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Date
17 March 2021

Dear Member

DERBYSHIRE FIRE & RESCUE AUTHORITY MEETING – 25 MARCH 2021

Please attend the Meeting of Derbyshire Fire & Rescue Authority to be held on **Thursday 25 March 2021 at 1030 hours**. This meeting will take place via video conferencing and the Committee Clerk will provide you with the access details. The agenda is set out below.

Party Political Group pre-meetings will commence from 0930 hours onwards. These meetings will take place via video conferencing, and the Committee Clerk will provide you with the access details.

Yours sincerely

Gavin Tomlinson
Chief Fire Officer/Chief Executive

PART 1 – OPEN ITEMS

1. Public Question Time
2. Apologies
3. **Declarations of Interest**
4. **To confirm the Minutes of the Fire & Rescue Authority Meeting held on 11 February 2021**
5. **To confirm the Minutes of the Governance & Performance Working Group Meeting held on 22 February 2021**

email: reception@derbys-fire.gov.uk
www.derbys-fire.gov.uk

Chief Fire Officer / Chief Executive
Gavin Tomlinson MBA MIFireE



Reports for Decision:

6. Revenue Budget Monitoring 2020/2021 (as at January 2021) and Updated Revenue Budget 2021/2022 – Director of Finance / Treasurer, Simon Allsop
7. Capital Programme Monitoring 2020/2021 (to January 2021) – Director of Finance / Treasurer, Simon Allsop
8. Equipment Strategy 2021-2024 – Deputy Chief Fire Officer, Rick Roberts
9. Pay Policy Statement 2021 - Solicitor/Monitoring Officer, Louise Taylor & Director of Finance/Treasurer, Simon Allsop
10. Key Performance Measures and Targets 2021/22 – Deputy Chief Fire Officer, Rick Roberts
11. External Audit Annual Audit Letter – Director of Finance / Treasurer, Simon Allsop

Please note reports for information will no longer be provided in hard copy format; these reports will only be contained in the electronic version emailed to Members. The Chair will continue to table these reports for discussion and offer the opportunity to raise questions.

Reports for Information

12. Service Update from Chief Fire Officer/Chief Executive, Gavin Tomlinson
13. Our Plan 2020-2023 Year 2 Programme of Work – Director of Corporate Services, Judi Beresford

PART 2 – EXEMPT ITEMS

The Authority is asked to consider in respect of the following items whether the public should be excluded from the meeting to avoid disclosure of information that is exempt for the reasons set out in the minutes and reports at items 14 to 16.

14. To confirm the Exempt Minutes of the Fire & Rescue Authority Meeting held on 11 February 2021

Exempt Reports for Information

15. Delegated Powers Actions – Tender Award for Auto Electrical Works
16. Delegated Powers Actions – LED Lighting Replacement Project at Staveley Fire Station

**DERBYSHIRE FIRE & RESCUE AUTHORITY
DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF**



Making Derbyshire Safer

What matters are being discussed?



DPI

Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This will include the interests of yourself or your partner:

- Any employment, office held, trade, profession or vocation that is carried out for profit or gain
- Any sponsorship received including any expenses as a Councillor, election expenses, including any expenses from a trade union
- Any contracts made between the Fire Authority and you or your partner
- Any beneficial interests that you or your partner has in Derby or Derbyshire
- Any land licence or tenancy that you or your partner has in Derby or Derbyshire
- Any current contract, leases or tenancies that you or your partner has with the Fire Authority
- Any organisation which has land or a place of business in Derby or Derbyshire and in which you or your partner has a relevant interest in its shares or its securities

No



Yes → Declare the interest and leave the meeting
(or obtain a dispensation to stay)

PRIVATE INTEREST

Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- Any member of your family; or
- Any person with whom you have a close association; or
- Any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the Fire Authority). This would include membership of a governing body or trustee of a charity.

Yes



No → You can speak and vote

Will it give you an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in Derby or Derbyshire?

Yes



No → Declare the interest and speak and vote

Speak to the Monitoring Officer prior to the meeting to avoid risk of allegations of corruption or bias.

**THESE MATTERS ARE EXPLAINED MORE FULLY
IN THE MEMBERS' CODE OF CONDUCT.
IF IN ANY DOUBT PLEASE SPEAK TO THE MONITORING OFFICER.**

MINUTES of the Meeting of the **DERBYSHIRE FIRE & RESCUE AUTHORITY** held via video conferencing, commencing at 1030 hours on 11 February 2021

Present:

Councillors: K Buttery (Chair), G Potter (Vice Chair), J Patten, E Williams, J Perkins, L Chilton, R Ashton, S Bull, W Major, S Marshall-Clarke, J Innes, S Brittain, N Peatfield, C Moesby, R Skelton, S Burfoot

Officers in Attendance:

L Taylor	Solicitor/Monitoring Officer
S Allsop	Director of Finance/Treasurer
G Tomlinson	Chief Fire Officer/Chief Executive
L Slade	Committee Clerk

39/20

PUBLIC QUESTION TIME

39.1 No public questions had been received.

40/20

APOLOGIES

40.1 No apologies had been received.

41/20

DECLARATIONS OF INTEREST

41.1 Cllr Potter confirmed an association with the successful bidder in Item 16 Lot 2 Electrical Works – Reactive Planned and Minor Works. This had been formally documented in an email to the Monitoring Officer for the record.

42/20

TO CONFIRM THE MINUTES OF THE FIRE & RESCUE AUTHORITY MEETING HELD ON 26 NOVEMBER 2020

42.1 Members confirmed the minutes as a true record.

*Recorded votes: Unanimous
Cllr Potter proposed, Cllr Patten seconded*

43/20 TO CONFIRM THE MINUTES OF THE INCLUSION & EQUALITY FORUM MEETING HELD ON 19 JANUARY 2021

43.1 Members confirmed the minutes as a true record.

*Recorded votes: Unanimous
Cllr Patten proposed, Cllr Perkins seconded*

44/20

**TO CONFIRM THE MINUTES OF THE GOVERNANCE & PERFORMANCE
WORKING GROUP MEETING HELD ON 9 NOVEMBER 2020**

44.1 Members confirmed the minutes as a correct record.

*Recorded votes: Unanimous
Cllr Williams proposed, Cllr Moesby seconded*

45/20

**TO CONFIRM THE MINUTES OF THE STANDARDS COMMITTEE MEETING
HELD ON 24 SEPTEMBER 2020**

45.1 Members confirmed the minutes as a correct record.

*Recorded votes: Unanimous
Cllr Bull proposed, Cllr Potter seconded*

46/20

**TO CONFIRM THE MINUTES OF THE STANDARDS COMMITTEE MEETING
HELD ON 3 DECEMBER 2020**

46.1 Members confirmed the minutes as a correct record.

*Recorded votes: Unanimous
Cllr Bull proposed, Cllr Potter seconded*

REPORTS FOR DECISION

47/20

REVENUE BUDGET MONITORING 2020/21 (AS AT NOVEMBER 2020)

47.1 The Treasurer presented the 2020/2021 Revenue Budget Monitoring (as at 30 November 2020), to outline progress on the IRMP 'Our Plan' target savings and to report on the forecast level of Reserves.

47.2 Members noted increased costs relating to Wholetime employees which are attributable to overtime associated with Covid-19 restrictions. Additional costs arising through Covid-19 related expenditure are partially offset by related underspends in the areas of fuel, printing, photocopying and expenses such as public transport costs, subsistence and overnight accommodation. The net position will be funded by the Covid-19 emergency grant at year end.

47.3 At the June Fire Authority, Members were informed of two additional grants awarded by the Home Office, namely for the Building Risk Review Programme £60,000, and the Protection Uplift Programme £72,849. Also, following the Grenfell Tower Enquiry Phase 1 Report, Ministry of Housing, Communities and Local Government (MHCLG) issued a new 2020/2021 Infrastructure Fund of £81,885 to Derbyshire Fire & Rescue Service (DFRS).

- 47.4 In response to a query from a Conservative Member relating to the actual spend for ground maintenance, the Treasurer confirmed that the grounds maintenance programme is reduced throughout the winter months but it is forecasted that the budget may still be spent by year end.
- 47.5 The Chief Fire Officer also confirmed the purchase of Draeger Parat smoke hoods at £23,000 which will be funded by the Grenfell Infrastructure Grant funding. The hoods were recommended as part of the Grenfell Inquiry to assist with evacuation.

Resolved:

- 47.6 Members noted and accept the Revenue Budget Monitoring and Forecast Outturn, being an underspend of £1,148,850.
- 47.7 Members noted the overall position on Reserves, and the projected 2020/2021 Closing Balance as at Appendix 3.
- 47.8 Members noted the current projections and accounting treatments used to create this report are based on the approved Medium Term Financial Plan (MTFP). Potential changes described in the 2021 – 2024 MTFP, included as a separate item on this agenda, are not reflected in this report.

*Recorded votes: Unanimous
Cllr Buttery proposed, Cllr Patten seconded*

48/20

CAPITAL BUDGET MONITORING 2020/21, CAPITAL PROGRAMME 2021/22 – 2023/24 AND PRUDENTIAL CODE REPORT & TREASURY MANAGEMENT STRATEGY

- 48.1 The Treasurer presented the 2020/21 Capital Monitoring position as at 30 November 2020, the Capital Programme for 2021/22, considerations for the Capital Programme for 2022/23 to 2023/24 and recommendations under the CIPFA Prudential Code for Capital Finance including the Treasury Management Strategy and Treasury Management Practices.
- 48.2 Members noted that the request for approval of slippage relating to the provision of separate male and female locker/changing facilities at on-call stations and the co-location scheme at Ascot Drive fire station is required due to a delay with contractors.
- 48.3 The Chair brought to attention of Members the list of projects within the Capital Programme 2020/21 as at Appendix 1. Members confirmed they were comfortable with the proposals.

Resolved:

- 48.4 Members noted the capital monitoring position as at 30 November 2020 as set out in Appendix 1 of the report.

- 48.5 Members noted a £0.030m addition to purchase 3 water ladder appliances on the expiry of a lease extension, approved under the delegated powers of the Chief Fire Officer.
- 48.6 Members approved slippage of £0.080m for the scheme to provide separate male and female locker/changing facilities at On-Call fire stations.
- 48.7 Members approved slippage of £0.100m to 2021/22 for the Derbyshire co-location scheme at Ascot Drive Fire Station.
- 48.8 Members approved bringing forward £0.012m for accelerated expenditure against the SharePoint scheme.
- 48.9 Members approve the 2021/22 capital programme of £4.677m as detailed in Appendix 2 of the report.
- 48.10 Members approved the prudential indicators and minimum revenue provision (MRP) policy as set out in Section 6 of the report.
- 48.11 Members approved the Treasury Management Strategy for 2021/22, as at Appendix 3 of the report.
- 48.12 Members approved the treasury management practises as at Appendix 4 of the report.

*Recorded votes: Unanimous
Cllr Buttery proposed, Cllr Potter seconded*

49/20

REVENUE BUDGET 2021/22 AND THE MEDIUM TERM FINANCIAL PLAN FOR 2021/22 TO 2024/25

- 49.1 The Treasurer presented proposals for the 2021/22 Revenue Budget and the Medium Term Financial Plan for 2021/22 to 2024/25 outlining assumptions, including pay and inflation increases, growth and savings, contained within the budget estimates.
- 49.2 Members were updated on the following:
- The Local Government Finance Settlement 2021/2022;
 - The Proposed Revenue Budget 2021/2022;
 - Council Tax and Precept Increase;
 - Feedback on Budget and Service Consultations;
 - The Four Year Financial Plan;
 - Our Plan (IRMP) 2021/2024;
 - The Robustness of Estimates and Level of Reserves
- 49.3 A Conservative Member asked what action is being taken to balance the workforce due to the expected number of retirements following the McCloud / Sargeant remedy proposals. The Deputy Chief Fire Officer confirmed that

workforce planning is ongoing in light of up to 60 firefighters being affected by the ruling, some of which will only be required to give 1 month's notice. Due to the uncertainty of how the ruling will be implemented it has been agreed to move away from current workforce planning in which an underspend is kept. The future plan will be to recruit up to and over establishment.

- 49.4 The Director of Corporate Services confirmed that Positive Action will continue and the recruitment process leading to a 16 week training course is in place ready to roll out as and when required. If there is a need to fill vacancies in a shorter term, there is also the migration and transfer in options available.
- 49.5 In response to a comment from a Labour Member regarding potential impacts from any reduction to revenue support grants, the Treasurer confirmed that this is an uncertainty for future funding. The Treasurer also confirmed financial pressures due to impacts on council tax and business rates. This now poses a significant threat as the impact of Covid-19 is felt by businesses and households alike. The forecast reductions represent a challenge to the service particularly in relation to reduction in council tax income which the Service is particularly sensitive to.
- 49.6 In summing up, the Chair wished to formally express thanks to the Finance team for the production of the reports and background work, particularly in these unprecedented times. It was felt that as an Authority the pressures are acknowledged and the need to address them recognised.

Resolved:

- 49.7 Members approved a net budget requirement of £39.5m for 2021/22 based on the information as at Section 5 and Appendix 1 of the report.
- 49.8 Members noted the Local Government Settlement, Council Tax Base and Collection Fund positions as outlined in Section 4 and 6 of the report.
- 49.9 Members approved a Council Tax precept increase of 1.98%.
- 49.10 Members noted the notifying of the precept to the Billing Authorities based on the determination of the precept.
- 49.11 Members noted the medium term financial position (MTFP) for 2022/23 to 2024/25 and the financial pressures and uncertainty in all years of the MTFP.
- 49.12 Members noted the Director of Finance/Treasurer's comments about the robustness of estimates, adequacy of reserves and potential liabilities that may arise in future years.
- 49.13 Members noted a separate report on the agenda outlining the 2021/22 to 2024/25 Capital Programme, Prudential Code Report and Treasury Management Strategy.

- 49.14 Members approved to delegate to the Director of Finance authority to update the 2021/22 Revenue Budget through a change in use of reserves if necessary, following receipt of NNDR information from billing authorities.

*Recorded votes: Unanimous
Cllr Buttery proposed, Cllr Potter seconded*

*Recorded votes for the recommendations of the report: 16
Cllrs Buttery, Ashton, Bull, Major, Patten, Perkins, Potter, Chilton, Williams, Marshall-Clarke, Brittain, Innes, Peatfield, Moesby, Burfoot, Skelton*

50/20

PROPOSED CAPITAL CONSTRUCTION PROGRAMME 2021-2024

- 50.1 The Treasurer presented Members with the proposed 2021-2024 capital construction programme, associated estimated costs and funding provision, formulated in accordance with the Property Asset Management Plan 2020-2028 as approved at the Fire & Rescue Authority meeting held on 26 November 2020.
- 50.2 In response to a query about the stated potential co-location with the Police at the new Matlock fire station, the Treasurer confirmed that discussions are ongoing both at the Strategic Estates Board and Joint Senior Leadership Team meetings and the Police are aware of the deadlines for the new build.

Resolved:

- 50.3 Members approved the replacement of Glossop fire station as a new build scheme on the existing Whitfield Park site as outlined in paragraph 3.2 of the report with a total budget estimate of £3,100,000.
- 50.4 Members approved the replacement of Matlock fire station as a new build scheme (with potential for co-location with the Police) on the existing Matlock site as outlined in paragraph 3.3 of the report with a total budget estimate of £3,200,000 (£3,700,000 if the Police were to co-locate within the scheme, with the additional costs wholly funded by the Police).
- 50.5 Members approved the replacement of New Mills fire station as a new build scheme (with potential for continued co-location on site with Police and EMAS) on the existing New Mills site as outline in paragraph 3.4 of the report with a total budget estimate of £2,500,000.
- 50.6 Members approved the project programme order of Glossop, followed by Matlock then New Mills with the aim of completing all three builds by 2024/25. Members also noted that scheme progression is dependent on various factors such as obtaining planning consent and as such the programme order may be subject to change dependent on project progress.

*Recorded votes: Unanimous
Cllr Buttery proposed, Cllr Potter seconded*

REPORTS FOR INFORMATION

51/20

UPDATE FROM CHIEF FIRE OFFICER/CHIEF EXECUTIVE

- 51.1 The Chief Fire Officer provided an update to Members on recent activities within the Service since the last meeting including incidents of note and the 11 Wholetime recruits pass out on 12 February 2021.
 - 51.2 Area Manager Rob Taylor then provided Members with an update on the new Service Delivery Model in which there are three Service Delivery Areas where the strands of Protection, Protection and Response are integrated into each area.
 - 51.3 In response to a query from a Conservative Member regarding the monitoring and evaluation of the new model, Area Manager Rob Taylor assured Members that the internal evaluation process will be used to monitor the outcomes along with outcomes from partnership groups such as the community safety partnership sub group the Service is now a member of.
 - 51.4 Members agreed it would be beneficial for a paper to be submitted to the Authority in 12 months providing information on how the model has been embedded.
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DERBYSHIRE FIRE & RESCUE AUTHORITY
GOVERNANCE AND PERFORMANCE WORKING GROUP
MINUTES OF THE MEETING HELD
22 FEBRUARY 2021

Present: Cllr Evonne Williams (Chair)
Cllr Clive Moesby
Cllr Stuart Brittain
Cllr Linda Chilton
DCFO Rick Roberts
DCS Judi Beresford
AM Clive Stanbrook
AM Roy Reynolds
Louise Taylor – Solicitor/Monitoring Officer
Simon Allsop – Director of Finance/Treasurer
Carl Wilton – Data & Performance Manager
Stephen Key - Systems & MI Developer
Mandy Marples (Derby City Council/CMAP)
Helen Henshaw (Ernst & Young LLP)
Hannah McDonald (Central Midlands)
Fiona Cragg - Planning & Projects Officer
Leanne Mellors - PA to Principal Officer

Committee Clerk: Laura Slade

1. APOLOGIES

Cllr Sue Burfoot, AM Rob Taylor

2. DECLARATIONS OF INTEREST

None.

3. MINUTES OF THE MEETING HELD ON 9 NOVEMBER 2020

Members reviewed and signed off previous meeting minutes.

4. REVIEW OF ACCOUNTING POLICIES 202/2021

S Allsop presented the Accounting Policies 2020/2021, members noted these reviewed changes to 3.3 of the appendix, minimum revenue provision statutory charge to 40 years instead of the previous 25 years. The second change referred to the asset valuations and being reviewed more frequently. Changes made to this document were accepted by all members.

5. EXTERNAL AUDIT UPDATE

H Henshaw informed Members that the financial statement was signed last week, completing this audit. We are awaiting the annual audit letter which will

be presented in the next meeting once reviewed with S Allsop. To bring this document to the Performance Working Group for consideration.

6. INTERNAL AUDIT PROGRESS REPORT

H McDonald presented the internal audit progress report which provided Members with information on how audit assignments were progressing.

Three completed assignments in full, with the remaining four in progress.

In reference to page 5 of the report, two assignments completed including treasury management and security awareness for cyber security, following suggestions recommended, these will start to be reported through our protective security group. Further updates will be provided to the GPWG when available.

Joint contract review number 9 is currently be addressed and data recovery number 5, action date will now be at the end of July 2021 allowing for an increase up to 12 weeks. Storage in the cloud being designed

In response to a question raised regarding insurance for data lost, S Allsop confirmed that the service has cyber insurance.

Regarding treasury management, more formal training will be taking place in the next financial year. Workforce planning documentation is being provided to Christian, the audit was completed recently and we are hoping for a quick turn around on this.

7. INTERNAL AUDIT PLAN 2021-22 & AUDIT CHARTER

M Marples presented appendix B, the internal audit plan for 2021-22 and the internal audit charter. These are to be reviewed and approved annually.

A risk based plan page 8 of the appendix is in consultation with management using the risk assessment model, the area for review has been agreed however the plan is to remain flexible to allow for emerging risks.

Recommendations agreed by members.

8. KEY SUBJECT MATTER – FIRE PENSIONS

J Beresford confirms that fire pensions continues to be a difficult and complex matter.

S Allsop provided Members with an update regarding the local and financial complications and not yet having an update or guidance with regards to the HMRC tax implications. The revenue period has been extended until October 2023. We have also taken legal advice on how to deal with this in the best way possible.

There is the potential for approximately 60 operational employees who could be impacted by this, we now have a transfer in policy and two other recruitment options to consider along with sourcing training courses to maintain skill gaps.

Members questioned a time scale for this. S Allsop explained that we still need the legislation to be passed first, however the original time scale was that everyone needs to migrate over to the 2015 scheme by 31 March 2022.

Further updates will be provided to the GPWG when available.

9. HMICFRS 2019 INSPECTION REPORT

J Beresford refers members to the action plan page 62 in the appendix. Following the HMI, how effective is the fire service we received a fantastic result but highlighted areas for improvement. Mobile tough books including up to date risk information have now been circulated to 47 of our appliances. eLearning online training is to be completed by all operational employees by August 2021.

The Risk Inspection programme has now been reviewed and we are making really good progress on the National Operational guidance and have issued risk cards.

C Stanbrook updated members that all fire services will be working to the same operational guidance when it comes to Operational incidents. With regards to the Fire Standards board, this is due for inspection and we are on top of this.

J Beresford updated members regarding Mobile data terminals, Systel needs upgrading, this is scheduled to take place in the near future.

With regards to collaboration, we have had progress on the joint fleet system. Community fire station with co-locations is ongoing and we are sharing operation training with NFRS. S Allsop updated members that a plan for collaborating police and fire Procurement and Stores departments are also in progress.

J Beresford updated members regarding looking after people, we received a really good report, recommendations included leadership development but we are confident that we have shown significant progress in this area ready for the next HMI inspection.

10. QUARTER 3 PERFORMANCE SUMMARY 2020/21

Members noted the highlights from the Quarter 3 performance for 2020/21. There has been an increase in accidental, dwelling fires nationally. These statistics decreased during summer and increased during winter. Related fatalities have also increased to five, therefore it is crucial that we focus on prevention here.

RTC statistics have decreased by 30% as influenced by lockdown. However suicide statistics have risen, we have approached mental health charities to assist with prevention methods moving forward.

C Stanbrook updated members on progress regarding safe guarding including a Youtube video that has been circulated widely titled 'four minutes that could save your life' There has also been a lot more focused prevention work amongst the smaller stations. On-call are also being well utilised to support this.

R Roberts updated members regarding Control. Mobilisation has improved by 7 seconds and RTC mobilisation has improved by 18 seconds.

Members requested for the statistics to be made public? Action for C Stanbrook to look into advertising publicity through a media approach. Action for C Wilton to extract key statistics to target specific high risk areas.

11. KEY PERFORMANCE MEASURES REVIEW AND TARGETS 2021/22

R Roberts updated members on the annual key performance measures to be monitored over the year for approval. It was identified that the last 12 months data would not be appropriate to use, therefore the previous year's data would be used instead.

3.8 and 3.9 have had their target number increased as these have not yet been met. 3.12 fire safety target has also been increased. 3.15 response standards to life risk first appliance to arrive within 10 minutes, this is broadly achieved. The 2nd appliance to arrive within 13 minutes, so far this has never been achieved, putting a time on the arrival of the 2nd pump has provided no value to us organisationally. 3.16, the response time for a Control call being answered, we propose measuring this in line with the national standards.

Members are in support of this.

12. COVID-19 HMICFRS INSPECTION UPDATE

J Beresford provided Members with an update on the recent HMICFRS inspection which focused on the Services' approach to Covid-19. The National report HMI has now been released. Inspection findings are expected to form the home office report.

Members are happy with the information already provided.

ACTIONS

- C Stanbrook - to look into advertising statistics publicity through a media approach with regards to the Quarter 3 performance summary 2020/21.
- C Wilton - to extract key statistics targeting specific high risk areas with regards to the Quarter 3 performance summary 2020/21.

OPEN

DECISION

ITEM 6

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

**REPORT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE AND
DIRECTOR OF FINANCE/TREASURER**

**REVENUE BUDGET MONITORING 2020/2021 (AS AT JANUARY 2021) AND
UPDATED REVENUE BUDGET 2021/2022**

1. Purpose of Report

- 1.1 To present to Fire Authority the 2020/2021 Revenue Budget Monitoring (as at 31 January 2021), to outline progress on the IRMP 'Our Plan' target savings, and to report on the forecast level of Reserves. Also to report to Members the Updated Revenue Budget 2021/2022, approved under the delegated powers of the Sct 151 Officer upon receipt of final NNDR notifications from billing authorities.

2. Recommendations

- 2.1 That Members note the Revenue Budget Monitoring and Forecast Outturn, being an underspend of £1,239,405. In March 2020 Members approved a revised Budget taking account of final NNDR notifications received from billing authorities. A Reserves contribution of £628,170 was approved to balance the 2020/2021 budget at that time. The net underspend position after taking account of this contribution is £611,235.
- 2.2 That Members note the overall position on Reserves, and the projected 2020/2021 Closing Balance as illustrated in appendix 3.
- 2.3 That Members note the Updated Revenue Budget 2021/2022 as outlined in Section 4 below.

Information and Analysis

- 3.1 Appendix 1 summarises the Revenue Budget Monitoring as at 31 January 2021, being a projected underspend of £1,239,405. (The variances detailed in the following sections have been included as gross items. Where items offset one another (e.g. additional grant received in year to be transferred to reserves) these have been shown as contra items in Appendix 1).
- 3.2 At the February Fire Authority Members were informed of an underspend in the region of £1,148,850. The main changes since then are outlined below.

- 3.3 Reduced Operational Pay budget underspends of £280,210, and a saving through reduced Minimum Revenue Provision (capital financing costs) of £276,000 make up the principal variances since that time.
- 3.4 In addition, **Communications and Computing** budget overspends have reduced, with COVID 19 related expenditure being contained within budget for the most part. This will not adversely affect the amount of COVID 19 Emergency Grant recovered.
- 3.5 Some Service budgets are also seeing greater COVID 19 related underspends than previously reported. **Smoke Alarms** underspends have risen from £50,000 to £65,000. **Operation Training** budget underspends have also increased, as have **Public Transport, Car Allowances, and Catering. Recruitment Advertising** underspends of circa £17,000 are also apparent.

Revenue

The following section reminds Members of the main variances to date and other more minor changes in the performance against budget.

- 3.6 **Employees - Direct Employee Expenses** – overall staffing budget underspends in the region of £377,800 are anticipated and continue to take account of planned recruitment, the current level of vacancies, and the retirement profile. Heightened operational activity due to the COVID 19 pandemic is matched by COVID 19 Emergency Grant Funding. This amounts to £228,070 for April through to January.
- 3.7 **Admin, Professional, Technical and Clerical** – underspends of £451,100 continue to reflect the number of support vacancies held by the Service, and turnover of staff generally.
- 3.8 **Operational Pay** - a continued high level of WDS overtime (along with a hike in overtime payments in November through January) are partly attributable to ongoing COVID 19 arrangements, such as there being no detachment between stations to increase staff above four, alongside a high number of major incidents in recent months. This has resulted in an Operational Pay budget forecast overspend of circa £175,400.
- 3.9 **On Call Firefighter Pay** – a recent accelerated level of expenditure is primarily around safe and well checks and enhanced community work, in particular Local Resilience Fund directed community support e.g. delivering prescriptions and ambulance driving. The Service continues to work closely with its partners to safeguard the most vulnerable members of our community.
- 3.10 The staffing budget is constructed to include a vacancy factor for anticipated and normal turnover and the budgetary underspends are in addition to this allowance. Actual vacancies in established posts are 20.0FTE as at 31 January 2021. Agency Budget spend amounts to some £65,020 to date.
- 3.11 **Indirect Employee Expenses** – underspends of £50,000 are in relation to **Operational Training** budgets, which aligns with the commitment that classrooms (and class sizes) are COVID secure, and our ongoing protection of

personnel. **Recruitment Advertising** underspends of some £17,000 are also reported.

- 3.12 **Transport Related - Direct Transport Costs** – Fuel budget underspends in the region of £62,000 relate to the issue of free fuel by BP plc at the commencement of the pandemic, and more recently. Further, efficiencies have been enhanced by the use of multiple suppliers to create competition, driving the price of fuel down. This may be offset to some degree by ladder replacement costs and fleet modifications required to two special appliances.
- 3.13 **Public Transport and Car Allowances** – underspends of £29,200 arise predominantly from reduced travel as a result of an extended period of lockdown, and the continuing impact of the pandemic.
- 3.14 **Transport Insurance** – a reduced overspend of £35,180 (previously £47,270, February 2021) reflects significant changes in the insurance market, specific to a reduction in capacity (the withdrawal of insurers) and increasing claims inflation. The increase is not directly associated with Derbyshire Fire Service's performance, but a general underwriting loss over the insurance industry. In fact, the reduction in overspend is as a result of a low claims rebate, which reflects the diligent efforts of the Service.
- 3.15 **Supplies and Services – Equipment, Furniture and Materials** – underspends comprise of Smoke Alarms £65,000, Community Safety Consumables £20,000, and General Equipment £30,000, due to reduced activity alongside alternative methods of service delivery, during the initial lockdown, the tier system, and subsequent lockdown. Specific COVID 19 related expenditure, which is not provided for in the base budget, will be matched by COVID 19 Emergency Grant Funding. This amounts to circa £54,000 at the current time. A further £23,000 for the purchase of Draeger Parat smoke hoods will be funded by Grenfell Infrastructure Grant funding upon delivery.
- 3.16 **Clothing Uniforms and Laundry** - in March 2019 Members approved the continuation of collaborative arrangements involving Nottinghamshire Fire and Rescue Service and DFRS regarding the purchase of replacement structural Personal Protective Equipment, with the majority of kit being purchased and distributed during the 2019/2020 financial year. Outstanding costs still to be invoiced during 2020/2021 will be provided for from the balance of the Joint PPE Reserve. Offsetting underspends in the region of £20,000 on Uniform and Protective Clothing Repairs are as a result of the investment in new kit.
- 3.17 **Printing, Stationery and General Office Expenses – Printing, Copy Charges and Stationery Budget** underspends amount to some £52,000 and reflect the necessity of work from home arrangements. **Marketing and Communication** – a small underspend reflects continued diligence and the enhanced use of electronic media.
- 3.18 **Services – Other Insurance** – includes Liability Insurance and Engineering Insurance and Inspection, underspends of circa £20,000 are apparent at this time.
- 3.19 **Communications and Computing** – The Service continues to be dependent on ICT systems and solutions and has assessed its ICT infrastructure requirements

in response to the pandemic. COVID19 related expenditure of circa £111,800 has been incurred in year, of which £81,800 will be contained within budget. This results in a forecast overspend of £30,000. Members are assured that the full £111,800 will be recovered through C19 Emergency Grant funding at year end.

- 3.20 **Expenses** – underspends of £40,000 reflect reduced Subsistence, Overnight Accommodation and Hospitality expenditure, all of which are considered to be COVID 19 related.
- 3.21 **Miscellaneous Expenses** - following the establishment of the joint Property team for police and fire, with Police employing the staff, Derbyshire Constabulary charge DFRS for this service from the 2020/2021 financial year onwards. An underspend of £25,600 arises through vacant posts experienced within the joint team and a review is being undertaken on potential longer term savings that can be secured.
- 3.22 **Minimum Revenue Provision** – an underspend of £276,000 aligns with our approved MTFS, and our revised approach to capital financing.
- 3.23 **Contribution to / from Earmarked Reserve – Government Grant Funding** - a variance of £789,155 provides for receipt of the second tranche of Covid19 Emergency Grant Funding. This is offset by the use of funding of circa £129,700 at this time.
- 3.24 Further, at the June Fire Authority, Members were informed of two additional grants awarded by the Home Office, namely for the **Building Risk Review Programme** £60,000, and the **Protection Uplift Programme** £72,849. Also, following the Grenfell Tower Enquiry Phase 1 Report, MHCLG issued a new **2020/2021 Infrastructure Fund** of £81,885 to DFRS.
- 3.25 This ring fenced funding has been transferred to 4 new Earmarked Reserves in the first instance, see Appendix 3, and will be used to fund related expenditure incurred in year, in compliance with explicit funding criteria.
- 3.26 An offsetting variance of £175,000 (transfer from Reserves) provides for outstanding costs of Personal Protective Equipment purchase to be funded by the Joint PPE Reserve as previously described in para 3.15.
- 3.27 **Other Government Grants and Other Income – Insurance Income** – income of £22,000 relates to the reimbursement for stolen items at Wirksworth Fire Station. It also reflects the recovery of the majority of stolen items in salvageable condition, and their being put back into service.
- 3.28 **Other Government Grants and Other Income - Secondment Income** – income in the region of £100,000 is anticipated at this stage specific to a Control post secondment and two Support personnel secondments.

Reserves

- 3.29 A Forecast Closing Balance of £11.2m reflects the favourable 2019/2020 Outturn position, and that of previous years. A summary of Estimated Closing Reserves is included in Appendix 3.

- 3.30 The position takes account of a contribution of £0.8m from the **Capital Development Reserve** to support the 2020/2021 Capital Programme. The Closing Balance of the **Capital Development Reserve** is estimated to be £1.1m at this stage, and Members will be aware that no future contributions will be made to the reserve in accordance with our approved MTFS.
- 3.31 Following the outbreak of COVID 19 the Home Office announced funding of some £3.7bn, in 3 tranches to support local authorities. DFRS received the first tranche of funding in March 2020 for the amount of £0.158m which has been transferred to a newly established **COVID 19 - Emergency Funding Reserve**. The second tranche of funding, being £0.789m was received by the Authority in the new financial year. No funding was allocated to Fire and Rescue Services in the third tranche. The Service continues to monitor cost pressures resulting from the outbreak and its wide-ranging impact, and submits monthly returns to the Fire Finance Network, who are evidencing spend to the Home Office on behalf of the sector.
- 3.32 A further three new Reserves record the receipt of ring fenced grant funding, specifically the **Grenfell Infrastructure Grant Reserve** £81,885 (Home Office funding), the **Building Risk Grant Reserve** £60,000, and the **Protection Uplift Grant Reserve** £72,849 (both from MHCLG) as described in para 3.23.
- 3.33 The **Local Funding Risk Reserve** was established at Outturn 2019/2020 to provide resilience in the event of local funding shortfalls, specific to NNDR and Council Tax due to the COVID 19 outbreak and its effect on the national and local economy. The long term effects on local funding streams and the government response to the 'Covid bill' are unclear at the current time. The reserve is considered prudent and will contribute towards initial funding shortfalls as the longer term effect of the virus on the economy, and the length of economic recovery, plays out.
- 3.34 It is anticipated at this stage that **Capital Grant Unapplied** of £318,000 will be utilised in the 2020/2021 financial year. Slippage is due to ESN project delays at a national level. **Capital Receipts** of £0.53m have been received in year, of which £0.15m will be expended during 2020/2021 to finance capital investment.

4. Updated Revenue Budget 2021/2022

- 4.1 At the 11 February meeting the Fire Authority approved the 2021/22 Medium Term Financial Plan and a revenue budget position as summarised below. The reported position was a deficit requiring a contribution of £249,695 from reserves.

	2021/22	2022/23	2023/24	2024/25
Total Expenditure	39,763,840	40,016,900	41,087,900	42,117,000
Total Income	39,514,145	40,118,580	40,912,900	41,539,500
Net budget Deficit / (Surplus)	249,695	(101,680)	175,000	577,500

- 4.2 The report highlighted that not all the required information had been received in time from neighbouring Billing Authorities requiring some amounts to be estimated. This information has now been received and requires the 2021/22 Revenue budget to be adjusted. Overall the position is slightly worsened from that estimated in February predominantly due to lower than anticipated business

rates income. There is also the increased risk of variances from the projected figures as the economic fall out of the pandemic unfolds. This uncertainty is likely to continue for several years as businesses recover and respond to new ways of working and new consumer habits.

4.3 Contained within the final figures is the forecast position for the current financial year (2020/21) collection fund account. This account holds the receipts from Council tax and NNDR and is governed by specific statutory accounting regulations. A deficit in relation to NNDR is currently forecast at £1.204m and will be recovered in 2021/22. Primarily, this has arisen due to the timing of the announcement of the expansion of retail reliefs for businesses being made after the NNDR budgets had been calculated (and fixed) in January 2020. However, the Service will be compensated for these mandatory reliefs by way of a 'section 31' government grant. Due to the way the rate retention scheme operates the grant will be received in 2020/21 (the year in which the reliefs are granted), but the deficit has to be met in 2021/22. This timing difference requires this element of the grant to be transferred to an earmarked reserve for use in 2021/22 to meet the statutory deficit.

4.4 Other new COVID 19 measures introduced by the government require elements of the deficit to be phased over 3 years. For Derbyshire Fire and Rescue this means a further £0.111m will be recognised in each year 2022/23 and 2023/24 for Council Tax and NNDR deficits. This is part of the deficit that is not compensated through section 31 grants, however the service will receive £0.450m compensation grant that can be used to fund these shortfalls.

4.5 The revised position below does not affect any of the longer term assumptions made in the Medium Term Financial Plan but it does require the authority to increase the amount of grant used to fund the 2021/22 position. An increased amount of £0.358m will now be required from the £0.450m compensation grant receivable in 2021/22. The remaining grant will be held in reserves to fund future variations in collection fund income.

	2021/22	2022/23	2023/24	2024/25
Expenditure	39,514,145	40,016,900	41,087,900	42,117,000
Increase in use of reserves	(1,279,028)			
Revised Expenditure	38,235,117	40,016,900	41,087,900	42,117,000
Income	39,514,145	40,118,580	40,912,900	41,539,500
Net change to CTAX/NNDR	(212,626)	(118,425)	(21,322)	47,950
Change to Coll Fund Deficit	(1,066,402)	67,572	(111,348)	0
Revised Income	38,235,117	40,067,728	40,780,230	41,587,450
Net budget Deficit / (Surplus)	0	(50,828)	307,670	529,550

4.6 In setting the 2021/22 budget the authority has used part of the anticipated additional funding to be received from central government. In addition to the Strategic Risk reserve the authority has 2 other amounts set aside to cover Covid and budget setting uncertainties:

		Original value	Anticipated balance 2021/22
Local Funding Reserve	Created from previous years outturn	262,000	262,000
Covid grant	Allocation received during 2020/21 to fund additional costs associated with Covid 19 (net of savings)	947,000	718,000
Compensation grant	Due in 2021/22 to fund reduction in Council Tax and NNDR income	450,000	92,000

5. Future Outlook

5.1 The continued pandemic and the recently announced staged easing of lockdown continues to increase the level of uncertainty around forecasting over the remaining months of 2020/21 and into the future. The medium term deficits included in the table in 4.5 are the reasonable worst case scenario although it is important to highlight that they do not include the potential impact of the McCloud Sargent pensions remedy on employers or any potential reductions in government funding as part of any government plans to recover the costs of the pandemic.

This report has been consulted upon and approved by the following officers:

Strategic Leadership Team – 3.3.21

Contact Officer: Simon Allsop

Contact No: 01773 305410

Background Papers:

Revenue Budget Outturn 2019/2020

Capital and Prudential Outturn 2019/2020

Medium Term Financial Plan 2021/2022 to 2024/2025

Capital Programme 2021/2022 to 2024/2025, Prudential Code and Treasury Management Strategy

Medium Term Financial Strategy 2021/2022 to 2024/2025

Derbyshire Fire and Rescue Authority

Revenue Budget Monitoring to January 2021

APPENDIX 1

		Original Budget 2020/2021 £	Updated Budget 2020/2021 £	Actual Apr - Jan 2021 £	Forecast £	Variance £	Offsetting variances £	Final Variance £
EMPLOYEES	DIRECT EMPLOYEE EXPENSES	31,561,200	31,346,800	25,493,898	30,969,000	(377,800)	0	(377,800)
	INDIRECT EMPLOYEE EXPENSES	555,880	555,880	340,035	483,880	(72,000)	0	(72,000)
	PENSION	777,200	777,200	0	777,200	0	0	0
PREMISES RELATED	REPAIRS, ALTERATIONS AND MAINTENANCE OF BUILDINGS	786,300	786,300	507,130	786,300	0	0	0
	ENERGY COSTS	376,400	376,400	242,613	376,400	0	0	0
	RENTS	1,022,760	1,022,760	755,335	1,022,760	0	0	0
	RATES	1,232,930	1,232,930	1,238,931	1,238,930	6,000	0	6,000
	WATER	84,700	84,700	61,487	84,700	0	0	0
	CLEANING AND DOMESTIC SUPPLIES	83,600	83,600	71,028	83,600	0	0	0
	GROUND MAINTENANCE COSTS	42,800	42,800	24,969	29,800	(13,000)	0	(13,000)
	PREMISES INSURANCE	29,800	29,800	29,762	29,760	(40)	0	(40)
	REFUSE COLLECTION	13,300	13,300	12,265	13,300	0	0	0
TRANSPORT RELATED	DIRECT TRANSPORT COST	1,006,000	998,000	717,146	936,000	(62,000)	0	(62,000)
	CONTRACT HIRE AND OPERATING LEASES	244,500	244,500	229,910	244,500	0	0	0
	PUBLIC TRANSPORT	19,700	19,700	371	500	(19,200)	0	(19,200)
	CAR ALLOWANCES	28,850	28,850	14,929	18,850	(10,000)	0	(10,000)
	TRANSPORT INSURANCE	177,600	177,600	212,778	212,780	35,180	0	35,180
SUPPLIES AND SERVICES	EQUIPMENT, FURNITURE AND MATERIALS	684,490	752,490	432,500	714,210	(38,280)	0	(38,280)
	CATERING	24,400	24,400	9,286	11,400	(13,000)	0	(13,000)
	CLOTHES, UNIFORMS AND LAUNDRY	271,680	296,680	174,053	451,680	155,000	0	155,000
	PRINTING, STATIONERY AND GENERAL OFFICE EXPENSES	91,200	91,200	25,175	39,200	(52,000)	0	(52,000)
	SERVICES (Includes Occ Health, Insurance, External Auditor Fees)	689,280	689,280	545,092	659,280	(30,000)	0	(30,000)
	COMMUNICATIONS AND COMPUTING	1,964,210	2,027,710	1,876,886	2,057,710	30,000	0	30,000
	EXPENSES	50,700	50,700	10,569	10,700	(40,000)	0	(40,000)
	GRANTS AND SUBSCRIPTIONS	92,000	92,000	104,987	105,000	13,000	0	13,000
	MISCELLANEOUS EXPENSES	156,800	419,200	121,877	393,600	(25,600)	0	(25,600)
THIRD PARTY PAYMENTS	OTHER LOCAL AUTHORITIES	195,750	59,250	1,350	59,250	0	0	0
CAPITAL FINANCING COSTS	INTEREST PAYMENTS	370,000	370,000	278,314	370,000	0	0	0
OTHER	MINIMUM REVENUE PROVISION	679,000	679,000	0	403,000	(276,000)	0	(276,000)
	REVENUE CONTRIBUTIONS TO CAPITAL	0	0	0	0	0	0	0
	TRADING COMPANY DIVIDEND	(378,310)	(378,310)	0	(378,310)	0	0	0
	CONTRIBUTION TO / FROM EARMARKED RESERVE	(145,640)	(205,640)	0	470,585	676,225	0	676,225
	SUBTOTAL EXPENDITURE	42,789,080	42,789,080	33,532,675	42,675,565	(113,515)	0	(113,515)
INCOME	PRECEPT INCOME AND SURPLUS ON COLLECTION FUND	(24,984,180)	(24,984,180)	(20,079,980)	(24,984,180)	0	0	0
	REVENUE SUPPORT GRANT	(4,239,450)	(4,239,450)	(3,725,333)	(4,239,450)	0	0	0
	NATIONAL NON DOMESTIC RATES	(9,810,870)	(9,810,870)	(7,413,706)	(9,810,870)	0	0	0
	OTHER GOVERNMENT GRANTS AND OTHER INCOME	(3,754,580)	(3,754,580)	(3,456,743)	(4,880,470)	(1,125,890)	0	(1,125,890)
	SUBTOTAL INCOME	(42,789,080)	(42,789,080)	(34,675,762)	(43,914,970)	(1,125,890)	0	(1,125,890)
	OVERALL TOTAL	0	0	-1,143,087	(1,239,405)	(1,239,405)	0	(1,239,405)

Derbyshire Fire and Rescue Authority

Revenue Budget Monitoring to January 2021

APPENDIX 2

	Updated Budget 2020/2021 £	Actual Apr - Jan 21 £	Forecast £	Variance £
DIRECT EMPLOYEE EXPENSES				
ADMIN, PROFESSIONAL, TECHNICAL AND CLERICAL	7,374,700	5,688,802	6,923,600	(451,100)
OPERATIONAL PAY	18,328,500	15,360,956	18,503,900	175,400
CONTROL STAFF PAY	1,590,000	1,308,819	1,590,000	0
ON CALL FIREFIGHTER PAY	4,053,600	3,135,321	3,951,500	(102,100)
INDIRECT EMPLOYEE EXPENSES				
TRAINING	420,830	266,226	370,830	(50,000)
ALLOWANCES	36,770	34,799	14,770	(22,000)
PENSION	777,200	0	777,200	0
OTHER	98,280	39,011	98,280	0
	32,679,880	25,833,934	32,230,080	(449,800)

Derbyshire Fire and Rescue Authority Forecast Outturn 2020/2021

'A'		'B'	'C'	'D'	'E'	F=B+C+D+E	'G'	'H'	A+F+G+H
Opening Balance 01/04/2020	<u>Reserves</u>	Original Budget	Approved Budget Virements	Transfer to Reserve	Transfer from Reserve	Total Revenue Movements	Outturn Position	Capital Movements	Estimated Closing Balance 31/03/2021
	EARMARKED RESERVES		0						
1,890,206	Capital Development Reserve			0		0		(835,584)	1,054,622
0	Grenfell Infrastructure Grant			81,885	(22,970)	58,915			58,915
0	Building Risk Grant			60,000		60,000			60,000
0	Protection Uplift Grant			72,849	0	72,849			72,849
158,209	COVID19 - Emergency Funding			789,155	(229,700)	559,455			717,664
262,238	Local Funding Risk					0			262,238
220,000	Workforce Contingency Reserve					0			220,000
180,000	Pensions Risk Reserve			200,000		200,000			380,000
148,860	BA Training House R&M Fund			20,000		20,000			168,860
14,370	System Development Reserve					0			14,370
123,835	Protecting the Most Vulnerable				(40,000)	(40,000)			83,835
175,000	Joint PPE Review				(175,000)	(175,000)			0
94,590	ESN Revenue Grant			0	0	0			94,590
3,267,308	SUBTOTAL - EARMARKED RESERVES	0	0	1,223,889	(467,670)	756,219	0	(835,584)	3,187,943
1,900,000	General Reserves								1,900,000
1,642,096	Strategic Risk Reserve *	(815,640)	187,470	470,000	(60,000)	(218,170)	1,239,405		2,663,331
355,691	Invest To Save Reserve		40,000	0	0	40,000			395,691
1,289,560	TriControl / ESN					0			1,289,560
1,269,955	Capital Grant Unapplied					0		(317,718)	952,237
337,047	Capital Receipts Reserve			530,000	0	530,000		(149,000)	718,047
10,061,657	TOTAL RESERVES	(815,640)	227,470	2,223,889	(527,670)	1,108,049	1,239,405	(1,302,302)	11,106,809

OPEN

DECISION

ITEM 7

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

**REPORT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE AND
DIRECTOR OF FINANCE/TREASURER**

CAPITAL PROGRAMME MONITORING 2020/2021 (TO JANUARY 2021)

1. Purpose of Report

- 1.1 To present the Capital Programme Monitoring as at 31 January 2021.

2. Recommendations

- 2.1 That Members note the capital monitoring position as at 31 January 2021 as set out in Appendix 1.

That Members approve:

- 2.2 Slippage totalling £0.232m from the Transport Capital programme (paragraphs 3.2, 3.3 and 3.4).
- 2.3 Slippage of £0.069m from the ICT Capital programme scheme to replace the Human Resources System (paragraph 3.5).
- 2.4 Bringing forward £0.009m for accelerated expenditure against the Corporate WiFi scheme (paragraph 3.6).
- 2.5 Slippage of £0.180m from the Emergency Services Network (ESN) scheme, (paragraph 3.7).
- 2.6 An increase of £0.030m for the scheme to provide separate locker and changing facilities at on call fire stations (paragraph 3.8).

3. Information and Analysis

Capital Programme Monitoring

- 3.1 The updated position on the Capital Programme is shown in Appendix 1. It shows total expenditure to date of £1.173m which represents 35% of the revised budget of £3.329m.

Transport Programme

- 3.2 Two of the four 4x4 vehicles have been delivered. Orders have been placed for two more vehicles however these will not be delivered until July due to the supplier lead time. Approval is sought to slip £0.060m of the scheme budget into next financial year.
- 3.3 Although the order for the replacement medium van has also been placed, this will not be delivered until May. Approval is also sought to slip the £0.022m budget into next financial year.
- 3.4 Suitable solutions for the Replacement Welfare Vehicle are under review and approval is requested to slip the £0.150m budget into next year.

ICT Projects

- 3.5 Work on implementing the new HR system is a major project and is currently in progress. The development system is now up and running and data migration is in progress, but Phase 1 is not due to go live until October 2021 and Phases 2 and 3 will go later in financial year 2021/22. Approval is requested to slip £0.069m to 2021/22 to fund interface development at the latter end of the project.
- 3.6 Work has been undertaken simultaneously on the Wireless Infrastructure and Corporate Wi-Fi projects. Approval is sought to bring forward £0.009m of the £0.125m budget previously slipped into 2021/22 for the Corporate WiFi project. The ICT team have been able to achieve further progress on the upgrade during the year and this will enable alignment of the two scheme budgets for the overlapping project areas.
- 3.7 Slippage of £0.180m of the Emergency Services Network (ESN) scheme is sought due to the continuing development of the national scheme and specification approval by Central Government.

Property Programme

- 3.8 An increase of £0.030m is requested for the scheme to provide separate locker and changing facilities at on call fire stations. The increase is required to incorporate two stations that were originally planned to be improved separately, as part of Co-location Programme schemes.

4. Legal Considerations

- 4.1 Included within the main body of the report.

5. Financial Considerations

- 5.1 Current year financial considerations are included within this report. Future year capital programmes and financing decisions are considered as part of the budget setting process. The Authority continues to fund its capital programme in line with its agreed Medium Term Financial Strategy.

6. Further Considerations

6.1 None applicable to this report.

This report has been consulted upon and approved by the following officers:

Strategic Leadership Team – 3.3.21

Contact Officer: Simon Allsop

Contact No: 01773 305410

Background Papers:

2020/21 – 2022/23 Capital Programme, Prudential Code Report and Treasury Management Strategy, 13 February 2020

Capital and Prudential Outturn 2019/20, 23 July 2020

Capital Monitoring and Prudential Update 2020/2021, 24 September 2020

Capital Monitoring and Prudential Update 2020/2021, 3 December 2020

2020/21 Capital Monitoring, 2021/22 - 2023/24 Capital Programme, Prudential Code Report & Treasury Management Strategy, 11 February 2021

Prudential Code (amended in 2012)

CIPFA Treasury Management in Public Services: Code of Practice 2017 Edition (the CIPFA Code) and associated guidance issued by CLG

Derbyshire Fire and Rescue Service

Capital Programme 2020/21												
	Expenditure					Funding						
	Total Scheme Budget	2020/21 Latest Budget approved at February FRA	Changes for approval at March FRA	Revised 2020/21 Budget for approval March FRA	Expenditure Year to Date	Reserves	Revenue	Capital Grant Unapplied Reserve	Capital Contribution	Capital Receipts	Borrowing	Total
	£				£	£	£	£	£	£	£	£
ICT Strategy												
ICT Strategy fund	500,000	0		0		0				0		0
Human Resources replacement system	300,000	300,000	(69,000)	231,000	231,000	231,000						231,000
Wireless Infrastructure	125,000	125,000	31,000	156,000	144,979	156,000						156,000
Back Up Restore Capabilities	50,000	50,000		50,000	24,039	20,000				30,000		50,000
Desktop PC replacement programme	35,000	35,000		35,000	34,270	0				35,000		35,000
Virtual Desktop Infrastructure Hardware & Configuration	282,500	31,456		31,456	9,350	31,456						31,456
EIS replacement	180,000	0		0	0	0						0
Business Intelligence Tool	30,000	0		0	0	0						0
Telephony	250,000	0		0	0	0						0
SharePoint Upgrade / Move to Cloud	55,070	12,000		12,000	0	12,000						12,000
Networking	200,000	0		0	4,214	0						0
WAN Upgrades	152,685	50,000		50,000	0	50,000						50,000
Corporate Wi-Fi	190,000	25,000	(22,000)	3,000	2,332	3,000						3,000
Emergency Services Network (ESN)	1,384,100	230,000	(180,000)	50,000	22,414	50,000		0		0		50,000
Vehicle Data Routers (ESN project)	139,308	139,308		139,308	126,478	139,308						139,308
ICT Hardware for Mobile Devices on Appliances	142,000	142,000		142,000	136,359	142,000						142,000
Tri Control Project	5,400,000	953,968		953,968	0	821	635,429	317,718				953,968
Property Programme												
Separate Male & Female Locker/Changing Facilities On-Call F.S.	720,000	381,601	30,000	411,601	189,931					0	411,601	411,601
New Glossop Fire Station	3,100,000	50,000		50,000	0					0	50,000	50,000
Derbyshire Constabulary Co-location Programme												
Melbourne Fire Station Co-location Scheme	100,000	0		0	0	0			0			0
Long Eaton Fire Station Co-location Scheme	150,000	73,620		73,620	57,943				73,620			73,620
Ascot Drive Fire Station Co-location scheme (Fire scheme only)	300,000	137,927		137,927	64,122				0	0	137,927	137,927
Heanor Fire Station Co-location scheme	1,600,000	0		0	0				0	0		0
Clay Cross Fire Station Co-location scheme	1,900,000	0		0	0				0	0		0
Alfreton Fire Station Co-location scheme	510,000	30,000		30,000	0				30,000			30,000
Vehicles												
4 red fleet 4x4 vehicles	150,000	120,000	(60,000)	60,000	40,926					0	60,000	60,000
3 Appliances	750,000	0		0	0	0				0		0
Officer Cars	34,000	84,000		84,000	84,365	0				84,000		84,000
Replacement Welfare vehicle	150,000	150,000	(150,000)	0	0					0	0	0
1 x Medium Van	22,000	22,000	(22,000)	0	0	0				0	0	0
3 x Fire Appliances purchase on lease expiry	30,000	30,000		30,000	0						30,000	30,000
Breathing Apparatus including Telemetry	598,000	598,000		598,000	0					0	598,000	598,000
		3,770,879	(442,000)	3,328,879	1,172,723	835,584	635,429	317,718	103,620	149,000	1,287,528	3,328,879

OPEN

DECISION

ITEM 8

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

REPORT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE

CORPORATE SERVICES EQUIPMENT STRATEGY 2021-2024

1. Purpose of Report

- 1.1 To seek Fire Authority Members' approval for the Equipment Strategy 2021-2024.

2. Recommendation

- 2.1 That Members approve the Equipment Strategy 2021-2024 as at Appendix 1.

3. Background

- 3.1 The purpose of the Equipment Strategy (the Strategy) is to provide information to members of the Fire Authority, the Strategic Leadership Team and all other stakeholders on how Derbyshire Fire and Rescue Service (the Service) will procure, manage and maintain a modern, diverse and effective equipment inventory that meets the needs of the Service and ultimately maximises firefighter safety whilst keeping our communities safer.
- 3.2 The Strategy does support Derbyshire Fire and Rescue Authority's "Our Plan (2020-2023)" and its vision of 'Making Derbyshire Safer Together'
- 3.3 The Strategy does ensure that operational equipment is legally compliant and meets all relevant industry standards and approved codes of practices.
- 3.4 The Strategy does detail the major equipment projects and challenges (2021-2024) and does include:
- The procurement and provision of new/replacement breathing apparatus with telemetry capability.
 - Subject to approval, the review and replacement of thermal imaging cameras.
 - The replacement of (old technology) multi battery-powered hand tools in line with new battery technology and a single battery concept.

- Subject to approval, the replacement of the hydraulic rescue equipment from the current petrol-driven engine to an E-draulic battery concept.
 - Subject to approval, implement the potential equipment options that may be identified through the review of the Major Rescue Units.
- 3.5 The equipment replacement plan over the next three years does ensure medium and long term prudent financial planning in both the Revenue and Capital spending whilst maintaining a balanced budget.
- 3.6 This Strategy, if approved will remain a live document and will evolve and develop to meet the changing needs of the Service whilst identifying any new or developing opportunities with equipment innovation or safety.
- 3.7 This strategy does also ensure that the Service maintains its commitment of ensuring operational personnel have suitable, sufficient and safe operational equipment to meet the needs of a modern Fire and Rescue Service.

4. Financial Considerations

- 4.1 The annual budget to support the delivery of the Equipment Strategy is always a significant part of the Authority's Capital spend and it ensures operational effectiveness and firefighter safety.
- 4.2 It is estimated that the annual equipment budget will be circa £355k over the next three years, which is a similar amount to previous years.
- 4.3 Each equipment project will be managed separately, with its own project plan. The funding and approval for each individual project will be managed at the appropriate level dependent on the scheme of delegation.

5. Inclusion & Equality Considerations

- 5.1 The Equipment Strategy is a key enabler to bring around diversity and inclusion into the Service. Therefore a key consideration behind the replacement of each piece of equipment will be how equality, diversity and inclusion can be improved through the choice of equipment and procurement process.

This report has been consulted upon and approved by the following officers:

Rick Roberts – Deputy Chief Officer
Strategic Leadership Team – 10 .3.21

Contact Officer:

Paul Moreland - Head of Corporate Services

Contact No:

07836 276105

Derbyshire Fire & Rescue Service



Making Derbyshire Safer Together

Operational Equipment Strategy
2021 - 2024

Contents

1. Introduction
2. Aim of the Strategy
3. Prioritising Services
4. Major Projects and Challenges 2021 – 2024
5. Provision of Operational Equipment
6. Operational Equipment Replacement Schedule
7. Breathing Apparatus Maintenance
8. Operational Equipment Management and Maintenance
9. Quality Assurance
10. Strategy for Equipment Replacement
11. Equipment Disposal
12. Diversity and Inclusion
13. Equipment Department Structure.

1. **Introduction**

- 1.1 The purpose of this equipment strategy is to provide members of the Fire Authority, the Strategic Leadership Team and all other stakeholders a clear and concise overview of how the service will procure, manage and maintain a modern and effective equipment inventory. This will ensure that firefighters have the latest equipment and technologies to support them in managing operational incidents and dealing with known and emerging risks.
- 1.2 This Operational Equipment Strategy is in support of Derbyshire Fire and Rescue Authority's "Our Plan (2020-2023)". The Plan, its vision of 'Making Derbyshire Safer Together' and the Service Priorities all drive the objectives of this equipment strategy.
- 1.3 The provision of high-quality, well maintained and technologically advanced operational equipment supports the Service Delivery function and ultimately maximises firefighter safety and keeping our communities safer.

2. **Aim of the Strategy**

- 2.1 Operational equipment must be capable of providing the platform from which all operational incidents can be effectively managed.
- 2.2 Through sound procurement, acquire suitable and sufficient operational equipment to meet the needs of a modern fire and rescue service.
- 2.3 To maintain an efficient Technical Service Support Unit (TSSU) which will ensure operational preparedness with trained technicians who will provide a high level of customer service, equipment maintenance, repair and administrative support.
- 2.4 Ensure the operational equipment budgets are proactively managed in a financially prudent manner.
- 2.5 Ensure operational equipment is legally compliant and meets all relevant industry standards, and approved codes of practices.
- 2.6 To achieve maximum value from decommissioned operational equipment with consideration given to any environmental impact that disposal of equipment may identify.
- 2.7 To continue to explore equipment development and technological advances to maximise ways of working and ultimately enhance firefighter safety.
- 2.8 Maintain an effective asset management system to ensure an auditable process is in place for the testing and tracking of operational equipment.

3. **Prioritising Services**

Within the Equipment Department's function, specific aims and objectives overlay the corporate direction and include the following principle tenets:

- 3.1 Operational equipment should provide "excellent value for money". New equipment, business systems or equipment infrastructure must enable DFRS to demonstrate consistent improvement.
- 3.2 All operational equipment within DFRS must be suitable, well maintained and ensure operational personnel feel confident that the equipment is safe, reliable and has the capability to complete the required task.
- 3.3 DFRS will maintain a reserve pool of risk-critical operational equipment. This equipment includes breathing apparatus, trauma care equipment, ladders, light portable pumps, positive pressure ventilation fans and hydraulic cutting equipment. This will ensure business continuity and also allow DFRS to carry out regular servicing and inspections on all equipment whilst maintaining an operational preparedness.
- 3.4 In addition to this pool equipment, a reserve is also required to cover breakdowns, emergency repairs, planned roll outs of equipment, mid-life refurbishments and any equipment losses.
- 3.5 The Operational Training Department will be issued with operational equipment that replicates the standard stowage on fire appliances. Operational Training will also assist where necessary with certain equipment evaluations that can utilise the specialist skills and knowledge within the department e.g. breathing apparatus and associated equipment, road traffic collision equipment, PPE and thermal imaging cameras (this list not exhaustive).
- 3.6 This operational equipment strategy highlights the equipment categories and suggests a predetermined replacement strategy based upon legislation, manufacturer's recommendations, empirical evidence or for low use, low risk equipment on a condemnation basis.
- 3.7 All replacement equipment will be procured in accordance with relevant financial and procurement regulations in order to demonstrate good governance and the achievement of excellent value.
- 3.8 All replacement equipment provisions will take account of the following criteria:
 - The equipment will reflect user requirement and specification.
 - Where possible, the design will take account of future developments in respect of technology.
 - They will maintain minimum impact upon the environment (lowest emissions possible, potential pollutants etc.).

- They will be fuel efficient without impeding performance.
 - They will represent excellent value for money in terms of whole life costs.
 - That servicing and replacement spare parts are readily available to ensure minimal down time.
- 3.9 As new and improved operational equipment is introduced into the Service, any increased requirement for training will be arranged by the Operational Training Department.
- 3.10 The systems used to monitor the whole life history of the equipment will be robust, accurate, secure and easy to use whereby, all records pertaining to any equipment can be accessed in a timely and simple manner.
- 3.11 DFRS will proactively engage with other regional Fire and Rescue Services to identify any areas of collaboration within the function of the Equipment Department.

4. **Major Projects and Challenges 2021- 2024**

The major challenges within the Equipment Department over the next three years are:

- 4.1 The procurement and provision of new/replacement breathing apparatus with telemetry capability.
- 4.2 Subject to approval, the replacement of the hydraulic rescue equipment from the current petrol-driven engine to an E-draulic battery concept.
- 4.3 The replacement of old technology multi battery-powered hand tools in line with new battery technology and a single battery concept.
- 4.4 Subject to approval, implement the potential equipment options that may be identified through the review of the Major Rescue Units.
- 4.5 The replacement and rationalisation of all portable ladders and ensuring all operational portable ladders do not exceed 18 years lifing as per manufacturer's guidance.
- 4.6 Subject to approval, the review and replacement of thermal imaging cameras.
- 4.7 Subject to approval, the review of the Safe Working at Height equipment.
- 4.8 A review and evaluation of replacement firefighting branches.
- 4.9 The rolling replacement of gas and liquid-tight suits.

- 4.10 The continuous development of frontline operational equipment to take account of the future risks and requirements of DFRS, i.e. wildfires, flooding etc.
- 4.11 Meet the on-going requirements of the Service by acting on the recommendations from the NFCC, Health and Safety investigations, operational debriefs or the internal performance reporting process.
- 4.12 Ensure effective rotation of operational equipment as required between high and low activity stations over the planned life of the equipment.
- 4.13 The continuing integration of the asset management recording system for operational equipment to ensure that the whole life history of the equipment can be recorded, monitored and reported upon allowing equipment requirements to be forecast in the medium and long term.

5. **Provision of Operational Equipment.**

We will continue to use operational equipment solutions:

- 5.1 That are procured in line with financial regulations and budgeted within either the capital or revenue budgets.
- 5.2 That are procured via the Unit 4 finance system through the appropriate framework or through a robust competition process.
- 5.3 Which ensure that asset management principles are maintained and adhered to through the asset management plan and associated documents.
- 5.4 Which keep pace with developing technology to the extent that is prudent and affordable using a need versus cost analysis.
- 5.5 Which properly meets our needs, represent excellent value for money and does not compromise the safety of our people or of our organisation.
- 5.6 That allows all pumping appliances entering the fleet to be procured with a full complement of new ladders, Light Portable Pump and Positive Pressure Ventilation fans to ensure the continuous investment in our operational equipment is maximised.
- 5.7 Which meet the operational needs of the service whilst ensuring the training requirements and health and safety of all operational personnel.
- 5.8 Which ensure that all new equipment procured is inclusive and meets the needs of the end user with consideration to diversity across our staff.

6. **Operational Equipment Replacement Schedule**

- 6.1 The expected life of operational equipment is determined by several factors which include: the type of equipment, its use and construction and also the manufacturer's recommendations. Scheduled servicing and preventative maintenance has led to an extended life with items of operational equipment. Typical lifing for items of operational equipment is as follows:

Equipment Type / Category	Current Supplier(s)	Replacement Period
Breathing Apparatus Set	Draeger	10 years
Merlin Telemetry Boards	Draeger	12 years
Operational portable Ladders	AS, Anderson, Bailey, Draper	18 years
Delivery Hose	Angus, CMT Flexibles (Goodyear Fire Booster)	10 years
Hose Fittings	CMT, Walter Franks.	Condemnation
Gas-Tight Suits	Respirex.	10 years
Liquid-Tight Suits	Respirex	10 years
Water Safety Ancillary Equipment, Throw Lines, PFDs etc	Northern Diver, Safequip, Aquatek	Condemnation
Drysuits	Northern Diver, Safequip, Aquatek.	8 years
Life Jackets (fabric)		Condemnation
Hand Branches	Delta, Quadra fog	Condemnation
Ground Monitors	Delta.	Condemnation
Breaking In and Miscellaneous Rescue Equipment.	Speedings, Signa, Paratech, Ruth Lee	Condemnation
Hydraulic Rescue Tools	Holmatro	18 years
Hydraulic Rescue Pump	Holmatro	18 years
Hydraulic Hose	Holmatro	10 years
Electric / Battery-Powered Rescue Tools	Holmatro	8 years
Battery-Powered Tools	DeWalt, Milwaukee	5 years (Review)

Air Bags (High Pressure)	MFC	15 years
Air Bags (Low Pressure)	MFC	15 years
Tirfors Winches	TU 16 & 35 Tirfors	Condemnation
Lighting and Lighting Units	Peli	Condemnation
Engine Driven LLPs	Godiva 8/5 – 10/10	10 years
Engine Driven PPVs	Group Leader	10 years
Thermal Imaging Cameras	Scott 3M	10 years
Radiation Detection Equipment	RADOS, Thermo Electron Corporation	Condemnation after testing
Generators		10 years
SWAH (metal)		Condemnation
SWAH (fabric)		10 years
Portable Extinguishers	Fire Control Uk	Condemnation (Tested 5 years)
Portable BA Compressors	Compact Six	20 years
Fixed BA Compressors	Bouer	25 years
BA Cylinders		Condemnation
Gas Monitoring Equipment	Honeywell	10 years (Sensor replaced annually)
Foam concentrate	Angus	10 years
Trauma Kit		Condemnation
Defibrillator	Well Medical	Units – Condemnation Batteries 4 years
Small Gear – Salvage Equipment		Condemnation

Refer to DFRS Red Kite system for full details of locations of all items of equipment.

7. Breathing Apparatus Maintenance

- 7.1 Due to the specialist nature of respiratory protection equipment (which includes breathing apparatus sets and associated equipment and also telemetry equipment), the servicing, repair and maintenance is undertaken by the manufacturer Dräger UK under a total care package. This arrangement is also financially beneficial for DFRS.
- 7.2 TSSU technicians are competent in the repair and maintenance of breathing apparatus and receive the required training and refreshers to ensure

competency in this risk-critical area is maintained for business continuity planning and also to ensure compliance with any reportable defect i.e. RIDDOR.

- 7.3 The Equipment Department will ensure that there is a sufficient pool stock of BA sets, cylinders and associated equipment to maintain operational resilience.

8. **Operational Equipment Management and Maintenance**

The Technical Services Support Unit (TSSU) are responsible for the maintenance and servicing of operational equipment. This will be delivered in such a way that:

- 8.1 All equipment is serviced, maintained, repaired and managed to the highest possible standards and in compliance with all relevant manufacturer's or other relevant standards/guidance. Where appropriate, sub-contractors will be used in the event that specialist work needs to be undertaken.
- 8.2 The appropriate maintenance is carried out in line with both insurance and legislative requirements e.g. Health and Safety at Work Act, PUWER and LOLER regulations.
- 8.3 All servicing and replacement parts will be fitted as recommended by each manufacturer's specification. A record of use and expenditure will be maintained.
- 8.4 All staff who are required to service, maintain, repair and manage equipment will have received the appropriate training, accreditation and refresher training.
- 8.5 Information and data records will be maintained for all items of operational equipment using the asset management recording system.
- 8.6 When required, appropriate staff will attend equipment specific user groups to enhance the operational equipment maintenance capability offered by TSSU.
- 8.7 The services provided by TSSU will meet the needs of all employees in accordance with inclusion and diversity.
- 8.8 The TSSU technicians will be responsible for the delivery of operational equipment maintenance. External resources will only be employed for more technical or specialised support that cannot be delivered by the TSSU technicians team or if part of a contract or total care package.
- 8.9 Access to Fire and Rescue Service stores at Ripley for 'out of hours' emergency replacement or replenishment of equipment (including firefighting personal protective equipment) will be part of a special procedure, held by Fire Control, which gives access into the Stores Department.

8.10 It is also recognised that the Equipment Department has a vital role to play in the following areas:

- Business continuity.
- General and major incident management including the recovery phase.
- Disaster planning and recovery.

9. **Quality Assurance**

9.1 In order to ascertain the performance of the TSSU department in delivering its services, periodic assessment as to the effectiveness of how the department supports Service delivery will be undertaken. This will be achieved through the use of function specific surveys.

10. **Strategy for Equipment Replacement**

10.1 A replacement period has been established for each type of equipment within DFRS (section 6) with the exception of those deemed as condemnation due to use.

10.2 The life expectancy in section 6 has only been placed upon risk-critical, high use, legislation or manufacturer's guidance. In accordance with this, it is necessary to ensure that financial planning for the short and medium-terms takes account of the replacement programme. In order to ensure that equipment is replaced at the appropriate time and are planned for within financial cycles, a list of all equipment assets will be maintained on the asset management recording system with a commission date and an end life date. This will assist with the financial planning for both capital and revenue spending.

10.3 In defining the specification for procurement of replacement equipment, the following factors will be taken into consideration:

- The use to which the equipment will be put to and the specific requirements identified as being essential by the end user.
- The environmental impact of the equipment, its use, its training requirements and whether this compromises any environmental issues (for example the use of foam concentrates).
- The efficiency of the equipment both in terms of maintenance and whole life running costs.
- The cost of the equipment baselined against alternative options supported by a cost-benefits analysis.
- The level of support and warranty applicable to the equipment that will be contractually supplied by the manufacturer.

- 10.4 In order to support the equipment replacement programme, all assets will be tracked using the asset management recording system throughout the entire life cycle of each piece of equipment.

11. **Equipment Disposal**

- 11.1 In accordance with the replacement programme, it is incumbent for DFRS to consider the most appropriate methods for disposing of decommissioned equipment. Each piece of equipment to be disposed of will be assessed to determine if there is any remaining residual value left in the item, any associated environmental impact and an assurance of an auditable disposal process that may be required.

Equipment will only be disposed in one of the following ways:

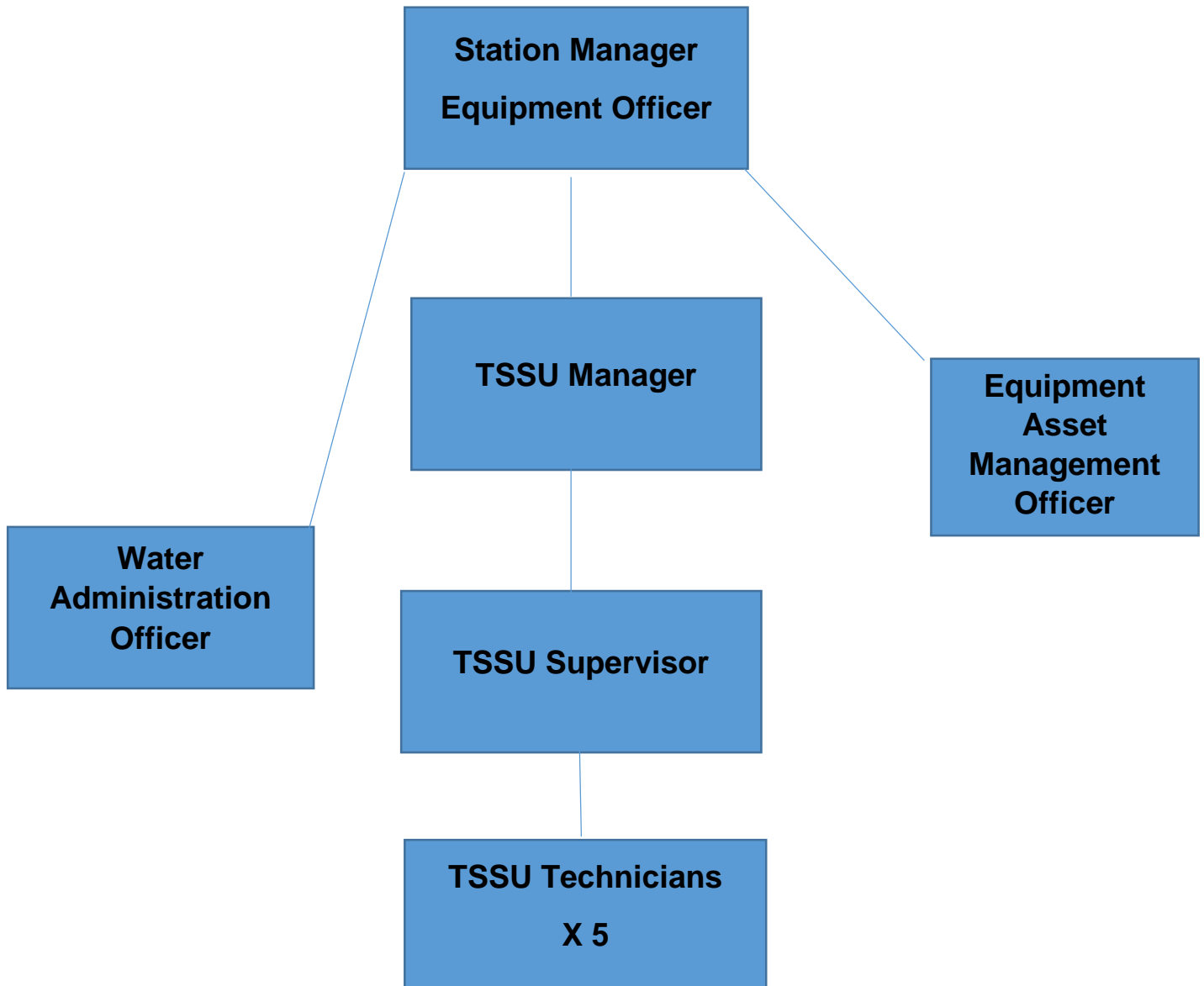
- Through a contract, currently a Service level agreement currently with Brightwells Auctioneers and Valuers.
 - Dispose of asset through the Disposal Services Authority or other approved agency or company (such as Sharps, Clinical Waste and Contaminated Equipment).
 - Donation abroad or to charity.
 - Sale to other Fire & Rescue Service.
 - Sale or donation to volunteer / industrial Fire Service.
 - Donation to museum or heritage trust.
 - Sold as scrap.
 - Arrangements may be agreed with suppliers of new equipment to dispose of old equipment considering any environmental impacts.
- 11.2 Disposal of certain risk-critical, high risk items of equipment such as life jackets, water rescue equipment and fire service lines that has been deemed as out of service life will be destroyed to prevent any items returning back into operation use in any format whatsoever or being sold off as ex-Fire and Rescue equipment.

12. **Diversity and Inclusion**

The Fire Sector continues to evolve with new equipment and innovation. This Equipment Strategy will ensure that DFRS are both legally compliant and morally 'doing the right thing' for our staff. The equipment we trial evaluate and procure will adhere to the values of the Equality Act 2010 in order to reflective the role of a modern firefighter whereby equipment is accessible to the individuals within those roles. DFRS will continue to source the most appropriate equipment and will complete, People Impact Assessments to

identify any risks to our staff and also assist with the planning, development and changes to equipment design and specification to ensure that we have considered the needs of our increasingly diverse workforce.

13. **Equipment Department Structure**



OPEN

DECISION

ITEM 9

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

JOINT REPORT OF MONITORING OFFICER AND TREASURER

PAY POLICY STATEMENT 2021

1. Purpose of Report

- 1.1 To present and seek Member approval to the Pay Policy Statement for 2021 for the financial year 2021/22.

2. Recommendation

- 2.1 That Members approve the Pay Policy Statement for 2021 as at Appendix 1.

3. Information and Analysis

- 3.1 The Pay Policy Statement has been reviewed in light of clarification in respect of:

- The National Living Wage for 2021
- Pension regulations
- Gender Pay Gap reporting regulations
- Brigade Managers' Pay Review

4. Legal Considerations

- 4.1 This report is prepared in accordance with the requirements set out in the Localism Act 2011 and accompanying guidance.
- 4.2 Derbyshire Fire and Rescue Authority (the Authority) is required by section 38(1) of the Localism Act 2011 to prepare pay policy statements. These statements must explain the Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Section 38(4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
- 4.3 Pay policy statements must be prepared for each financial year. They must be approved by the Authority by the end of March each year and published.

5. Financial Considerations

- 5.1 The People Strategy links pay and reward to improved performance to provide the best service with the resources available.
- 5.2 The People Strategy is supported by an annual workforce action plan which seeks to support further improvements in our Service performance through developing our people: equipping them with the necessary skills, abilities and behaviours to deliver in current and future environments. The Strategy seeks to support people in identifying and implementing new ideas and better ways of working, in how we do our jobs, and to work more collaboratively with each other and our partners.

6. Inclusion and Equality Considerations

- 6.1 There should be fair and equitable consideration of pay and remuneration in accordance with agreements with National Joint Council (NJC) the negotiating body for workers in local government.
- 6.2 Brigade Managers covered by the 'Gold book' Constitution and scheme of conditions of service, are entitled to no less favourable terms than employees covered by the 'Grey book' Constitution and scheme of conditions of service.

Appendices:

Appendix 1: Draft Pay Policy Statement 2021 for the financial year 2021/2022

This report has been consulted upon and approved by the following officers:

Strategic Leadership Team – 3.3.21

Contact Officer:

Louise Taylor, Monitoring Officer
Simon Allsop, Treasurer

Contact No:

Tel: 01773 305430
Tel: 01773 305410

Background Papers:

Pay Policy Statement 2020

People Strategy

[Guidance: Gender pay gap reporting: overview \(February 2017\)](#)

[Department for Communities and Local Government - Openness and accountability in local pay: Guidance under section 40 of the Localism Act \(February 2012\)](#)

[Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 - Supplementary Guidance \(February 2013\)](#)

DERBYSHIRE FIRE & RESCUE AUTHORITY



PAY POLICY STATEMENT 2021

MARCH 2021

VERSION 1.7

1 INTRODUCTION

- 1.1 Under the Localism Act 2011 Derbyshire Fire and Rescue Authority (the Authority) is required to prepare a Pay Policy Statement to explain the key policy principles that underpin its policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (referred to as 'Principal Officers' or 'Brigade Managers') and its lowest paid employees. A Pay Policy Statement must be prepared for each financial year and must be approved by the Authority. This Pay Policy statement covers the financial year 2021/2022.

2 OBJECTIVES

2.1 Responsibility and scale

Derbyshire Fire and Rescue Authority is directly responsible for a budget of £39.5 million for 2021/2022 and for the employment of 779.65 full time equivalent (FTE) staff as at 31 January 2021.

Work Group	FTE
Wholetime	351.46
Control	36.75
Support	164.79
On-Call*	226.65
Total	779.65

* Based on 120 hours cover being 1.0 FTE

2.2 Policy objectives

The Authority publishes the pay details of all senior officers with pro rata salary of more than £50,000 in its annual Statement of Accounts. This Pay Policy Statement brings the information on remuneration into a single document for public information and to meet the obligations of the Localism Act 2011. Links to other more detailed documents are provided. Rather than be limited to legal requirements this document seeks to bring additional clarity to local people on what the senior officers do and the level of reward

for their work - see [Document Library - Expenditure - Senior Salary Information](#)

Pay bands are established on nationally applied role maps for operational employees and grading bands established through a job evaluation process for support employees. In applying its Pay Policy, the Authority ensures it abides by its policy on equality and inclusion.

2.3 Pay negotiating bodies

The Authority applies the pay scales adopted by the respective National Joint Council (NJC) negotiating bodies for all its employees up to Brigade Manager level. The Authority pays above the new national living wage applied to all employees from the 1 April 2016. Local pay arrangements are in place for Brigade Managers and are considered in Section 4.

The Authority applies the annual pay settlements negotiated by:

- The National Joint Council for Local Government Services
- The National Joint Council for Local Authority Fire and Rescue Services
- The National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services

The Service undertakes negotiation with its recognised representative bodies on local agreements which affect the terms and conditions of its employees and which may include agreement of local allowances. The representative bodies recognised for negotiating purposes are:

- The Fire Brigades Union
- UNISON

2.4 Service aims and objectives

A National Agreement recognises the essential role of Brigade Managers in developing the Fire and Rescue Service for the future and for delivery of statutory duties and aims and objectives of fire authorities. The NJC believes that this is best achieved in partnership with fire authorities and their Brigade Managers through the provision of an environment that encourages the maximisation of its potential and the contributions of staff. The core values of the National Agreement are embedded in the ambitions of the Authority to make Derbyshire a safer place to live, work and visit.

2.5 Service Delivery Considerations

The National Agreement recognises that the local leadership of Derbyshire Fire and Rescue Service (the Service) is fundamental to the delivery of the modernisation agenda. The Chief Fire Officer/Chief Executive (CFO/CE) is charged with the statutory duty of Prevention, Protection and Response for the County and City to save and prevent loss of life and damage to the environment. The National Agreement also recognises the need for fire authorities to recruit and retain effective Brigade Managers.

2.6 Pay strategy and design

In determining the pay and remuneration of its employees, the Authority will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Authority takes the following approach to assessing individual and overall pay levels:

- Salaries of 'Green Book' (non-operational) employees in the Service are set using locally determined pay scales and a nationally agreed Job Evaluation Scheme.
- Salaries of 'Grey Book' (operational) employees in the Service are set using nationally agreed pay levels.
- Salaries of 'Gold Book' employees (Brigade Managers) in the Service are set under national terms and local terms and consideration is given on an annual basis to potential salary uplifts.
- Where applicable, annual national awards are normally made in April for Green Book employees, May for Gold Book employees and July for Grey Book employees.
- The Authority does not use performance related pay for its Brigade Managers.
- The Authority does not award bonuses to its Brigade Managers.

2.7 Gender Pay Gap reporting

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 required that from April 2017, organisations with more than 250 employees must collect data for the year and publish its gender pay gap information by 30 March each year. In addition, the Service must provide a written statement on the website which confirms the accuracy of these calculations and report the data to government online. Gender pay reporting requires 6 calculations to be carried out. These are detailed below:

Mean Gender Pay Gap	Calculating the mean gender pay involves adding up all of the hourly pay rates and dividing this by the number of employees.
Median Gender Pay Gap	Calculating the median gender pay involves listing all the hourly pay rates in numerical order with the median being the middle number of the list.
Mean Bonus Gender Pay Gap	Calculating the mean bonus gender pay involves adding up all of the bonuses and dividing this by the number of employees.
Median Bonus Gender Pay Gap	Calculating the median bonus gender pay involves listing all the bonuses in numerical order with the median being the middle number of the list.
Proportion of Males and Females receiving a bonus payment	Calculating the proportion receiving a bonus involves dividing the number of relevant employees who received a bonus by the number of relevant who could have received a bonus.

Proportion of males and females in each quartile band	To calculate a quartile range order the hourly pay rates in numerical order and split the list into 4 equal sections. Then calculate how many males and females fall into each section.
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Data held on 31 March 2020 will be used in accordance with the Government guidelines and full details can be found at: <https://www.derbyshire-fire.gov.uk/about-us/equality-diversity-inclusion/public-sector-equality-duty>

2.8 Apprenticeships

In September 2012, the Authority approved the introduction of support staff apprentices into the Service utilising an Apprenticeship Training Agency. Apprenticeships are introduced on a case by case basis and the Authority pays above the national living wage.

3 MANAGEMENT FUNCTIONS

3.1 BRIGADE MANAGERS

The Service employs two tiers of senior management, the most senior being Brigade Managers of which there are two. As well as performing organisational management functions, these officers provide the most senior operational command for the Service.

3.2 Substantive management arrangements

The substantive management arrangements divide responsibilities between the following Brigade Managers:

- Chief Fire Officer/Chief Executive (Operational)
- Deputy Chief Fire Officer (Operational)

3.3 Brigade Managers' Pay

In accordance with the requirements of the Localism Act 2011, the following officers known as Brigade Managers are covered within this Pay Policy Statement:

- Chief Fire Officer/Chief Executive (Operational)
- Deputy Chief Fire Officer (Operational)

3.4 All Brigade Managers are employed on the terms defined by the National Joint Council (NJC) for Brigade Managers of Local Authority Fire and Rescue Service (known as the Gold Book). Under these national terms consideration is given on an annual basis to potential salary uplifts. Discussions take place at national level between the national employers and employees representatives to recommend a minimum increase. This recommendation can then be added to at a local level.

3.5 SENIOR MANAGERS

The second management tier includes **one Director of Corporate Services and three** Area Managers who undertake the functional management of the Service. This tier includes a mixture of roles and associated terms and conditions and remuneration with staff being conditioned to one of two types of terms and conditions of service. These are the NJC for Local Government Services (known as the Green Book) and the NJC for Local Authority Fire and Rescue Services (known as the Grey Book). Area Manager pay is set at a fixed pay point with an additional amount paid for flexibility and Gold Command duties where appropriate. Any pay uplifts are negotiated at national level and fall in line with Grey Book increases – see: [Document Library – Expenditure - Senior Salary Information](#)

In collaboration with Derbyshire Police, a Joint Strategic Head of Assets is employed by the Chief Constable and the Authority contributes to the cost of this post with a joint service being provided to each organisation.

3.6 Statutory management functions

The Authority has two Officers fulfilling statutory officer functions. The roles concerned are:

- The Joint Director of Finance for Police and Fire (also holding the role of Treasurer for the Authority) is employed by the Chief Constable and the Authority contributes to the cost of this post with a joint service being provided to each organisation; and
- The Solicitor/Monitoring Officer employed by and reporting to the Authority. This Officer is on a fixed pay point salary on Green Book terms and conditions with subsequent pay uplifts being negotiated at a national level – see: [Document Library – Expenditure - Senior Salary Information](#)

4 RECRUITMENT AND REMUNERATION OF BRIGADE MANAGERS

4.1 Recruitment of Brigade Managers

Brigade Managers are selected in line with internal policies and procedures, with the full participation of Members of the Authority and selection is based upon merit. Under the requirements of the Localism Act 2011, new posts at Brigade Manager level will continue to be subject to approval by the Authority prior to advertisement.

4.2 Brigade Managers' Pay Review Panel

The Brigade Managers' Pay Review Panel (the Panel) has delegated authority to consider all issues associated with pay and conditions of Brigade Managers. Any recommendation made by the Panel is reported to and decided upon by the Authority. Any salaries of £100,000 or more will be subject to approval by the Authority after review by the Panel and any severance payments over £100,000 will be subject to approval by the Authority.

4.3 Brigade Managers' Pay Determination methodology

The pay process for Brigade Managers consists of the two track approach in accordance with the guidance issued under the Gold Book fifth edition published in 2006 which stated:

- (1) At national level the National Joint Council for Brigade Managers of Fire and Rescue Services (NJC) annually reviews the level of pay increase applicable to all those covered by the national agreement (paragraph 10 of the Gold Book).
- (2) All other decisions about pay levels and remuneration for individual Brigade Managers are to be taken by the Authority, who should annually review these salary levels (paragraph 11 of the Gold Book)

The local pay review will be effective from April each year. Arrangements will be made for an independent review to be undertaken of the salaries of Chief Officers in similar authorities. The review should use, as a benchmark, the Best Value Family Group 4 basic salary information, that is, those authorities of a similar size, nature and risks.

4.4 Remuneration of Brigade Managers

The remuneration for the Deputy Chief Fire Officer is based on a percentage of the CFO/CE salary which is calculated on a 'total reward' package to include salary and access to fleet vehicles within the existing fleet to enable the duties of the post to be performed. The CFO/CE salary is based on comparators for the role of Chief Fire Officers in similar authorities. The review compares the pay levels of comparable Fire and Rescue Authorities in the same Family Group of 18 Fire and Rescue Services and establishes an average median pay point as a benchmark salary which is considered by the Fire Authority when reviewing the salaries of Chief Officers. The relationship between the salary of the Chief Fire Officer/Chief Executive and the Deputy Chief Fire Officer (Operational) is 85%.

	Salary 2019/20
Chief Fire Officer/Chief Executive	£155,543
Deputy Chief Fire Officer (85% of CFO/CE salary)	£132,211

The facility exists for the Brigade Managers (either singularly or collectively) to present a case to the Panel (by the Chair) for variation of the 'total reward' package based on evidence, the overall performance of the Service or an annual appraisal.

The Panel will have discretion to award further percentage increases each year over any NJC award that may be decided.

The local pay review will cover the period 1 April to 31 March each year.

4.5 Fees and allowances

There are no fees or allowances payable to Brigade Managers other than Telephone Allowances which are included on the remuneration note within the Statement of Accounts.

4.6 Bonuses

There is no bonus scheme in operation for any role across the Service.

4.7 Expenses

Brigade Managers, Area Managers and Statutory Officers are able to reclaim a restricted range of legitimate and evidenced expenses including landline and telephone expenses. Wherever possible the Service will determine travel and accommodation, for example, rail tickets and hotels to gain best value and reduce the level of individual claims by officers. They do not hold an expense account. Corporate credit cards are issued to Officers on a needs basis to be used for business use only and full receipts need to be provided for any expenditure. Details of payments are included in the analysis for payments made by the Authority and accessible through the following link – see <https://www.derbyshire-fire.gov.uk/about-us/what-we-spend/expenditure-over-250>

4.8 Subscriptions

Where required, the Authority pays the annual membership fee for Area Managers and Statutory Officers for the National Fire Chiefs Council (NFCC). This allowance will be reviewed annually. It does not include individual professional body fees.

4.9 Performance Review

The Brigade Managers are expected to deliver their specified objectives and meet the behaviours required. Each has an annual Appraisal. The CFO/CE's Annual Appraisal is undertaken by the Chair and Vice Chair of the Authority or their nominated substitutes.

4.10 Performance Related Pay

There is currently no Performance Related Pay scheme in operation for any role across the Service.

4.11 Re-engagement of Staff

The Authority does not operate a policy of re-engaging staff after retirement from the Service.

5 REMUNERATION AND PAY MULTIPLES

5.1 Remuneration of other senior officers

Remuneration details of all those senior officers employed by the Service with a pro rata salary of over £50,000 can be found in the annual Statement of Accounts – see https://www.derbyshire-fire.gov.uk/application/files/6916/1372/8892/Statement_of_Accounts_2019-2020.pdf

5.2 Derbyshire Fire and Rescue Service Staff

Terms and Conditions of employment for staff within the Service pay frameworks are set nationally with any variations negotiated and agreed locally. This can include consideration of any market supplements and benchmarking information in determining appropriate pay and remuneration where required. The Service pay framework for operational uniformed personnel follows guidance on role related pay from the NJC, with the grade for each role being determined by a consistent job evaluation process.

5.3 The Service pay framework for non-operational support staff was implemented in line with National guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

5.4 Pay awards are considered annually for all staff. For uniformed operational staff (Firefighter to Area Manager) any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied from July each year. For non-uniformed support staff any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied from April each year.

5.5 Other allowances and payments

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

- **Local Government Pension Scheme** - An employer contribution of 13.2% of salary is applied for all members of the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 2.75% and 12.5% of pensionable pay.
- **Firefighters Pension Scheme 1992 (including special members of the 2006 Scheme)** – An employer contribution of 37.3% of pensionable pay is applied for all members of the 1992 scheme/Modified scheme. The employee contribution rates currently range between 11% and 17% of pensionable pay.

- **Firefighters Pension Scheme 2006 (excluding special members)** - An employer contribution of 27.4% of pensionable pay is applied for all members of the 2006 scheme. The employee contribution rates currently range between 8.5% and 12.5% of pensionable pay.
- **Firefighters Pension Scheme 2015** - An employer contribution of 28.8% of pensionable pay is applied for all members of the 2015 scheme. The employee contribution rates currently range between 11% and 14.5% of pensionable pay.

Other allowances applying to Firefighters include Flexible Duty Payments under the national conditions of service, overtime, Continuous Professional Development (CPD) Payments, training allowances and provision of Day Staffing Houses on a rent free basis with provision to cover utility bills, relocation and rent allowances under agreed policies.

Flexible Duty Payments are made to Area Managers, Group Managers, and Station Managers who provide flexible duty cover to attend emergency incidents on a 24/7 rota basis. This is paid at 20% of basic salary.

Continuous Professional Development Payments are made under national conditions of service and are approved annually, subject to an employee having more than five years' service since attaining competence in role. This is paid as a monthly payment to qualifying wholetime staff and qualifying On Call staff.

Other allowances include clothing allowance, paid to Control employees for the provision of uniform, mileage and the reimbursement of medical fees, which only applies to employees whose service commenced prior to November 1994. The reimbursement of fees extends to cover dental, optical and prescription fees as paid at NHS rates.

5.6 Pay multiples

Comparison of the CFO/CE salary to the median pay of staff covered by the Grey Book and the Green Book shows a pay multiple of 4.96 and will not exceed 5.5:

$$\text{Substantive} \quad \frac{\text{CFO/CE pay}}{\text{Median pay}} = 4.96$$

6 DEFINITION OF 'LOWEST PAID' STAFF

The 'lowest paid' grade within the Authority is a support role on **Scale 6** being paid **£19,698** per annum. The pay multiple between the CFO/CE and the lowest paid member of staff will be no more than 5.5. This will enable remuneration decisions which would help to attract competitive applications for future vacancies, whilst providing reassurance that pay is set within reasonable parameters. This will be reviewed as further information becomes available.

7 REVIEW

This statement will be reviewed annually by the Authority following the application of the national Gold, Green and Grey Book pay award decisions each year.

8 PUBLICATION

This statement will be published on the Service's website as the Derbyshire Fire and Rescue Service Pay Policy Statement to sit alongside the Brigade Managers' Pay Review Process and other information required to be published under the Government Code of Practice on Data Transparency.

DOCUMENT HISTORY	
Version no.	1.7
Replaces	Version 1.6
Date	March 2021
Approved by	DFRA
Review Period This Pay Policy Statement will be reviewed in March 2022.	
Distribution This Pay Policy Statement will be published on the intranet in the month of issue. No hard copies will be distributed.	
Index Keywords: <i>Pay Policy Statement, Pay Statement, Pay Policy, Chief Officer pay, Brigade Managers Pay, Senior Officers Pay, pay multiple, Pension contributions, lowest paid staff, performance related pay, gender pay gap reporting, pay negotiating bodies, bonuses, expenses, subscriptions, re-engagement</i>	

OPEN

DECISION

ITEM 10

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

REPORT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE

REVISED KEY PERFORMANCE MEASURES (KPM) AND TARGETS 2021/22

1. Purpose of Report

- 1.1 To inform Members of the proposed Key Performance Measures (KPM) targets for the period 2021/22 and to provide a summary of changes to the current suite of KPMs to be adopted to monitor Service performance from April 2021.

2. Recommendation

- 2.1 That Members approve the adoption of the proposed KPM targets and recommended KPM amendments for 2021/22.

3. Information and Analysis

- 3.1 The KPM targets proposed for approval for the year 2021/22 are outlined in Appendix 1.
- 3.2 The incident-related targets have been set in accordance with the target setting methodology implemented in 2016/17.
- 3.3 Subject to the exceptions listed below, the incident-related targets will again be based on the lowest annual total achieved between 2009/10 (the year of introduction of the current national Incident Recording System) and 2020/21.
- 3.4 The impacts of the Covid-19 pandemic on the outturn data for 2020/21 has been considered as an influencing factor on some of the targets.
- 3.5 All targets awaiting year-end 2020/21 outturn data for target confirmation will be presented to the quarter 4 Service Delivery Performance Board chaired by DCFO Roberts for approval.
- 3.6 A review of the current KPM has been undertaken with the following recommended outcomes:
- 3.7 **KPM1.4: The number of deliberate primary and secondary fires attended:**
The estimated outturn data for 2020/21 is 719 incidents which is 18% below target and therefore forecasted to be the best year. In light of national lockdowns and restricted movements due to the pandemic, this does not represent usual incident activity, and it is therefore recommended that the target be based once again on 2019/20 outturn data.

- 3.8 It is recommended that a target for **KPM1.13 Direct engagement conversion rate** that was suspended in 2020/21 be reinstated from 1 April 2021. Due to increased high severity fires in Derbyshire and the relatively low prevention activity undertaken in 2020/21, the target has been set at 39% - a 2% increase on our best year (2019/20) outturn data to demonstrate the focus on Community Safety activity in Derbyshire.
- 3.9 **KPM1.16 SWC delivered to vulnerable and targeted groups** it is recommended to increase the target for safe and well checks by 3,000 as a result of the relatively low achievements in 2020/21 and the focusing on community safety in Derbyshire. This target has been set to address the shortfall within a two year period.
- 3.10 **KPM1.17: People killed and seriously injured in RTCs:** Currently 2020/21 outturn data is forecasted to be the best year and in line with incident target setting methodology it would be used as the target for 2021/22. Given the significant reduction in road use because of Covid-19, it is recommended that we continue to use the data from 2017/18 as the target.
- 3.11 **KPM2.3: False alarms caused by automatic fire detection in non-domestic properties** and **KPM2.5: Fires in non-domestic buildings:** 2020/21 is forecasted as the lowest year, but due to the impact of Covid-19, the use of non-domestic premises has been greatly reduced and 2020/21 is not a normal year. Therefore it is recommended both measures should retain the 2019/20 outturn data as their targets.
- 3.12 It is recommended that the target for **KPM2.7 FSO premises interacted with** be increased to 15%, this reflects the 22% increase in Protection staff between 2019/20 and 2020/21 period and the expected increase in output to be given.
- 3.13 The target for **KPM2.9 SSRI Lite**, suspended due to the pandemic, should also be reinstated from 1 April 2021 using unchanged targets. The target for **KPM2.8 Audits triggered by the risk-based inspection programme (RBIP)** will be agreed pending the outcome of an on-going review of the RBIP.
- 3.14 Following a review of all Site-Specific Risk Information (SSRI) locations within the county, the target for **KPM3.6** will be the total of those sites due for inspection in 2020/21 that were delayed by the pandemic plus sites coming due for inspection in 2021/22 (namely the level 5 sites last visited in 2020/21, the level 4 sites last visited in 2019/20 and the level 3 sites last visited in 2018/19).
- 3.15 It is proposed that **KPM4.2 Response standards met for life-risk fire incidents – 2nd pump** be removed as a KPM. The service has not met this target in any year during the last decade and given the geography within the west area the target is unachievable. The priority focus should remain with the first pump in attendance.
- 3.16 Following an evaluation of the benefits of **KPM4.6: Calls answered in 7 seconds**, it is recommended this KPM becomes a local performance measure and is replaced by **KPM4.8: Call-handling times for P1 and P2 fires**. This new metric will better measure Joint Control's performance in mobilising

resources to primary fires and is aligned to the call-handling metric reported by the Home Office. The proposed target of 89 seconds is equal to DFRS's best figure reported by Home Office (from 2019/20).

- 3.17 It is recommended the Service adopts the following KPM as part of our people metrics and corporate performance framework.
- 3.18 **KPM8.1: Percentage of operational workforce who are from under-represented groups.** This measure will monitor the Service's progress as an inclusive workplace of choice for all that represents and meet the needs of its diverse communities. The forecast outturn for 2020/21 is 12%, with a proposed target of 14% for 2021/22, increasing to 16% by 2023/24.
- 3.19 **KPM8.2: Percentage of operational workforce who are female.** This measure will monitor the progress of firefighter being a career of choice for women. The forecast outturn for 2020/21 is 9%, with a proposed target of 11% for 2021/22, increasing to 15% by 2023/24.
- 3.20 **KPM8.3: Percentage of wholetime recruits who engaged with Positive Action.** This measure will monitor the impact of the Service's Positive Action programme on wholetime firefighter recruitment. The forecast outturn for 2020/21 is 25%, with a target of 25% proposed for 2021/22.

4. Options Appraisal

- 4.1 Not applicable.

5. Legal Considerations

- 5.1 The Local Government Act 1999 requires every best value authority to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 5.2 The monitoring of performance indicators and performance standards is one measure by which the Secretary of State can assess the economy, efficiency and effectiveness of an authority.

6. Financial Considerations

- 6.1 None; there are no additional costs to the Service regarding collation of data for and monitoring against the performance measures.

7. Inclusion and Equality Considerations

- 7.1 This report accords fully with the Corporate Services Equality Impact Assessment.

8. Further Considerations

8.1 None.

This report has been consulted upon and approved by the following officers:

Governance & Performance Working Group – 22.2.21
Strategic Leadership Team - 3.3.21

Contact Officer:

Carl Wilton – Data and Performance Manager

Contact No:

01773 305332

Derbyshire Fire and Rescue Service
Key Performance Measure Targets 2021/22

Community Safety – Prevention:

Measure Title	Measure Description	*Estimated 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM1.1: Accidental Dwelling Fires	Number of accidental dwelling fire incidents attended	401	353	353	↑	Service Delivery	2021/22 target based on 2019/20 outturn.
KPM1.2a: Fire Fatalities	Number of fatalities in accidental primary fires	5 (<i>Actual Inc. January</i>)	0	0	↑	Service Delivery	Aspirational 0 target.
KPM1.2b: Fire Casualties	Number of casualties in accidental primary fires (<i>excluding precautionary checks and first aid</i>)	56	32	32	↑	Service Delivery	2021/22 target based on 2019/20 outturn.
KPM1.4: Deliberate Fires	Number of deliberate primary and secondary fires attended	719	872	872	↓	Service Delivery	2021/22 target based on 2019/20 outturn
KPM1.13: Direct Engagement Conversion Rates (%)	Percentage of direct engagement activities resulting in a Safe and Well Check	7.8% (<i>Act.</i>)	31%	39%	↓	Service Delivery	2% increase on best year (2019/20) outturn
KPM1.14: SWC Referral rate (%)	Percentage of Safe and Well Checks referred to other agencies	n/a	10%	10%	n/a	Service Delivery	No change
KPM1.16: SWC delivered to vulnerable and targeted groups	Number of Safe and Well Checks delivered to vulnerable and targeted groups	2,137 (<i>Act.</i>)	10,500	13,500	↓	Service Delivery	3,000 increase. Target based on station, CSO and Handy Van activity.
KPM1.17: KSI in RTC	Number of people killed or seriously injured in RTC's attended by DFRS	76	83	83	↓	Service Delivery	2021/22 target based on 2017/18 outturn
KPM8.1: Risk Reduction	The impact of FRS activities on community risk levels	✓	n/a	n/a	n/a	Service Delivery	Qualitative assurance measure based on risk reduction activities.

Community Safety – Protection

Measure Title	Measure Description	*Estimated 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM2.3: False Alarms	Number of false alarms caused by automatic fire detection in non-domestic properties	307	397	397	↓	Service Delivery	2021/22 target based on 2019/20 outturn.
KPM2.5: Fires in Non-Domestic Premises	The number of fires in non-domestic buildings	133	150	150	↓	Service Delivery	2021/22 target based on 2019/20 outturn.
KPM2.7: FSO premises interacted with (%)	Percentage of Fire Safety Order (FSO) premises interacted with	4.3% (Act.)	12%	15%	↓	Service Delivery	% increase to reflect increased Protection establishment.
KPM2.8: Audits triggered by RBIP	Number of Fire Safety audits completed by review date triggered by the RBIP	510 (Act.)	670	n/a	↓	Service Delivery	Target to be agreed pending outcome of review
KPM2.9: SSRI lite	Number of lite Site Specific Risk Information (SSRI) completed	696 (Act.)	4296	4296	↓	Service Delivery	No change

Operational Preparedness

Measure Title	Measure Description	*Actual 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM3.1: WDS Availability – Staffing (%)	Percentage availability of Wholetime/Day Crewed appliances (staffing)	99%	99%	99%	↑	Service Delivery	No change.
KPM3.2: On-Call Availability – Staffing (%)	Percentage availability of On-Call appliances (staffing)	79%	82%	82%	↑	Service Delivery	No change.
KPM3.3: WDS Core Competency (%)	Percentage of core competency (via assessment) measures performing on target for Wholetime/Day crew personnel.	100%	100%	100%	No change	Service Delivery	No change.
KPM3.4: On-Call Core Competency (%)	Percentage of core competency (via assessment) measures	100%	100%	100%	No change	Service Delivery	No change.

Appendix 1

Measure Title	Measure Description	*Actual 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
	performing on target for On-Call personnel						
KPM3.5: Officer Core Competency (%)	Percentage of core competency (via assessment) measures performing on target for Officers	100%	100%	100%	No change	Service Delivery	No change.
KPM3.6: SSRI full	Number of full Site Specific Risk Information (SSRI) completed	16	126	74	↓	Service Delivery	New target




Incident Response

Measure Title	Measure Description	*Actual 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM4.1: Response Standards 1st pump (%)	Percentage of response standards met for life risk fire incidents – 1st pump	83%	80%	80%	↑	Service Delivery	No change.
KPM4.2: Response Standards 2nd pump (%)	Percentage of response standards met for life risk fire incidents – 2nd pump	76.3%	85%	n/a	↑	Service Delivery	Remove.
KPM5.1: Post contact satisfaction (%)	Percentage of respondents to post contact surveys who showed satisfaction with the Service	98%	98%	98%	No change	Service Delivery	No change.
KPM4.8: Call handling	Call handling times for P1 and P2 fires by Joint Control	89 seconds	n/a	89 seconds	n/a	Service Delivery	New KPM
KPM4.7: Mobilising System availability (%)	Percentage availability of the mobilising system	99%	99%	99%	No change	Systems and Information	No change




Training Provision

Measure Title	Measure Description	*Estimated 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM7.4: Course Attendance	Number of people taking up training courses provided	n/a	90%	90%	n/a	Service Delivery	No change

Corporate/Financial:

Measure Title	Measure Description	*Estimated 2020/21 Outturn	Target 2020/21	Target 2021/22	Direction of travel on previous year as at 31 Dec 2020	Lead	Notes
KPM5.2: Shifts Lost to Sickness (All Staff)	Average working days/shifts lost to sickness absence by all staff	7.0	7.1	7.2		People & Org Dev	Stretch target – average of the last 2 years.
KPM8.1: Operational workforce from under-represented groups)	Percentage of operational workforce who are from under-represented groups	12%	N/A	14%	N/A	Community Safety & Central Policy	New KPM
KPM8.2: Operational workforce who are female	Percentage of operational workforce who are female	9%	N/A	11%	N/A	Community Safety & Central Policy	New KPM
KPM8.3: Recruitment – Positive Action	Percentage of wholtime recruits who engaged with Positive Action	25%	N/A	25%	N/A	Community Safety & Central Policy	New KPM
KPM5.5: CIPFA	Compliance with CIPFA code of Governance	100%	100%	100%	No change	Corporate Financial Services	No change.
KPM6.1: Financial Strategy	Achievement of medium term financial strategy to deliver cost effective services	100%	100%	100%	No change	Corporate Financial Services	No change.
KPM6.2: Service Expenditure	Total Service expenditure per head of population	£22.07 (Act.)	£39.03	TBC		Corporate Financial Services	Awaiting budget approval.
KPM6.3: Response Expenditure	Total cost of response per head of population	£15.35 (Act.)	£22.90	TBC		Corporate Financial Services	Awaiting budget approval.

Appendix 1

KPM6.4: Community Safety Expenditure	Total cost of community safety per head of population	£2.29 (Act.)	£3.52	TBC		Corporate Financial Services	Awaiting budget approval.
KPM6.5: Non Operational Expenditure	Total cost of non-operational expenditure per head of population	£9.43 (Act.)	£12.61	TBC		Corporate Financial Services	Awaiting budget approval.
KPM6.6: Band D Council Tax charge	Cost of Service per band D dwelling council tax	£77.73 (Act.)	£77.73	TBC		Corporate Financial Services	Awaiting budget approval.

**Estimates and Actuals based on outturn data as at 31 December 2020*

DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

REPORT OF DIRECTOR OF FINANCE/TREASURER

EXTERNAL AUDIT ANNUAL AUDIT LETTER

1. Purpose of Report

- 1.1 To present to Members the Annual Audit letter from Ernst and Young LLP.

2. Recommendations

- 2.1 That Members note the contents of the Annual Audit letter at Appendix 1.
- 2.2 That Members approve the decision to refer the proposed additional fee to the Public Sector Audit Appointments Ltd (PSAA) for settlement.

3. Information and Analysis

Background

- 3.1 The audit of the 2019/20 Derbyshire Fire and Rescue Statement of Accounts has been completed, the results of which have been previously reported to Fire Authority in the Audit Findings Report. The final audited accounts have now been published.
- 3.2 The Annual Audit letter (appendix 1) is a further report from the external auditors which presents any significant finding from their work over the whole year.
- 3.3 In addition to the findings the report contains additional fees proposed by Ernst and Young LLP (EY) which have been discussed with management. Some elements of the fee, in particular those relating to the group accounts of DFRS can be agreed in principal. However a large proportion of the fee, those elements relating to additional work on going concern, value for money, valuations and Covid 19 conditions have not been agreed.
- 3.4 The 2019/20 audit has undoubtedly been challenging due to the complexities of Covid 19 working requirements and the additional work auditors have completed to gain assurance. However due to the size of the scale fee variation in relation to the base fee the authority believes the PSAA will be better placed to review these variations.
- 3.5 The PSAA will have sight across the whole public sector audit arrangements and will be able to compare fee variations across all types of bodies and all audit firms. In this way they will be able to ensure a fair fee across the sector and understand any underlying issues with the current fees charged.

4. Legal Considerations

- 4.1 The auditor's duties and responsibilities to report to those charged with governance are detailed in the Local Audit and Accountability Act 2014 and Code of Audit Practice.

5. Other Considerations

- 5.1 None.

This report has been consulted upon and approved by the following officers:

Strategic Leadership Team – 10.3.21

Contact Officer: Simon Allsop

Contact No: 01773 305410

Derbyshire Fire and Rescue Authority

Annual Audit Letter for the
year ended 31 March 2020

11 March 2021

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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



A blurred background image showing two hands shaking over a laptop, symbolizing a business deal or agreement.

Section 1

Executive Summary

Executive Summary

We are required to issue an annual audit letter to the Authority following completion of our audit procedures for the year ended 31 March 2020.

Covid-19 had an impact on a number of aspects of our 2019/20 audit. We set out these key impacts below.

Area of impact	Commentary
Impact on the delivery of the audit	
► Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities. We worked with the Authority to deliver our audit in line with the revised reporting timescale.
Impact on our risk assessment	
► Valuation of Property Plant and Equipment	The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Authority's external valuer. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment.
► Disclosures on Going Concern	Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Authority's actual year end financial position and performance.
► Events after the balance sheet date	We identified an increased risk that further events after the balance sheet date concerning the current Covid-19 pandemic will need to be disclosed. The amount of detail required in the disclosure needed to reflect the specific circumstances of the Authority.
Impact on the scope of our audit	
► Information Produced by the Entity (IPE)	We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk: <ul style="list-style-type: none">► Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and► Agree IPE to scanned documents or other system screenshots.
► Consultation requirements	Additional EY consultation requirements concerning the impact on auditor reports. The changes to audit risks and audit approach changed the level of work we needed to perform.

Executive Summary (cont'd)

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Authority:	
► Financial statements	Unqualified - the financial statements do give a true and fair view of the financial position of the Authority as at 31 March 2020 and of its expenditure and income for the year then ended.
► Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts - we have nothing to report.
► Concluding on the Authority's arrangements for securing economy, efficiency and effectiveness	We have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources. Given the uncertainty of the funding settlement post 2020/21 and the financial pressures set out in the Authority's MTFS, we have considered this to be a significant area of focus in forming our value for money conclusion. We are satisfied proper arrangements were put in place.

Area of Work	Conclusion
Reports by exception:	
► Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Authority; we have no matters to report.
► Public interest report	We had no matters to report in the public interest - no objections received from members of the public.
► Written recommendations to the Authority, which should be copied to the Secretary of State	We had no matters to report; no issues identified.
► Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.
► Reporting to the National Audit Office (NAO) on our review of the Authority's Whole of Government Accounts return (WGA).	We had no matters to report.

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 16 November 2020.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 18 February 2021. We certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act of 2014 and the Code of Audit Practise issued by the NAO.

We would like to take this opportunity to thank the Authority's staff for their assistance during the course of our work.

Helen Henshaw
Associate Partner
For and on behalf of Ernst & Young LLP
Encl.

Section 2

Purpose and Responsibilities

Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Authority.

We have already reported the detailed findings from our audit work in our 2019/20 Audit Results Report to the 26 November 2020 Governance and Performance Working Group, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Authority.

Responsibilities

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the Audit Plan that we issued on 13 February 2020 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2019/20 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Authority has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Authority
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Authority, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Authority is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Authority

The Authority is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Authority reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

Key Issues

The Authority's Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Authority's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 18 February 2021.

Our detailed findings were reported to the 2020 Governance and Performance Working Group on 26 November 2020.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
Misstatements due to fraud or error The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgments being applied. We did not identify any transactions during our audit which appeared unusual or outside Derbyshire Fire and Rescue Authority's normal course of business.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
<p>Valuation of the Firefighters Pension Scheme liability</p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Firefighters Pension Scheme administered by Leicestershire County Council. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the balance sheet. At 31 March 2019 this totalled £502 million. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>Management obtained revised actuarial reports to reflect the recent McCloud remedy consultation which resulted in changes to the draft financial statements. The net liability moved from £482m in the initial draft financial statements to £479m in the final draft financial statements.</p> <p>We have reviewed the revised actuarial reports and the assumption contained within, and traced the figures produced by the actuary through to the final draft financial statements without issue.</p> <p>We are satisfied that the amounts recorded in respect of the fire fighters pension scheme are free material misstatement.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Areas of Audit Focus	Conclusion
Valuation of Land and Buildings <p>The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represent significant balances in the entity's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>The Authority has engaged an external expert valuer who has applied a number of complex assumptions to these assets. Annually assets are assessed to identify whether there is any indication of impairment. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	Valuation cycle <p>Management value the land and buildings on a 5 year rolling cycle as permitted under the Code. However, we note that valuations have an effective date of 1 April (ie, the start of the relevant financial year, rather than the end of the relevant financial year). We have performed additional audit procedures to gain assurance that the values for assets valued as at 1 April 2019 remain appropriate at the 31 March 2020 balance sheet date, and have no issues to report. We recommend that valuations are undertaken as at the balance sheet date going forwards.</p> Assets re-valued in the year <p>We have gained assurance that the inputs and assumptions used in the valuations are supportable and result in a valuation which is free from material misstatement.</p> Investment property reclassified to 'surplus assets' <p>We noted that £1.5m of Land at Glossop held as investment property in the prior year has been reclassified to surplus assets as at 31 March 2020. This is because the land is not being held for appreciation and nor is it being actively marketed. It is therefore correct to be classified as 'surplus'. We engaged EY Real Estates specialists to support our consideration of the Land at Glossop and we concluded that the value lies within an acceptable range.</p> Assets held for sale: <p>We engaged EY Real Estates to support our review of the valuation of the Old Hall which represented £2.35m of the total value of assets held for sale at 31 March 2020 of £3.02m. We are satisfied at that the valuation is appropriate.</p> Assets not formally re-valued in the year <p>We have reviewed management's assessment as to whether assets not subject to a formal revaluation in the year contain a risk of material misstatement. In doing this they have engaged their valuer to provide a view as to the possible movement in valuations. This has reported a potential upwards movement of £508k in relation to buildings. An assessment was not performed on land. To assess this we obtained national indices for land and buildings. This provided the following: A range of £818k to £1,445k for buildings, representing an increase in the asset value and a range of £130k to £196k for land, representing a decrease in the asset value. The external valuers assessment is based on localised BCIS factors where as ours are based on national data. Based on the work performed over the valuers in year valuations we have not identified any significant issues with the methodology or assumptions used.</p> <p>The authority have not made an adjustment for this within the financial statements on the basis that they consider the valuations to be materially stated in line with the requirements of the CIPFA Code. As the range itself is below materiality and there are disclosures within the financial statements with regards to the sensitivity of valuations for PPE, we have concluded that the property valuations are not materially misstated. We shared with management some recommendations on the frequency and timing of valuations.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Area of Audit Focus	Conclusion
Pension Liability Valuation (LGPS) The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Derbyshire County Council. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2019 this totalled £19 million. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary.	<p>At 31 March 2020 the liability totals £12.6m.</p> <p>Management obtained revised actuarial reports to reflect the McCloud remedy consultation which resulted in changes to the draft financial statements. The net liability moved from £12.7m in the initial draft financial statements to £12.6m in the final draft financial statements.</p> <p>We have gained assurance from the auditors of the Derbyshire Pension Fund on the results of their procedures which we will then assess in respect of the balances recognised in the 31 March 2020 Derbyshire Fire and Rescue financial statements.</p> <p>We have gained reasonable assurance that the LGPS pension liability valuation is free from material misstatement.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Area of Audit Focus	Conclusion
<p>Group Financial Statements</p> <p>The Authority prepares group accounts which incorporate the activities of the DPFP LLP which is a joint venture with Derbyshire Police used to provide both organisations with a joint headquarters and joint training centre. The Authority currently has a 42.84% share of the net assets of the DPFP LLP. The Group Accounts have been produced using the equity method to reflect the nature of the partnership.</p> <p>The DPFP LLP financial statements are currently not subject to audit. Therefore, we will be required to undertake procedures on the balances and disclosures associated with the LLP to ensure that the group financial statements are not materially misstated.</p> <p>There is a risk of misstatement that the accounting treatment of the joint service arrangements are not in accordance with the relevant accounting standard in the financial statements.</p>	<p>We have sufficient appropriate audit evidence that the accounting for the Joint Venture is in line with the requirements of Code and the arrangements set out in the signed Partnership agreement underpinning the operation of DPFP LLP.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Area of Audit Focus	Conclusion
Going Concern Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Local Authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Local Authority's actual year end financial position and performance.	<p>Typically, management use the medium-term financial strategy to support their use of the going concern basis of accounting, and the fact that there is no known governmental decision to cease fire services in Derbyshire.</p> <p>In light of the global C-19 pandemic, Management have considered the additional cash flow and cost/income implications over the 12 months beyond the expected accounts approval date (i.e., out to February 2022).</p> <p>Based on our review of management's assessment and consideration of cash/liquidity throughout the period to 28 February 2022 and the available reserves, we conclude that the going concern basis of accounting in the production of the 31 March 2020 financial statements is appropriate and there is no material uncertainty in this regard.</p>

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £1.4m. This results in updated performance materiality which is 50% of overall materiality reported in the accounts of £0.7 million. We considered the situation of Covid-19 and remain satisfied in our audit threshold for reporting differences.</p> <p>We consider planning and performance materiality to be one of the principal considerations for stakeholders in assessing the financial performance of the Authority.</p>
Reporting threshold	<p>We agreed with the Governance and Performance Working Group that we would report to the Committee all audit differences in excess of £70k.</p>

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits.
- ▶ Related party transactions; reported on the non-disclosure by management, inappropriate authorisation and approval of transactions, disagreement over disclosure, non-compliance with laws and regulations, identifying the party that ultimately controls the Authority. Audit procedures are still outstanding at the date of the release of the report.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

We highlight the following misstatement greater than £0.7m which have been corrected by management that were identified during the course of our audit:

- £929k misclassification of the doubtful debt provision relating to council tax debtors.
 - The maturity analysis for borrowings shown in note 37 had an error of £893k in the 2-5 years row which is countered by an error in the more than 5 years row.
- There were no uncorrected misstatements.

Section 4

Value for Money



Value for Money

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

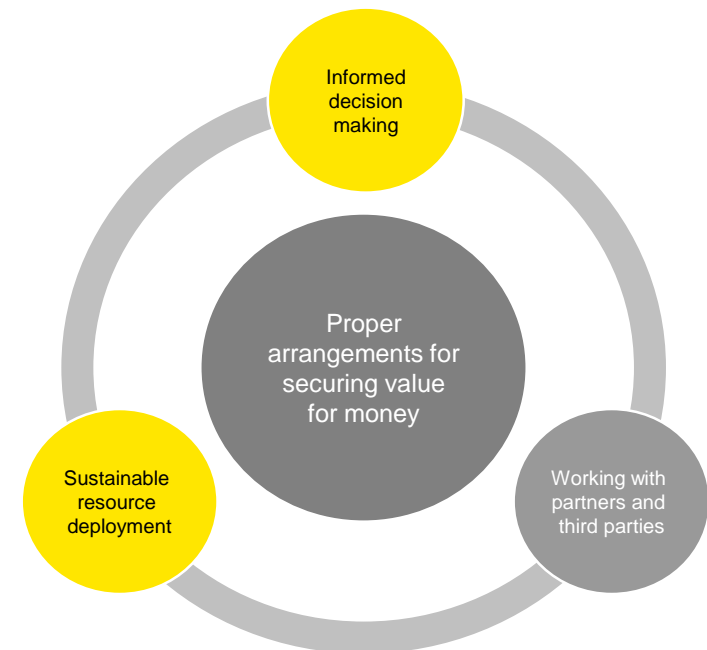
Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider NHS bodies' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

We identified 1 significant risks in relation to these arrangements. The tables below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Authority's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.



Value for Money (cont'd)

Significant Risk	Procedures
Securing Financial Resilience	<p>We have reviewed the significant assumptions made in the MTFS and the risks reflected within it, which are consistent with our expectations.</p> <p>We have considered the impact of C-19 however fire authorities in general have not been significantly impacted financially by C-19. In the period to 31 July 2020 the financial impact of C-19 was only £182k. We therefore don't consider this to be a significant consideration in our assessment.</p>

Key Findings	Conclusion
<p>The Authority has a good recent record of identifying and making savings, and in meeting its budget. For the past three years the Authority has achieved its savings targets, with savings since 2011 totalling between £11-12 million.</p> <p>The level of savings in 20/21 are £0.4m and are on track to be achieved. However, the levels of savings required in 2021/22 onwards are substantial. Plans for these are still being drafted and there remains a risk of achievement of these future targets.</p> <p>Whilst the level of reserves is lower than some other authorities, management has assessed the level as appropriate and has made some progress in increasing this following the closure of 2019/20. The progress in 2020/21 to date also shows that the Authority is on track to incur another underspend of c£1m.</p>	<p>We are satisfied that we will have no matters to report in our audit opinion with respect to the Authority's arrangements to deploy resources in a sustainable manner.</p>

A blurred background image of a business meeting. Several people in professional attire are gathered around a wooden conference table. A woman with blonde hair is leaning forward, resting her chin on her hand, looking intently at documents on the table. Other people's hands and arms are visible, some pointing at the papers. The scene is brightly lit, suggesting a modern office environment.

Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Authority is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the return.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Other Reporting Issues (cont'd)

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Governance and Performance Working Group on 26 November 2020. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, wish to report the following areas where improvements could be made to the operation or design of controls.

Description - Previous Years Recommendations	Update
We recommended that for known disposals and demolition of significant buildings that Finance team also undertakes its own checks as to their status as the Balance Sheet date	No such issues have been noted in the current year audit.

Other Reporting Issues (cont'd)

Description - Current year recommendations

We noted that the Contract Register published on the Authority's website was 2 years out of date. This placed the authority in breach of Local Authority Transparency Code 2015. This has subsequently been updated on the website.

Management response

Following previously unsuccessful attempts to recruit into the procurement team and a period of vacancy a new procurement officer was appointed in April 20. Maintenance of the contracts register is the responsibility of this post and the register is updated on a quarterly basis.

Description - Current year recommendations

We recommend that the Authority assesses whether revaluations every 5 years provide management with sufficient assurance to ensure that at the balance sheet date the valuation of assets are not materially misstated or considers in intervening years to perform a desktop exercise that is posted to the financial statements.

In addition, valuations are performed on the 1 April each year. The CIPFA Code requires the accounts to consider the valuation as the balance sheet date. We recommend that management amend their valuation date to 31 March (i.e. the balance sheet date) so that the most up to date position is provided in the financial statements. This would also lead to a more efficient process as an additional roll forward from the start to the end of the year would not be needed for those assets revalued during the financial year.

Management response

The Service completes an annual impairment and sense check through the appointed valuer and maintains a proportionate and cost effective approach to valuation.

The authority will discuss suitable methodologies with the valuer to provide 31 March valuations with the required year end timeframe.

The authority will also review the assets within the property portfolio and discuss with the valuer and the auditor proposals to ensure sufficient assurance can be provided on future valuations.

Section 6

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Authority is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2021/22 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2021. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20.</p>	<p>Until the revised 2020/21 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Authority will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Authority must therefore ensure that all lease arrangements are fully documented.</p> <p>Derbyshire Fire and Rescue will need to ensure that all lease arrangements entered into are identified and quantified (including for the comparative period) prior to the new implementation date.</p> <p>Consider whether appropriate systems and processes are in place to embed the requirements of the new accounting standard going forward.</p>

Standard	Issue	Impact
Code of Audit Practice 2020	<p>The updated Code of Audit Practice issued by the National Audit Office has introduced some significant changes to the requirements regarding auditors' work on the value for money conclusion, which will be applicable from 2020/21.</p>	<p>The NAO are currently updating the Auditor Guidance Notes which will set out how the new Code of Audit Practice should be applied when carrying out value for money work. As such, the impact remains to be confirmed.</p> <p>Further updates will be provided when possible.</p>

The background image shows a person's hand in a maroon sleeve placing a document into a light-colored file folder. The folder is part of a series of folders held by a grey plastic filing rack. The folders have colorful oval labels (blue, white, orange, white, blue) at the bottom. A large yellow rectangle is overlaid on the left side of the image, containing the section title.

Section 8

Audit Fees

Audit Fees

Our fee for 2019/20 includes the scale fee set by the PSAA and an additional 'scale fee variation' to reflect the additional one-off matters requiring additional audit effort during the audit. With the exception of the additional impact of Covid-19, the additional matters are as anticipated in our Audit Planning Report.

Description	Final Fee 2019/20 £	Final Fee 2018/19 £
Audit fee - Code work - Scale fee*	25,184	25,184
Audit fee - Code Work (see Scale fee variation below)	28,331	6,450
Total Audit fee - Code work	53,515	31,634
Total non-audit services	Nil	Nil

*As highlighted in the recent Redmond Report, local government external audit fees have not kept pace with regulatory change. We believe that changes in the work required to address professional and regulatory requirements and scope changes associated with the risk of the organisation mean that the scale fee for the Group should more realistically be set at a level of £85k. The scale fee is set by PSAA Limited.

We confirm we have not undertaken any non-audit work.

Scale fee variation:

In our Audit Planning Report we identified and reported areas where audit work would be required over and above the level of the scale fee which corresponded to the risks set out in our audit plan and the implications of operating using a lower level of materiality.

In addition, the Covid-19 pandemic has generated additional work required this year. This has involved revisiting our risk assessments (in respect of both the financial statement opinion and value for money conclusion), and performing additional procedures in respect of the going concern basis of accounting and associated disclosures in the financial statements.

We have discussed these additional costs with management and final fees are subject to approval from PSAA.

	Scale fee variation £
Use of 50% performance materiality	6,085
Additional pensions work	4,203
Property, plant and equipment valuation	3,658
Group accounts ¹	2,866
Value for money significant risk	1,901
Covid-19	9,618
Total	28,331

¹ Management agree this variation. All other proposed variations have been discussed with management and will be submitted to PSAA Limited as 'not agreed'

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ED None

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DERBYSHIRE FIRE & RESCUE AUTHORITY

25 MARCH 2021

REPORT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE

OUR PLAN 2020-2023
YEAR 2 PROGRAMME OF WORK**1. Purpose of Report**

- 1.1 To inform Members of the programme of projects to be delivered in Year 2 of Our Plan 2020-23 (Integrated Risk Management Plan).

2. Recommendation

- 2.1 That Members note the new programme of work for Year 2 of Our Plan 2020-23 as at Appendix 1.

3. Information and Analysis

- 3.1 The programme of projects details the proposed work programme for Year 2 of Our Plan 2020-23. It has been consulted upon and developed in discussion with employees from across the service and is written to ensure that operational and organisational capability is maintained whilst achieving the budgetary savings demanded of us.
- 3.2 Due to the significant progress made with regards our projects from Year 1 of the plan, it is not envisaged that there will be a need to consult externally on the programme of work proposed for Year 2.

4. Options Appraisal

- 4.1 No options appraisal has been undertaken.

5. Legal Considerations

- 5.1 In delivering upon Our Plan, the Fire and Rescue Authority are discharging its duties under Section 21 (7) of the Fire and Rescue Services Act which requires the Authority to have due regard to the National Framework document in carrying out their functions. It is explicit in the framework that Fire & Rescue Authorities must demonstrate how prevention, protection, and response activities will be **best used to mitigate the impact of risk on communities in a cost effective way**, using the Integrated Risk Management Plan process.

- 5.2 The Civil Contingencies Act 2004 places a duty on the Authority in relation to planning for emergencies.
- 5.3 Regulatory Reform Fire Safety Order 2005 provides a framework for fire safety enforcement.

6. Other Considerations

- 6.1 None arising from the report

This report has been consulted upon and approved by the following officers:

Strategic Leadership Team – 3.3.21

Contact Officer: Area Manager Judi Beresford

Contact No: Ext. 5323

**OUR PLAN
YEAR TWO PROGRAMME OF WORK**

Appendix 1

Development Theme	Year Two Projects
<p>Align Staffing Levels, Duty Systems and Ways of Work to risk and demand</p> <p>What does this mean? We will look at resources we have and make sure they are matched to the risks in each area of Derbyshire. This will allow the Service to make sure our Prevention, Protection and Response activity is balanced and proportionate to keep communities safe</p>	<ul style="list-style-type: none"> • Succession planning due to McCloud/Sergeant ruling • Review the Officer Structure • Enhance the On-Call role • Review Support Services • Agile Working
<p>Collaboration and Shared Services</p> <p>What does this mean? We will undertake more joint working projects reviewing services and assets which will benefit Derbyshire communities in an effective and efficient way. This is an area we have been focusing on over the last few years and is also a requirement of the emergency services within the Policing and Crime Act 2017.</p>	<ul style="list-style-type: none"> • Continue to identify and deliver collaboration with Police colleagues • Continue to identify and deliver collaboration with neighbouring FRSs

Development Theme	How we will do this? (Year One Projects)
<p>Community Safety and Partnership Working</p> <p>What does this mean? We will further develop our partnership working and relationships with other agencies to work more effectively in communities. This will improve social wellbeing and public safety across Derbyshire.</p>	<ul style="list-style-type: none"> • Implement outcome of area based Service Delivery trial • Deliver Protection Strategy • Deliver Grenfell Action Plan • Deliver Enhanced Risk Based Inspection Programme • Review the Prevention & Inclusion Department
<p>Continuous Improvement</p> <p>What does this mean? We seek to continuously improve what we do in all areas of our work, which means developing our people, processes and systems. This commitment to continuous improvement is vital to provide the best service possible to communities and drive efficiencies.</p>	<ul style="list-style-type: none"> • Station co-location and station replacements • Replace BA equipment • Update water rescue training and equipment • Review the level/type of equipment, vehicles and training • Office 365 • HR system replacement • EIS system replacement