot debrief at the end of the fieldwork for the thematic inspection. The inspectors were pleased with the openness of our organisation and commented upon how everyone involved with the interviews and focus groups conducted themselves in a very professional manner. They also stated that they could see that the Service was working hard to deal with inappropriate behaviours every time they occurred, and that the investment made in human resources was improving the experiences of those involved in cases. The full report is scheduled for publication in June 2024.

7.14 As this is a thematic inspection, HMICFRS will use the evidence gathered to inform its understanding of the handling of misconduct in general. HMICFRS will not be publishing reports on the individual services or making graded judgments as part of this review. However, the evidence gathered as part of this inspection will be considered when HMICFRS come to conduct our Round 3 full service inspection and will therefore influence the report and graded judgments we receive at that point.

7.15 HMICFRS has already commenced Round 3 of its full inspection schedule and since 2018 every service has been inspected at least twice meaning there is now a benchmark against which progress can be monitored. In Round 3, therefore, HMICFRS will be assessing the progress made by the service since our last inspection, and will comment on our progress in its report against:

Effectiveness – HMICFRS will continue to consider how well the Service is performing its principal functions of preventing fires from happening, making sure the public is kept safe through the regulation of fire safety and responding to emergency incidents.

Efficiency – consideration is given to the way the Service uses its resources to manage its current risks and how well it is securing an affordable way of managing its risks in the future. During Round 3, HMICFRS will place a greater focus on assessing how productive we are as a service and what productivity improvements have been made since the last inspection.

People – the Inspectorate’s assessment of how well the Service looks after its people will remain focused on leadership at all levels of the organisation. While HMICFRS will continue to look closely at training, values and culture, there will be a particular emphasis on diversity and how services are trying to overcome inequalities.

7.16 The scheduled dates for Staffordshire’s inspection are as follows:

Document request & Self-assessment - w/c 29 January 2024

Inspection fieldwork starts - w/c 26 February 2024

7.17 **Wellbeing, Inclusion and Culture** – A staff survey was carried out in November 2023 following workshops with Senior Leaders, managers and employees. Using the Hive methodology, the survey comprised of 27 scaled and 2 free text questions, all of which were aligned to Hive’s validated question bank to ensure a good baseline measure.

7.18 The aim of the Survey was to help SFRS understand our progress on this journey and actions we can take to build on our strengths and address areas of improvement. Senior Leaders have been asked to consider the trends and themes highlighted in the report to take forward with their teams.

7.19 Three themes have been identified:

- Leadership - Emerges as an area for development, with moderate scores in trust and recognition, suggesting a need for increased leadership, trust and transparency in the decisions made by senior managers.
- Professional fulfilment – Is underscored by positive scores in meaningfulness, but demonstrates a need to develop career opportunities. While many employees find meaning in their work, there is a perception that not all can progress in their careers and many find the promotion process unfair.
- Nurturing Wellbeing - Is highlighted as a critical factor in employee engagement; emphasising the importance of positive wellbeing and the role

employees play. The positive average score for work-life balance suggests a good foundation.

7.20 Next Steps - In order for leaders to make the biggest impact on engagement levels, each area should be viewed as a key focus point for action planning.

- Improving response rates and participation
- Trust in Senior Leadership
- Professional development

7.21 Working groups are being established across the Service with emphasis on Operational Staff and an overview meeting will be held at the end of January 2024 to focus on different elements in the report.

7.22 **Wellbeing Champions and Mental Health First Aiders** - A new Wellbeing plan has been put together in collaboration between Occupational Health, HR and ED&I and the recommendations are due to be presented for agreement at the next WIC Meeting, due to take place in January 2024.

7.23 Five areas of wellbeing are proposed, with the following leads:



The aim is that our 30 volunteers will all have a lead within their areas so that responsibility is shared and monitored. Once the proposal has been ratified by the WIC Group and any proposals considered, it will then be presented to the Principal Officers for consideration and sign off with a view to launching at the next Wellbeing Day scheduled for April 2024.

7.24 **Networks** – The Neurodiversity Network is going from strength to strength with an event held in January 2024 with a schedule of speakers and opportunities for assessments if required, the aim being for this to be followed with a National Event.

- 7.25 The Menopause Network is reaching larger audiences and is gaining traction every month, there is a strong link to the Police network but is run independently. Events have included guest speakers including a practicing GP who specialises in this area who gave an informative talk and answered questions from staff. The knowledge and shared experiences of this group are used to provide valuable insights that can be used by the Service. The Women's Network has been formed from the roots of the Menopause Network and an LGBTQ Network is now in its infancy.
- 7.26 **Wholetime recruits' course** will commence in February 2024 - Sixteen recruits have been selected, offered positions and are currently progressing through the Services on-boarding process. The course will accommodate new starters and some existing on-call staff who were successful on application and selection.
- 7.27 Key dates for the course are outlined as follows:
- Friday 23 February – Contact day
 - Monday 26 February – Induction week
 - Wednesday 29 May – Exercise Week
 - Wednesday 5 June – Passing out parade
- 7.28 Over the fifteen-week programme the cohort will be trained and work as a collective unit. After week 5 assessments, however, they will be split into two syndicates of eight, in line with trainer ratios, maximising learner experience and ensuring safe systems of work. The course will encompass a continual assessment process in order to meet key performance indicators. Progress will be tracked throughout with performance, capability and disciplinary tracking along with bi-weekly performance meeting held with Learning and Development Station Managers.
- 7.29 The L&D team continually strive to improve working practices for the Service which has led to some additional content being included compared to previous courses. These areas include:
- Focus and understanding of the Core Code of Ethics.
 - Occupational Health input, support and monitoring.
 - Active bystander training.
 - Practical training sessions, learning from Health and Safety lessons:
 - Stop codes and radio messages.
 - Utilisation of small toolkit and practical use of tools.
 - Training and application of Dynamic Risk Assessment and Analytical Risk Assessment processes.
 - Avoiding re-ignitions.
 - Exercise week.

- 7.30 The course is an extremely rewarding and challenging experience for the students, trainers and department as a whole. One which the L&D team relish as it sets newly qualified firefighters off to progress on an exciting and rewarding career path.
- 7.31 The **Manchester Arena Inquiry**, Volume 2 Emergency Response, was published November 2022. There are 149 recommendations covering all the Emergency Services involved and the Local Resilience Forums. It is important to note that SFRS has taken the opportunity to include other recommendations from other services and multi-agency related recommendations to expand on the opportunity to learn and improve our procedures.
- 7.32 SFRS has developed an action plan including 35 actions, with an additional 17 actions from our shared Fire Control, which West Midlands Fire Service will be taking the lead with our involvement and scrutiny. Of the 35 actions, 17 are complete with 18 in progress. Of the 17 Fire Control actions, 2 have been completed with 15 ongoing (of which 9 are 75% complete). The main themes are:

Sharing of major incident plans

A multi-agency group has been set up to move this work forward, SFRS has rewritten our major incident plan and will be shared through resilience direct, so all related partners can view. Training with each multi-agency plans will be scheduled at the Fire Operational forum during April 2024.

Record keeping

The scope of this work includes providing the training and tools to enable officers to keep relevant records of decisions. New larger books have been introduced to support the use of note taking, bespoke training to all officers including the use of trigger notes to support contemporaneous note taking.

Sharing of plans

Each organisation has a set of site-specific tactical plans. A wider discussion has started following the Staffordshire Resilience Forum workshop, reference multi-agency tactical plans. SFRS will work with partners and the Civil Contingency Unit (CCU) to understand how this can be achieved. We currently have multi-agency plans for sites covered by the control of major accident hazards (COMAH) and sites such as waste sites, however we intend to expand these plans.

Joint Emergency Service Interoperability Programme (JESIP)

This area covers joint training and awareness of partners working together, to ensure shared situational awareness and shared communications. Currently the three blue light partners have relaunched joint training for all incident commanders and dates will continue to be programmed throughout 2024 and onwards. A good example of exercising was a recent multi-agency training event, incorporating all levels, operational, tactical and strategic. Testing our response to a major incident, learning was collated and shared and a further exercise will be planned for 2024 to assure all partners of the learning gathered.

8 Conclusion

- 8.1 The Police, Fire and Crime Panel will continue to receive updates in line with their proposed work plan for the coming year and as requested.

Ben Adams
Staffordshire Police, Fire and Crime Commissioner

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Police, Fire and Crime Panel – 15 February 2024

Annual Update on Complaint Reviews

Report of the Staffordshire Commissioner

1. Purpose of Report

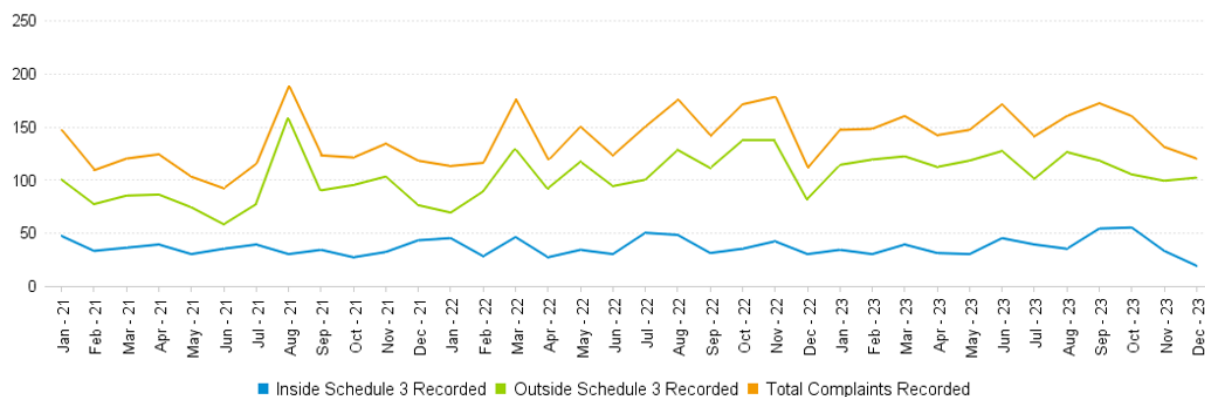
- 1.1 The report updates the panel on the Staffordshire Commissioner’s statutory function of reviews following the implementation in February 2020, of the police misconduct and complaint reforms.
- 1.2 A reminder to the panel that the specific role was introduced for Police and Crime Commissioners to increase and strengthen independence and improve complaints handling, ensuring the public can maintain confidence in the integrity of policing.

2. Recommendation

- 2.1. That the panel note the contents and agree to receive annual updates for scrutiny at future panel meetings.

3. Complaints

3.1 The graph below shows that whilst there has been an increase in the number of complaints being received by Staffordshire Police for the second year running, those recorded under schedule 3 of the Police Reform Act 2002, where a right of review is given, continues to decrease. The increase in numbers are for those complaints that are dealt with outside of schedule 3 of the Police Reform Act 2002, which is defined as a logged complaint, where if the allegation was proven it wouldn’t justify misconduct proceedings and there is no right of review by either the Local Policing Body or the IOPC.



3.2 In 2023 Staffordshire Police's Professional Standards Department received a total of 1,811 complaints. This is a 4.5% increase compared to 1733 complaints received in 2022. For further comparison in 2021, 1505 complaints were received. These figures represent a continual upward trend in the levels of dissatisfaction being received by Staffordshire Police.

3.3 To further breakdown the figures in 3.2.

In 2023, of the 1811 complaints received 471 (26%) were dealt with under schedule 3 which, gives the complainant the option to exercise a right of review either by the Staffordshire Commissioner's Office or the Independent Office of Police Conduct (IOPC). With the remaining 1,340 complaints dealt with outside schedule 3 either by, the Professional Standards Department Triage Team or, a specialised department within the force.

Of the 471 complaints recorded under schedule 3 for 2023, the Staffordshire Commissioners Office was the review body for 349 (74%), with the IOPC being the review body for the remaining complaints.

Of the 446 complaints recorded under schedule 3 for 2022, the Staffordshire Commissioners Office was the review body for 353 (79%), with the IOPC being the review body for the remaining complaints.

Of the 425 complaints recorded under schedule 3 for 2021, the Staffordshire Commissioners Office was the review body for 365 (86%), with the IOPC being the review body for the remaining complaints.

3.4 All data is recorded and published by the Independent Office of Police Conduct (IOPC) and the links are documented below. It sets out performance against a number of measures and compares force results to their most similar force (MSF) group (where applicable) and with the overall result for all forces (national). This data is used by the IOPC to discuss performance on a quarterly basis with both Staffordshire Police's Professional Standards Department and the Staffordshire Commissioners Office. The purpose is to recognise good practice but, to also identify any areas of improvement, where Staffordshire is an outlier.

<https://www.policeconduct.gov.uk/police-force/staffordshire-police>

*Avon & Somerset, Derbyshire, Hertfordshire, Essex, Cheshire, Hampshire, Nottinghamshire

3.5 As noted in the chart/graph outlined in 3.1, as expected there are peaks and troughs with demand, some of these can be attributed to a specific event/occurrence that has happened locally, regionally or nationally. For example, going into lockdown, coming out of lockdown, restrictions being lifted, protests. Policing is under more scrutiny now than ever before and members of the public are more likely to complain about the level of service they have received, by either an officer(s) or the force in general. National headlines for other forces will also drive an increase in complaints being reported in Staffordshire and all other forces throughout the UK. It is noted that there is currently a number of documentaries with police forces or police focused that will drive the number of complaints being received, which focuses on the areas in the programmes.

3.6 Staffordshire Police's Professional Standards Department continues to ensure that members of the public are aware of how to make a complaint, and that the system is accessible for all. This is done through many mechanisms which includes posters, booklets and engagement with local communities through the neighbourhood policing team. Below is the information available online.

<https://www.staffordshire.police.uk/fo/feedback/complaints/complain-about-the-police/>

3.7 Staffordshire Police's Professional Standards Department implemented a dedicated triage which is now embedded within the department and working well. The team consists of three customer advisors who look to triage and resolve complaints within 5 working days, in most instances it is 24/48 hours. For 2023, the triage team with the support of the department dealt with 74% of all complaints received by Staffordshire Police. The continued benefit of the triage team is minimal complaints are sent out for resolution by the neighbourhood policing team which allows more time for proactive policing/working with the community. It also allows for a quicker resolution of the dissatisfaction raised and reduces repeat demand.

3.8 Work continues with the Prevent Officer who successfully engages with officers and staff to identify training with the view to ultimately improving the service provided to the communities of Stoke on Trent and Staffordshire. Communication campaigns are delivered throughout the force giving examples of what the top categories of complaints are. There has also been the successful implementation of a number of

team's channels where examples of good and bad policing are shared. This is done to different cohorts i.e. sergeants, new recruits which does promote healthy discussion and challenge. The Prevent Officer continues to do an input on day one of every new recruit about the standards of professional behaviour expected, this is followed up by either a half or full day input 3-6 months into their service that focuses on complaints that have been received by the service.

3.9 Work continues with the Commissioner's Office and Staffordshire Police's Professional Standards department around organisational learning. This includes:

- The PSD Bulletin supplemented real-time emerging trends and patterns, moving further towards the ethos of the 2020 regulations around being a learning organisation.
- Findings from reviews fed into the Prevent Officer
- Delivery of preventative briefings.
- Any individual learnings identified being disseminated real time.
- Identifying reoccurring themes & proactive action taken to resolve.
- Input with student officers by the Prevent Officer.
- Teams channels led by the Prevent Officer that raises issues within policing that are local, regional and national.
- Weekly & monthly feedback from the Independent Review Manager (SCO) on findings from reviews and any trends identified through complaints.
- Monthly meetings to analysis performance.
- Quarterly meetings with the Independent Office of Police Conduct (IOPC).

3.10 Staffordshire Police continue to develop and adapt their approach to the management of complaints in line with the new legislation and a trust driven policing model, where there is the focus on organisational and individual learning and development. The Commissioner is confident that these changes, together with the role of the Independent Review Manager meet the aspirations that have been set out by government in introducing national reforms.

4.0 Complaint Reviews

4.1 To remind the panel that the Staffordshire Commissioner adopted Model 1. This requires all PCC's to receive reviews from the public, where they are identified as the local policing body, and consider whether Staffordshire Police took reasonable and proportionate action to address the complaint. Once the review has been completed to then notify the complainant of the outcome.

4.2 In order to fulfil this statutory requirement, this is undertaken by the Independent Review Manager, who has delegated authority from the Staffordshire Commissioner to undertake this function.

- 4.3 For 2023 of the 349 reviews where the Staffordshire Commissioners Office was the review body, a total of 85 reviews have been received, this equates to 24%. It is noted that in comparison to 2022 and 2021, that whilst the number of complaints where the Staffordshire Commissioner’s Office was the review body has decreased the number requesting a review of their complainant has increased by 6%.
- 4.4 For 2022 of the 353 reviews where the Staffordshire Commissioners Office was the review body, a total of 62 reviews have been received, this equates to 18%.
- 4.5 For 2021 of the 365 reviews where the Staffordshire Commissioners Office was the review body, a total of 65 reviews have been received, this equates to 18%.
- 4.6 The following provides the number of reviews received in 2021, 2022 and 2023 and whether the review was upheld or not.

	2023	2022	2021
Number of Reviews	85	59	64
Still Live	5	N/A	N/A
Out of Time	2	3	1
Not Valid	1	0	0
Upheld	11 (14%)*	8 (14%)	6 (10%)
Not Upheld	61	48	58

* This figure may alter depending on the outcome of the outstanding 5 live complaints

- 4.7 Of the 77 reviews considered so far there have been recommendations for either individual or organisational learning on 16 (21%) of reviews received.

Those recommendations include:

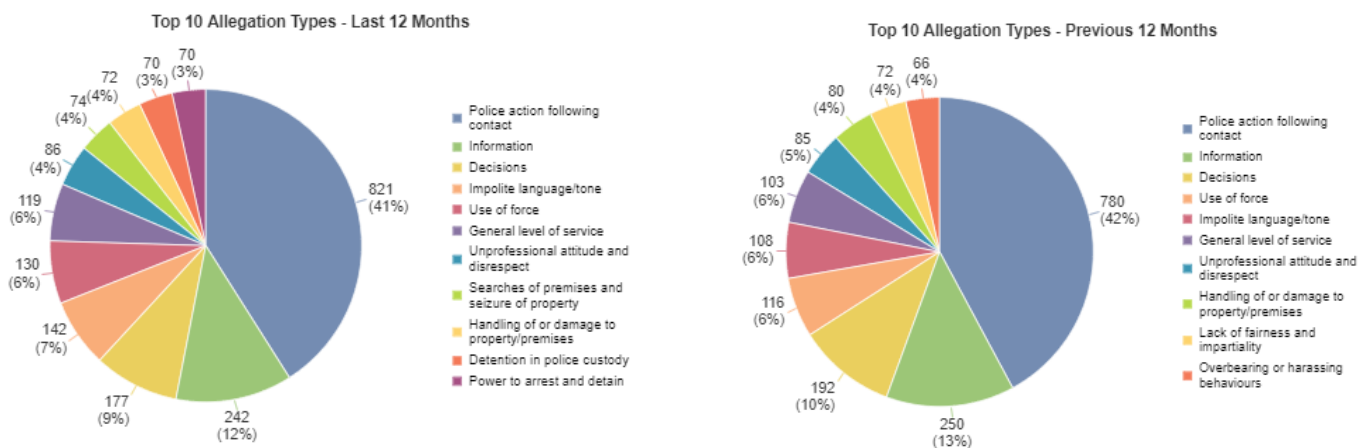
- Ensuring staff have sufficient training on systems to ensure there was no delays to the service
- Ensuring complainants receive regular updates and expectations are managed. This remains one of the reasons why members of the public express their dissatisfaction with the service.
- Engagement with the public and understanding what impacts public confidence.
- Information recorded accurately and in detail.
- Decision making.
- Ensuring reports/letters are plain English, jargon free and suitable explanations provided.
- Completion of Use of Force Forms and Pocket notebook entries

- Joined up approach where more than one department is involved in the complaint.
- Making complainants aware of any learnings that have been identified through the initial complaints process.
- Ensuring sufficient engagement with the complainant to ensure allegations are understood.
- Changes in policy
- Ensuring that the right outcome is attributed to complaints i.e. service level acceptable, unacceptable or undetermined

4.8 The top three allegations that are recorded based on the complainant’s dissatisfaction (categories are defined by the IOPC). Work is continually ongoing to address the issues raised with a view of reducing repeat complaints.

The charts below give the comparison between 2022 and 2023 and will show the same top 3 for both years.

- Police action following contact
- Information
- Decisions



4.9 The Commissioner’s office continues to offer members of the public varied options to make a review and also how that review outcome is delivered. This allows and shows a transparent and openness to the complaints process and demonstrates an independent approach, which is one of the fundamental reasons for PCCs undertaking this role.

4.10 To ensure oversight and scrutiny of the complaints system, on any cases of over 12 month’s duration, Staffordshire Police must write to the Commissioner and the IOPC to inform them of the reasons and actions being taken to progress the complaint.

Further communication is required every 6 months thereafter until the complaint is finalised.

- 4.11 For 2023 there have been 7 timeliness reports received by the Commissioner's office, with a copy to the IOPC. The main reasons for the reports are due to the complaint being sub judice as there are criminal proceedings ongoing.
- 4.12 Work continues on a quarterly basis with the Independent Office of Police Conduct (IOPC) where performance is scrutinised for both Staffordshire Police and the Commissioner's Office. The most recent quarterly data in relation to Staffordshire Police and the annual statistics report are published by the Independent Office for Police Conduct. These links are also contained with the Commissioner's website.

<https://www.policeconduct.gov.uk/information-for-police/police-data>

5.0 What next?

- 5.1 Work continues on an annual basis where The Ethics and Transparency Audit Panel look at different aspects of the complaint process. Any thematic reports will be published on the Staffordshire Commissioners Website for transparency purposes.

The annual review by an independent, nationally recognised group is welcomed by both the Commissioner's Office and Professional Standards.

- 5.2 Both the Commissioner's office and Staffordshire Police's Professional Standards Department also continue to do an annual presentation to ETAP around complaints and reviews.
- 5.3 The Independent Review Manager will continue to work with Staffordshire Police's Professional Standards Department to ensure any reform/transformational work is in line with the implementation of the regulations.
- 5.4 The Staffordshire Commissioners Office is now part of the complaints process for Staffordshire Fire and Rescue Service. Work is underway to develop a performance pack that will be presented within this report at the next panel meeting in 2025.
- 5.5 The Independent Review Manager now also completes weekly dip sampling of closed complaints which have been dealt with by the triage team. The findings from this data will be produced in this report from 2025.

Ben Adams

Staffordshire Commissioner Police | Fire and Rescue | Crime

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STAFFORDSHIRE POLICE, FIRE AND CRIME PANEL

12 February 2024

WORK PROGRAMME PLANNING 2023-24

Report of the Secretary

Recommendation

That the Panel note the dates of future meetings and considers the contents of its future Work Programme.

Background

By Regulation this Panel is required to meet on a *minimum* of 4 occasions each year with the facility to convene additional meetings as and when required.

There are a number of reports/matters which the Panel is required to consider:

Police and Crime Matters: the proposed Policing and Crime Precept each year, the Police and Crime Plan, The Commissioners Annual Report on the delivery of the Plan, Confirmation Hearings for a number of key posts and Reports on the Handling of Complaints.

Fire and Rescue Service Matters: The proposed Fire and Rescue Service Precept each year, the draft Fire and Rescue Plan/Corporate Safety Plan (incorporating the Integrated Risk Management Plan), the Annual Statement of Assurance and Confirmation Hearings for key posts in the Service.

Panel Meeting date	Agenda Items
2023/24	Work Programme
3 July 2023 10am (moved from 26/06/23)	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Public Questions • Decisions taken by the Commissioner 9P&C 005-007 and F&R 001) • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2022/23 • Consideration of the Commissioners Annual Report 2023/24
3 July 2023 12.30pm	<ul style="list-style-type: none"> • Confirmation Hearing – Section 151 (Chief Finance Officer)
25 August not a public meeting	Training event on the role of the panel

4 October – not a public meeting	Meet the commissioner – Police HQ
10 October 2023 2.30pm (moved from 25 September 2023)	<ul style="list-style-type: none"> • Public Questions • Police and Crime Plan / Fire and Rescue Plan Update
13 November 2023 10am	<ul style="list-style-type: none"> • Public Questions • MTFS/Budget Update – Policing Service • MTFS/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement
5 February 2024 2.30pm	<ul style="list-style-type: none"> • Appointment of co-optee member moved to 12/02/24 • Annual Conference for PFCP's - report • PFCC's proposed Police Budget and Precept 2024/25 • Police Misconduct and Complaint Regulations 2020 – annual report moved to 12/02/24
12 February 2024 10am	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2024/5 • Fire and Rescue Service Safety Plan 2020-2024 Update Report • Police Misconduct and Complaint Regulations 2020 – annual report • Appointment of co-optee member
19 February 2024 10am	<ul style="list-style-type: none"> • If required, further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2023/24
28 February – not a public meeting	<ul style="list-style-type: none"> • Meet the Commissioner and Chief Fire Officer – Fire HQ
22 April 2024 10am	<ul style="list-style-type: none"> • TBC – suggested that this is cancelled due to purdah
Items to be scheduled if/when appropriate.	

2024/25	Draft Work Programme
24 June 2024 10am	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2023/24 • Consideration of the Commissioners Annual Report 2023/24 • Fire Misconduct and Complaints – annual report

August - not a public meeting	Annual event – Informal meeting with the commissioner/new members – Police HQ
23 September 2024 10am	<ul style="list-style-type: none"> • Police and Crime Plan / Fire and Rescue Plan Update
18 November 2024 10am	<ul style="list-style-type: none"> • MTFS/Budget Update – Policing Service • MTFS/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement
10 February 2025 10am	<ul style="list-style-type: none"> • PFCC’s proposed Police Budget and Precept 2025/26 • Police Misconduct and Complaint Regulations 2020 – annual report • Annual Conference for PFCP’s - report
17 February 2025 10am	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2025/26 • Fire and Rescue Service Safety Plan - Update Report
25 February 2025 2pm	<ul style="list-style-type: none"> • If required, further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2025/26
14 April 2025 10am	<ul style="list-style-type: none"> • Business TBC

J Tradewell (Secretary to the Panel)
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