



Fire and Rescue Service  
Headquarters, Pirehill  
Please ask for Kay Johnson  
DDI (01785) 898670

## STRATEGY AND RESOURCES COMMITTEE

Thursday 21 January 2016

**10.30 am**

Fire and Rescue Service Headquarters  
Pirehill

(A Chairman/Vice-Chairman's Preview has been arranged, for Mr L W Bloomer and Mr C L Wanger only, for 10.00 am)

H. NORRIS  
Secretary to the Authority  
12 January 2016

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### AGENDA

1. Apologies
2. **Declaration of Interests**
3. **Minutes of the Strategy and Resources Committee held on 24 November 2015**

4. **Minutes of the Human Resources and Ethics Committee held on 3 December 2015**

5. **Revenue Budget 2016/17**

Joint Report of the Chief Fire Officer/Chief Executive and the Director of Finance, Assets and Resources

6. **Removal of the Incident Response Unit from Burton upon Trent**

Report of the Director of Response

## **7. 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 I of Schedule 12A of the Local Government Act 1972 indicated below”.

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**PART TWO**

**NIL**

**MINUTES OF THE STRATEGY AND RESOURCES COMMITTEE  
HELD ON 24 NOVEMBER 2015**

**Present:** Bloomer, L W (Chairman)

Banks, Mrs K M	Martin G R
Chapman, F A	Sweeney, S J
Davies, P R	Wood, Miss C B
Hambleton, Mrs S	Woodward, Mrs S E
Irving, R A	

**Apologies:** Day, W D, Lawson, I S and Wanger, C L.

**Also in attendance:** Mr P Dartford, Chief Fire Officer/Chief Executive; Ms R Bryant, Deputy Chief Executive/Executive Director; Mr H Norris, Secretary to the Authority; Mr D Greensmith, Director of Finance, Assets and Resources; and Ms C Bradley, Financial Service Manager.

**PART ONE**

Documents referred to in these minutes as schedules are not appended but will be attached to the signed copy of the minutes. Copies, or specific information in them, may be available on request.

**Minutes of the Meeting held on 30 September 2015**

47. Mrs Woodward commented on page 4 of the Minutes and reaffirmed that she would like to see the Human Resources and Ethics Committee look at the way in which the Service recruited and how they reaffirmed to prospective candidates the way the “firefighter” role operated in the fire service now. Mr Dartford advised that the Service was honest with the recruits and did tell them the reality of the job. He advised that this may be something that the Scrutiny and Performance Committee may also wish to look at.

48. **RESOLVED** – (a) That the Minutes of the Strategy and Resources Committee held on 30 September 2015 be confirmed and signed by the Chairman.

(b) That the Human Resources and Ethics Committee be asked to look at the way in which the Service recruited and how they reaffirmed to prospective candidates the way the “firefighter” role operated in the fire service now.

(c) That, if necessary, following consideration of (b) above Members wished further work to be undertaken, the matter be referred to the Scrutiny and Performance Committee for consideration.

**Minutes of the Fire Pensions Board held on 22 September 2015  
(Schedule 1)**

49. Members were advised that as Mr Stevens had retired from the Service he had been replaced by Mr Glynn Luznyj as an Employer Representative on the Fire Pensions Board.

50. **RESOLVED** – That the Minutes of the Fire Pensions Board held on 22 September 2015 be received.

**Minutes of the Service Improvement Committee held on 19 October 2015**  
(Schedule 2)

51. **RESOLVED** – (a) That the minutes of the Service Improvement Committee held on 19 October 2015 be received.

(b) That, as requested by Mrs Woodward, a copy of the presentation on the SAfER Pilot and the Public Health England Pilot be forwarded to those Members of the Authority that are not on the Service Improvement Committee.

**Minutes of Scrutiny and Performance Committee held on 21 October 2015**  
(Schedule 3)

52. Mrs Banks, Chairman of that Committee, advised that Mrs Woodward, Officers and herself had met with HM Prison Service regarding the work being undertaken between the Service and Prisons. The next meeting of the Committee in December had been cancelled due to lack of business but a report on the work with HM Prison Service would come to the Scrutiny and Performance Committee in February 2016.

53. **RESOLVED** – That the Minutes of the Scrutiny and Performance Committee held on 21 October 2015 be received.

**Treasury Management Report for the Half Year ended 30 September 2015**  
(Schedule 4)

54. The report, presented by Mr Greensmith, reviewed the Treasury Management activities for the half-year ended 30 September 2015, including the Prudential Indicators for Treasury Management and the Authority's Approved Lending List (the List). The report was required as a result of the adoption of the CIPFA Code of Practice for Treasury Management in the Public Services (the Code), reporting how the treasury strategy as approved by Members had been implemented.

During the first 6 months of the year the Authority continued to invest cautiously; there were no long-term loan transactions.

The report outlined the performance of the economy, the long term borrowing position, the annual investment strategy/approved lending list, the short term money market transactions and the compliance with the CIPFA code of practice.

The economy, despite market uncertainty during the first half of the year driven by the crisis in Greece and also concerns of the slowing growth in China and massive reduction in the Chinese stock market the UK economy, had remained sturdy with growth of 0.4% and 0.7% in the first 2 quarters.

The general election in May also saw the continuation of austerity measures with the new Conservative Government.

The report focused on how the Authority invested the cash that it received (from precept, business rates and Central Government), and the borrowing strategy required to finance its capital investment programme and manage its cash flow.

In terms of borrowing the Authority had stuck rigidly to the strategy approved by the Committee, no new loans had been taken and the capital programme had been financed through the continued use of internal cash which had saved this Authority around £0.1m for the year to date.

- Total loans position remained unchanged at £20.550m at an average interest rate of 4.26%
- Total Gross Debt £28.422m, reduced by £2.6m in two years
- The difference between loans and gross debt was supported by internal borrowing from reserves

In terms of borrowing Members asked what would happen should interest rates go up and was advised that the interest rates on the loans the Authority had would not change. The Authority would however get a higher return on its investments.

In terms of investments, cash balances remained healthy in year and these were set out on page 5 of the report, helped by the pension top-up received in July and the Revenue support grant received in April.

The Total Cash held at the 30 September was £21.6m which was held by the following institutions:-

Lloyds Bank	£0.4m
Money Market Funds	£3.0m (Morgan Stanley, Federated Investors)
Local authority	£16.0m
UK DMADF (Government Debt Management Account Deposit Facility)	£2.2m
TOTAL	£21.6m

The amount was larger than normal due to the monies received from Government for the Transformational Funding Grant. Both the Stafford and Biddulph projects would not start until the next financial year and so by the end of this financial year the Authority would have a larger than expected balance.

The average return on investments was 0.29% reflecting the low risk and was unchanged from last year. Mr Greensmith advised that it was not appropriate to pursue higher returns as the risk associated with this was substantially higher for the very small additional return.

In summary the Authority's Treasury Management Strategy was in line with the strategy approved by the Committee, importantly ensuring that its cash was as secure as possible recognising market risk and ensuring that its long term borrowing was minimised through the use of internal cash, supported by the continued close scrutiny of future capital spend. A strategy to reduce overall levels of debt during time of severe austerity must also remain a priority for the Authority.

55. **RESOLVED** - That the Treasury Management activities for the half-year ended 30 September 2015, including the prudential indicators for treasury management shown at Appendix 1 to the report, be approved.

**Annual Audit Letter 2014/15**  
(Schedule 5)

56. Mr Cook, from Grant Thornton Auditors had submitted his Annual Audit Letter which summarised the 2014/15 audit of the Stoke-on-Trent and Staffordshire Fire and Rescue Authority and his report was presented by Mr Greensmith for Members information. The report would also be considered by the Audit Committee on 25 November.

On 28 July 2015 Mr Cook had presented his Audit Findings Report to the Audit Committee in respect of his audit of the Authority's 2014/15 financial statements and the key messages were outlined in the Audit Letter. The unqualified opinion of the Auditor was issued on 22 September 2015. The Audit Committee had signed off the accounts at their meeting on 28 July 2015. The Audit opinion from Grant Thornton was finally received on 22 September 2015. This was after the audit clearance of the Local Government Pension Scheme had been received from PricewaterhouseCoopers and also agreement on the accounting treatment of commutation payments that were due to pensioners who had retired between 2000 and 2006 following the outcome and determination of the case of GAD v Milne. The letter of representation was amended to reflect this change and was agreed by Members of the Audit Committee prior to the accounts being published. The accounts were published on 23 September prior to the deadline of 30 September 2015.

Mr Greensmith advised that there were no major issues this year. The Auditor had commented that the quality of the accounts and the working papers were good and of particular note was the speed and efficiency that queries were responded to by staff.

The Auditors had identified a number of disclosure errors and a number of adjustments to improve the presentation of the financial statements. The most significant of these were changes made to the PFI disclosure notes and the cash flow statement.

The Auditor had advised in the report that the Authority needed to keep the accounting and audit arrangements for the Community Interest Company under review. The level of trading to date would not have a significant impact on the Authority's accounts, but this needed to be kept under review as the company grew in size.

The Audit opinion confirmed that the financial statements gave a true and fair view of the Authority's financial position and of the income and expenditure recorded by the Authority.

The value for money conclusions which he had provided in relation to the 2014/15 audit were set out in the report. The Auditors were satisfied that the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The final audit fee for 2014/15 was £40,945, excluding VAT. In response to a question Members were advised that since the demise of the Audit Commission the contract was let to Grant Thornton. The contract would be in place until 2017 but the Authority had the option to extend the contract with Grant Thornton. The tendering was carried out on behalf of the Authority by the Public Sector Audit Appointments Ltd (PSAA). The audit fee was approximately £35,000 less than that paid 2/3 years ago. Mr Greensmith advised the regulations stated that an Audit Manager should change every five years but in terms of the company involved in carrying out the audits there was no regulation on the length of time they could be engaged.

Mr Davies, the Chairman of the Audit Committee, complimented and congratulated the Finance Team on doing a tremendous job. The Finance Team showed drive and

commitment to making changes and were well ahead of other fire and rescue authorities. He also praised the work of the Internal and External Auditors. The Audit Committee had met two months early as the accounts had been prepared in plenty of time, which was in preparation for 2017 when accounts would need to be completed earlier.

A Member pointed out that there had been some disclosure errors and adjustments to improve the presentation of the financial statements. Mr Greensmith advised that it was important for Members to note that there would always be disagreements regarding the presentation and the narrative contained in the accounts but officers did discuss and resolve these with the Auditors. A Member commented that this was a matter for the Audit Committee to consider.

Mr Dartford advised that there was a financial benefit of producing good quality accounts. The way that it was managed with good quality papers, prompt responses and good working relationships meant that the Auditors took less time and this was reflected in the fee.

Mr Greensmith advised that next year they would aim to get the accounts finalised by July 2016.

Members joined with Mr Davies in congratulating the Finance Team and asked that a letter be sent on behalf of the Committee.

57. **RESOLVED** – (a) That the Annual Audit Letter 2014/15 be noted.

(b) That a letter be sent to the Finance Team, thanking them for their hard work and commitment in preparing the account two months prior to the required date.

### **Quarterly Financial Report 2015/16** (Schedule 6)

58. Mr Greensmith presented the report which advised Members' of the recurring revenue, non recurring revenue, capital programme and cash position, as at 30 September 2015. This was the financial position for the Authority as reported with the internal Resource Control Report and represented the position for the first half of the year.

Mr Greensmith advised that the results of the Comprehensive Spending Review (CSR) would be known on 25 November and it had been noted that there could potentially be reductions of circa 8%. The Authority still had £4.4 m savings to identify. They were progressing the SERO and Community Safety Options work streams. Whatever happened with the CSR there were significant challenges facing the Authority moving forward.

Total revenue spend as at 30 September 2015 was £20.8m, £0.1m adverse to budget.

Overall the financial position for the current year remained broadly in line with budget and budgeted savings for the current year being achieved. Overall pay costs were slightly adverse to budget being driven by the voluntary redundancy costs that had been incurred to date. Targeted pay savings and efficiencies of £0.5m had been delivered by lower headcount from Retained and Support Services reinforced by the robust vacancy control process.

A Savings Target of £1.6m had been incorporated into the budget as approved by the Authority, and was the first year of a cumulative savings target of £5.7m to be delivered by March 2020. The Transformation Dashboard had been updated and was included within

Appendix 3 to the report and incorporated the progress on the £1.1m of savings approved by the Authority as part of the Community Safety Options.

Total committed capital spend as at 30 September 2015 was £0.8m (9% of £9.0m budget), as set out in Appendix 2 to the report. The capital programme remained under detailed review and scrutiny in order to reduce the programme in year, driven by the Capital Review Group. The programme for 2015/16 included £5m following the successful bid for transformation funding, whilst the Biddulph project would commence in year the Stafford build would not commence until 2016/17 and DCLG had been advised of this position.

Total cash held in investments, as at 30 September 2015, was £21.6m (£0.6m better than budget), the cash balance had increased this year due to the timing of Revenue Support Grant received from Government, the transformational funding grant of £5m and the receipt in July of the Firefighter Pension Top-up payment for 2015/16. The cash was invested in two money Market Funds, four local Authorities, the UK Debt Management Office, and Lloyds bank.

A Member raised the issue of “Silver Days” and was advised that as of January 2016 there would no longer be “Silver Days”. Ms Bryant advised that these had been introduced as part of negotiations some years previously. The removal of these would result in savings.

A Member raised an issue in relation to the developments in Biddulph. She advised that local Members and the public had commented that they were not being involved in this. She enquired as to whether there were Members on the Governance Boards for both the Stafford and the Biddulph Projects, as Members were the link between the Service and communities. Mr Greensmith advised that a community consultation event had recently been held at the site. She advised that she was not referring to “one off” events but about closer working with the Town Council etc. Mr Greensmith advised that work had been undertaken with partners in Biddulph.

A Member gave an example of the development of the Lichfield Fire Station where she indicated that Members of Lichfield District Council had not been engaged with apart from the Service applying for planning permission.

Mr Dartford advised that the overarching IADS Programme Board included Members. He advised that he had been given assurances that discussions were being held locally on Service developments and would like to hear if there were any areas that had not been covered. He indicated that this issue may be something for the Scrutiny and Performance Committee to look at. Officers did liaise with officers at local authorities. The challenge was for local Members of the FRA to liaise with partners. It was important to ensure that these bridges of communication were in place.

59. **RESOLVED** – That it be noted that the:-

(a) Total Revenue Budget for 2015/16 as approved by the Authority on 16 February 2015 was £41.0m, plus approved Non Recurring Revenue Budget of £0.4m to be fully funded from Specific/Earmarked Reserves held by the Authority

(b) Total revenue spend as at 30 September 2015, was £20.8m, £0.1m adverse to budget (as outlined in Appendix 1 to the report)

(c) Total non-recurring revenue spend at £0.2m had been funded by Specific Reserves, as at 30 September 2015, was in line with budget



(d) Budget for 2015/16 as at 30 September included £0.8m of targeted savings, as part of the approved savings programme of £1.6m as approved by the Authority

(e) Total committed capital spend as at 30 September 2015 was £0.8m (9% of revised £9.0m forecast), see **Appendix 2**

(f) Total useable reserves held by the Authority as at 31 March 2015, per audited accounts, was £11.0m (Specific Reserves £9.1m, General Reserve £1.9m), the reserves strategy was reported to Strategy and Resources in September 2015

(g) Total cash held in investments, as at 30 September 2015, was £21.6m

(h) That the matter of communication with local authority Members and the public regarding Service developments be referred to the Scrutiny and Performance Committee for consideration.

**Cessation of National Insurance Rebate from 6 April and Introduction of the Single  
Terms State Pension Scheme**  
(Schedule 7)

60. The report advised that from 6 April 2016 the Government would introduce a new single tier, flat rate state pension which would replace the current multi-tier arrangement for new pensioners. Currently the basic state pension is supplemented by either the Additional State Pension (ASP) paid for by National Insurance (NI) contributions or by occupational 'contracted out' pension schemes such as the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS), the National Health Service Pension Scheme (NHSPS), the Firefighters Pension Scheme (FPS) and the Police Pension Scheme (PPS).

In return for the employer providing an occupational pension scheme in place of the whole or part of the ASP, both employers and employees currently received a rebate on their National Insurance (NI) contributions. The result of the introduction of the new state pension would mean there was no requirement for an alternative to ASP so 'contracted out' status ceases and the NI rebate stops.

All employers with employees who were members of contracted out occupational schemes, as detailed above, would therefore be affected by this change and would pay more National Insurance from 6 April 2016. The current employers' National Insurance rebate was 3.4% and for employees it was 1.4% (between certain pay thresholds).

The Government had provided legislation to enable changes to be made to occupational pension schemes in the private sector to offset this increase in NI contributions payable. However, the same legislation specifically prevented changes to public service pension schemes including the TPS, LGPS, NHSPS, FPS and PPS to offset the increased cost.

The Local Government Association (LGA) was working with Government to try to find mechanisms to reduce the impact of the additional NI contributions payable by employees and employers from April 2016. Notwithstanding the outcome of these discussions employers participating in public service pension schemes had been advised to budget for this additional cost for the 2016/17 year and onwards.

The impact on employers was based upon the current National Insurance rebate of 3.4% of pay between certain thresholds. From 6 April 2016 this rebate would be removed and the standard rate of National Insurance would be paid. This additional cost for the Service was

estimated at **£0.4m** per annum (to be finalised when the pay budget had been completed for 2016/17).

The impact on individual employees was based upon the current National Insurance rebate of 1.4% of pay between certain thresholds. From 6 April 2016 this rebate would be removed and the standard rate of National Insurance would be paid. The report set out examples showing how much extra National Insurance contributions would be payable from 6 April 2016 (based upon a Firefighter Pension Scheme Member) as follows:-

Earnings	National Insurance payable currently	National Insurance Payable from 6 April 2016	Difference
£15,000 per year (£1,250 per month)	£58.66 per month	£69.36 per month	£10.70 per month
£27,000 per year (£2,250 per month)	£164.66 per month	£189.36 per month	£24.70 per month
£45,000 per year (£3,750 per month)	£307.65 per month	£347.56 per month	£39.91 per month

The examples assumed that the individual was over 21 years, were based on the current NI thresholds (2015/16) and had been calculated using the calculator <http://nicecalculator.hmrc.gov.uk/Class1NICs1.aspx>

Members commented that they had not previously been aware of this change which would have a big impact on the Authority and employees. In response to a question Members were advised that, in accordance with best practice, all details of these changes would be outlined on Inews. This information would not be put out too soon as the changes would not be implemented until 6 April 2016. Also, there would be information inserted into pay slips so that employees would know the impact on their take home pay. Mr Greensmith advised that this change would also have an impact on all local authorities and their employees.

61. **RESOLVED** – That (a) the information contained within the report, and the impact on the Service as an employer and its employees who are members of the Firefighter or Local Government Pension Schemes, be noted.

(b) the financial implications both on individual employees and the Service (see details above) be noted.

(c) this additional cost of £0.4m had been included within the approved Medium Term Financial Strategy

(d) the additional cost of £0.4m was equivalent to a 1.95% increase in Council Tax

#### **Revised Terms of Reference Fire Pensions Board** (Schedule 8)

62. The responsibility of the Local Pension Board was to assist the Scheme Manager (i.e. the Fire and Rescue Authority, delegated to the Strategy and Resources Committee) in securing compliance with the Scheme Regulations, associated legislation and directions, and the Pensions Regulator's Codes of Practice. The role of the Board was one of providing assurance as to the effective governance and administration of the Fire Pension Scheme (FPS) at local level.

The Pension Board met on 22 September 2015 and made some amendments to the draft Terms of Reference which were previously seen by Strategy and Resources Committee. The amended Terms of Reference were attached at Appendix 1 to the report with the changes highlighted.

A Member raised the issue of material concerns being raised with the Strategy and Resources Committee as Scheme Manager. Mr Norris advised that the setting of the Terms of Reference and the setting up of the Pensions Board was constrained by legislative requirements when they were established. Authorities had suggested to Central Government an alternative model of setting up regional boards as it was highly likely based on their areas of responsibility, there would be little for individual Authority Pensions Boards to do but this had been turned down as a proposal. A large part of the role would be monitoring the processes on the scheme. The initial draft Terms of Reference had previously be approved by the Committee but when they met the Pensions Board put forward suggested changes which had been taken into the document. Mr Dartford advised that in effect the Monitoring Officer would be the person to approach about a material consideration. Mr Chapman a Member of the Pensions Board advised that the Board did not deal with disputes just the overarching responsibility of the schemes.

63. **RESOLVED** – That the revised Terms of Reference of the Pensions Board be approved.

**Restructuring of Property and Logistics and Proposals to  
Extend Facilities Management  
(Schedule 9)**

64. In 2005, conscious of the poor condition of a significant proportion of its Property portfolio, the Authority embarked on an ambitious programme to replace those buildings that were no longer fit for purpose, with new facilities providing modern-day working environments and giving the Authority the capacity to accelerate its already successful proactive work within the Community. This was articulated in the Authority's Integrated Asset Development Strategy which prioritised the building stock based on condition surveys and a defined list of assessment criteria. The resultant prioritisation list, approved by the Fire Authority, was used as a basis for any development work.

This ambitious programme of works would result in twenty one Community Fire Stations built as part of the PFI1 and PFI2 programmes (three PFI stations to be commissioned by February 2016). In addition eight Stations had been refurbished (six complete overhauls) with a new community facility and life skills centre due to be built next year at Beaconside in Stafford.

It had therefore become necessary for the Service to consider how it managed the two PFI contracts and the options for the residual estate after the completion of the PFI project.

In September 2015 a paper was approved by the Service Management Board (SMB) to extend the principle of contract management across the Authority's whole estate provision and to develop the detail associated with a "skills based" structure to manage and deliver a Total Facilities Management (TFM) provision. Facilities Management included activities such as cleaning, caretaking, grounds maintenance, repairs and maintenance etc.

The four options that were presented back to the Service Management Board on 4 November, were set out on page 4 of the report. Approval was granted for Option 4 to progress to engage with Staffordshire Police regarding access to the contract with Penda Property Partnership/Kier. The Service was working with Penda to scope out what would be incorporated.

Members discussed possible other options to manage the estate should this not prove suitable. Mr Greensmith advised that SMB had looked at various options.

In response to a question Members were advised that reference was made to Staffordshire Police in the report, as the engagement by the Service, with Penda, had been undertaken through Staffordshire Police. They had been out to full OJEU contracting and the Service had the ability to access that contract. In response to a question Mr Greensmith advised that Penda would be employed to undertake facilities management and for no other purpose.

Mr Dartford advised that the purpose of the report had been to advise Members of the preliminary discussions. A report would be considered by the IADS Programme Board in due course.

With regard to Staffordshire Police Mr Chapman advised that there was a "Notice of Motion" being put before the Authority at the next meeting about working with Staffordshire Police, together with supporting papers. In response to a question Mr Norris advised that a "Notice of Motion" would need to be received seven clear days before the meeting and referred Mr Chapman to the Standing Orders of the Authority.

65. **RESOLVED** – That (a) the decision made by the Service Management Board on 4 November 2015, which was to approve engagement with Staffordshire Police via the Penda Property Partnership for procuring the outsourcing arrangements, and the associated internal restructuring of the Property and Logistics department, be noted.

(b) the Authority's Building Asset portfolio, attached within Appendix 1 to the report and information contained within the report, be noted.

### **Exclusion of the Public**

Upon the motion of the Chairman it was:

66. **RESOLVED** - "That the public be excluded from the meeting for the following items of business which involved the likely disclosure of exempt information as defined in the paragraphs of Part I of Schedule 12A of the Local Government Act 1972 indicated below".

## **PART TWO**

### **Exempt Minutes of the Strategy and Resources held on 30 September 2015** (exemption paragraph 1 and 2)

67. **RESOLVED** – That the Exempt Minutes of the Strategy and Resources Committee held on 30 September 2015 be confirmed and signed by the Chairman.

### **Exempt Minutes of the Service Improvement Committee held on 19 October 2015** (exemption paragraph 2)

68. Mr Dartford advised Members of breaking news which said that the incident at Alton Towers had been caused by human error. The Smiler ride was to reopen at Alton Towers next year.

69. **RESOLVED** – That the Exempt Minutes of the Service Improvement Committee held on 19 October 2015 be received.

**CHAIRMAN**

**MINUTES OF THE HUMAN RESOURCES AND ETHICS COMMITTEE  
HELD ON 3 DECEMBER 2015**

Present: Kallar, GS (Vice Chairman in the Chair)

Chapman, FA  
Mitchell, Ms C  
Taylor, J W

Winnington, M J  
Woodward, Mrs S E  
Bloomer, LW  
(Chairman of the  
Authority)

**Apologies:** Sweeney, SJ; Deaville MA and Bowers, Miss SA

**Also in Attendance:** Mrs J Doran, Director of People; Mr T Wareham, Learning and Development Manager; Mr S Marsh, Incident Command Team and Ms F Prew, Service Health, Fitness and Wellbeing Advisor.

**PART ONE**

Documents referred to in these Minutes as schedules are not appended but will be attached to the signed copy of the Minutes. Copies, or specific information in them, may be available on request.

**Minutes of the Meeting held on 7 September 2015**

37. The Chairman referred to page 5, fourth paragraph of the Minutes where it was stated that applications for Apprenticeships were now being received from females and ethnic minorities. He commented that it would be useful to know the background of the candidates that were selected in order to put it into perspective.

Mrs Doran provided feedback to the Committee on the resolution at Item 31(b) which requested further information regarding publicity of the Apprenticeships and connections with the 'Looked after Children' area of the community.

Members were advised that Apprenticeship places were advertised nationally through the Apprenticeship website and could be accessed by all viewers including information, advice and guidance (IAG) services, education and training providers, youth services etc. The Service had also engaged with the ladder for Staffordshire which promoted Apprenticeships and produced regular press releases. This pathway also embedded other youth intervention programmes, engaging with young people through student firefighters and cadet schemes progressing through the Princes Trust to Apprenticeship programmes at all levels. Studio college work experience has just recently being introduced into the workforce and Apprenticeship ambassadors are sent to Careers events together with being very active in the Apprenticeship Week. There was a large presence at the Staffordshire Graduation Ceremony where the Apprentices formally graduated coupled with a Careers Fair which provided yet another platform.

'Looked after Children' would have access to an enhanced IAG, so the Service was confident that there would be adequate coverage in that area through the pathway

offer and because there is no one single recruitment period, it provided them with the opportunity to meet requirements when they became available.

38. **RESOLVED** – That the Minutes of the Meeting held on 7 September 2015 be confirmed and signed by the Chairman.

### **Discipline and Grievance Procedure Monitoring Report** (Schedule 1)

39. Mrs Doran updated Members on discipline and grievance cases and provided information on the usage and effectiveness of the disciplinary and grievance procedures. The information referred to cases during the period August 2015 to October 2015 which followed the last report that referred to cases up to the end of July 2015. Statistical data for this period was attached to the report for Members' information.

There were 17 incidents of informal action recorded in that period. Six of those incidents were related to sickness; one for wholetime staff, two for retained staff and three for support staff.

11 minor disciplinary offences had been committed which related to conduct by members of staff, ten to retained staff and one to a wholetime colleague. The majority of offences related to issues in respect of timely response to call alerters or a failure to follow Service procedures appropriately. There were no informal cases related to capability reported in that period.

Four cases of formal discipline was heard during that period of which three were issued to retained members of staff and related to a conduct issue. The remaining case was for a member of the wholetime establishment. There were no outstanding appeals.

With regards to grievances or capability cases, two were heard during that period. One case was raised by a retained member of staff. An element of his grievance was upheld but the original decision made was found to be appropriate. The other case was raised in relation to a recruitment decision and although rejected, there were some learning points identified for the manager in relation to the feedback provided to the unsuccessful candidate.

Overall there had been no trend identified as the numbers of cases were similar to the previous period. Although there was a slight increase in the number of formal cases it was explained that the reference period was longer than the previous period and therefore would account for this.

40. **RESOLVED** – That the Discipline and Grievance Monitoring report be noted.

### **Absence Monitoring Report** (Schedule 2)

41. Mrs Doran updated Members on Absence levels within the Service and provided information on trends relating to reasons for absence due to sickness. The information referred to absences between August to October 2015 and was shown in comparison to the same period in 2014. The report also drew a comparison in relation to the reason for absence with the same period in 2013.

**Sickness Absence by Employee Type** – The data demonstrated a slight rise in absence overall when comparing figures for 2015 with the previous year. Whilst there had been a decrease in operational absence (both shift and uniformed) there was a rise in support absence. There had also been slight fluctuations in short term support absence; although the increase appeared to be largely attributed to long term absence with a small number of cases (a mixture of physical conditions and mental health related absence).

**Short Term Absence by Reason** – Musculoskeletal related absences remained the most frequent reason for short term absence, which was a consistent trend with the previous two years' data. Miscellaneous absence, where any sickness documentation had not been received at the time of payroll cutoff for entry was the second highest category. Consequently this would have some impact on the data provided as it would not be possible to categorise all of the absences. Work is ongoing with all areas of the Service to ensure timely completion of documentation. The third and fifth reasons for absence were stomach and abdominal conditions and cold, flu and chest infections. This appeared to remain a trend, as it had done in previous years and was particularly seasonal with the new school year beginning during that period. Mental health appeared to be the fourth highest contributor to short term absence. As the figures are taken monthly, it was likely that whilst this had appeared in the short term figures for a certain month, some cases then turned into long term absences (similarly to musculoskeletal absences).

**Long Term Absence by Reason** – The trend has continued for musculoskeletal and mental health related absences to be the most common contributors, despite the proactive work being carried out with Occupational Health to provide early intervention when there was sickness absence for either of those reasons. Also fitness promotion and testing with the Service's Health, Fitness & Wellbeing Advisor, as well as Wellbeing initiatives. Comparing the figures with last year, it was noted that both categories had increased in the number of days lost to absence.

There also appeared to be a trend towards back conditions, which made up around 50% of long term musculoskeletal absence.

Surgery and general screening remained the third highest contributor; in fact the total days lost had also increased. Although limited in terms of the prevention work that can be done to avoid those absences in some cases, the Service has continued to work with employees following their screening/surgery to support them back to work at the appropriate time. Worthy of note was that the fourth and fifth highest contributors to long term absence had been skin conditions and diseases such as cancer, which had not featured in the previous two years. All cases have continued to be managed through the Service's Occupational Health Provider.

**Absence due to an Injury at Work** – During the reporting period, the Service had lost 61 days to absences attributed to an injury at work, in stark contrast to the same period in 2014, where the Service did not lose any days to an injury at work. The absences were attributed to two injuries although one individual had returned to work within this period, therefore at the end of the reporting period, the absence due to an injury at work could now be attributed to just one individual. There were however, no links between the causes of the injuries and both cases were actively monitored with Occupational Health.

Members held a discussion on the data shown. A Member commented on the exceptionally high figures for musculoskeletal short term absences in August 2015 compared to previous years and also the large reduction the following month. It was suggested and agreed by other Members that further investigation be carried out regarding the variance and it would also be useful to make a comparison over 12 months instead of 3 months to gain the full picture.

Equally the same comment was shared when looking at the long term absences for mental health, stress anxiety and depression, whereby the figures for August 2015 being 148 then dropped to 44 in September 2015. It was felt there was no correlation between the figures quoted as it was unclear whether the absences related to one person or 57 people. Mrs Doran advised that a closer examination of the absences would be carried out for the next reporting timeline.

**NOTE BY SECRETARY:** It was subsequently established that there had been a typographical error in the absence report for August 2015 which would be clarified at the next meeting of the Committee.

In response to a Member's question regarding mental health, Mrs Doran advised that none of the absences related to post traumatic stress. She stated that the Service offered Trauma Risk Management (TRiM) to its personnel. TRiM was a trauma focused peer support system which offered support and education to those who had experienced traumatic events. Once a fatality has occurred, the crews are visited after three days, then 28 days to offer support. She explained that this was the same process that is being used in the Armed Forces.

A Member enquired if the Service looked at other Services' sickness absences and if so how did SFRS compare. Mrs Doran advised that a recent report from the Chief Fire Officers Association (CFOA) of which 35 Fire and Rescue Services had contributed, showed SFRS to be in the top quartile of lowest sickness absences with the exception of Retained staff who appeared in the higher category.

42. **RESOLVED** – (a) That the report be noted.

(b) That the Absence Monitoring report submitted at the next meeting of the Committee to show figures over a 12 month period and to include further clarity on the absence categories.

### **Retained Recruitment and Retention**

43. Mr Steve Marsh of the Incident Command Team and Mr Tim Wareham, Learning and Development Manager provided a presentation on Retained Recruitment and Retention.

Who can Apply? - Mr Marsh explained the criteria for applicants who wished to be considered for retained employment. Applicants would have to live in the local community within a five mile radius of a Fire Station to enable them to respond at any given time to a call out. It was found that the AA Route Planner had been the most accurate of all the journey planners but in addition the Crew Managers were also consulted on any shortcuts etc along any given route.



Members considered this criteria to be very restrictive as someone could possibly miss the time by as little as one minute. Mr Wareham explained that the time given was at point of notification to deployment of the appliance and not a geographical five minutes.

Timeline for Recruitment – The recruitment process can take between three and six months and therefore only occurs once or twice a year. Advertisements are published in the press/social media and on stations. Initially a meeting with a Retained Support Officer is arranged who would encourage/discourage them to start the application process. At that stage there would have been a considerable amount of interaction with prospective candidates and the Watch Management Team would also provide advice and guidance as to what the modern role of a firefighter entailed as it was so much more than responding to incidents. Mr Marsh advised that they had now moved to a rolling recruitment process with a modular style of training and they had seen a surge in applicants. Following the application, there were six stages for entry which are also nationally recognised:

1. **Written exams** (aimed at GCSE level and also numeracy exams) – Although the standard is nationally recognised it was stated that there was quite a high fall out rate as it was felt to be pitched too high for a retained firefighter.
2. **Fitness assessments** – This is carried out to evaluate how an individual operates under stress.
3. **National Fire Fighter Selection Tests (NFFST)** – this consists of ladder work, climbing, assembly of equipment and other job related tests. Worthy of note was that there is usually a very high fall out rate of 60% at this stage, in particular after the rural test which involves shuttling between cones carrying equipment.
4. **Medical** – this is undertaken by an ‘in house’ Occupational Health Physician. Ms Fiona Prew, Service Health, Fitness and Wellbeing Advisor stated that if she detected any health issues at the Stage Two fitness checks then the results would be sent with comments to the ‘in house’ physician which would speed up the process.
5. **Interview** – The initial application is revisited at this stage allowing the applicant a final chance to reconsider.
6. **Kit and DRB Security checks** – Once the applicant has passed this stage then an offer of a position is given.

Managing expectations – Phase 1 It was stated that during this phase, not only are the Trainees given new skills but time is spent developing and embedding new outlooks and behaviours. Whilst undertaking the activities listed above it is during that time that they are immersed in the Service’s culture and on occasions there will be leavers at that stage.

Managing expectations – Phase 2 After the firefighters leave Stage One of the training, they progress into the development stage which is a 3 year programme that builds on their initial skills. They are check-tested annually through objective

assessment during which, time is spent developing and drilling in order to reach the standard of a competent firefighter.

Managing expectations – Phase 3 This is also referred to as the maintenance phase where continuous improvement is undertaken to allow the individuals to maintain the skills set whilst learning new or modified and adapted skills. Productive challenge is encouraged during this phase which involves looking at better and safer ways of doing things, however the 'plan, do, check, act cycle' is applicable throughout all of the phases. It was stated that the progression pathway outlined above was quite unique to Staffordshire, providing an opportunity to develop and advance.

To conclude, in terms of continuous support to provide stability, the three pronged approach is utilised:

- Those who can – demonstrate competence through demonstrating consistently the skills, knowledge and attitude for their role.
- Those who can't – are offered development opportunities that meet their learning in a safe, sensible effective manner.
- Those who won't demonstrate competence - can be taken down a different route with plenty of procedures around discipline etc.

The Presentation was well received by Members who asked questions on certain aspects of the Retained role:

Q. – How would the five minute turn out be affected if the Retained firefighter's normal employment was closer to another station?

A – The Service is flexible to cover this eventuality. If for example the firefighter could deploy from their Primary employer to a fire station (also within 5 minutes) then they could be offered a separate contract. There was currently a firefighter who responded from Service Headquarters to Stone Fire Station during the day but also responded from his home address to Cheadle at night time.

Q – If a firefighter failed to turn out within 5 minutes would the appliance go without them?

A – Yes although there are usually 5 persons per vehicle, if someone is delayed (whereby the crew would know something was wrong) it was possible to attend with 4 following a risk assessment of the situation.

Q – Is there an upper age limit?

A – No, if an individual is fit and active then they would be put through the selection process.

Q – Is the Retained firefighter's role solely to attend call outs?

A – No they are also involved in prevent work. Fire calls only make up a small part of the service that is offered to the local communities.

Q – In the past Fire Service personnel were recruited from ex Armed Forces, is this still the case?

A – Not necessarily. Only a fraction of recruits are ex forces. The modern Fire Service is seemingly not as attractive.

Q – Is the Retained role a pathway to a full time firefighter’s position?

A - The Retained role has been a viable source in the past but currently the Service is not recruiting Wholetime positions but it would be beneficial if an individual was looking at employment in other counties.

In response to a question regarding the numbers of retained firefighters, Mr Marsh explained that there were currently 358 retained firefighters but ideally the Service would like 470 staff which would afford 15 to be at each Station. A retained firefighter would be expected to provide cover for approximately 80 hours per week and therefore it was proving difficult to recruit in certain areas of the county. On a more positive note Mr Marsh advised that from a long term perspective the Service was now looking at the SERO Project options which would not require as many firefighters.

Members thanked Mr Marsh and Mr Wareham for a most informative presentation, providing an insight into the Retained recruitment process.

44. **RESOLVED** – That the presentation be noted.

### **Fitness Assessments Update**

45. Ms Fiona Prew, Service Health, Fitness and Wellbeing Advisor provided an overview of fitness assessments by way of a presentation to update Members on the process used to assist all staff in maintaining the required level of fitness for operational duties.

The role of a firefighter is recognised as being physically demanding and all the elements that contributed to the cardiovascular strain of firefighting were highlighted:

**Sympathetic Nervous System Activation** - Danger/Alarm; Chaotic Scene

**Physical Work** - Personal Protective Equipment (PPE); Work Tasks

**Heat Stress/Dehydration** – PPE; Environment; Metabolic Work

**Environmental Conditions** - Smoke Exposure; Asphyxiants; Particulates

All those elements would put undue strain on the body and therefore the health status and fitness profile of individuals would need to be regularly monitored. This is carried out in two stages:

**First Stage** –Lifestyle history is explored including health habits i.e. alcohol, and smoking. This would enable the assessor to build a picture from the information received at the first consultation. Blood pressure and body composition which were the heart risk factors would also be tested.

**Second Stage** – This is the physical test which involves the Chester Treadmill Walk Test for a duration of 12 minutes to measure aerobic fitness. The magic gold standard required for a pass is 42 VO<sub>2</sub> which indicated the body's capacity to take up and utilise oxygen. If a reading of 35 – 41 is recorded then assistance would be provided to get an individual back up to the pass level. There could be various reasons for the drop in levels i.e. musculoskeletal injury or generally do not like using the gym. If a reading of below 35 is recorded then the firefighter would be taken off operational duty, during which time individual and small group support is provided to facilitate an increase in fitness. Regular monitoring and feedback is undertaken with a repeat assessment carried out within 12 weeks. Where there is indication of an unhealthy triad (high blood pressure, overweight and poor fitness) then this would suggest a referral to Occupational Health.

Ms Prew referred to simulation resources available, in particular FireFit Training Simulations which tackled activities such as Hose Run, Casualty Evacuation and Equipment Carry. She stated that she was keen to pilot it at SRFS as part of the ongoing Fitness programme.

Some recent figures relating to the Operational tests were provided:

- ❖ Average of 500 tests over a 12 month period
- ❖ 466 Wholetime/Retained + 58 new Retained Duty System recruits totalling 524
- ❖ 10 Short Term Off the Run (STOR)
- ❖ 3 Medium Term Off the Run (MTOR)
- ❖ 2 Long Term Off the Run (LTOR)
- ❖ Only 3% have failed

And of the 3% who failed:

- ❖ 10 STOR – all blood pressure related  
≤ 7 – 10 days
- ❖ 3 MTOR - fitness / Musculoskeletal (MSK)  
≤ 8 – 12 weeks
- ❖ 2 LTOR – poor fitness {with co-morbidities}  
≥ 6 months

Of the direct referrals, after a six month period, the figures showed that 18 were referred to a GP, 17 referred for physiotherapy and 3 referred for counselling. It was pointed out that not everyone referred to a GP automatically came off the run and the referrals to counselling highlighted that it is was not always about physical fitness.

Ms Prew stated that the statistics had been much lower than neighbouring Brigades which was very encouraging.

Members were advised that Heart Health Checks had now been extended to Support Staff and three days of testing was carried out in recognition of the World Heart Health Day in October. The Heart Health Checks for Support Staff consisted of:

- ❖ Blood Pressure | Blood Glucose
- ❖ Blood Cholesterol | Body composition
- ❖ Short lifestyle discussion (nutrition & exercise)

30 appointments took place over 3 days with an 18% referral to their own GP. The main concerns were blood pressure and or high cholesterol which was much higher than anticipated.

As an initiative, the Pedometer Challenge was introduced for a seven week period whereby steps are measured on a daily basis and an average taken at the end of each week. It was a fact that an office worker walked on average 2,500 steps per day, so the challenge was to see if there had been any improvement after 7 weeks. Ms Prew was pleased to report that 14 teams (of various numbers) registered for the Challenge and this was currently on going.

In response to a question regarding the treadmill tests, Ms Prew advised that the Treadmill is used as part of the National Standards for testing as it did not favour any particular sport. There are however bike protocols that could be used but it was more difficult to achieve the VO2 standard.

A Member enquired as to where the level of fitness of firefighters fits in with the general populous. Ms Prew stated that surveys carried out revealed that firefighters were fitter than the general populous but added if an individual regularly participated in sport then the level of fitness required would be easily achievable. Often individuals with greater aerobic fitness did not always make the best firefighters as it was an all-round level of fitness that is required.

In response to another question regarding the fitness tests, Ms Prew advised that there was no differentiation between male or female firefighters and the Police Force did not undertake the same fitness tests. A shortened bleep test (over 15m rather than 20m) is used to measure fitness in the Police Force and the standard required for a pass was much lower than the Fire Service (level 5.2 rather than 8.6 [previously 9.2] over 20m).

A Member enquired if there would be any difference with any exercise undertaken for an individual who was on blood pressure medication. Ms Prew confirmed that this would be taken into account and if there were additional concerns then the firefighter would be taken off the run and further checks would be carried out.

Ms Prew concluded her report by distributing pedometers to the Committee and extended an open invitation to any Member who wished to undergo a Heart Health Check.

Members thanked Ms Prew for a very interesting update on firefighter fitness assessments.

46. **RESOLVED** – That the presentation be noted.

#### **Anticipated future Items for consideration by the Committee**

47. In response to an earlier enquiry, Mrs Doran advised she would arrange for a report on Trauma Risk Management (TRiM) to be tabled at the next meeting of the Committee. Members were asked to note the following items that would be considered for future meetings of the Committee.

- Trauma Risk Management (TRiM)

- Occupational Health Provision
- Further Training reports such as Management Training
- Further Fire Control updates

48. **RESOLVED** - That Items for future meetings be noted.

**Date of the next Meeting**

49. Members were advised that the next Meeting of the Committee was scheduled to be held on Tuesday 15 March 2016 at 2.15 pm.

**CHAIRMAN**

**Stoke-on-Trent and Staffordshire Fire and Rescue Authority**

**Strategy and Resources Committee**

**21 January 2016**

**Revenue Budget Report 2016/17**

**Report of the Chief Fire Officer/Chief Executive and the  
Director of Finance, Assets and Resources**

**Summary**

This report advises Members on the potential budget for 2016/17 for their consideration and recommendation to the full Authority on the 16 February 2016.

The budget proposals have been set based upon a four year Provisional Local Government Finance Settlement ("draft Settlement") issued by the Department of Communities and Local Government (DCLG) on 17 December 2015; the Settlement Funding for this Authority incorporates a reduction of £4.0m (22%) to 2019/20.

In order to partly mitigate this reduction in Settlement Funding the draft settlement includes assumptions made by DCLG that the Authority will increase Council Tax by a minimum 1.75% per year up to 2019/20 and in addition the Council Tax Base will increase by approximately 1.5% per year for the same time period. In addition funding from Business Rates is also assumed to increase by £0.8m (9.2%) during the four years.

Following the Members Development Workshop on 5 January 2016, the budget proposals incorporate various council tax options ranging from a zero increase up to 1.99 percent. A 1.99% increase will generate an additional £450,000 per annum. This increase would be equivalent to £1.37 per annum (2.64 pence per week) and would increase Band D Council Tax for this Authority to £70.33 (£1.35 per week).

The Government has not offered any compensation should the Authority decide to freeze the council tax for 2016/17 and beyond. As Members will be aware during 2013/14, 2014/15 and 2015/16 a 1% freeze grant was made available. It has been confirmed that a 2% referendum limit remains in place for this Authority for 2016/17.

The budget process for 2016/17 has involved full consultation with all budget holders calculated from a zero base. Where possible all recurring efficiencies and savings achieved to date have been incorporated into the base budget. This includes the approved Community Safety Options that will deliver the full £1.1m of savings in year.

Overall the draft settlement is broadly in line with the approved Medium Term Financial Strategy however cuts for 2017/18 are more than predicted by £0.9m with lower reductions in 2018/19 and 2019/20. The approved plan to save £5.7m between 2015/16 and 2019/20 therefore remains sound, and the budget year incorporates a saving target of £1.2m.

## **Recommendations**

- (a) To consider recommending to the Authority a Council Tax increase based upon the options incorporated within this paper **(see Appendices 1 – 4)**
- (b) To note the position regarding reserves for each option as set out within **Appendix 6**
- (c) To note that the budget for 2016/17 is split between recurring and non-recurring revenue
- (d) To note that the budget has been calculated to support the final year of the Corporate Safety Plan for 2014-17 and also incorporates the principles established within the Staffordshire 2020 document
- (e) To note that the budget includes £1.2m of saving to be achieved during the budget year (Equivalent to a 3% reduction on total budget), and is the second year of an approved plan to deliver £5.7m of savings by 2019/20
- (f) To note that the proposals within the report were discussed by Members on 5 January 2016 during the Members Budget Development Workshop
- (g) To note that upon finalisation of the council tax base, council tax surplus/deficit and local business rates allocation (NNDR1), there will be some amendments required to the information incorporated within this report, prior to submission to the Authority.

## **Financial Implications**

The financial implications are referred to throughout the report.

## **Legal Implications**

The Authority is required to set a balanced budget. The strategy outlined in this report will ensure that this is achieved for 2016/17.

## **Equality and Diversity**

Equality and diversity issues have been properly considered and addressed by managers during the compilation of this budget proposal.

## **Risk Implications**

The 2016/17 budget has been developed on the assumption that savings of c.£1.2m will be identified and delivered in the year. Therefore it is essential that these are implemented in a timely way, managed, monitored and that progress is regularly reported. This will be reported through this Committee on a quarterly basis.

The savings target for the year has been established based upon an estimated targeted saving of £5.7m by 2019/20, of which £1.7m has been identified with the current budget year 2015/16. Savings of c£4.0m are therefore incorporated into the four years 2016/17 to 2019/20.



A Council Tax strategy aligned to Option 3 (1.00% increase in Council Tax per year) or Option 4 (zero increase in Council Tax each year) would seriously reduce the level of reserves available to the Authority by 2019/20 (see appendix 6) and should be noted by Members and given due consideration.

### **Consultation and Engagement undertaken**

The budget proposal has been compiled from a zero base following extensive consultation with budget managers, Directors and Members of the Authority.

### **Protective Security Implications**

Protective security implications have been given due consideration when establishing the budget for ICT and the Data Management Team.

### **Procurement and Social Value impact**

The procurement and social value implications have been given due consideration when establishing the budget for 2016/17.

### **Other implications**

None

### **Background**

#### **Settlement Funding Assessment**

1. Following the release of the Autumn Statement by the Government on 25 November 2015, the Authority received the Provision Local Government Finance Settlement 2016/17 and an offer to councils for future years. This included a draft four year settlement covering the periods 2016/17 to 2019/20. This was released on the 17 December 2015 and the consultation period runs for just 4 weeks closing on 15 January 2016.
2. The Settlement incorporated headlines regarding the devolution revolution announced as part of the Governments Spending Review setting out a new deal for local government. It requires local authorities to make efficiency savings, but in return offers them unprecedented new levers of power to generate growth for their area. The Government will also allow local government to keep the rates they collect from business, give councils the power to cut business rates to boost growth, and give elected city-region mayors the power to levy a business rates premium for local infrastructure projects – with the support of local business. As part of these reforms, the main local government grant (RSG) will be phased out and additional responsibilities devolved to local authorities, empowering them to drive local economic growth and support their local community.

3. These changes will require legislation, and the Government will be seeking the earliest possible legislative opportunity. In the meantime, the Government will be developing the parameters of the scheme and the operational delivery details. They will set up systems to involve councils, businesses and others in the process early in 2016 and intend to consult on the implementation of the 100% business rates retention scheme in summer 2016, following a period of extensive engagement with councils and their representatives in the preceding months.
4. In addition, the Fire and Rescue Bulletin (Issue 22, 18 December 2015) issued by the Department for Communities and Local Government (DCLG) stated that “We will bring forward legislation to enable Police and Crime Commissioners to take on responsibility for fire and rescue services, subject to local support and introduce a new statutory duty for the emergency services to collaborate by early 2017, subject to parliamentary approval, on areas such as procurement, new stations and vehicle maintenance”
5. This commitment to closer collaboration between the police and fire and rescue services was further cemented within the subsequent issue of the Fire and Rescue Bulletin (Issue 23, 5 January 2016), which announced that the Government has formally confirmed that responsibility for Fire and Rescue Policy for England has transferred from the Department for Communities and Local Government to the Home Office with immediate effect.
6. The Provisional Local Government Finance Settlement incorporates a total reduction in Settlement Funding of £4.0m by 2019/20 as follows:
  - 2016/17 - £1,356,719 (see table below)
  - 2017/18 - £1,649,443
  - 2018/19 - £ 699,894
  - 2019/20 - £ 285,494
  - TOTAL - £3,991,950**
7. The above is equivalent to a reduction in Settlement funding of 22% by 2019/20.
8. This reduction in funding is in addition to the cuts imposed during the previous Comprehensive Review Period which saw a reduction in Settlement Funding of around 19% or £4.0m (this is after the £1.1m of Council Tax Freeze Grants had been incorporated into the base). Settlement Funding for this Authority will therefore be c.£8m lower in 2019/20 than it was in 2011/12.
9. Settlement Funding comprises of three funding streams shown below as incorporated within the draft settlement issued for 2016/17:

	<b>2015/16</b>	<b>2016/17</b>	<b>Movement</b>
	<b>£</b>	<b>£</b>	<b>£</b>
1% share of Local Business Rates	3,469,728	3,498,642	28,914
Business Rates Top-up	5,260,266	5,304,304	43,838
Revenue Support Grant (RSG)	9,472,122	8,042,651	(1,429,471)
<b>Total Settlement Funding</b>	<b>18,202,316</b>	<b>16,845,597</b>	<b>(1,356,719)</b>

## Business Rates / Business Rates Top-up

10. The Authority currently receives a 1% share of local business rates, in addition to a business rates top-up.
11. The business rates and top-up estimates included within this budget report are all based upon the Settlement Funding estimates received with the Provisional Financial Settlement. The actual figures will not be available until the 31 January 2016 when the district, borough and city council have all completed their NNDR1 forms ( Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits)
12. The Provisional Settlement assumes that there will be growth in business rates of 9.2% by 2019/20 (£0.8m), as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20
1% share of Business Rates	3,469,728	3,498,642	3,567,455	3,672,697	3,790,083
Business Rates Top-up	5,260,466	5,304,304	5,408,630	5,568,189	5,746,158
Total Business Rates	<b>8,730,194</b>	<b>8,802,946</b>	<b>8,976,085</b>	<b>9,240,886</b>	<b>9,536,241</b>
<b>Percentage Increase on 2015/6</b>		<b>+0.8%</b>	<b>+2.8%</b>	<b>+5.8%</b>	<b>+9.2%</b>

13. As in previous years (since 2013) the increase in business rates will be capped at 2% and the Authority will receive a S31 grant as compensation. An estimate of this income has been incorporated into the revenue budget for 2016/17 and beyond that date within the MTFs.

## Council Tax

14. The setting of Council Tax is under the control of the Authority. The Band D Council Tax for Stoke-on-Trent and Staffordshire Fire and Rescue Authority is currently £68.96 and includes the increase of 1.95% approved for 2015/16.
15. The Authority previously accepted freeze grants for the four years 2011/12 to 2014/15, which have all been incorporated into Settlement Funding (total £1.1m), with the exception of the 2012/13 freeze grant of £0.7m which was removed from funding completely. Freeze grant compensation has NOT been offered by the Government for 2016/17 and subsequent years to 2019/20.
16. In order to partly mitigate the significant reduction in Settlement Funding the Provisional Financial Settlement includes assumptions that the Authority will increase Council Tax by a minimum 1.75% per year up to 2019/20 and in addition the Council Tax Base will increase by approximately 1.5% per year for the same time period. This assumption generates additional council tax of approximately £2.6m up to 2019/20.
17. Should the Authority chose to increase the Council Tax for 2016/17 the referendum limit has been set at 2%, the maximum council tax increase without triggering a referendum would therefore be 1.99%. A 1.99% increase in Council tax is equivalent to an increase in Band D of £1.37 per annum (2.6p per week) and would raise an additional c.£450,500 in Council Tax revenue every year.

## **Four Year Settlements: an offer to all councils**

18. The Government has offered any council that wishes to take it up a four-year funding settlement to 2019-20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.
19. The Government is making a clear commitment to provide central funding allocations for each year of the Spending Review period, should councils choose to accept the offer and if they have published an efficiency plan. Indicative allocations are published alongside this year's provisional settlement and will be confirmed in the final settlement. In determining allocations for future years, the Government has assumed that it will continue to use the methodology outlined within the consultation. It is unclear at the moment the exact timing of this decision that will need to be made by this Authority in order to accept or reject this offer, further information is expected within the Final Settlement expected in early February 2016.

## **Revenue Budget 2016/17**

20. The budget sets out to enable the delivery of the final year of the Authority's Corporate Safety Plan 2014-17 which incorporates five key strategic priorities summarised below:

### **Priority 1: Risk analysis and planning**

The principle – to know and understand vulnerability in our communities, identify current and emerging risks to our organisation and prepare our firefighters for the emergencies they may face.

### **Priority 2: Engaging with all of our communities**

The principle – To work to understand our communities, businesses and partners to improve quality of life by delivering the highest quality, fit for purpose public service.

### **Priority 3: Culture, Leadership and Learning**

The principle – Invest in and develop our workforce to ensure that we continue to be a high performing organisation.

### **Priority 4: Prevent, Protect Road Safety and Community Wellbeing**

The principle - Educate communities and businesses to raise awareness about fire safety, help them understand the risks they face, reduce fires, mitigate the economic impact of fire and contribute to the wider issues which impact on community safety and wellbeing. We will also work in partnership to improve road safety for everyone living in or travelling through Staffordshire.

### **Priority 5: Response and Resilience**

The principle – To ensure we provide safe, effective, efficient and resilient response arrangements.

21. **Appendix 1** sets out the proposed revenue budget of £40,486,000 under Option 1 for 2016/17 (Council Tax Increase 1.99%). **Appendix 2** sets out the proposed revenue budget of £40,433,000 under Option 2 (1.75% increase in Council Tax). **Appendix 3** sets out the proposed revenue budget of £40,262,000 under Option 3 (a 1% increase in Council Tax) and **Appendix 4** sets out the proposed revenue budget of £40,036,000 under Option 4 (a freeze in Council Tax). All four options includes a comparison against the current year revenue budget for 2015/16. In addition a summary of funding options based upon different Council Tax Options is also incorporated within **Appendix 5**.
22. The key features of the budget, applicable to all options, are as follows:

**(i) Pay costs Recurring budget**

The overall pay costs budget for 2016/17 at £28.3m, is £0.2m lower than last year's budget, this also incorporates £0.8m of savings and efficiencies to be delivered during the year 2016/17.

The reduction in pay budget reflects the impact of the reduction in headcount delivered during 2015/16 from the approved Community Safety Options, retirements and the voluntary redundancy programme. However it also reflects the impact of the 1% pay award for 2016/17 and the impact of reduced National Insurance Rebate following the introduction of the Single Tier State Pension Scheme from 1 April 2016.

The following bridge explains the net reduction in pay costs:

<b>Pay Budget 2015/16</b>	<b><u>£m</u></b>
	<b>28.5</b>
Impact of Community Safety Options	(1.1)
Impact of Voluntary Redundancy Programme	(0.2)
Impact of additional posts and re-grading	0.2
Reduction in pay savings target required	0.2
NI Increase (reduce NI rebate)	0.4
Pay Increase 1% award budgeted 2016/17	0.2
Additional LGPS employer contributions	0.1
<b>Pay Budget 2016/17</b>	<b>28.3</b>

**(ii) Non-pay costs**

Non-pay costs are budgeted to increase by £0.2m in 2016/17. Some of the main movements in non-pay costs are as follows:

- Transport costs have reduced by £0.1m due to efficiencies and savings in the repairs and maintenance costs and also the impact of reduced mileage and fuel costs

- Additional costs of £0.2m have been incorporated to complete the final rollout of new Personal Protective Equipment (PPE) to operational staff
- Non Pay includes a charge of £1.1m payable to West Midlands Fire Service, this represents 30% of the budgeted cost of running the Joint Fire Control which is delivering savings of approximately £0.5m per annum

### **(iii) Income**

Income for 2016/17 is budgeted to increase by £0.2m to £0.7m. This increase included the anticipated S31 Grant for the 2% cap on small business rates relief and income from Staffordshire Police following the successful integration of the Supplies and Logistics Department with all staff now employed by the Fire and Rescue Service.

### **(iv) Capital Charges**

Total capital charges at £4.9m are budgeted to increase by £0.2m in 2016/17:

- The £1.4m minimum revenue provision requirement for 2016/17 remains broadly unchanged in the year based upon the direct revenue financing of the capital programme for 2014/15 and the reduced programme forecast for 2015/16
- The budget assumes that the overall level of borrowing for the Authority will not be increased during 2016/17 and interest payments on existing debt of £20.5m will remain unchanged at £0.9m for the budget year
- The unitary charge will increase by £0.2m during 2016/17 reflecting the full unitary charge following commissioning of all 11 new community fire stations completed as part of the PFI2 programme.

## **23. Non Recurring Budget 2016/17**

The total non-recurring funding brought forward into 2016/17 is estimated to be in the region of £0.4m. This is required to fund the following non-recurring projects:

- PFI Team (project closure anticipated May 2016)
- Partnership Posts and the Community Interest Company
- Part funding for specific secondments

The Non Recurring Revenue budget is funded from specific reserves held by the Authority and is forecast to be removed by 1 April 2018 (under review).

## **24. Budget Monitoring 2016/17**

Members will receive budget monitoring reports throughout the year on a quarterly basis. A monthly Resource Control Report will be issued to members of the Service Delivery Board (SDB) and also published on the Intranet available for all staff.

A monthly Finance Publication is also issued alongside the detailed Resource Control Report.

## Community Safety Options

25. The budget year 2016/17 includes a saving of £1.2m. This is the second year of an overall programme to deliver £5.7m of savings by 2019/20 of which £1.7m is forecast to be delivered within the current budget year 2015/16. Additional savings of £4.0m are therefore required to be delivered 2016/17 to 2019/20 and have been incorporated into the MTFS.
26. The full savings of £1.1m have been incorporated into the budget for 2016/17 following the Community Safety Options approval by the Authority in July 2015. Through these new ways of working the headcount for the Service has been reduced by 43 posts with no compromise to community or Firefighter safety. In addition there have been no compulsory redundancies so protecting as many livelihoods as possible.
27. The savings pipeline must therefore continue to be developed for 2016/17 and beyond in order to deliver this significant level of cost reduction. This will include continued work on integration with partners, including blue light collaboration with Police and Ambulance and the wider contribution to the health agenda that can be delivered by the Service. Operationally new ways of working supported by the development of technology and the equipment that we use must be developed to support a smaller workforce and yet still deliver improved outcomes for the communities that we serve. The SERO project is part of this development alongside looking at the ways that staff are remunerated for full and part time contracts.
28. The next set of Community Safety Options must also remain a priority for the Service in order to deliver this level of required savings by 2019/20.

## Council Tax

29. After allowing for the Settlement Funding allocation, a net figure is required from Council Tax to produce a balanced budget based upon the preferred funding option selected by Members:
  - i. Option 1 (1.99% increase), £23,640,000
  - ii. Option 2 (1.75% increase), £23,588,000
  - iii. Option 3 (1.0% Increase), £23,417,000
  - iv. Option 4 (Zero increase), £23,190,000
30. The above Council Tax requirements include an estimated increase in Council Tax population of 3677 properties (1.1% increase). This estimate will be finalised prior to the final budget paper submitted to the Authority on 16 February and assumes no change for Stoke-on-Trent City Council (data not yet released).
31. The above Council Tax requirement incorporates an estimated £514,043 for the surplus on the Council Tax Collection Fund. This information will be finalised prior to the final budget paper submitted to the Authority on 16 February 2016.

32. The total funding to be raised from precept is therefore subject to slight change upon finalisation of population and collection fund data for Staffordshire and Stoke-on-Trent
33. For **Option 1** this Council Tax requirement would equate to a 1.99% increase, with Band D council tax increasing from £68.96 to £70.33 p/a (£1.35 per week)
34. For **Option 2**, this Council Tax requirement would equate to a 1.75% increase, with Band D council tax increasing to £70.17 p/a (£1.35 per week)
35. For **Option 3**, this Council Tax requirement would remain the same, with Band D council tax at £69.65 p/a (£1.34 per week)
36. For **Option 4**, this Council Tax requirement would remain the same, with Band D council tax at £68.96 p/a (£1.33 per week)
37. The Difference between Option 1 and 3 amounts to £1.37 per year and will raise an additional £450,000 in Council Tax (this is equivalent to 14 full time equivalent posts)

## **Reserves and Balances**

38. The Authority hold two reserves, a Specific Reserve which is build up through any surplus within the Income and Expenditure account and is currently utilised to fund any non recurring revenue spend, earmarked costs and invest to save projects; and a General Reserves which is held to protect against any spate or emergency conditions which may arise
39. At 1 April 2015 the Authority held £1.9m in General Reserves. The Authority's reserve strategy is set having fully considered the needs and risk it faces and the results of this assessment are set out in **Appendix 7**
40. At 1 April 2015 the Authority held £9.1m in Specific Reserves. **Appendix 6** demonstrates the impact on Specific Reserves for the three options contained within this paper
41. For Options 1 to 4 the council tax scenario is assumed to apply for each of the four years to 2020 in line with the assumptions included within the settlement. For example under Option 1 the Council Tax increase of 1.99% is applied to all years 2016/17 to 2019/20.
42. The Specific Reserve balance also assumes utilisation of capital spend as incorporated within the Reserves Strategy paper as approved by this committee and assumes the following:
  - Replacement of Aerial Ladder Platform (ALP), £1m
  - Appliance / vehicle replacements, £1.8m
43. For Option 4, this Council Tax requirement would remain the same, with Band D council tax at £68.96 p/a (£1.33 per week)



## **Medium Term Financial Strategy**

44. The MTFS will incorporate the assumption that the Authority will accept the four year Provisional Financial Settlement which will include the increases in Council Tax for the period to 2019/20 a summary of the financials will be included with the Revenue Budget submission to the Authority on 16 February 2016
45. Should the Authority choose not to increase Council Tax for 2016/17 then the broad assumptions around saving targets and use of reserves will need to be amended.
46. The Full MTFS will be considered in detail by this Committee in March 2016

## **Capital Programme**

47. The Capital Programme for 2016/17 will be reported in full to Members at the next Strategy and Resources Committee meeting, alongside the treasury management strategy. The programme will be in the region of £9m, of which £4.7m is funded by the transformation grant received for Stafford and Biddulph. The underlying programme budget is estimated to be in the region of £4.3m

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**Recurring Revenue Budget Proposal 2016-17****Option 1 : Council Tax Increase by 1.99%**

	<b>Budget Approved 2015/16</b>	<b>Budget Proposal 2016/17</b>	<b>Year on Year Change</b>
	£000s	£000s	£000s
<b>Pay</b>			
Pay Costs	27,550	27,144	(406)
Other Employee Costs	1,991	1,925	(66)
Pay Efficiency Saving	(1,000)	(800)	200
<b>Total Pay</b>	<b>28,541</b>	<b>28,269</b>	<b>(272)</b>
<b>Non Pay</b>			
Premises Costs	2,746	2,717	(30)
Transport Costs	950	876	(74)
Supplies & Services Costs	5,415	5,530	115
Non Pay Efficiency Saving	(600)	(400)	200
<b>Total Non Pay</b>	<b>8,512</b>	<b>8,723</b>	<b>211</b>
<b>Income</b>			
Income - General	(561)	(731)	(170)
Interest Receivable	(34)	(39)	(5)
<b>Total Income</b>	<b>(596)</b>	<b>(770)</b>	<b>(175)</b>
Capital charges	1,427	1,436	8
Interest Payable	905	895	(10)
PFI Unitary Charge	2,442	2,598	155
<b>Total before use of reserves</b>	<b>41,232</b>	<b>41,150</b>	<b>(82)</b>
Use of Reserves	(205)	(664)	(460)
<b>Total Revenue Budget</b>	<b>41,028</b>	<b>40,486</b>	<b>(542)</b>
<b>FINANCED BY:</b>			
<b><u>Settlement Funding</u></b>			
Revenue Support Grant	9,472	8,043	(1,429)
Government Top-up (business rates)	5,260	5,304	44
Local Business Rates (1%)	3,470	3,499	29
<b>Total Settlement Funding</b>	<b>18,202</b>	<b>16,846</b>	<b>(1,356)</b>
<b><u>Council Tax</u></b>	<b>22,825</b>	<b>23,640</b>	<b>815</b>
<b>Total Financing</b>	<b>41,028</b>	<b>40,486</b>	<b>(542)</b>

**Recurring Revenue Budget Proposal 2016-17****Option 2 : Increase Precept by 1.75%**

	<b>Budget Approved 2015/16</b>	<b>Budget Proposal 2016/17</b>	<b>Year on Year Change</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Pay</b>			
Pay Costs	27,550	27,144	(406)
Other Employee Costs	1,991	1,925	(66)
Pay Efficiency Saving	(1,000)	(800)	200
<b>Total Pay</b>	<b>28,541</b>	<b>28,269</b>	<b>(272)</b>
<b>Non Pay</b>			
Premises Costs	2,746	2,717	(29)
Transport Costs	950	876	(74)
Supplies & Services Costs	5,415	5,530	115
Non Pay Efficiency Saving	(600)	(400)	200
<b>Total Non Pay</b>	<b>8,512</b>	<b>8,723</b>	<b>211</b>
<b>Income</b>			
Income - General	(561)	(731)	(170)
Interest Receivable	(34)	(39)	(5)
<b>Total Income</b>	<b>(596)</b>	<b>(770)</b>	<b>(174)</b>
Capital charges	1,427	1,436	9
Interest Payable	905	895	(10)
PFI Unitary Charge	2,442	2,598	156
<b>Total before use of reserves</b>	<b>41,232</b>	<b>41,150</b>	<b>(82)</b>
Use of Reserves	(205)	(717)	(512)
<b>Total Revenue Budget</b>	<b>41,028</b>	<b>40,433</b>	<b>(595)</b>
<b>FINANCED BY:</b>			
<b><u>Settlement Funding</u></b>			
Revenue Support Grant	9,472	8,043	(1,429)
Government Top-up (business rates)	5,260	5,304	44
Local Business Rates (1%)	3,470	3,499	29
<b>Total Settlement Funding</b>	<b>18,202</b>	<b>16,846</b>	<b>(1,356)</b>
<b><u>Council Tax</u></b>	<b>22,825</b>	<b>23,588</b>	<b>763</b>
<b>Total Financing</b>	<b>41,028</b>	<b>40,433</b>	<b>(595)</b>

**Recurring Revenue Budget Proposal 2016-17****Option 3 : Increase Precept by 1%**

	<b>Budget Approved 2015/16</b>	<b>Budget Proposal 2016/17</b>	<b>Year on Year Change</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Pay</b>			
Pay Costs	27,550	27,144	(406)
Other Employee Costs	1,991	1,925	(66)
Pay Efficiency Saving	(1,000)	(800)	200
<b>Total Pay</b>	<b>28,541</b>	<b>28,269</b>	<b>(272)</b>
<b>Non Pay</b>			
Premises Costs	2,746	2,717	(29)
Transport Costs	950	876	(74)
Supplies & Services Costs	5,415	5,530	115
Non Pay Efficiency Saving	(600)	(400)	200
<b>Total Non Pay</b>	<b>8,512</b>	<b>8,723</b>	<b>211</b>
<b>Income</b>			
Income - General	(561)	(731)	(170)
Interest Receivable	(34)	(39)	(5)
<b>Total Income</b>	<b>(596)</b>	<b>(770)</b>	<b>(174)</b>
Capital charges	1,427	1,436	9
Interest Payable	905	895	(10)
PFI Unitary Charge	2,442	2,598	156
<b>Total before use of reserves</b>	<b>41,232</b>	<b>41,150</b>	<b>(82)</b>
Use of Reserves	(205)	(888)	(683)
<b>Total Revenue Budget</b>	<b>41,028</b>	<b>40,262</b>	<b>(766)</b>
<b>FINANCED BY:</b>			
<b><u>Settlement Funding</u></b>			
Revenue Support Grant	9,472	8,043	(1,429)
Government Top-up (business rates)	5,260	5,304	44
Local Business Rates (1%)	3,470	3,499	29
<b>Total Settlement Funding</b>	<b>18,202</b>	<b>16,846</b>	<b>(1,356)</b>
<b><u>Council Tax</u></b>	<b>22,825</b>	<b>23,417</b>	<b>592</b>
<b>Total Financing</b>	<b>41,028</b>	<b>40,262</b>	<b>(766)</b>

**Recurring Revenue Budget Proposal 2016-17****Option 4 : Council Tax Freeze**

	<b>Budget Approved 2015/16</b>	<b>Budget Proposal 2016/17</b>	<b>Year on Year Change</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Pay</b>			
Pay Costs	27,550	27,144	(406)
Other Employee Costs	1,991	1,925	(66)
Pay Efficiency Saving	(1,000)	(800)	200
<b>Total Pay</b>	<b>28,541</b>	<b>28,269</b>	<b>(272)</b>
<b>Non Pay</b>			
Premises Costs	2,746	2,717	(30)
Transport Costs	950	876	(74)
Supplies & Services Costs	5,415	5,530	115
Non Pay Efficiency Saving	(600)	(400)	200
<b>Total Non Pay</b>	<b>8,512</b>	<b>8,723</b>	<b>211</b>
<b>Income</b>			
Income - General	(561)	(731)	(170)
Interest Receivable	(34)	(39)	(5)
<b>Total Income</b>	<b>(596)</b>	<b>(770)</b>	<b>(175)</b>
Capital charges	1,427	1,436	8
Interest Payable	905	895	(10)
PFI Unitary Charge	2,442	2,598	155
<b>Total before use of reserves</b>	<b>41,232</b>	<b>41,150</b>	<b>(82)</b>
Use of Reserves	(205)	(1,115)	(910)
<b>Total Revenue Budget</b>	<b>41,028</b>	<b>40,036</b>	<b>(992)</b>
<b>FINANCED BY:</b>			
<b><u>Settlement Funding</u></b>			
Revenue Support Grant	9,472	8,043	(1,429)
Government Top-up (business rates)	5,260	5,304	44
Local Business Rates (1%)	3,470	3,499	29
<b>Total Settlement Funding</b>	<b>18,202</b>	<b>16,846</b>	<b>(1,356)</b>
<b><u>Council Tax</u></b>	<b>22,825</b>	<b>23,190</b>	<b>365</b>
<b>Total Financing</b>	<b>41,028</b>	<b>40,036</b>	<b>(992)</b>

**Alternative Council Tax Scenarios for 2016/17**

<b><u>Council Tax Options</u></b>	<b>1.99% Option 1</b>	<b>1.95%</b>	<b>1.75% Option 2</b>	<b>1.50%</b>	<b>1.00% Option 3</b>	<b>0.75%</b>	<b>0.50%</b>	<b>Base Option 4 "freeze"</b>
	<b>Percentage Increase</b> →							
<b>Council Tax Band D</b>								
- Per Year Cost	70.33	70.30	70.17	69.99	69.65	69.48	69.30	68.96
- Per Week Cost £	1.35	1.35	1.35	1.35	1.34	1.34	1.33	1.33
- Per Year Increase £	1.37	1.34	1.21	1.03	0.69	0.52	0.34	
- Increase in CT (Pence) - Per Week	2.63p	2.58p	2.33p	1.98p	1.33p	1.00p	0.65p	
<b>Council Tax Base Population 328,826</b>								
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Council Tax Yield (£m)</b>	<b>23.126</b>	<b>23.116</b>	<b>23.074</b>	<b>23.015</b>	<b>22.903</b>	<b>22.847</b>	<b>22.788</b>	<b>22.676</b>
<b>Collection Fund Surplus</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>	<b>0.514</b>
<b>Total Council Tax 2016/17</b>	<b>23.640</b>	<b>23.631</b>	<b>23.588</b>	<b>23.529</b>	<b>23.417</b>	<b>23.361</b>	<b>23.302</b>	<b>23.190</b>
<i>Increase Council Tax in year (£m)</i>	<i>0.450</i>	<i>0.441</i>	<i>0.398</i>	<i>0.339</i>	<i>0.227</i>	<i>0.171</i>	<i>0.112</i>	
<b>Settlement Funding 2016/17</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>	<b>16.846</b>
<b>Revenue Budget Options</b>	<b>40.486</b>	<b>40.476</b>	<b>40.433</b>	<b>40.374</b>	<b>40.262</b>	<b>40.206</b>	<b>40.147</b>	<b>40.036</b>

Revenue Budget 2016/17Specific / (Earmarked) Reserves for 2016/17 to 2019/20

	SPECIFIC RESERVE BALANCE £000s			
	OPTION 1	OPTION 2	OPTION 3	OPTION 4
	1.99% Increase	1.75% Increase	1% Increase	Freeze
<b>Opening Balance 1 April 2015</b>	<b>9,107</b>	<b>9,107</b>	<b>9,107</b>	<b>9,107</b>
Reserves Utilisation - Non Recurring	(424)	(424)	(424)	(424)
Reserves Utilisation - To balance budget	(205)	(205)	(205)	(205)
Reserves Utilisation - Capital Investment				
<b>Forecast 31 March 2016</b>	<b>8,478</b>	<b>8,478</b>	<b>8,478</b>	<b>8,478</b>
Reserves Utilisation - Non Recurring	(454)	(454)	(454)	(454)
Reserves Utilisation - To balance budget	(664)	(717)	(888)	(1,115)
Reserves Utilisation - Capital Investment	(900)	(900)	(900)	(900)
<b>Forecast 31 March 2017</b>	<b>6,460</b>	<b>6,407</b>	<b>6,236</b>	<b>6,009</b>
Reserves Utilisation - Non Recurring	(165)	(165)	(165)	(165)
Reserves Utilisation - To balance budget	(1,192)	(1,248)	(1,424)	(1,657)
Reserves Utilisation - Capital Investment	(1,900)	(1,900)	(1,900)	(1,900)
<b>Forecast 31 March 2018</b>	<b>3,203</b>	<b>3,094</b>	<b>2,747</b>	<b>2,288</b>
Reserves Utilisation - Non Recurring				
Reserves Utilisation - To balance budget	(580)	(698)	(1,059)	(1,534)
Reserves Utilisation - Capital Investment				
<b>Forecast 31 March 2019</b>	<b>2,623</b>	<b>2,396</b>	<b>1,688</b>	<b>754</b>
Reserves Utilisation - Non Recurring				
Reserves Utilisation - To balance budget	(179)	(364)	(918)	(1,646)
Reserves Utilisation - Capital Investment				
<b>Forecast 31 March 2020</b>	<b>2,444</b>	<b>2,032</b>	<b>771</b>	<b>(892)</b>

**Notes**

1. All options assume that the same Council Tax increase for each of the 4 years
2. All options include the capital contribution for the replacement of the ALP (£1m in 2017/18) and appliance / vehicle replacements of £1.8m. Per approved reserves strategy paper

**Revenue Budget 2016/17****Risk Assessment of General Reserves for 2016/17**

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 has been undertaken by the authority and is detailed below; Management have considered the level and risk and have recommended that the overall provision of £1.9m remains unchanged.

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

<b>2016/17 Provision £000</b>	<b>Area of Expenditure</b>	<b>Level of Risk *</b>	<b>Explanation of risk/justification of reserves</b>
400	<b>Operational Pay</b>	High	Spate conditions caused by for example; prolonged severe weather conditions e.g. flooding, also continued disputes over pensions and pay; also Avian Flu
<b>The treatment of efficiency savings/productivity gains</b>			
700	<b>Non achievement of financial benefits</b>	High	Risk of target savings not being delivered in year. Delays in delivering and identifying Community Safety Options
<b>The availability of other funds to deal with major contingencies</b>			
250	<b>Insurance</b>	Medium	Risk of incurring uninsured losses, and increased excess payable on new contract
200	<b>Ill health retirement costs</b>	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce
250	<b>Other unforeseen costs</b>	Medium	Risk of unforeseen event: emergency incident, unplanned IADS spend.
100	<b>Other costs</b>	Medium	Risk of failure of key strategic partnership due to economic climate or performance

**Level of Balances – Summary**

<b>Level of Risk</b>	<b>£'000</b>
High and Medium	1,900



**Stoke-on-Trent and Staffordshire Fire and Rescue Authority**

**Strategy and Resources Committee**

**21 January 2016**

**Removal of the Incident Response Unit from Burton upon Trent**

**Report of the Director of Response**

**SUMMARY**

Following a recent Chief Fire Officer Association (CFOA) and Department for Communities and Local Government (DCLG) capability review to ensure that the Chemical Biological Radioactive explosive (CBRNe) capability is proportionate to the current National Planning Assumptions a decision that will affect SFRS' resource disposition has been made.

The capability review comprises six specific but interdependent work packages as follows: (NB this paper is only referring to the decision around work packages 1 and 2)

1. Incident Response Units
2. Mass Decontamination Resilience Modules
3. Detection, Identification and Monitoring
4. Command & Control
5. USAR CBRN PPE
6. Key Performance Indicators

The first stages, 1 and 2, of the review have focused on the Mass Decontamination capability (Incident Response Units (IRU) and Resilience Modules). Following a meeting with DCLG and the Chief Fire and Rescue Adviser on Friday 27 November, the outcomes of the review were shared with individual FRS.

A significant amount of national modelling work has been undertaken by the DCLG Analytical Unit using inputs and parameters agreed with key stakeholders including the Devolved Administrations and the outputs have been operationalised to identify the final outcome agreed by DCLG and CFOA National Resilience.

This identifies an English requirement for forty three (43) IRUs and thirteen (13) MD Resilience Modules in order to meet the scale of event identified within the National Resilience Planning Assumptions. This results in a recommended reduction of twenty two (22) Incident Response Units and thirty three (33) MD Resilience Modules. The 22 IRUs that are deemed as surplus to national resilience requirements include the IRU currently located at Burton upon Trent.

As a consequence of this national decision, a task and finish group within SFRS has now been established in order to assess the impact of the above decision and to ensure that Firefighter decontamination and a provision for mass decontamination is delivered in a

different manner. This task and finish group will be led by Group Manager Tim Hyde and will cover all aspects related to both Firefighter decontamination and mass decontamination.

## **RECOMMENDATIONS**

That the Authority notes this change to national resilience resource allocation and the associated work that is being undertaken in order to establish a new approach to decontamination.

### **Financial Implications**

The Section 31 grant received in respect of the IRUs covers the period up to 31 March 2016 and DCLG have requested that no action is taken with regard to disposal of the vehicle or any equipment prior to this date by those Services whose IRU has been identified as surplus to the national requirements.

### **Legal Implications**

There are no specific legal implications relating to this update.

### **Equality and Diversity**

There are no specific equality and diversity issues arising from this update.

### **Risk Implications**

Following the announcement by DCLG of the outcome of their review it is important for SFRS to ensure that the capability to deal with CBRNe incidents is catered for in order to ensure firefighter and community safety is maintained. The task and finish group that has been established by the Director of Response will ensure that this is achieved.

### **Consultation and Engagement undertaken**

There has been no formal consultation with individual FRSs on the changes as the review is focused on national strategic requirements and capability although all fire and rescue services have been kept informed of the capability review through their regional representatives on the CBRNe National Working Group. It was agreed with DCLG that there was no requirement to consult with the FBU nationally on these reductions as the extant safe systems of work are unaffected. However since SFRS received notification of the planned removal of the IRU discussions with local FBU officials have commenced and the representative bodies are involved in the task and finish group to establish a new approach to Firefighter decontamination. The Service will take into account the findings of this group and subsequent developments as the wider review progresses.

### **Protective Security**

The information contained in this report is largely in the public domain, as such the update is unclassified.

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