



**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**Meeting of the Authority**

**Tuesday 21 February 2023**

**10.30am**



## AGENDA

### KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

Tuesday 21 February 2023, 10.30 am

Ask for: **Marie Curry**

To be held at Kent Fire and Rescue Service HQ  
The Godlands, Straw Mill Hill, Tovil, Maidstone ME15 6XB

Telephone: **(01622) 692121**

#### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

#### **A Routine Business**

- A1. Chairman's Announcements
- A2. Membership Changes and Apologies for Absence
- A3. Declarations of Interest in Items on this Agenda
- A4. Minutes of the Audit and Governance Committee held on 22 September 2022 *(for information)*
- A5. Minutes of the Meeting of the Authority held on 13 October 2022 *(for approval)*

#### **B For Decision**

- B1. Financial Update for 2022/23
- B2. Draft Revenue and Capital Budgets 2023/24 and Medium-Term Financial Plan 2023-27
- B3. Efficiency and Productivity Statement 2023/24
- B4. Pay Policy Statement 2023/24
- B5. Member Allowances Scheme
- B6. Appointment of Independent Member to the Audit and Governance Committee

#### **C For Information**

- C1. Presentation on Save Safely Campaign – Cost of Living
- C2. Information Update (consolidated report)

#### **D Urgent Business** *(Other items which the Chairman decides are urgent)*

#### **E Exempt Items**

- E1. Motion to Exclude Press and Public

Under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act

## EXEMPT ITEMS

E2. Abatement

Marie Curry  
Clerk to the Authority  
10 February 2023

*Please note that any background papers referred to in the accompanying reports may be inspected by arrangement with the Lead/Contact Officer named on each report.*

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

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MINUTES of the Meeting of the Audit and Governance Committee held on Thursday, 22 September 2022 at Kent Fire and Rescue Service Headquarters.

PRESENT:- Mr A Booth, Mr P Cole, Ms S Hudson, Mr V Maple, Ms L Parfitt-Reid, Mr C Simkins and Mr S Tranter.

APOLOGIES:- Mr N Collor, Mr D Daley, and Mr P Harman

OFFICERS:- The Chief Executive, Miss A Millington QFSM; the Director, Finance and Corporate Services, Ms A Kilpatrick; Director Prevention, Protection, Customer Engagement and Safety, Mr J Quinn; Assistant Director, Operations, Mr M Deadman; Head of Finance, Treasury and Pensions, Mrs N Walker; Head of Finance, Treasury and Pensions, Barrie Fullbrook, Policy Manager, Owain Thompson and the Clerk to the Authority, Mrs M Curry.

ALSO IN ATTENDANCE:- Ms F Smith ,KCC Internal Audit

### UNRESTRICTED ITEMS

#### 1. Election of Chair for 2022/23

*(Item A1)*

- (1) Mr S Tranter moved, Mr C Simkins seconded, that Mr Maple be elected Chair of the Committee.
- (2) There being no other nominations, Mr Maple was declared Chair of the Audit and Governance Committee for 2022/23.

#### 2. Election of Vice-Chair for 2022/23

*(Item A2)*

- (1) Mr V Maple moved, Mr C Simkins seconded, that Mr Tranter be elected Vice-Chair of the Committee.
- (2) There being no other nominations, Mr S Tranter was elected as Vice-Chair of the Audit and Governance Committee for 2022/23.

#### 3. Chair's Announcements

*(Item A3)*

- (1) The Chair thanked Richard Bason from Link Asset Group for providing Members with training on Treasury Management prior to the meeting and requested that the slides from that training be circulated to all Members.
- (2) The Chair welcomed Frankie Smith from KCC Internal Audit to the meeting.
- (3) Members held a minute's silence to pay their respects to Her Majesty Queen Elizabeth II following her death on Thursday 8<sup>th</sup> September 2022.

#### **4. Membership**

*(Item A5)*

- (1) The list of Members appointed to serve on the Committee for 2022/23 was noted.

#### **5. Minutes – 28 April 2022**

*(Item A6)*

- (1) RESOLVED that: -
  - (a) the minutes of the Audit and Governance Committee meeting held on Thursday 28 April 2022, be approved and signed by the Chair as a correct record.

#### **6. Financial Provisional Outturn for 2021/22**

*(Item B1 – Report by Director, Finance and Corporate Services)*

- (1) The Committee received a detailed report on the final provisional outturn for 2021/22 as part of a suite of papers to gain sufficient assurance to formally approve the Statement of Accounts for 2021/22.
- (2) The Committee also received a summary of the key points from the report that was presented to the Authority at its meeting on 5 July 2022.
- (3) The Chair thanked the Director of Finance and her team for the well written, clear and concise reports.
- (4) RESOLVED that: -
  - (a) the final provisional revenue budget underspend of £1.707m against an approved budget of £71.573m for 2021/22, be noted.
  - (b) the 2021/22 capital outturn of £1.989m against the revised capital budget of £2.871m, be noted.
  - (c) the remaining contents of the report be considered and noted.

#### **7. Internal Audit Annual Report for 2021/22**

*(Item B2 – Report by Director, Finance and Corporate Services)*

- (1) The Committee considered the Internal Audit Annual Report for 2021/22.
- (2) Ms Frankie Smith, KCC Internal Audit, introduced the Annual Report which contained the Head of Internal Audit's opinion of the overall effectiveness of the Authority's framework of governance, risk management and control systems; the outcomes of the annual review of internal audit effectiveness required by regulation and an appraisal of Internal Audit's and the Authority's performance against the Key Performance Indicators set as part of the Service Level Agreement.
- (3) In response to a question posed by Mr Cole around Key Performance Indicators (KPIs) and comparable data from previous years which would be of benefit for Members of this

Committee to have, Ms Smith responded by saying that she would be happy to provide that data within the report going forward.

- (4) The Chair, on behalf of Members, gave thanks to Internal Audit for the work they undertake on behalf of the Authority.
- (5) RESOLVED that: -
  - (a) the Internal Audit Annual Report for 2021/22, attached as Appendix 1 to the report, be approved.
  - (b) the progress update of the External Quality Assessment (EQA) of Internal Audit Services be noted.

#### **8. Annual Governance Statement 2021/22**

*(Item B3 – Report by Director, Finance and Corporate Services)*

- (1) The Committee consider the Authority's Annual Governance Statement for 2021/22, the preparation of which followed completion of the annual internal self-assessment process.
- (2) Mr Booth raised a question regarding the effects of the Pandemic having a significant impact not only on this Authority but other public sectors too and what mitigations are in place now so that services we provide can continue. The Policy Manager responded by providing the Committee with reassurances that the Government guidance is being monitored at all times to ensure that the public and our service employees are protected whilst carrying out any duties.
- (3) RESOLVED that: -
  - (a) the Annual Governance Statement for 2021/22, as detailed in Appendix 1 to the report, be approved.

#### **9. Treasury Management Annual Report for 2021/22**

*(Item B4 – Report by Director, Finance and Corporate Services)*

- (1) The Committee consider a report on Treasury Management activities during 2021/22.
- (2) RESOLVED that: -
  - (a) the year-end report on Treasury Management activities for 2021/22, be approved.

#### **10. Annual Statement of Accounts for 2021/22**

*(Item B5 – Report by Director, Finance and Corporate Services)*

- (1) The Committee considered the draft Statement of Accounts for 2021/22, which are due to be reviewed by the Authority's External Auditors in October.
- (2) The Committee was also given a presentation on the Authority's Financial Statements that provided more detail on the Comprehensive Income and Expenditure Statement (CIES), which represents the income and expenditure associated with the 2021/22 financial year; the Movement in Reserves Statement which shows the changes to

resources available to the Authority over the year; the balance sheet as well as the Cash Flow Statement showing the cash payments and receipts during the year.

- (3) Mr Booth thanked Mrs Walker for the useful presentation and asked if Members of this Committee could receive a copy.
- (4) In response to a question raised by Mr Booth in relation to a line within the financial statements detailing the projected spend to maintain assets such as buildings, Mrs Walker responded by saying that this information is not captured under a separate heading but can be found across three main areas of the Statement of Accounts such as Response and Resilience; Building and Community Safety and Corporate Expenditure.
- (5) The Chief Executive said, in support of Mr Booth's question above, that the Capital Strategy is presented annually as a matter of course to Members at the Authority's Budget meeting.
- (6) Having served on various appeal hearing panels in relation to pension cases, Mr Maple wanted to put on record his thanks to Members and Officers who facilitate these panels for colleagues as part of the Internal Dispute Resolution Procedures (IDRP).
- (7) In response to a question raised by Mr Tranter around transparency of reserves, the Director of Finance and Corporate Services explained that the Reserve Strategy, alongside the Capital Strategy will be taken to the Authority's next budget meeting in February 2023.
- (8) RESOLVED that: -
  - (a) the draft Statement of Accounts for 2021/22, be approved.
  - (b) the remaining contents of the report be noted.

## **11. Treasury Management Practices**

*(Item B6 – Report by Director, Finance and Corporate Services)*

- (1) The Committee received a report which presented an overview of the revised documentation that resides under the CIPFA Treasury Management Code and Prudential Code and highlights some changes for Members consideration before being presented to the full Authority meeting in October.
- (2) RESOLVED that:-
  - (a) the Senior Officer Delegations and Committee responsibilities in relation to Treasury Management, as detailed in Appendix 1 to the report, be approved for recommendation to the Authority for adoption.
  - (b) the reporting requirements for Treasury Management, as detailed in Appendix 2 to the report, be approved for recommendation to the Authority for adoption.



**12. Chair of Audit and Governance Committee's Report to the Authority**

*(Item B7 – Report by Chair of Audit and Governance/Director, Finance and Corporate Services)*

- (1) Members considered a report which provided a detailed summary of the activities undertaken by the Audit and Governance Committee in its first year of operation.
- (2) The report demonstrates to the Authority the effectiveness of this Committee's work in assessing and maintain the organisation's internal control environment and governance arrangements.
- (3) The Chair gave his thanks to Members and Officers for their continued support and commitment to the work of the Committee.
- (4) Members expressed their thanks for the exceptional way in which reports are presented by Officers and their teams.
- (5) RESOLVED that: -
  - (a) the contents of the report, which will be presented to the Authority at its meeting in October 2022, be approved.

**13. Mid-Year Treasury Management and Investment Update for 2022/23**

*(Item C1 – Report by Director, Finance and Corporate Services)*

- (1) THE CIPFA Code of Practice on Treasury Management and the Prudential Code requires the Authority to determine and set the Treasury Management Strategy for the financial year ahead. This was agreed by the Authority at its meeting in February.
- (2) As a requirement of the Strategy, this Committee received a mid-year update on treasury activity undertaken and the extent of the compliance with the agreed prudential indicators.
- (3) RESOLVED that: -
  - (a) the contents of the report be noted.

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## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

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MINUTES of a Meeting of the Kent and Medway Fire and Rescue Authority held at Kent Fire and Rescue Service Headquarters, The Godlands, Tovil, Maidstone, ME15 6XB on Thursday 13th October 2022.

PRESENT: - Mr P Barrington-King, Mr D Beaney, Mr A Booth, Mr N Chard (Chair), Mr P Cole, Mr N Collor, Mr D Crow-Brown, Ms M Dawkins, Mr M Dendor, Mr P Harman, Ms S Hohler, Mr R Love OBE, Mr S Manion, Mr J McInroy, Ms L Parfitt-Reid, Mr A Ridgers, Mr C Simkins, Mr M Sole, Mr S Tranter and Mr M Scott, Kent Police and Crime Commissioner.

APOLOGIES: - Ms K Constantine, Ms S Hudson, Mr D Jeffrey, Mr B Kemp, Mr V Maple and Mr R Thorne.

OFFICERS:- The Chief Executive, Miss A Millington QFSM; the Director, Finance and Corporate Services, Ms A Kilpatrick; Director, Response and Resilience, Mr M Rist; Director, Prevention, Protection, Customer Engagement and Safety, Mr J Quinn; Assistant Director, People and Learning, Mrs K Irvine; Assistant Director, Corporate Services, Mr J Finch; Assistant Director, Response, Mr M Deadman; Assistant Director, Resilience, Mr C Else; Assistant Director, Customer and Building Safety, Mr M Woodward; Head of Finance, Pensions and Treasury, Mr B Fullbrook and the Clerk to the Authority, Mrs M Curry.

IN ATTENDANCE: - The Authority's Monitoring Officer, Mr B Gill and the Authority's Independent Person, Mrs J Waterman.

### UNRESTRICTED ITEMS

#### **16. Chairman's Announcements**

*(Item A1)*

- (1) The Chair thanked Rebecca Chittenden for the training on Safeguarding which was provided to Members prior to the meeting.
- (2) The Chair welcomed the Authority's Monitoring Officer, Bhupinder Gill, to the meeting.
- (3) The Chair welcomed the Authority's Independent Person, Jenny Waterman, to the meeting.
- (4) The Chair, on behalf of Officers and Members, gave thanks to Dan Daley for his dedicated service to the Authority over the last ten years after it was announced he has stood down as a Member
- (5) The Chair welcomed Mike Sole to his first meeting of the Authority.

#### **17. Minutes of the Audit and Governance Committee held on 28 April 2022**

*(Item A6)*

RESOLVED that the Minutes of the Audit and Governance meeting held on 28 April 2022 be noted.

#### **18. Minutes of the Authority held on 5 July 2022**

*(Item A5)*

RESOLVED that the Minutes of the Authority meeting held on 5 July 2022 be approved and signed by the Chair as a correct record.

#### **19. Safety and Wellbeing Plan 2022**

*(Item B1 – Report by Chief Executive)*

- (1) The Authority considered the draft Safety and Wellbeing Plan text for 2023 together with the proposed wording to the questionnaire included within it. The Authority was also

requested to approve the revised ten-year risk assessment for publication alongside the Plan.

- (2) Members debated the increased use of electricity saving goods as well as cheaper methods being used for heating and insulating homes, all of which people are turning to due to financial struggles.
- (3) On the back of the above debate, Mr Booth raised a question around the regulation of solar panels/lithium batteries as he has seen an increased usage of these across many homes in Kent. Director, Response and Resilience said that Kent Fire and Rescue Service is the national lead on new technologies and that the increased usage of these and other methods have been a challenge. Director, Response and Resilience offered to meet with Mr Booth outside the meeting to discuss in more detail the work being undertaken nationally.
- (4) Mr Love asked whether it was possible to add more context around financial options in relation to Council Tax so this is more relatable for reader. Assistant Director, Corporate Services responded by saying that he will explore this with colleagues.
- (5) RESOLVED that: -
  - (a) the text for the draft Safety and Wellbeing Plan 2023, as attached at Appendix 1 to the report, be approved for consultation subject to the Chief Executive, in consultation with the Chair of the Authority, being authorised to make any minor amendments that may be necessary.
  - (b) the revisions to the long-term assessment of possible changes in the physical, political and technological landscape, as detailed in Appendix 2, be approved.

## **20. Finance Update 2022/23**

*(Item B2- Report by Director, Finance and Corporate Services)*

- (1) The Authority received the first budget monitoring report for the 2022/23 financial year as well as an update on a range of other financial matters, including a proposal to bring in-house a vehicle servicing and maintenance function as well as an increase to the budget allocation for the proposed redevelopment at Ashford.
- (2) Mr Booth asked whether any capital expenditure items will suffer due to the recent pay negotiations and other financial pressures to which the Director, Finance and Corporate Services explained that her team are constantly monitoring the finances both in the short term and long term. She explained that frontline activity remains paramount but acknowledged that the next four years will be a challenge financially.
- (3) In response to a question raised by Mr Booth around how many sites this Service has that are shared with other partner agencies across Kent, Assistant Director, Corporate Services explained that there are 29 sites across the estate that the Service allows partners to use. He added that this benefits from the sharing of intelligence, local knowledge and has a practical element of working together.
- (4) In response to the comment raised by Mr Booth around shared sites, Mr Love asked whether the relationship is reciprocated by our partners in allowing this Service to share their sites to which the Assistant Director, Corporate Services responded by saying that the only shared site currently is the Joint Control Room, shared with Kent Police, however our partner sites are used as and when needed for training purposes.
- (5) Members placed on record their thanks to the Director of Finance and her team for an excellent set of financial reports.
- (6) RESOLVED that:

- (a) funding for any resulting overspend from reducing the revenue contributions to capital, be approved in principle.
- (b) allocate a further £1.2m to fund the cost of the redevelopment of Ashford Fire Station and the new Live Fire Training facility, be approved.
- (c) bring in-house the heavy fleet and vehicle servicing and maintenance function, be approved.
- (d) the proposed lease arrangements for the premises currently used by the Commercial Services Group, as part of the in-house arrangements of the fleet servicing and maintenance function, be approved.
- (e) the remaining contents of the report be noted.

**21. Development of the 2023-2027 Budget and Medium-Term Financial Plan**

*(Item B3 - Presentation by Director, Finance and Corporate Services)*

- (1) The Authority received a presentation from the Director, Finance and Corporate Services on the development of the 2023-2027 Budget and Medium-Term Financial Plan.
- (2) Members placed on record their thanks again to the Director, Finance and Corporate Services and her team for their hard work in looking after the Authority's finances, in particular the challenges they are facing under the current economic climate.
- (3) Mr Chard placed on record his own thanks to the Director, Finance and Corporate Services and her team for the reassurances they provide by taking a long-term view in managing the Authority's budget.
- (4) Members requested a copy of the slides electronically.
- (5) RESOLVED that:
  - (a) the assumptions being adopted to develop the Authority's 2023 - 2027 Budget and Medium-Term Financial Plan, as described in the presentation, be approved in principle.
  - (b) the remaining contents of the presentation be noted.

**22. Governance and Policy Updates**

*(Item B4 – Report by Chief Executive)*

- (1) The Authority considered a report which covered the following governance topics:
  - A. Performance Assurance Statement
  - B. Networked Fire Service Control Partnership
  - C. Legislative Update
  - D. Recently Refreshed Policies
- (2) RESOLVED that:
  - (a) the Performance Assurance Statement, as detailed in Appendix 1 to the report, be approved.
  - (b) the Networked Fire Service Control Partnership becomes the Authority's partner in the event of 999 call volumes in Kent needing to be flowed to another service for call handling, be approved.
  - (c) the remaining contents of the report be noted.

**23. Treasury Management Annual Report 2021/22**

*(Item B5 – Report by Director, Finance and Corporate Services)*

- (1) The Authority is required by the Local Government Act 2003 to produce an annual review of treasury management activities and the estimated and actual prudential and treasury indications for the year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- (2) This report has already been reviewed by the Audit and Governance Committee at its meeting on 22 September 2022 and is now recommended to the Authority for approval.
- (3) RESOLVED that
  - (a) this year-end report on treasury management activity for 2021/22 as recommended by the Audit and Governance Committee, be approved.

**24. Mid-Year Treasury and Investment Update 2022/23**

*(Item B6 – Report by Director, Finance and Corporate Services)*

- (1) The Authority received a mid-year report on treasury management activity for 2022/23 as well as proposals of the necessary delegated approvals for this treasury function. This report has already been reviewed by the Audit and Governance Committee at its meeting on 22 September 2022 and is now recommended to the Authority for approval.
- (2) RESOLVED that
  - (a) the mid-year report on treasury management activity for 2022/23, be approved.
  - (b) the roles and responsibilities of Officers and Members in the treasury process, as detailed in Appendix 1 to the report, be approved.
  - (c) the revised reporting requirements to the Prudential Indicators, as detailed in Appendix 2 to the report, be approved.

**25. Calendar of Meetings 2023/24**

*(Item B7 – Report by Clerk of the Authority)*

- (1) The Authority considered the proposed calendar of Member meetings and events for 2023/24.
- (2) RESOLVED that: -
  - (a) The proposed calendar of Member meetings and other events for 2023/24 be approved.

**26. Report to the Authority on the Work of the Audit and Governance Committee**

*(Item C1 – Report by Chair of Audit and Governance Committee)*

- (1) The Authority received its first report on the activities undertaken by the Audit and Governance Committee in its first year of operation and in turn the report demonstrates the effectiveness of this Committee in assessing and maintaining the Authority's internal control environment and governance arrangements.

- (2) Mr Chard placed on record his thanks to Vince Maple as Chair of the Committee as well as its Members for the work they have undertaken over the past year.
- (3) RESOLVED that: -
  - (a) the contents of the presentation be noted.

## **27. Information Update**

*(Item C2 - Report by Chief Executive)*

- (1) The Authority considered information on: -
  - A. The Death of Her Majesty Queen Elizabeth II
  - B. Inspection Update
  - C. Performance Update
  - D. Response and Resilience Update
  - E. Prevention, Protection, Customer Engagement and Safety Update
  - F. Annual Update on Members Standards and Allowances
  - G. Freedom of Information Update
  - H. Pensions and Pension Board Update
- (2) On D above, Mr Booth thanked the Service for the way it dealt with the challenging fires throughout the summer. In response to a question he then raised on behalf of local residents around inaccessible water hydrants, Director, Response and Resilience responded by saying that the Service has a Water Services Team who liaise with the water companies around damaged or inaccessible water hydrants. He added that if residents do have any concerns, the team would be happy to meet with them and discuss in more detail.
- (3) RESOLVED that: -
  - (a) the contents of the report be noted.

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By: Director Finance and Corporate Services  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: FINANCIAL UPDATE FOR 2022/23  
Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

This report provides Members with a financial update for the 2022/23 financial year including details of the latest forecast outturn position for the Revenue and Capital budgets, forecast year-end reserve balances and the latest treasury position. The report also includes a progress update on the redevelopment of the Ashford Fire Station and Live Fire Training Facility and a proposal, for Member approval, regarding a potential additional lease of a building for the Vehicle Servicing and Maintenance function.

The forecast overspend against the Revenue Budget has reduced from £733k, reported to Members in October, to £424k. The latest forecast now includes the additional cost (c. £407k) of the higher than budgeted pay award for corporate (green book) staff so the overall position has notably improved since October. There are still a number of factors, explained later in the report, that could materialise and alter the final outturn from that currently forecast.

The forecast outturn for capital spend is currently £5.349m but the final outturn could differ, especially if there are any further delays in the delivery of a number of response vehicles or planned expenditure on the Ashford Fire Station and Live Fire Training Facility.

### **RECOMMENDATIONS**

Members are requested to:

1. Agree 'in principle' to the proposal to enter into an additional lease arrangement, as part of the in-house arrangements for the Vehicle Servicing and Maintenance function (paragraph 14 refers);
2. Consider and note the contents of the report.

LEAD/CONTACT OFFICER: Head of Finance, Treasury and Pensions – Barrie Fullbrook  
TELEPHONE NUMBER: 01622 692121 ext. 8264  
EMAIL: barrie.fullbrook@kent.fire-uk.org  
BACKGROUND PAPERS: None

## COMMENTS

### Revenue and Capital Budgets

1. This report provides Members with the latest forecast outturn position for 2022/23. This includes an update in relation to day-to-day revenue expenditure, forecast capital expenditure, forecast year-end reserve balances and the latest treasury position.
2. There are a number of detailed appendices attached which provide further information to support the summary in this covering report. **Appendices 1 – 4** detail the changes in the revenue budget since the last detailed report was presented to the Authority in October 2022; **Appendices 5 – 8** detail the subjective and functional analysis of the latest forecast revenue spend; **Appendices 9 and 10** detail the changes to the capital budget since October and the latest forecast position on the Infrastructure Plan; **Appendix 11** shows the forecast year-end position on General and Earmarked Reserves (excluding the 2022/23 forecast overspend); and finally **Appendix 12** shows the forecast position on the Firefighters' Pension Fund for 2022/23.
3. **Revenue Budget Changes** - Since the budget position was last presented to Members in full in October it has been necessary to action some further adjustments to the budget. These budget changes do not change the overall budget but will show as movements between budget headings that net to zero. Details of all reportable budget changes are shown in **Appendices 1 and 2** (subjective analysis, by type of expenditure) and **Appendices 3 and 4** (functional analysis, by service area).
4. **Revenue Budget Summary** - The net forecast overspend on the revenue budget has reduced by £309k when compared to the position reported to Members in October, down from a £733k forecast overspend to a £424k forecast overspend. The current position includes a forecast net overspend on pay-related budgets of £104k and a forecast net overspend on non-pay budget headings of £320k.
5. The current forecast does not include a draw down from Earmarked Reserves to meet the additional cost of the higher than budgeted corporate staff (green book) pay award, which is £407k greater than the budget set aside, although the cost is reflected in the forecast overspend of £424k. Also subsumed within the forecast outturn is the higher than anticipated inflationary increases across a number of areas, such as utilities, but early in the year £40k was drawdown from earmarked reserves to fund the increased cost of smoke alarms.
6. However, the other two pay awards for 2022/23 still remain outstanding, but it is highly likely that the cost impact of the outcome will exceed the 3% that was set aside in the budget. Consequently, it may be necessary to draw down additional funding from reserves to bridge this funding gap, once the awards are agreed.

7. Despite the fact that an overspend is still being forecast, the position has significantly improved since October. This is because the additional cost (c. £407k) of the unbudgeted corporate staff pay award could, as agreed previously by the Authority, be offset by a draw down from Earmarked Reserves at the end of the financial year, if the final outturn position remains a budget overspend.
8. At the October Authority meeting Members agreed, in principle, that any cost pressures that were not related to pay settlements or inflation driven would be funded by reducing the budget for revenue contributions to capital, if additional costs could not be contained within existing budget allocations or underspends in other areas. At this stage a budget transfer from the revenue contributions to capital budget has not been processed, as this will also be reviewed at the end of the financial year, once the final outturn is confirmed.
9. Additional detail is provided within the appendices attached to this report, but in terms of the most significant movements in the forecast since October, there has been; a reduction in forecast pay costs of £771k (less the additional cost of the £407k for the corporate staff pay award); an increase in forecast investment income of £546k; an increase in forecast vehicle fuel costs of £200k; a net increase of £106k in the forecast cost of utilities; an increase of £46k in forecast training costs; an increase of £45k in the forecast for workwear costs and; a forecast reduction of £123k in income from the sale of vehicles. Other minor net overspends total £81k. In relation to the reduction of £771k in terms of lower pay costs, this is explained in the functional analysis in **Appendix 8**, however in summary £353k of the £771k has arisen due to a reduction in wholetime overtime and in more wholetime firefighters leaving the service than previously expected, On-call fire stations still remain under establishment so forecast spend has reduced by £181k, there are a number of vacancies in control (£61k) and support staff posts which are vacant are taking longer than expected to fill along with several posts that have not been replaced once the individual has retired / left (£176k).
10. **Infrastructure Plan and Capital Budgets** - The Infrastructure Plan contains all planned capital expenditure and some large one-off revenue expenditure, such as investment in IT projects. Since the last report to Members in October, the capital spend forecast has been reduced by £1.557m, down from £6.906m to £5.349m. The reduction in the forecast is mainly due to budget slippage on the Ashford Fire Station and Live Fire Facility redevelopment (£1.3m) where there were delays at the planning application stage. Additionally, there was some slippage on the Mobile Data Terminals (MDTs) project whilst companion devices are assessed (£161k). Details of the Infrastructure Plan can be seen at **Appendices 9 and 10**.
11. **Capital Receipts and Other Usable Reserves** - The opening balance of the capital receipts reserve, on 1 April 2022, was £9.470m, but during the year several properties were sold, generating capital receipts totalling £1.893m.

However, some £1.508m has been drawn down from the capital receipts reserve to help contribute towards capital program costs in-year. This leaves a forecast balance on the capital receipts reserve of £9.855m at 31 March 2023.

12. Details of the 31 March 2023 forecast balances on each reserve are attached at **Appendix 11**.

### **Budget Issues and Risks**

13. In line with the Authority's approach to risk management, potential budget risks have been identified and assessed in terms of probability and impact. At this stage of the financial year, the following risks remain, and as such could have an impact on the final outturn for the year: -
  - a) **Operational Pay** - The level of whole-time operational overtime is dependent on several factors, for example incident levels in terms of frequency and duration, sickness cover and the use of bank shifts. A variation to the estimates used when generating the current forecast will impact on the final outturn. On-call payments are also difficult to predict as a large proportion of costs relate to incident levels which vary from year to year.
  - b) **Corporate Staff Pay** - Assumptions have been made around the timing of recruitment into current vacancies. If the timing of recruitment differs to those assumptions or additional vacancies arise this will result in a variance against the current forecast.
  - c) **Operational Staff Pay Award** - The grey book pay award is yet to be agreed, with an offer of 5% (2% higher than budgeted), being rejected by the FBU. Every additional 1% agreed above the budgeted pay award will cost the Authority an additional £465k. If required, the unbudgeted additional cost will be funded by a transfer from the Insurance and Resource reserve, as previously agreed by this Committee.
  - d) **Programme Slippage** - The Authority has experienced delays throughout the financial year in the delivery of a number of capital projects, predominantly due to supplier and resourcing issues experienced across the UK, for example the lack of availability in the car market of essential component parts. This has led to delays in the vehicle replacement program, with a majority of the program slipping to 2023/24. Additional delays could result in further slippage of budgets to 2023/24.

### **Other Financial Issues**

14. **Vehicle Servicing and Maintenance** - This function will be brought in-house from April 2023 and, as such, Members may recall that at the October Authority meeting Members agreed to the Authority entering into a five-year lease agreement on one of the buildings currently occupied by the Commercial

Services Group for the provision of this function. However, discussions are ongoing and a variety of options are still being considered regarding the best approach for the provision of this function over the medium-to-long term. It is likely therefore, that this is not the best long term solution for the provision of this service and as a consequence it is highly likely that we will look to secure a better building in an alternative location. As such it is expected that there will need to a period of months when there will be an overlap of leases. As such Members are asked to agree 'in principle' to the Authority entering into an additional lease agreement on a premises that better meets the requirements of this function going forward.

15. **Ashford Fire Station and Live Fire Training Facility** - Planning Permission for the Ashford site's re-development was achieved by unanimous decision at Ashford Borough Council's Planning Committee in October 2022, with the scheme being described as a well-considered, well-designed proposal.
16. Since receipt of Planning approval, Stage 3 Design has been completed and the next round of surveys carried out to further inform the scheme's overall design and full scope of works. Alongside this, project teams have been working together to close out the pre-commencement conditions attached to Planning, to unlock the site for a range of early works in support of efficient programme delivery. Early works include the demolition of the existing Live Fire Training building, tree and hedge removal, site clearance and the redevelopment of the front forecourt to create additional parking.
17. The Contractor has completed the validation of the scheme's Stage 3 Cost Plan, with benchmarking and market testing carried out. Works packages are being released to the market for pricing and to further develop the Cost Plan, which will continue to be updated as the project moves through Royal Institute of British Architects (RIBA) Stage 4 Technical Design. Current costingS remain within the £10m - £13m range, as discussed elsewhere on this agenda, which includes contingency sums for design development and inflation. Naturally, opportunities for efficiencies within the scheme continue to be explored with the Contractor and the Design Team.
18. **Property Disposals** - The sale of four vacant day crewed houses in Faversham was completed in November 2022 and the sale of the surplus land at the site of the old fire station in Thanet was also completed December 2022.
19. **2021/22 External Audit Update** - The external audit review of the 2021/22 Financial Statements commenced in October 2022 and is substantially complete but not yet concluded. This is primarily due to the increase in enquiries with regard to the historic information and measurements held for the properties on which the valuations are based. This is as a direct result of increased audit requirements as directed by the Financial Reporting Council. As the supporting information on which the property valuations are based is historic it has meant

that the Authority has had to engage an external provider to re-measure and substantiate the measurements and calculations that underpin the land and building valuations. Once this work has been completed it is hoped that the historic information and the underlying basis of the asset valuations held on the balance sheet is substantiated.

20. The External Auditor has advised that the Value for Money audit should be completed by mid-February 2023. However, due to the backlog of outstanding public sector financial statement audits, which has been their main focus, the external auditors have not yet been able to commit to a date for the commencement of the 2021/22 Value for Money Audit. The Annual Audit Letter for 2021/22 will not be provided until such time as the 2021/22 Financial Statements have been signed off and the Value for Money Audit has been completed.

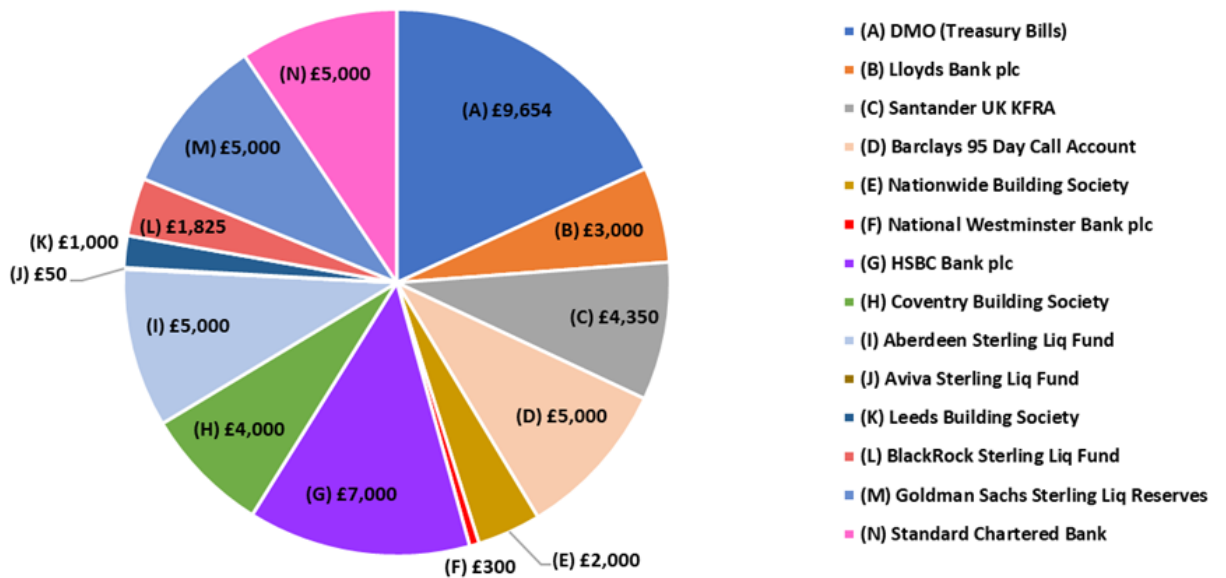
### **Firefighters Pension Fund 2022/23**

21. **The Firefighters' Pension Fund for 2022/23** - Attached at **Appendix 12** is the forecast outturn for the Firefighters' Pension Fund for 2022/23. Firefighter pension costs that are related to injury whilst on duty are met by the Authority, whereas the majority of other firefighter pension costs are funded by the Government. Whilst the Authority is responsible for paying all pensions and collecting all contributions, the resultant net deficit is funded by top-up grant which is paid by the Government in July each year.

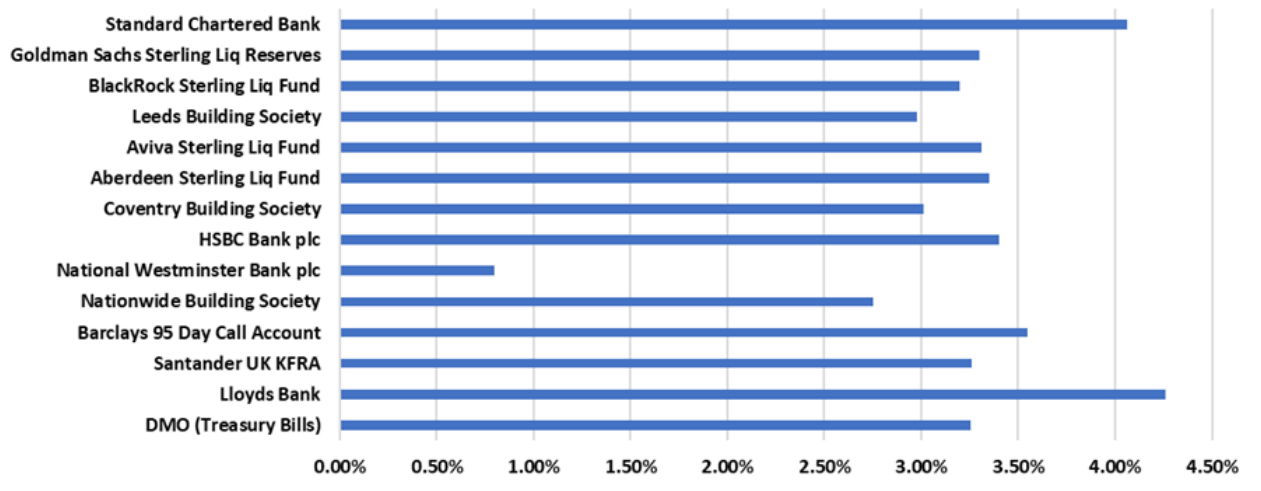
### **Cash Invested and Average Interest Rates Per Counterparty 2022/23**

22. **Cash Invested** – Between 1 April 2022 and 13 January 2023, the Authority invested an average cash balance of £53.7m. The pie chart below shows the balance invested as at 13 January 2023 (£53.2m), which has a forecast investment income for the year of £1.06m. The bar chart details current interest rate levels paid on these deposits.

**Cash Invested Per Counterparty as at 13 January 2023 (£000's)**



**Average Interest Rate Per Counterparty as at 13 January 2023**



## IMPACT ASSESSMENT

23. There remains a possibility that the revenue budget may overspend this financial year, even after a draw down from reserves to fund the additional cost of the higher pay awards and higher than budgeted inflationary pressures. At the October Authority meeting Members agreed, in principle, to fund any overspend that was not related to pay settlements or inflation driven, by reducing the budget for revenue contributions to capital, where the overspend could not be contained within existing budget allocations or underspends in other areas.

## **RECOMMENDATIONS**

24. Members are requested to:

- 24.1 Agree 'in principle' to the proposal to enter into an additional lease arrangement, as part of the in-house arrangements for the Vehicle Servicing and Maintenance function (paragraph 14 refers);
- 24.2 Consider and note the remaining contents of the report.



**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**2022/23 Revenue Budget Adjustments – Subjective Analysis**

	<b>Oct-22 Budget £'000</b>	<b>Budget Changes £'000</b>	<b>Revised Budget £'000</b>
Salaries, allowances and on-costs	66,624	278	66,902
Training expenses	644	1	645
Other employee costs(inc Insurance)	730	0	730
Direct pension costs	2,080	0	2,080
<b>Total Employee Costs</b>	<b>70,078</b>	<b>279</b>	<b>70,357</b>
Repairs, maintenance & other costs	3,880	-49	3,831
Utility costs	2,273	0	2,273
<b>Total Premises Costs</b>	<b>6,153</b>	<b>-49</b>	<b>6,104</b>
Vehicle running costs	2,273	0	2,273
Travel allowances and expenses	39	0	39
<b>Total Transport Costs</b>	<b>2,312</b>	<b>0</b>	<b>2,312</b>
Equipment and supplies	2,902	5	2,907
Fees and services	1,214	-2	1,212
Communications and computing	6,307	-1,044	5,263
Other supplies and services	620	85	705
<b>Total Supplies and Services</b>	<b>11,043</b>	<b>-956</b>	<b>10,087</b>
Capital financing costs	873	0	873
Revenue contributions to Capital	6	2,351	2,357
<b>Total Capital Financing</b>	<b>879</b>	<b>2,351</b>	<b>3,230</b>
Grants and contributions	-7,616	15	-7,601
Investment income	-192	0	-192
Other income	-240	0	-240
Transfers from reserves	-4,988	-1,640	-6,628
<b>Total Income</b>	<b>-13,036</b>	<b>-1,625</b>	<b>-14,661</b>
<b>Net Budget</b>	<b>77,429</b>	<b>0</b>	<b>77,429</b>

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

### 2022/23 Revenue Budget Adjustments - Subjective Analysis Explanations

Individual virements (budget transfers) that exceed £50k are required to be reported to Members. Any individual virements that are not technical budget adjustments that exceed £500k require Member approval. There are no virements that require Member approval.

Reportable virements are detailed below;

- (a) **Salaries, allowances and on-costs (£278k increase)** - This budget increase is mainly offset by a transfer from the Service Transformation and Productivity Reserve (£287k) and will fund additional temporary posts agreed within; Control, Operational Policy and Resilience, Fleet and Transport, Building Safety, People and Learning, Business Intelligence and Property. These temporary posts are mainly required in direct support of, or backfill, due to project work. The budget has been increased by a further £10k where project costs have been realigned from another subjective heading. These increases are partly offset by a net budget reduction of £19k due to the rephasing of infrastructure project budgets, offset by a transfer to the Infrastructure Reserve.
- (b) **Communications and computing (£1.044m decrease)** - This budget reduction is offset by a transfer to the Infrastructure Reserve mainly as a result of project slippage; due to delays in the Customer and Premises Risk Management Project (Dynamics) (£870k), the on-call turnout project (£100k) and the Time and Attendance project (£14k, plus £60k underspend).
- (c) **Other Supplies and Services (£85k increase)** - Part of the infrastructure budget for the Command and Control Review and Implementation project totalling £85k has been realigned to this heading from another subjective heading.
- (d) **Revenue Contributions to Capital (£2.351m increase)** - The Capital budget was previously £6.906m and this was to be funded by £6.9m use of capital receipts and £6k Revenue Contributions to Capital. The capital budget has now been reduced to £5.359m and this is to be funded by £1.508m use of capital receipts, £2.357m Revenue Contributions to Capital, £1.4m internal borrowing and £94k other one-off funding contributions.
- (e) **Transfers from reserves (£1.640m increase)** - The majority of this budget increase is explained by the reserve transfers detailed in (a), (b) and (d).

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**2022/23 Revenue Budget Adjustments – Functional Analysis**

	<b>Oct-22 Budget £'000</b>	<b>Budget Changes £'000</b>	<b>Revised Budget £'000</b>
Firefighting and Rescue Services	32,601	33	32,634
Control	2,078	11	2,089
Operational Policy and Resilience	9,511	133	9,644
Fleet and Transport	3,045	33	3,078
<b>Total Operational Response and Resilience</b>	<b>47,235</b>	<b>210</b>	<b>47,445</b>
Customer Safety	2,937	-32	2,905
Building Safety	3,169	37	3,206
Customer Engagement	882	-28	854
<b>Total Customer Safety, Building Safety and Engagement</b>	<b>6,988</b>	<b>-23</b>	<b>6,965</b>
Corporate Management Board and Business Support	2,129	7	2,136
Member Allowances and Expenses	78	0	78
People and Learning	3,285	22	3,307
Business Change and Information Technology	8,330	-1,064	7,266
Property, Environment and Facilities	6,903	10	6,913
Finance, Insurance and Procurement	2,394	0	2,394
Business Intelligence, Policy and Performance	824	18	842
<b>Total Corporate Costs</b>	<b>23,943</b>	<b>-1,007</b>	<b>22,936</b>
Pension Costs	2,080	0	2,080
Net Financing Costs	681	0	681
Infrastructure Funding and Other Reserves	-1,850	820	-1,030
Non-Ring Fenced Grants	-1,762	0	-1,762
Admin for Council Tax Support	114	0	114
<b>Total Pensions, Financing and Other Costs</b>	<b>-737</b>	<b>820</b>	<b>83</b>
<b>Net Budget</b>	<b>77,429</b>	<b>0</b>	<b>77,429</b>

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

### 2022/23 Revenue Budget Adjustments – Functional Analysis Explanations

Individual virements (budget transfers) that exceed £50k are required to be reported to Members. Any individual virements that are not technical budget adjustments that exceed £500k require Member approval. There are no virements that require Member approval.

Reportable virements are detailed below;

- (f) **Operational Policy and Resilience (£133k increase)** – Several temporary posts have been agreed for this team (see (a)), so pay budgets have been increased by £152k, offset by a transfer from the Service Transformation and Productivity Reserve. A £10k budget has been realigned from another functional heading and net budget reductions totalling £29k are offset by a transfer to the Infrastructure Reserve where some operational equipment purchases (ladders and lighting) have been rephased.
- (g) **Business Change and Information Technology (£1.064m decrease)** – The majority of this budget reduction is explained in (b) in relation to infrastructure project slippage and underspends, so is offset by a transfer to the Infrastructure Reserve.
- (h) **Infrastructure Funding and Other Reserves (£820k decrease in funding)** - The majority of this budget adjustment is explained in (a) and (b).

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**2022/23 Revenue Budget Variance Analysis – Subjective Analysis**

	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Total Variance £'000</b>
Salaries, allowances and on-costs	66,902	67,006	104
Training expenses	645	651	6
Other employee costs(inc Insurance)	730	721	-9
Direct pension costs	2,080	2,080	0
<b>Total Employee Costs</b>	<b>70,357</b>	<b>70,458</b>	<b>101</b>
Repairs, maintenance & other costs	3,831	4,025	194
Utility costs	2,273	2,569	296
<b>Total Premises Costs</b>	<b>6,104</b>	<b>6,594</b>	<b>490</b>
Vehicle running costs	2,273	3,232	959
Travel allowances and expenses	39	61	22
<b>Total Transport Costs</b>	<b>2,312</b>	<b>3,293</b>	<b>981</b>
Equipment and supplies	2,907	3,034	127
Fees and services	1,212	1,296	84
Communications and computing	5,263	5,351	88
Other supplies and services	705	730	25
<b>Total Supplies and Services</b>	<b>10,087</b>	<b>10,411</b>	<b>324</b>
Capital financing costs	873	873	0
Revenue contributions to Capital	2,357	2,347	-10
<b>Total Capital Financing</b>	<b>3,230</b>	<b>3,220</b>	<b>-10</b>
Grants and contributions	-7,601	-7,962	-361
Investment income	-192	-1,068	-876
Other income	-240	-322	-82
Transfers from reserves	-6,628	-6,771	-143
<b>Total Income</b>	<b>-14,661</b>	<b>-16,123</b>	<b>-1,462</b>
<b>Net Budget</b>	<b>77,429</b>	<b>77,853</b>	<b>424</b>

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

### Significant Variances and Movements in the 2022/23 Revenue Budget

#### Subjective Variance Analysis

The forecast net overspend of £424k is made up of a variety of underspend and overspends, and the reasons for the most significant variances are commented on below:-

#### Revenue Budget Variances

- a) **Salaries, allowances and on-costs (£104k overspend)** - Additional information is provided under the relevant functional heading at **Appendix 8**, but the forecast now includes the additional cost of the green book pay award (£407k) as the 2022/23 budget made provision for a 3% increase but the flat rate settlement of £1,925 on all scale points averaged just over 5%. A forecast has not currently been included for the operational staff 'grey book' pay award as the settlement has not yet been agreed. Overspends arising from the higher than budgeted pay awards will be assessed at the end of the financial year to determine if a transfer from the Insurance and Resource Reserve is required to fund the difference.
- b) **Repairs, maintenance and other Costs (£194k overspend)** - The forecast now includes a projected overspend on a variety of premises works, including the repair and replacement of several boiler and heating systems.
- c) **Utility costs (£296k overspend)** - A significant increase in prices earlier in the year has resulted in a forecast overspend against gas and electricity budgets.
- d) **Vehicle running costs (£959k overspend)** - The vehicle fuel budget is forecast to overspend by £406k due to significantly increased prices earlier in the year and higher usage due to attendance at an increased number of incidents for a longer period of time over the summer months. The vehicle servicing and maintenance budget is forecast to overspend by £483k due to a significant increase in costs of replacement parts, additional unplanned maintenance due to higher usage over the summer months, and additional unplanned maintenance due to delays in the delivery of new vehicles. Other minor forecast net overspends total £70k.
- e) **Equipment and supplies (£127k overspend)** - Overspends are now forecast across a variety of areas, such as; additional inspections have been undertaken on pressure vessels, additional workwear has been purchased for business continuity purposes and additional stationery and furniture has been required

since colleagues have been returning to work more regularly from KFRS premises.

- f) Fees and services (£84k overspend)** - This forecast overspend mainly relates to legal costs incurred due to Fire Safety enforcement cases (£49k offset by a forecast transfer from the Insurance and Resource reserve) and legal costs incurred defending legal challenges in relation to the procurement of goods and services. The number of enforcement cases expected to be undertaken this year has now decreased, hence the reduction in the forecast since the last report to Members in October.
- g) Communications and computing (£88k overspend)** - This forecast overspend mainly relates to a significant increase in the Home Office charge for Airwave (Firelink), which is increased annually inline with inflation, which was much higher than anticipated when setting the budget.
- h) Grants and contributions (£361k increased income)** - The Government has provided an additional protection uplift grant for 2022/23 (£406k). This is partly offset by a 20% reduction in the Home Office grant towards the cost of Firelink, as reported to the Authority in July (£136k reduction in income). Other minor additional income totals £91k.
- i) Investment income (£876k increased income)** - Further increases to the Bank of England base rate since October has meant that returns on investments continued to increase significantly above original expectations. In addition, slippage on infrastructure spend has meant that balances are higher than originally anticipated so this forecast has increased considerably since it was last reported to Members in October.
- j) Other income (£82k increased income)** - This forecast additional income is due to the expected sale of vehicles as their replacements are rolled out across the service, however it is £120k less than was previously reported.
- k) Transfers from reserves (£143k increase in net transfer from reserves)** - This forecast increase in transfer from reserves mostly relates to the additional legal costs for Fire Safety enforcement, see (f) and a transfer from the Government Grants reserve for pension administration costs in relation to the McCloud legal case (£48k). Other minor net increases to the forecast transfer from reserves total £46k.

KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

2022/23 Revenue Budget Variance Analysis – Functional Analysis

	Revised Budget £'000	Forecast Outturn £'000	Total Variance £'000
Firefighting and Rescue Services	32,634	32,532	-102
Control	2,089	1,923	-166
Operational Policy and Resilience	9,644	10,176	532
Fleet and Transport	3,078	3,988	910
<b>Total Operational Response and Resilience</b>	<b>47,445</b>	<b>48,619</b>	<b>1,174</b>
Customer Safety	2,905	2,929	24
Building Safety	3,206	2,948	-258
Customer Engagement	854	871	17
<b>Total Customer Safety, Building Safety and Engagement</b>	<b>6,965</b>	<b>6,748</b>	<b>-217</b>
Corporate Management Board and Business Support	2,136	2,231	95
Member Allowances and Expenses	78	78	0
People and Learning	3,307	3,223	-84
Business Change and Information Technology	7,266	7,217	-49
Property, Environment and Facilities	6,913	7,395	482
Finance, Insurance and Procurement	2,394	2,278	-116
Business Intelligence, Policy and Performance	842	869	27
<b>Total Corporate Costs</b>	<b>22,936</b>	<b>23,291</b>	<b>355</b>
Pension Costs	2,080	2,080	0
Net Financing Costs	681	-195	-876
Infrastructure Funding and Other Reserves	-1,030	-1,030	0
Non-Ring Fenced Grants	-1,762	-1,774	-12
Admin for Council Tax Support	114	114	0
<b>Total Pensions, Financing and Other Costs</b>	<b>83</b>	<b>-805</b>	<b>-888</b>
<b>Net Budget</b>	<b>77,429</b>	<b>77,853</b>	<b>424</b>



## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

### Significant Variances and Movements in the 2022/23 Revenue Budget

#### Functional Variance Analysis

The forecast net overspend of £424k is made up of a variety of underspend and overspends, and the reasons for the most significant variances are commented on below:-

#### Revenue Budget Variances

- l) Firefighting and Rescue Services (£102k underspend)** - As reported to Members in October, Wholetime fire stations are currently running over establishment, mainly due to uncertainty around levels of retirements that were anticipated following changes to the Firefighters' Pension Scheme. There have been more leavers than anticipated when the forecasts for the October report were produced and overtime levels have also reduced more than previously projected so the forecast overspend has reduced from £1.146m to £793k. On-call fire stations remain significantly under establishment so the forecast underspend has increased from £766k to £947k. Other minor non-pay forecast net overspends total £52k.
- m) Control (£166k underspend)** - The four vacancies within this team are now unlikely to be filled before the end of the financial year so these posts have not been recruited to in line with previous projections, meaning the forecast underspend has increased by £61k since last reported to Members in October.
- n) Operational Policy and Resilience (£532k overspend)** - As reported to Members in October there has been a restructure within the Response and Resilience team so there has been several months of handovers and overlaps in some roles. There has also been a backlog of training caused by Covid related issues and a higher number of operational calls this year, both of which have had an impact. The forecast overspend has increased by £126k since October, mainly due to the higher than budgeted pay award for corporate (green book) colleagues (£61k).
- o) Fleet and Transport (£910k overspend)** - See (d) regarding increased vehicle maintenance and higher fuel costs and (j) regarding income from vehicle sales. In addition, there is a forecast overspend of £33k due to the higher than budgeted pay award for corporate colleagues.
- p) Building Safety (£258k underspend)** - Staffing budgets are due to underspend by £212k, mainly due to vacancies within this team (once netted off against the

increased cost of the green book pay award (£55k)). Other minor net underspends total £46k.

- q) Corporate Management Board and Business Support (£95k overspend) -**  
There is a forecast overspend of £27k due to the higher than budgeted pay award for corporate colleagues (green book) within the Business Support team. In addition, there are overspends forecast against office stationery and staff travel budgets (£37k) due to staff returning to offices to work following Covid-19 and other minor net forecast overspends totalling £31k.
- r) People and Learning (£84k underspend) -** As reported previously, staffing budgets are forecast to underspend due to various apprentice roles remaining vacant throughout the year. The forecast underspend has reduced since October, mainly due to the additional cost of the green book pay award (£38k).
- s) Property, Environment & Facilities (£482k overspend) -** The majority of this forecast overspend is explained in (b) and (c).
- t) Finance, Insurance and Procurement (£116k underspend) –** The majority of this forecast underspend is due to vacancies where staff have left during the year (partly offset by an increase in costs due to the green book pay award (£29k)). There is also an unbudgeted forecast transfer from the Insurance and Resource reserve (£49k) to fund legal costs in relation to Fire Safety enforcement.
- u) Net Financing Costs (£876k underspend) -** This forecast underspend is explained in (i).

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**  
**2022/23 Infrastructure Budget Adjustments**

	<b>Oct-22 Budget £'000</b>	<b>Budget Changes £'000</b>	<b>Revised Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Total Variance £'000</b>
<b>Infrastructure Capital Budget</b>					
Control Location	300	0	300	300	0
Ashford Fire Station Redevelopment	2,700	-1,300	1,400	1,400	0
<b>Total Station Development Programme</b>	<b>3,000</b>	<b>-1,300</b>	<b>1,700</b>	<b>1,700</b>	<b>0</b>
Generators	21	4	25	25	0
Roofing Works	692	97	789	789	0
Boilers and Heating Systems	10	0	10	10	0
<b>Total Premises</b>	<b>723</b>	<b>101</b>	<b>824</b>	<b>824</b>	<b>0</b>
Printers	152	-19	133	133	0
Mobile Data Terminals	327	-161	166	166	0
<b>Total Information and Communication Systems</b>	<b>479</b>	<b>-180</b>	<b>299</b>	<b>299</b>	<b>0</b>
Specialist Units and Vehicles	839	-80	759	759	0
Cars and Vans	1,865	-88	1,777	1,767	-10
<b>Total Vehicles and Equipment</b>	<b>2,704</b>	<b>-168</b>	<b>2,536</b>	<b>2,526</b>	<b>-10</b>
<b>Total Infrastructure Capital Budget</b>	<b>6,906</b>	<b>-1,547</b>	<b>5,359</b>	<b>5,349</b>	<b>-10</b>
<b>Infrastructure Revenue Budget</b>					
Premises	2,140	-18	2,122	2,247	125
Operational Equipment	166	-29	137	137	0
Information and Comms. Systems	3,101	-1,050	2,051	2,044	-7
<b>Total Infrastructure Revenue Budget</b>	<b>5,407</b>	<b>-1,097</b>	<b>4,310</b>	<b>4,428</b>	<b>118</b>
<b>Total Infrastructure Revenue and Capital Budgets</b>	<b>12,313</b>	<b>-2,644</b>	<b>9,669</b>	<b>9,777</b>	<b>108</b>
<b>Funded from:-</b>					
Base Revenue Contributions	-3,792	0	-3,792	-3,792	0
Infrastructure Reserve	-1,516	-1,254	-2,770	-2,878	-108
Capital Receipts	-6,900	5,392	-1,508	-1,508	0
Internal Borrowing	0	-1,400	-1,400	-1,400	0
One-off funding & grants	-105	-94	-199	-199	0
<b>Total Funding</b>	<b>-12,313</b>	<b>2,644</b>	<b>-9,669</b>	<b>-9,777</b>	<b>-108</b>

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

### 2022/23 Infrastructure Capital Budget Adjustments - Explanations

Individual virements (budget transfers) that exceed £50k are required to be reported to Members. Any individual virements that are not technical budget adjustments that exceed £500k require prior Member approval. There are no virements that require Member approval.

Reportable virements are detailed below;

- a) **Ashford Fire Station Redevelopment (£1.3m decrease)** - This budget has been slipped to 2023/24 to match the revised expenditure profile for this project (see paragraphs 15 to 17).
- b) **Roofing works (£97k increase)** - This budget has increased due to additional roofing works that were identified following a station stock condition survey.
- c) **Mobile Data Terminals (£161k decrease)** - An element of hardware specification work needs to be completed so part of the hardware budget for this project has been slipped to 2023/24.
- d) **Specialist Units and Vehicles (£80k decrease)** - This budget has been slipped to 2023/24 as the purchase of 3 new inflatable water rescue boats has been delayed due to matters relating to training and stowage.
- e) **Cars and Vans (£88k decrease)** - This budget has been slipped to 2023/24 as the CCTV installation and conversion of 4 of the new response vehicles will not be completed this financial year. In addition, a new van will now not be delivered until 2023/24 due to supplier delays.

**2022/23 Infrastructure Revenue Budget Adjustments (£1.097m decrease)** – This budget has been slipped to 2023/24, mainly due to delays in the Customer and Premises Risk Management Project (Dynamics) (£870k), the on-call turnout project (£100k) and the purchase of new ladders (£77k) delayed in line with delivery of new vehicles.

### Variances on Infrastructure Revenue Budget

**Premises (£125k overspend)** - This forecast overspend mainly relates to additional works that have been identified since undertaking the office reconfiguration works following the Covid-19 pandemic.

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**2022/23 General and Earmarked Reserves**

Figures shown are in £'000		<b>Opening Balance 01-Apr-22</b>	<b>Forecast Transfer 2022/23</b>	<b>*Forecast Closing Balance 31-Mar-23</b>
General Reserve	(A)	3,760	210	3,970
<i>Earmarked Reserves:</i>				
Government Grants	(B)	3,214	-2,109	1,105
Infrastructure	(C)	27,870	-2,878	24,992
Insurance and Resource	(C)	4,316	-516	3,800
Rolling Budgets	(C)	867	-651	216
Service Transformation and Productivity	(C)	1,294	-827	467
<b>Total Earmarked Reserves</b>		<b>37,561</b>	<b>-6,981</b>	<b>30,580</b>
<b>Total Revenue Reserves</b>		<b>41,321</b>	<b>-6,771</b>	<b>34,550</b>
Capital Receipts	(D)	9,470	385	9,855
<b>Total Capital Reserves</b>		<b>9,470</b>	<b>385</b>	<b>9,855</b>
<b>Total Usable Reserves</b>		<b>50,791</b>	<b>-6,386</b>	<b>44,405</b>

\*Forecast Earmarked Reserve balances at 31.3.23 exclude any transfer from reserves that may be required at year end as a result of the forecast overspend on the 2022/23 revenue budget.

Notes:

- A. Reserve held to provide a contingency to cushion the impact of unexpected costs
- B. Resource provided by Government with any unspent amounts rolled forward
- C. Reserve held to smooth the impact of expenditure on the revenue budget
- D. Reserve available to fund capital expenditure.

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**2022/23 Firefighters' Pension Fund**

Figures shown are in £'000	<b>*Home Office Return (Sept 2021)</b>	<b>**Home Office Return (Aug 2022)</b>	<b>Forecast Outturn</b>	<b>Variance to Home Office Return (Sept 2021)</b>
<b>Pension Outgoings:</b>				
Pension payments	25,275	27,118	27,277	2,002
<b>Total Expenditure</b>	<b>25,275</b>	<b>27,118</b>	<b>27,277</b>	<b>2,002</b>
<b>Pension Income:</b>				
Employee contributions	3,737	3,988	4,003	266
Employer contributions	8,324	8,732	8,663	339
In-year ill-health charge income	360	420	420	60
Non-abated pension income	175	150	150	-25
Transfer values received	0	49	118	118
Government top-up grant	12,679	13,779	13,923	1,244
<b>Total Income</b>	<b>25,275</b>	<b>27,118</b>	<b>27,227</b>	<b>2,002</b>
<b>Net Fund Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*The top-up grant received by the Authority in July 2022 for the 2022/23 financial year was based on 80% of the estimate submitted to the Home Office in September 2021.

\*\*A revised estimate for the 2022/23 financial year was submitted to the Home Office in August 2022, along with Pension Fund forecasts for 2023/24 to 2027/28.

By: Chief Executive

To: Kent and Medway Fire and Rescue Authority - 21 February 2023

Subject: DRAFT REVENUE AND CAPITAL BUDGETS 2023/24 AND  
DRAFT MEDIUM-TERM FINANCIAL PLAN 2023-27

Classification: Unrestricted

## FOR DECISION

### SUMMARY

This report sets out the proposals for the draft Revenue and Capital budgets and Council Tax charges for the 2023/24 financial year. Attached to this report is the draft Budget Book, which details the assumptions used to develop the Medium-Term Financial Plan (MTFP), the Capital Strategy, the Treasury Management and Investment Strategy and the Reserves Strategy.

Member approval is sought for the Revenue and Capital budget proposals, the Council Tax requirement and Council Tax charges for the 2023/24 financial year, the assumptions used in the development of the 2023-27 MTFP and each of the financial strategies which facilitate the delivery of the 2023-27 MTFP.

The key proposals that are presented to Members for consideration and approval are: -

- A net revenue budget requirement of £85.292m for 2023/24
- A Council Tax increase of 6.01%  
(This equates to an increase of £4.95 per annum (just under 10 pence per week) on the Band D Council Tax, increasing the charge to £87.30 for 2023/24)

### RECOMMENDATIONS

Members are requested to:

1. Approve the revenue budget proposals and the resulting net revenue budget requirement of £85.292m for 2023/24 (paragraphs 12 and 13 and **Appendix 2** refer).

LEAD/CONTACT OFFICER: Director Finance and Corporate Services – Alison Kilpatrick

TELEPHONE NUMBER: 01622 692121 ext 8262

EMAIL: [alison.kilpatrick@kent.fire-uk.org](mailto:alison.kilpatrick@kent.fire-uk.org)

BACKGROUND PAPERS: None

2. Approve a total requirement from Council Tax of £57.689m to be raised through the precept to meet the 2023/24 revenue budget requirement, which requires a Council Tax increase of 6.01%, resulting in the following annual charges for each Council Tax band (paragraphs 20 to 24 refer): -

Council Tax Band	Annual Charge
A	£58.20
B	£67.90
C	£77.60
<b>D</b>	<b>£87.30</b>
E	£106.70
F	£126.10
G	£145.50
H	£174.60

3. Authorise the Chief Executive, in consultation with the Chair of the Authority, to make any adjustments which may be required to the net revenue budget, arising as a result of any late changes to Council Tax, Business Rates or Government Funding (paragraph 25 refers).
4. Approve the Capital Budget of £16.492m for 2023/24 and related expenditure commitments following on in later years, together with the sources of funding identified to fund the expenditure (paragraph 2 and **Appendix 2** refer).
5. Approve the Capital Strategy (paragraph 2 and **Appendix 3** refer).
6. Approve the Annual Treasury Management and Investment Strategy, including the appropriate Prudential Indicators (paragraph 2 and **Appendix 4** refer).
7. Approve the Reserves Strategy (paragraph 2 and **Appendix 5** refer).
8. Approve the assumptions used to develop the Medium-Term Financial Plan for 2023-27 (paragraphs 26 to 29 and **Appendix 2** refer).



## COMMENTS

### Background

1. This report primarily summarises the proposed spending plan requirements for the financial period 2023/24 to 2026/27 together with details of the resources that are available to fund these plans. More detailed information is contained within the draft Budget Book and Medium-Term Financial Plan (MTFP) for 2023-27 attached at **Appendix 2**.
2. Members are also asked to consider and approve the three financial strategies attached to this report, each of which facilitate the delivery of the MTFP and the Safety and Wellbeing Plan. These are the Capital Strategy (**Appendix 3**), the Treasury Management and Investment Strategy and the appropriate Prudential Indicators (**Appendix 4**) and the Reserves Strategy (**Appendix 5**).

### Autumn Statement 2022 and Local Government Finance Settlement 2023/24

3. **Autumn Statement 2022** – The Chancellor of the Exchequer delivered the Autumn Statement on 17 November 2022 and although there were no specific references to Fire and Rescue Services, it was confirmed that there would be no cuts to the funding announced in the Spending Review 2021. Other key funding announcements impacting on Fire and Rescue Services included confirmation that; core Council Tax referendum limits would rise from 2% to 3% (the Provisional Local Government Finance Settlement later confirmed that Fire and Rescue Authorities (FRAs) would be able to increase the Band D charge by up to £5 for 2023/24); there would be a freezing of the business rates multiplier for 2023/24 and; local authorities would be fully compensated for any loss of income as a result of the 2023 business rates revaluation.
4. **National Context** – The Office for Budget Responsibility (OBR) produced an Economic and Fiscal Outlook (EFO) report to provide the Chancellor with an independent forecast including the impact of the Government policy decisions announced in the Autumn Statement. At the time, the OBR were forecasting that high inflation and rising interest rates will weigh on demand and that the economy will fall into recession for just over a year from the third quarter of 2022. The OBR also forecast that Consumer Price Index (CPI) inflation would peak at a 40 year high of 11% in the 4<sup>th</sup> quarter of 2022 but thereafter the rate of increases in prices would decline in 2023 with periods of negative inflation forecast for 2024 and 2025. In addition, the OBR forecast that unemployment would rise 505,000 from 3.5% to peak at 4.9% in the third quarter of 2024. The medium-term fiscal outlook had materially worsened since the OBR's March 2022 forecast due to a weaker economy, higher interest rates, and higher inflation. That said, borrowing is set to fall by £37bn next year to £140bn (5.5% of GDP) due to previously announced tax rises and scaled back fiscal support, falling to £69.2bn (2.4% of GDP) in 2027/28.

5. **Provisional Local Government Finance Settlement** – On the 12 December the Government issued a Policy Statement detailing many of the key principles that ministers intended to use in the provisional settlement. The Government published the 2023/24 provisional settlement on 19 December 2022 and as expected, prioritisation was given to maintaining financial stability in the immediate term with funding levels only confirmed for 2023/24. As such, the one-year settlement makes medium-term financial planning highly uncertain, so planning must be sufficiently flexible to be able to respond to potential future funding changes accordingly.
6. The provisional settlement was broadly in line with expectations following announcements in the Autumn Statement and the Policy Statement, albeit the inflationary uplifts to Revenue Support Grant (RSG) and the Business Rates baseline were changed from RPI to CPI, meaning that the Authority will receive less grant than would have been the case had the previous link to RPI been maintained. It was confirmed that CPI inflation will be the bases for any future increases to the compensation paid to authorities for the under-indexation of the business rates multiplier.
7. Although the Government has rolled £238m of grants into the core settlement for 2023/24, the Fire Pensions Grant (£3.536m for this Authority) currently remains outside of the core funding settlement. As this grant is approved by ministers annually, there remains a risk that this grant may be reduced or even removed in the future. The Authority does receive other government grants outside of the core settlement, such as the Firelink grant and the New Dimensions grant and during 2022/23 it was confirmed that the Firelink grant (c. £600k for this Authority) would be phased out over 5 years, highlighting the uncertainty over grants that are subject to annual ministerial approval and sit outside of the core funding settlement.
8. **Referendum Limits** - The provisional settlement confirmed that all Fire and Rescue Authorities would have the flexibility to increase the Band D Council Tax charge by up to £5 for 2023/24. Consequently, for 2023/24 the Medium-Term Financial Plan (MTFP) proposes a Council Tax increase of £4.95 for a Band D property, just below the £5 referendum limit. This equates to a 6.01% increase on all Council Tax bands for 2023/24. Referendum principles for future years have not been confirmed so it has been assumed within the MTFP that the Council Tax charge will increase in line with referendum limits of 3% for 2024/25 and then 2% from 2025/26 as this seems the most reasonable and prudent approach to take at this stage.
9. **Local Context** – The provisional settlement only confirmed details of the Authority's funding levels for the 2023/24 financial year (with some guiding principles provided for 2024/25). With a lack of clarity over government funding in future years the Authority has, in its MTFP, assumed that the Settlement Funding Assessment (SFA) will increase by inflation from 2024/25 to 2026/27. The Authority's Services Grant has been reduced in 2023/24, as the Government has withdrawn the funding that was

provided to the Authority for the 1.25% increase to the employer's national insurance rate, as this increase has since been reversed. It has been assumed that the reduced grant allocation will be received in 2024/25 before this grant is removed completely from 2025/26, although this has not been confirmed.

10. The Government remains committed to updating and reforming the way local authority funding is distributed to individual authorities and although this has been postponed until after the current parliament i.e., 2025/26 at the earliest, there remains significant uncertainty around government funding beyond 2024/25.
11. **Provisional Local Government Finance Settlement 2023/24 Consultation -** Members will be aware that each year when the provisional settlement is announced there is the opportunity to comment on the proposals contained in that document. On 9 January the Minister for Crime, Policing and Fire wrote to all FRAs requesting that, alongside responses to the consultation on the provisional settlement (deadline 16 January), each FRA sets out in writing how, in principle, they will be reprioritising within their budgets, delivering efficiencies, and driving productivity improvements going forward. The response, attached at **Appendix 1**, was agreed in consultation with the Chair, and submitted prior to the deadline. Also, as part of the consultation the Minister asked for all Fire and Rescue Authorities to submit by the end of March 2023, their Efficiency and Productivity Statement for 2023/24. This Statement clearly links to the MTFP and our key strategies and as such is presented later on this agenda for Members approval.
12. **Revenue Budget -** As in previous years the Authority's revenue budget is developed on an incremental basis. The previous year's budget is adjusted for the impact of pay and price increases, and this is particularly important in 2023/24 as there have been some significant increases in costs in both areas. The 2022/23 revenue budget included provision for a pay award of 3% for all staff groups. However, as at the 31 January 2023 only the green book award has been settled (which averaged just over 5%). The other two pay awards still remain outstanding, but we have assumed that the final pay settlements will average approximately 5%, and as such we have added this additional growth (approximately 2%) to the 2023/24 budget proposals. Inflation has also risen dramatically since the 2022/23 budget was set, when CPI inflation was at 5.4% in December 2021, this rose sharply to 11.1% by October 2022. The Authority has a number of contracts which include indexation clauses as well as negotiated uplifts so high inflation has also added additional growth to the 2023/24 budget proposals.
13. Also included within the budget proposals is additional growth for other unavoidable statutory commitments; new demands; and the outcome of savings activities. Expenditure that is to be funded from grants or reserves is included in the budget, but the amount does vary from year to year, so whilst it does not affect the amount of the net revenue budget to be met from Council Tax, it does impact on gross spending.

Details of the changes made to the base revenue budget and the additional expenditure funded from grants and reserves are set out in the Budget Book (**Appendix 2**). As a result of these changes a net revenue budget of £85.292m for 2023/24 is presented to Members for approval.

14. The proposed revenue budget is shown in **Table 1** below. This sets out the key changes between 2022/23 and 2023/24. Full details of the budget-build assumptions are contained in the Budget Book (**Appendix 2**).

**Table 1 - Revenue Budget 2023/24**

	<b>£'000</b>
Base Revenue Budget brought forward	79,408
Pay, pensions, prices and other pressures	9,445
Savings	-3,617
<b>Base Revenue Budget for 2023/24</b>	<b>85,236</b>
Transfer from Earmarked Reserve Local Tax Income Guarantee Scheme	-234
Transfer to General Reserve	290
<b>Net Revenue Budget for 2023/24</b>	<b>85,292</b>
<b>Net Revenue Budget for 2023/24 funded by:</b>	
Revenue Support Grant	7,330
Business Rates and Top-up Grant	19,381
Services Grant	603
Council Tax	57,689
Net Surplus on Collection Funds	289
<b>Total Funding</b>	<b>85,292</b>

15. **Transfer from Earmarked Reserve - Local Tax Income Guarantee Scheme** - The Government has provided the Authority with grant funding to cover 75% of the irrecoverable Covid-19 related losses on the 2020/21 Collection Funds. These losses are spread in Medway and Kent District Councils Collection Funds over the three financial years 2021/22, 2022/23 and 2023/24. The government grant funding has therefore been put into an Earmarked Reserve and will be released from the reserve to coincide with the recovery of the Collection Fund deficits by Medway and Kent District Councils. Therefore, the remaining balance of £234k is to be released from the reserve in 2023/24.
16. **Transfer to General Reserve** - The 2023/24 Reserves Strategy contains a proposal to maintain the level of General Reserves at approximately 5% of the base revenue budget. Therefore, a transfer to the General Reserve of £290k is required in 2023/24.

### **The Provisional Local Government Finance Settlement for 2023/24**

17. The Budget Book (**Appendix 2**) discusses in detail the main elements of the provisional finance settlement published by the Government in December 2022. The final settlement was published on 6 February 2023 and was in line with the provisional

settlement, except for the Services Grant which has now been reduced by £424k, rather than the £449k detailed in the provisional settlement.

18. Details of the 2023/24 settlement compared to 2022/23 are set out in **Table 2**.

<b>Table 2 – Business Rates and Other Government Grant Funding</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>% Change</b>
Revenue Support Grant (RSG)	6,655	7,330	10.14
Business Rates – Retained Baseline	6,389	6,981	9.26
Top-up Grant	8,514	8,480	-0.40
Settlement Funding Assessment (SFA)	21,558	22,791	5.72
Business Rates - Retained Growth	-342	-22	93.57
Business Rates - Section 31 Grant	2,756	3,942	43.03
Services Grant	1,027	603	-41.28
<b>Total Business Rates and Government Grants</b>	<b>24,999</b>	<b>27,314</b>	<b>9.26</b>

19. **Business Rates - Section 31 Grant** - The Government continues to provide additional funding to authorities to compensate them for the continued impact of the historic cap on the small business rate multiplier and other reliefs given. The amount of grant expected for 2023/24 has increased to £3.942m, which includes an amount £1.444m for the impact on the Top-up Grant and £2.498m for the impact on Retained Business Rates. From 2023/24 the Government has confirmed that inflationary uplifts will be based on CPI rather RPI, meaning less grant than would have been the case had the previous link to RPI been maintained.

#### **Council Tax for 2023/24**

20. **Council Tax Consultation** - Consultation on the proposed level of the Authority's Council Tax charge for 2023/24 was undertaken as part of the Safety and Wellbeing Plan 2023. The consultation was opened to the public on 24 October 2022 and closed on the 13 January 2023. The consultation included a specific question on changes to Council Tax in 2023/24 and provided the four options below:
- (Option 1) - Freeze Council Tax for a year (no increase from 2022/23).
  - (Option 2) - Increase by an amount just under the current referendum limit of 2%.
  - (Option 3) – If flexibility allows, increase by an amount of between 2% and 5%.
  - (Option 4) – If flexibility allows, increase by an amount of between 5% and 8%.
21. **Council Tax Consultation Response** - The Information Update report, which appears later on this agenda, provides an overview of the variety of methods that were used to promote this consultation, a summary of the total number of respondents and details to the responses to the questions that were asked as part of the consultation. However, in relation to the specific question on Council Tax increases:

32% of respondents selected option 3, 25% selected option 2, 23% selected option 1 and 20% selected option 4.

22. **Proposed Council Tax for 2023/24** - The Authority seeks to manage its resources to deliver an efficient and effective service to the people of Kent and Medway. To ensure that the budget proposals are sustainable over the medium-term and considering the responses to the Council Tax consultation exercise, it is proposed that Council Tax should be increased by 6.01%, resulting in an annual increase in a Band D property of £4.95 (just under 10 pence per week) making the Band D Council Tax charge £87.30 for 2023/24. However, Members should be aware that this level of funding is needed to meet the commitments and pressures set out in this Budget Report. Any consideration to raise Council Tax by a lower percentage, would result in the need to make further cuts across the service. Whilst a realistic level of inflation has been incorporated within the budget proposed today, it would not be unusual, as we have seen this year, for prices to increase beyond our expectations. Additionally, whilst an estimate has been made on potential pay settlements for 2023/24 and those outstanding for 2022/23, these are all settled nationally and as such this Authority has no control on the ultimate outcome of the award. Any pay settlement beyond that set out in this report will need to be found by making further savings to the service beyond those set out in this report (each 1% pay award equates to approx. £650k). As a consequence Members are asked to agree to the proposed increase in Council Tax in order to ensure funding proposals are sustainable over the medium term.
23. The Budget Book (**Appendix 2**) explains how the Council Tax precept is calculated. The financial impact of the Council Tax changes; assumed collection rates; and a 6.01% increase in Council Tax for 2023/24, is shown in **Table 3**.

**Table 3 – Calculation of Council Tax 2023/24**

	<b>£'000</b>
<b>Net Revenue Budget Requirement for 2023/24</b>	<b>85,292</b>
Revenue Support Grant	7,330
Retained Business Rates and Top-up Grant	19,381
Services Grant	603
Net Surplus on Collection Funds	289
<b>Precept Requirement from Council Tax</b>	<b>57,689</b>
<b>Total Funds</b>	<b>85,292</b>
<b>Tax base for 2023/24</b>	<b>660,815.06</b>
Tax base for 2022/23	651,326.39
<b>Tax rate for Band D property 2023/24</b>	<b>£87.30</b>
Tax rate for Band D property 2022/23	£82.35
<b>Increase in Band D charge £</b>	<b>£4.95</b>
<b>Increase in charge (all Bands) %</b>	<b>6.01%</b>

24. The Council Tax for other property bands is calculated as a fixed proportion to Band D. The 2023/24 Council Tax proposed to be levied by the Authority for all other bands can be seen in **Table 4** below.

**Table 4 - The Authority's Share of Council Tax per Property Band for 2023/24**

Council Tax Band	Pro Rata Band D	Annual Charge
A	6/9	£58.20
B	7/9	£67.90
C	8/9	£77.60
<b>D</b>	<b>1</b>	<b>£87.30</b>
E	11/9	£106.70
F	13/9	£126.10
G	15/9	£145.50
H	18/9	£174.60

25. At the time of drafting this report to Members, Council Tax and Business Rates figures provided by Kent District Councils and Medway Council are confirmed as final, but it is possible that a District may provide revised figures at a later date so, if after this meeting, any billing authority gives notice of any change to its Council Tax base; retained Business Rates income; or the declared surplus or deficit on its Council Tax or Business Rates Collection Fund accounts, then this is likely to change the Authority's net revenue budget requirement. Members of the Authority are therefore asked to agree that the Chief Executive, in consultation with the Chair, have authorisation to make any such changes which may be necessary. Details of any adjustments will be reported to the next Authority meeting in June but should there be a need to adjust the revenue budget for 2023/24, as a result of any late notifications, then an email will be sent to Members detailing the revised position.

#### **Medium Term Financial Plan (MTFP) 2023/24 to 2026/27**

26. This MTFP covers the four-year period from 2023/24 to 2026/27 but government funding is currently only confirmed for 2023/24 and, although some principles have been provided for 2024/25, there remains uncertainty over funding levels for the medium-term. The expectation of a Fair Funding review still remains on the horizon, and suggestions to date are that this is not likely to occur until after the next general election.
27. The Fire Pensions Grant (£3.536m for this Authority) remains outside of the Settlement Funding Assessment (SFA) so this places further uncertainty on future

Government funding levels as this funding is only agreed by Ministers on an annual basis. The same applies to the New Dimensions and Firelink grant funding and, in 2022/23, it was confirmed that the Firelink grant (c. £600k) would be phased out over the next 5 years.

28. This Authority takes a prudent approach in setting its MTFP and has therefore made an assumption that the Settlement Funding Assessment (SFA) will only increase by inflation over the period of the MTFP. It has also been assumed within the MTFP that the Services Grant (£603k for 2023/24) will be removed from 2025/26. Similarly, prudent assumptions are made for changes to the Council Tax base, so the MTFP reflects a 1.5% increase in 2024/25 and an increase of just 1% in each year thereafter. These estimates are based on a cautious assumption that there will be a steady increase in the Council Tax base over the medium-term.
29. The budget proposal for 2023/24 and the Medium-Term Financial Plan (MTFP) 2023-27 reflect the estimates of the potential costs to deliver the initiatives contained within the Customer Safety Plan, key strategies and day-to-day spending plans of each department. There may be a need to provide one-off funding to the day-to-day budgets, from the Service Transformation and Productivity Reserve, in order to deliver the proposed initiatives, set out in the strategies, once firm business cases have been developed. Programmes of work over the medium-term include investment in the development of the Authority's estate and various other property improvements, the replacement of operational fleet and pool cars as they reach the end of their economic life, as well as a significant investment in various IT systems and new technology. The Authority has identified the funding sources that are required to deliver its revenue expenditure requirements over the medium-term, which currently includes internally resourcing the capital programme. The Budget Book (**Appendix 2**) includes a summarised MTFP, together with the relevant forward planning assumptions, for Members approval.

### **Statement of Assurance by the Treasurer**

30. Under Section 25 of the Local Government Act 2003, the Director, Finance and Corporate Services, as the Treasurer to the Authority (and therefore its statutory Finance Officer), is required to give Members an opinion on the robustness of the budget estimates and the adequacy of the Authority's proposed financial reserves.
31. **Robustness of Budget Estimates** - Each year the Authority sets out a four-year financial plan known as the Medium-Term Financial Plan (MTFP), which reflects the financial impact of known and assumed commitments, pressures and savings over that four-year period and compares this to the estimated future funding levels. As the plan looks to the future, not all costs are necessarily known, so best estimates are made of the assumed requirement, often being based on a combination of past experience, publicly available indicative information or information shared across the



Fire sector. For example, future pay awards are often not confirmed, so best estimates are made of the anticipated increase each year. In establishing the future plan, the Authority always ensures that the plan is not only realistic and deliverable, but that it is operationally led and is sustainable over the medium-term. There is a robust and detailed approach to setting the budget and all budget managers are involved in the process and have a responsibility to identify their pressures, commitments and potential savings for future years in their budget areas.

32. **Risk Assessment** - The Local Government Finance Settlement only confirmed government funding for the financial year 2023/24 and although the Government is still committed to updating and reforming the way local authority funding is distributed to individual authorities, this has been delayed until at least 2025/26. Although transitional arrangements would be expected for any significant funding changes, Members need to be aware that the MTFP could change significantly from 2025/26, possibly resulting in the need to find further savings and/or reduce the funding available to meet future pressures. Members will however be kept updated on these issues.
33. **Financial Reserves** - Every year the Authority's Reserve Strategy is reviewed and updated to ensure that it remains relevant and appropriate. It is proposed that the level of general reserves is maintained at approximately 5% of the base revenue budget for 2023/24 providing a general reserve balance of just under £4.3m. There are also five earmarked reserves, with by far the largest being the Infrastructure Reserve, which is used to help fund the Authority's capital programme and large one-off IT investments. There remains uncertainty around the outcome of a Fair Funding Review and the MTFP contains assumptions, such as for future pay awards and inflation, so it is prudent to maintain an appropriate level of reserves which will help bridge the gap of any shortfall, until such time as a sustainable way forward is established.
34. **Summary** - As Director, Finance and Corporate Services, I have considered the financial management arrangements that are in place, the level of reserves, the budget assumptions, the financial risks facing the Authority and its overall financial standing. There are sound governance arrangements and robust systems of financial control in place within the organisation. This along with the quality of internal and external audit reports the Authority has received, and more recently good and outstanding assessments in the recent HMICFRS inspection, means that I am confident that the Authority is prepared to meet the challenges facing it. Reserves are of particular importance in times of uncertainty and each year the level of reserves is supported by a robust financial risk assessment. In conclusion, it is the opinion of the Director, Finance and Corporate Services, that the budget is robust and achievable and that the reserves are adequate.

## IMPACT ASSESSMENT

35. The MTFP shows a balanced plan for 2023/24 and 2024/25 with base budget savings of £907k required across 2025/26 and 2026/27. This is based on a reasonable estimate of the possible funding settlement from central government for 2024/25 based on the principles set out in the Local Government Finance Settlement together with best estimates for 2025/26 and 2026/27 (which come with a high degree of caution).
36. Council Tax proposals have been subject to public consultation, the outcomes of which have been taken into account during the production of the budget proposals. All authorities are required by statute to set and agree their Council Tax precept level by no later than the 1 March each year and therefore this report asks Members for their approval to the proposed Council Tax rates for the forth coming financial year.
37. Environmental benefits, health and safety issues, and equality and diversity considerations are considered in developing new projects, whether for new investment or in support of budget savings.

## RECOMMENDATIONS

38. Members are requested to:
- 38.1 Approve the revenue budget proposals and the resulting net budget requirement of £85.292m for 2023/24 (paragraphs 12 to 13 and **Appendix 2** refer).
- 38.2 Approve a total requirement from Council Tax of £57.689m to be raised through the precept to meet the 2023/24 budget requirement, which requires a Council Tax increase of 6.01%, resulting in the following annual charges for each Council Tax band (paragraphs 20 to 24 refer): -

Council Tax Band	Annual Charge
A	£58.20
B	£67.90
C	£77.60
<b>D</b>	<b>£87.30</b>
E	£106.70
F	£126.10
G	£145.50
H	£174.60

- 38.3 Authorise the Chief Executive, in consultation with the Chair of the Authority, to make any late adjustments which may be required to the net revenue budget, arising as a result of late changes to Council Tax, Business Rates or Government Funding (paragraph 25 refers).
- 38.4 Approve the Capital Budget of £16.492m for 2023/24 and related expenditure commitments following on in later years, together with the sources of funding identified to fund the expenditure (paragraph 2 and **Appendix 2** refer).
- 38.5 Approve the Capital Strategy (paragraph 2 and **Appendix 3** refer).
- 38.6 Approve the Annual Treasury Management and Investment Strategy, including the appropriate Prudential Indicators (paragraph 2 and **Appendix 4** refer).
- 38.7 Approve the Reserves Strategy (paragraph 2 and **Appendix 5** refer).
- 38.8 Approve the assumptions used to develop the Medium-Term Financial Plan for 2023-27 (paragraphs 26 to 29 and **Appendix 2** refer).

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## Consultation Response to the Provisional Finance Settlement

1. Thank you for providing the opportunity to comment on the Provisional Local Government Finance Settlement for 2023/24. This Authority very much welcomes the proposals in the draft settlement and whilst some do not directly affect the Authority, those that do, clearly have a beneficial impact to help ensure sustainable medium-term financial planning.
2. The recognition that all authorities are feeling the impact of rising inflation, which is manifesting itself in price hikes across many supplies and services is clearly acknowledged by the agreement to increase Revenue Support Grant and Baseline Funding Levels by the September CPI of 10.1%. The proposal to provide a continued allocation of the special services grant is welcomed too, but by far the largest benefit is the increased flexibility in the council tax referendum principles for standalone fire authorities, increasing the threshold to a maximum of £5 on a Band D property. This option is most welcome as it significantly supports sustainable medium-term budgeting, which is a prerequisite for this Authority.
3. **Precept Decision** - The Authority's budget meeting is planned for the 21 February and current expectations are that Members will agree to increase council tax by just under the £5 threshold for the 2023/24 financial year. A full and detailed financial report will be presented to Members to support the proposal for this increase.
4. **Pressures / Efficient and Productivity** - This Authority has for many years had a strong leadership approach in investing time and resources in driving forward the development of business cases to review and improve aspects of organisational activity which not only benefits our external customer but also streamlines and ensures the effective and efficient delivery of our service activities. We have for many years invested in opportunities to utilise new operational equipment, such as drones, telehandlers, battery operated operational equipment and better fire safety aids in the home, to name but a few.
5. All of this has improved the benefits for our customers and enabled in the case of the drones for example, getting to the heart of the incident much quicker allowing us to focus the right people and resources in the right place more quickly, with better outcomes. The service plans to continue to invest in its future, for example increased use of robotic operational equipment to prevent or significantly reduce firefighters from entering a burning or unsafe building. Plans are currently underway to build a state-of-the-art Live Fire building and training facility at Ashford, to enable us to provide better hands-on training to all our firefighters. This is likely to cost in the region of £13m, so financial resources have been carefully planned to facilitate this spend.

6. Engagement with suppliers is clearly highlighting that costs increase almost daily, and it is proving very difficult to get fixed price contracts. An impending purchase of the replacement of a number of frontline vehicles, for example, is resulting in far higher unit costs than planned for, so additional resources will be needed, even after streamlining the specification.
7. At this Authority pay related costs amount to some 80% of our total budget, so undoubtably any significant pay awards, will have a big impact on our budget, which then restricts our flexibility to invest in other aspects of the service.
8. **Summary** - This Authority has always looked to the future and as such sustainable budgeting has been key for this Authority for many years. High on its agenda is to transform many corporate day-to-day activities, e-enabling more functions and processes, whilst making them more streamlined and effective. On the operational front, investment continues in risk management, improving the timeliness of data to the frontline, a wholesale review of workforce planning and the asset base of the organisation is also underway. Currently we have healthy reserves, and as such these are an enabler alongside our annual budget settlement each year, to support us to invest in the future to ensure we are efficient in our customer support but also that are productivity levels utilise the resource we have available to maximum effect. Consequently, the provisional settlement this year was most welcome, and the precept flexibility will very much enable us to continue to invest in new equipment and opportunities, whilst being able to sustain the necessary day to day services to support our customers. Without the increased precept flexibility offered this year, much of this activity could not have taken place.

**Kent and Medway Fire and Rescue Authority**

**Budget Book**

**And**

**Medium Term Financial Plan**

**2023/24 – 2026/27**

**This Budget Book details the assumptions used by the Authority for developing the 2023/24 budget, the estimates used for later years and explains the proposals contained within the Medium Term Financial Plan.**

**Budget estimates reflect the projected costs to deliver the initiatives contained within the Customer Safety Plan, the supporting corporate strategies and the updated day-to-day spending plans of each department.**

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Ann Millington  
Chief Executive

## THE BUDGET STRATEGY 2023/24 - Foreword

### The Purpose of the Budget Strategy

The Authority's budget supports the delivery of the initiatives detailed in the Customer Safety Plan and supporting corporate strategies. When determining spending proposals and Council Tax increases, due consideration is taken of all potential cost pressures and possible savings alongside anticipated funding changes over the medium-term.

### Funding the 2023/24 Budget

On 17 November 2022 the Chancellor presented the Autumn Statement to Parliament and although there were no specific references to Fire and Rescue Services, it was confirmed that there would be no cuts to the funding announced in the Spending Review 2021. The Provisional Local Government Finance Settlement, announced on 19 December 2022, only confirmed funding figures for the Authority for the financial year 2023/24 (with some guiding principles provided for 2024/25). Therefore, government funding levels beyond 2024/25 remain highly uncertain, so planning must be sufficiently flexible to be able to respond to potential future funding changes accordingly.

The provisional settlement confirmed that the 2023 Business Rates revaluation will be implemented in 2023/24 and that the Business Rates multiplier will again be frozen. Implementation of the Business Rates revaluation will increase funding by £592k and the Government will continue to compensate the Authority for the under-indexation of the Business Rates multiplier, meaning the Section 31 grant will increase by £1.186m. Revenue Support Grant will be uplifted by the September 2022 Consumer Price Index providing a funding increase of £675k. The Authority's Services Grant has reduced, as the Government has withdrawn funding that was provided to the Authority for the 1.25% increase to the employer's national insurance rate, as this increase has now been reversed. The final settlement, published on 6 February 2023, was in line with the provisional settlement, except for the Services Grant which was reduced by £424k and not £449k.

To ensure that medium-term budget proposals are sustainable, and in light of the responses to the Council Tax consultation, it is proposed that Council Tax should be increased by 6.01%, resulting in an annual increase for a Band D property of £4.95 per year, making the Band D Council Tax charge £87.30 for 2023/24.

### Examples of Key Themes in the Budget Strategy

#### Productivity and Efficiency

- Continuing to refine and improve rostering models allowing us to resource in a flexible way to meet changes in the demands of our customers.
- Regularly examining the processes we apply in our day-to-day work and streamlining wherever possible to give a better outcome for our customers.

#### Building Safety and Customer Safety

- Using the latest technology to engage with customers through targeted campaigns.
- Improve the safety of buildings through targeted auditing and consultation.
- Develop road safety, water safety and arson prevention services with partners.

#### Infrastructure Investment

- Construct a new live fire training facility with LGP/carbonaceous training rig.
- Improve the energy efficiency of our buildings.
- Use technology to better manage, and make more efficient use of, our fleet.
- Deliver a better way of managing servicing for our vehicles.

# BUILDING THE 2023/24 REVENUE BUDGET

## Revenue Budget Changes 2022/23 to 2023/24

The Table below summarises the incremental adjustments made to the 2022/23 base revenue budget in order to determine the net revenue budget requirement for 2023/24:-

	£'000	£'000
<b>Base budget brought forward from 2022/23</b>		<b>79,408</b>
<b>Pay and pensions related cost pressures</b> (see page 4)		
Pay growth (pay awards, pay increments and new posts)	4,795	
Local Government Pension Scheme employer rate increase	157	
<b>Total pay and pensions related cost pressures for 2023/24</b>		<b>4,952</b>
<b>Non-pay pressures</b> (see page 5)		
Inflationary price increases	1,056	
New borrowing costs	448	
Other identified pressures	2,989	
<b>Total non-pay pressures for 2023/24</b>		<b>4,493</b>
<b>Savings</b> (see page 6)		
Pay savings	-1,668	
Discretionary price increase removal	-629	
Other non-pay savings	-1,320	
<b>Total savings for 2023/24</b>		<b>-3,617</b>
<b>2023/24 base revenue budget</b>		<b>85,236</b>
<b>Reserve funding adjustments</b> (see page 3)		
Transfer from Earmarked Reserves - Local Tax Income Guarantee	-234	
Transfer to General Reserve	290	
<b>Total reserve funding adjustments in 2023/24</b>		<b>56</b>
<b>Net revenue budget requirement for 2023/24</b>		<b>85,292</b>

# **BUILDING THE 2023/24 REVENUE BUDGET**

## **Revenue Budget Changes 2022/23 to 2023/24**

### **Reserve Funding Adjustments – Additional Explanations**

An explanation detailing the reason for each of the reserve adjustments listed on the previous page is provided below:

**Transfer from Earmarked Reserves – Local Tax Income Guarantee** – The Government has provided the Authority with grant funding to cover 75% of the irrecoverable Covid-19 related losses on the 2020/21 Collection Funds. These losses are spread in Medway and Kent District Councils Collection Funds over the three financial years 2021/22, 2022/23 and 2023/24. The government grant funding has therefore been put into an Earmarked Reserve and will be released from the reserve to coincide with the recovery of the Collection Fund deficits by Medway and Kent District Councils. Therefore, the remaining balance of £234k is to be released from the reserve in 2023/24.

**Transfer to General Reserve** – The amount to be transferred to the General Reserve in 2023/24 is £290k, increasing the balance of the reserve to £4.260m for 2023/24. This will ensure that the General Reserve balance is maintained at approximately 5% of the base revenue budget, as set out in the 2023/24 Reserves Strategy.

# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Pressures Summary

### Pay and Pensions Related Cost Pressures

The Authority uses an incremental approach to develop the budget, so the 2022/23 base revenue budget has been adjusted to reflect the pressures identified below:-

Pay and Pensions Related Costs Pressures	£'000
<p><b>Pay Awards for 2022/23</b></p> <p>It was assumed that the nationally agreed pay awards for 2022/23 would be 3% for all staff groups. Subsequently, a flat increase of £1,925 was agreed for 'green book' support staff (avg. of just over 5%) and whilst an offer of 5% has been made to operational staff this has not yet been agreed. It has been assumed that the pay budget will need to be increased to reflect a 5% increase for operational staff for 2022/23. This figure also includes increasing the budget for the full year impact of the 2022/23 pay award for operational staff (as the pay award is effective from 1<sup>st</sup> July).</p>	1,703
<p><b>Pay Awards for 2023/24</b></p> <p>It has been assumed that the nationally agreed pay awards for 2023/24 will be 2% for all staff groups. A full year impact has been assumed for 'green book' staff and principle officers, whilst it is assumed that the operational staff pay award will continue to be applied from the 1<sup>st</sup> July.</p>	1,167
<p><b>Staff Increments</b></p> <p>Staff on green book terms and conditions will generally receive an annual incremental pay scale increase until they reach the top of the pay grade for the job role.</p>	218
<p><b>Restructures and Other Pay Pressures</b></p> <p>Various restructures and new posts have been agreed for Response and Resilience, Building Safety, Fleet and HR. In many cases these changes have been implemented to keep up with changing demands and to ensure that the service remains fit for the future. The main items are £500k for additional cover at wholetime Fire Stations, £388k for the introduction of a new Home Fire Safety Visit Taskforce (11), £275k for new Building Safety Enforcement and Inspector posts (7), £110k for changes to the Day Crewed allowance and £88k for changes to the wholetime trainee pathway.</p>	1,677
<p><b>Apprenticeship Scheme Levy</b></p> <p>The apprenticeship levy is calculated as a percentage of pay so the budget has been increased in line with the revised pay budget.</p>	9
<p><b>Actuarial Valuations</b></p> <p>As a result of the most recent Local Government Pension Scheme (LGPS) actuarial valuation the employer contribution rate will increase by 1% (to 16.5%) on 1<sup>st</sup> April 2023.</p>	157
<p><b>Pensions – Ill Health and Injury Liabilities</b></p> <p>The budget provides for 2 ill health retirements in 2023/24, as well as an increase to the cost of an inflationary uplift to annual injury pensions. As contributions to the Pension Fund for ill health retirements are made over 3 years the profile of ill health retirements will result in an increase or decrease in the base budget requirement each year.</p>	21
<p><b>Total Pay and Pension Related Cost Pressures for 2023/24</b></p>	<b>4,952</b>

# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Pressures Summary

### Non-pay Pressures

Non-Pay Pressures	£'000
<b>Prices</b> An inflationary increase has been allocated to those budgets that have contracts which commit the Authority to pay an uplifted amount for 2023/24. An increase has also been provided to budgets where there is an unavoidable increase in costs, such as an increase in Home Office charges for accessing the Airwave secure emergency communication system. For other areas of discretionary spend, where price increases will be contained within existing budget allocations, there is a corresponding saving (see page 6).	1,056
<b>New Borrowing Costs</b> The Minimum Revenue Provision has increased in 2023/24 due to internal borrowing to fund planned capital expenditure on the Ashford Fire Station and Live Fire Training facility and the lease of premises to deliver vehicle servicing and maintenance in house from 1 <sup>st</sup> April 2023.	448
<b>Other Pressures</b> Temporary posts and one-off funding required for the implementation of initiatives contained within the corporate strategies has increased the Service Transformation and Productivity reserve requirement by £882k, so additional funding has been allocated to the reserve for this purpose. The programme of premises works has been reviewed and updated along with the facilities budgets resulting in a base budget pressure of £548k. IT software, subscriptions and licences have increased, along with the phasing out of the Firelink grant (government contribution towards Airwave costs), which has resulted in a pressure of £427k. Fleet servicing and maintenance will be brought back in house from 1 <sup>st</sup> April, so non-pay base budgets have been increased by £101k. Whenever opportunities arise, the service is keen to explore options for innovation and improvements to the frontline working environment, as such an additional £300k has been set aside to be able to resource such opportunities to our best advantage. Budget increases have also been needed for vehicle fuel (+£265k), operational equipment (+£230k), the external audit fee (+£83k) and, subscriptions to the Institute of Fire Engineers (IFE) and LinkedIn Learning (+£83k) in 2023/24. Other minor budget increases total £70k.	2,989
<b>Total Non-Pay Pressures for 2023/24</b>	<b>4,493</b>
<b><u>Total Pressures for 2023/24</u></b>	<b><u>9,445</u></b>

# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Savings Summary

The Authority uses an incremental approach to develop the budget, so the 2022/23 base revenue budget has been adjusted to reflect the savings identified below:-

<b>Pay Savings</b>	<b>£'000</b>
<b>Temporary Posts Adjustment</b> The number of temporary positions funded from base budget (such as maternity cover etc.) has reduced for 2023/24.	-561
<b>On-call Pay Savings</b> The on-call pay budget has been reduced as a result of the implementation of the whole-time part-time contracts as these new contracts have generated additional savings against the on-call base budget. In addition, on-call activity payments have not increased to the levels anticipated following contractual changes in regards to training and threshold pay, so the budget has been reduced to reflect anticipated costs going forward.	-692
<b>National Insurance Changes</b> The government has reversed the 1.25% increase in the employer national insurance rate resulting in a saving, but this is offset by a reduction in government grant funding.	-415
<b>Total Pay Savings for 2023/24</b>	<b>-1,668</b>
<b>Non-pay Savings</b>	<b>£'000</b>
<b>Inflation on Discretionary Spend</b> Inflationary price increases on areas of discretionary spend, such as stationary, have been removed, where price increases can be contained within existing budget allocations.	-629
<b>Other Savings</b> This mainly relates to additional investment income (£1.2m) where interest rates have risen considerably since last year. Additionally, base budget savings have been identified from the Managed Print project (£32k), Dynamics Software Licences (£29k), Personal Protective Equipment (PPE) budget (£27k) and, other savings totalling £32k.	-1,320
<b>Total Non-pay Savings for 2023/24</b>	<b>-1,949</b>
<b><u>Total Savings for 2023/24</u></b>	<b><u>-3,617</u></b>

# BUILDING THE 2023/24 REVENUE BUDGET

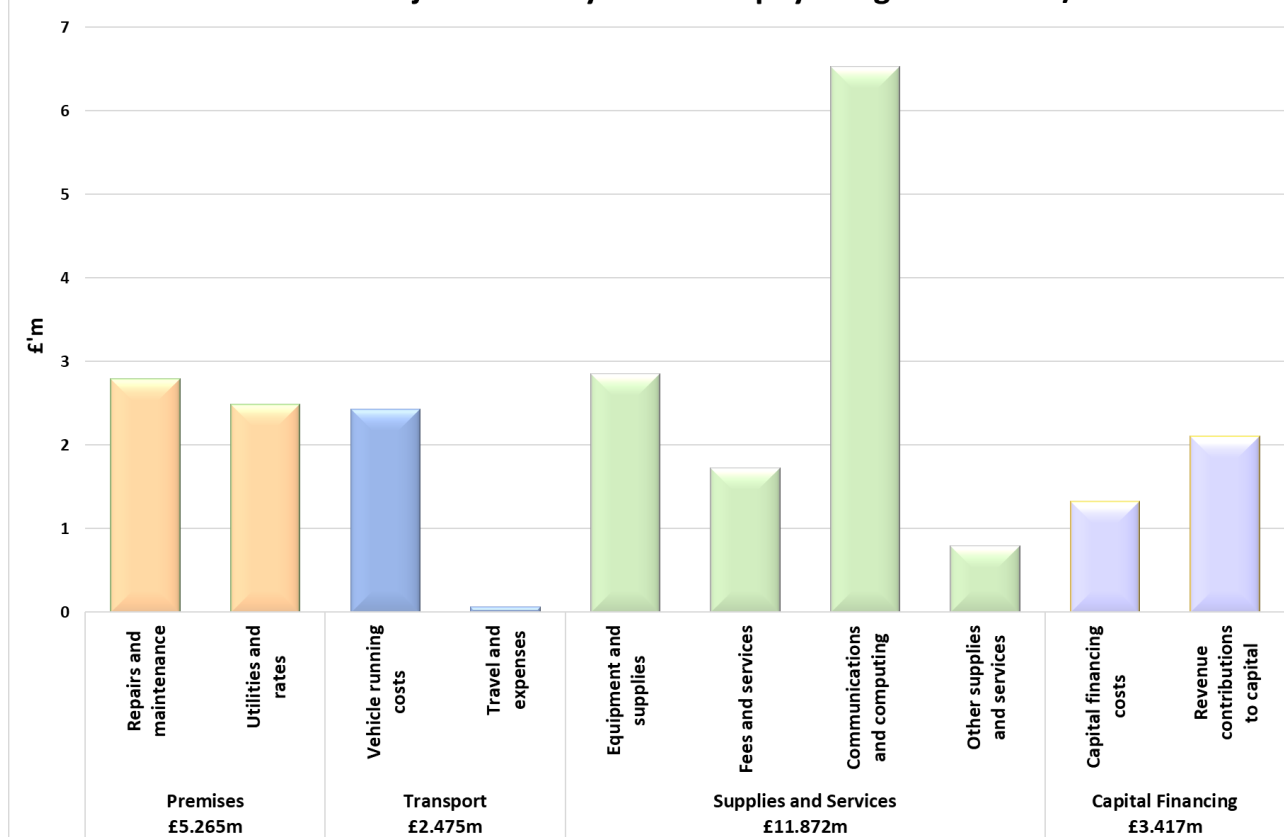
## 2023/24 Subjective and Functional Budget Presentation

### Subjective and Functional Analysis

The Table and Chart below summarise the total net revenue budget of £85.292m for 2023/24 by Subjective and Functional headings:-

(All figures are £'000)	Operational Response and Resilience	Customer Safety, Building Safety, Engagement & Collaboration	Customer Services	Pensions, Financing and Other Costs	Total Net Budget
<i>Subjective:</i>					
Employee Pay Costs	52,587	7,305	10,485	0	<b>70,377</b>
Other Employee Costs	16	0	1,288	0	<b>1,304</b>
Direct Pension Costs	0	0	0	2,101	<b>2,101</b>
Premises Costs	302	3	4,960	0	<b>5,265</b>
Transport Costs	2,092	5	378	0	<b>2,475</b>
Supplies and Services	3,154	590	8,014	114	<b>11,872</b>
Capital Financing	0	0	0	3,417	<b>3,417</b>
Reserve Transfers	0	0	0	-2,068	<b>-2,068</b>
Income	-6,782	-614	-663	-1,392	<b>-9,451</b>
<b>Net Budget for 2023/24</b>	<b>51,369</b>	<b>7,289</b>	<b>24,462</b>	<b>2,172</b>	<b>85,292</b>

**Additional Subjective Analysis of Non-pay Budgets for 2023/24**

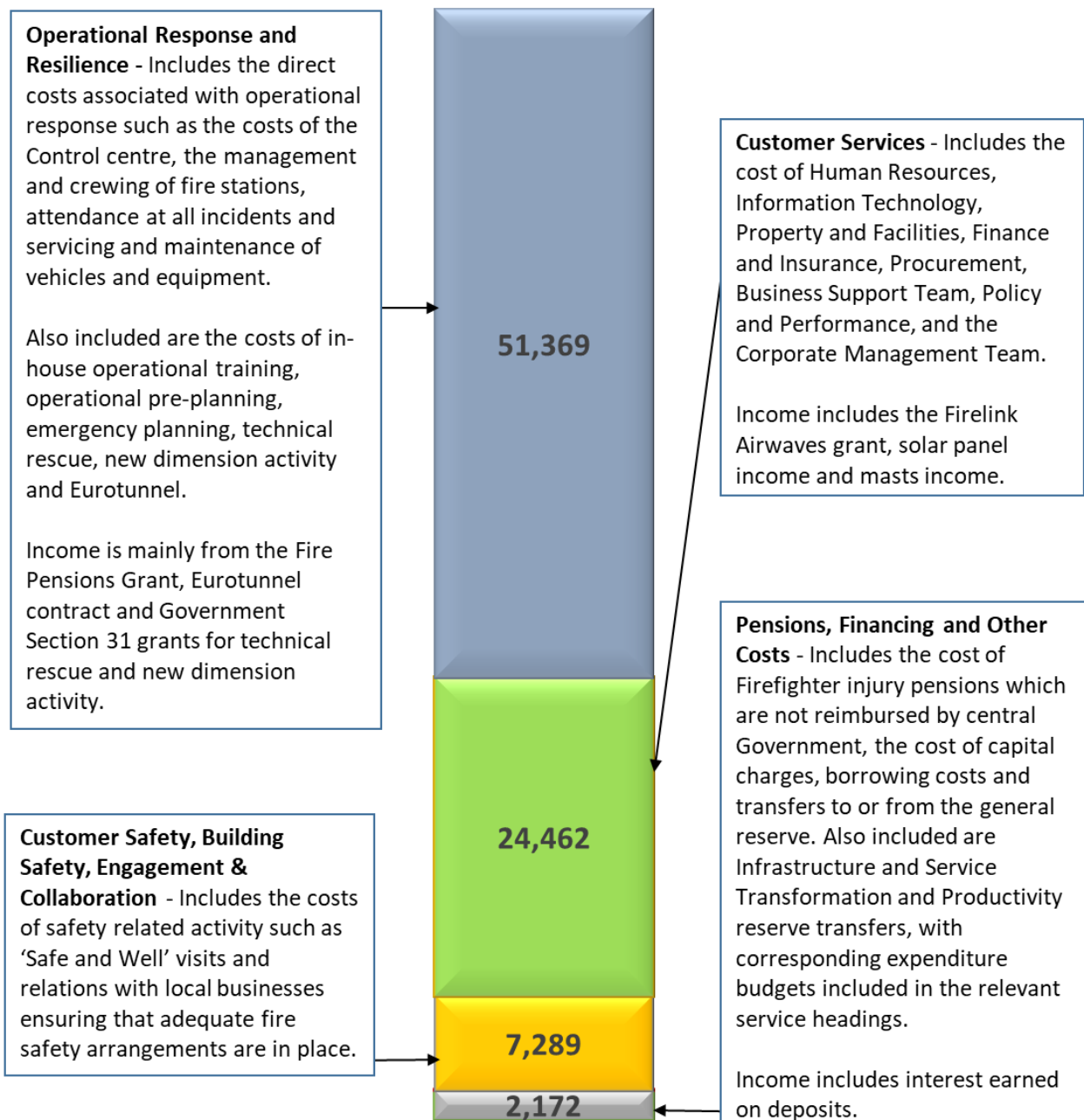


# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Subjective and Functional Budget Presentation

### Functional Analysis

The Chart below summarises the total net revenue budget of £85.292m for 2023/24 by Function (in £'000's) and provides details of the activity areas under each functional heading;

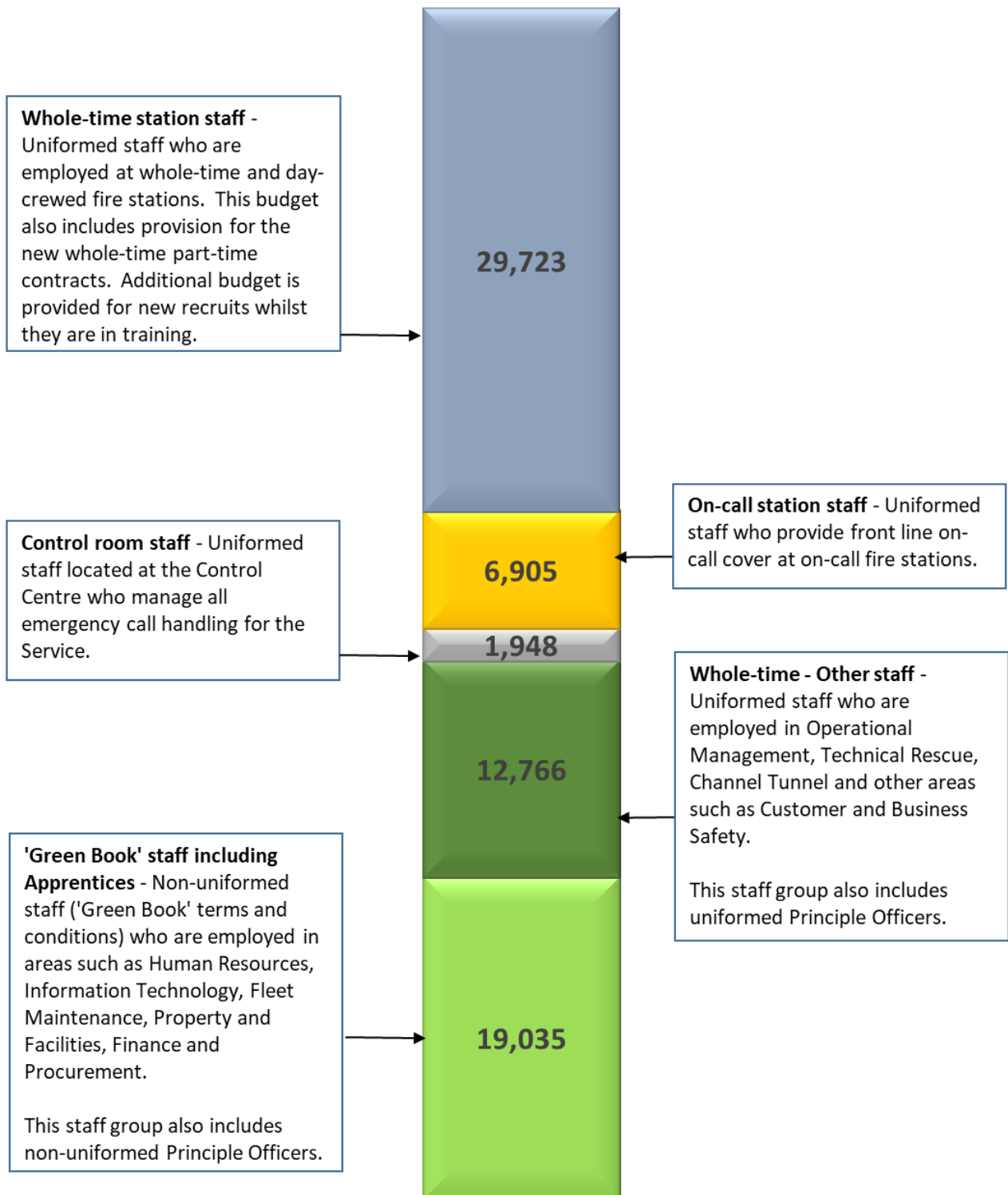




# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Additional Subjective Analysis - Employee Pay Budgets

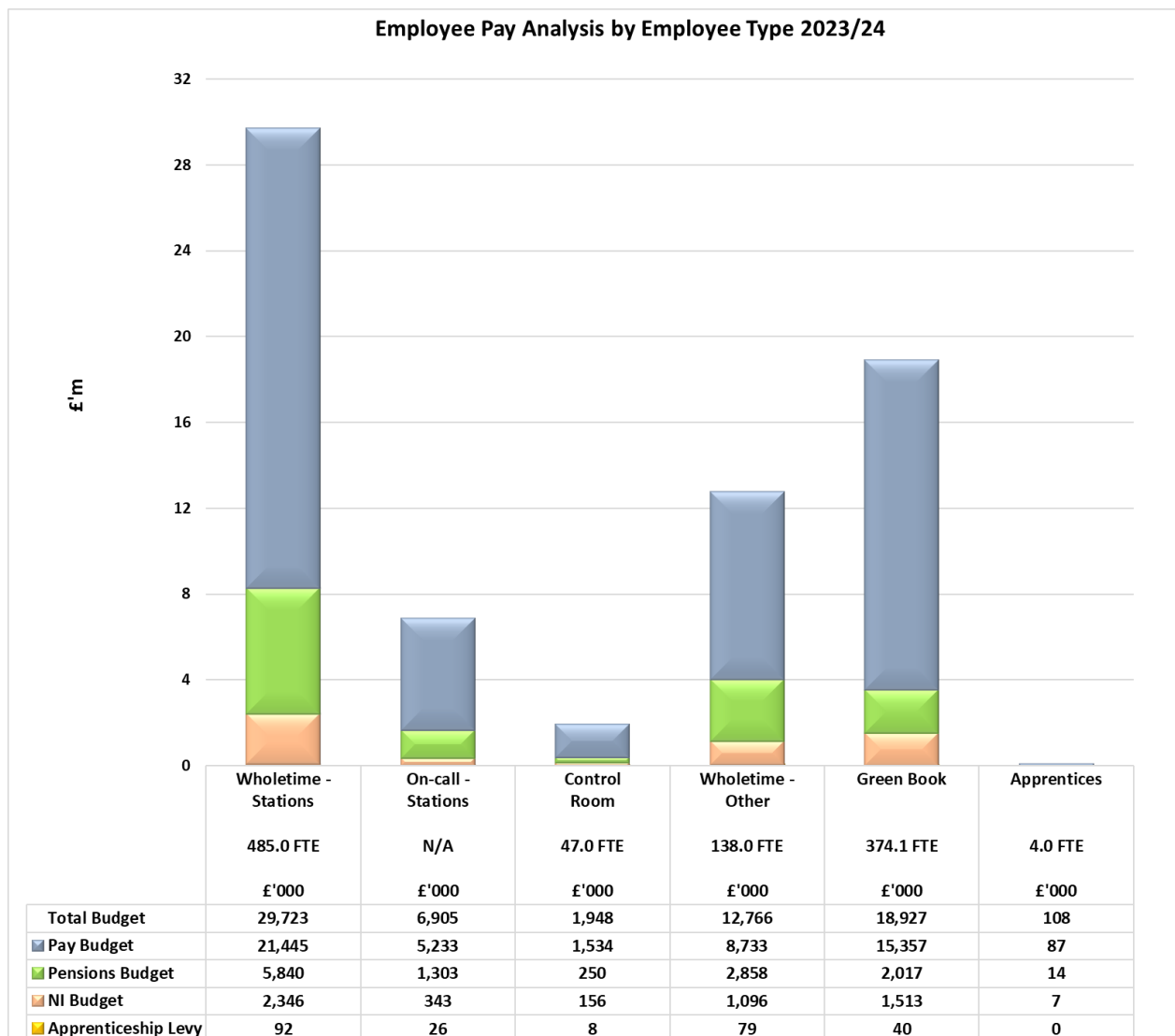
The budget assumes that pay will increase by 2% in 2023/24. Approximately 82% of the net revenue budget relates to employee pay costs (£70.377m). The budget allocated to each staff group and details of which personnel sit within each staff group is described below (in £'000's):-



# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Additional Subjective Analysis - Employee Pay Budgets

The Chart below shows the 2023/24 budget and full time equivalent (FTE) for each staff group split by pay, national insurance, employer pension contributions and apprenticeship levy:-



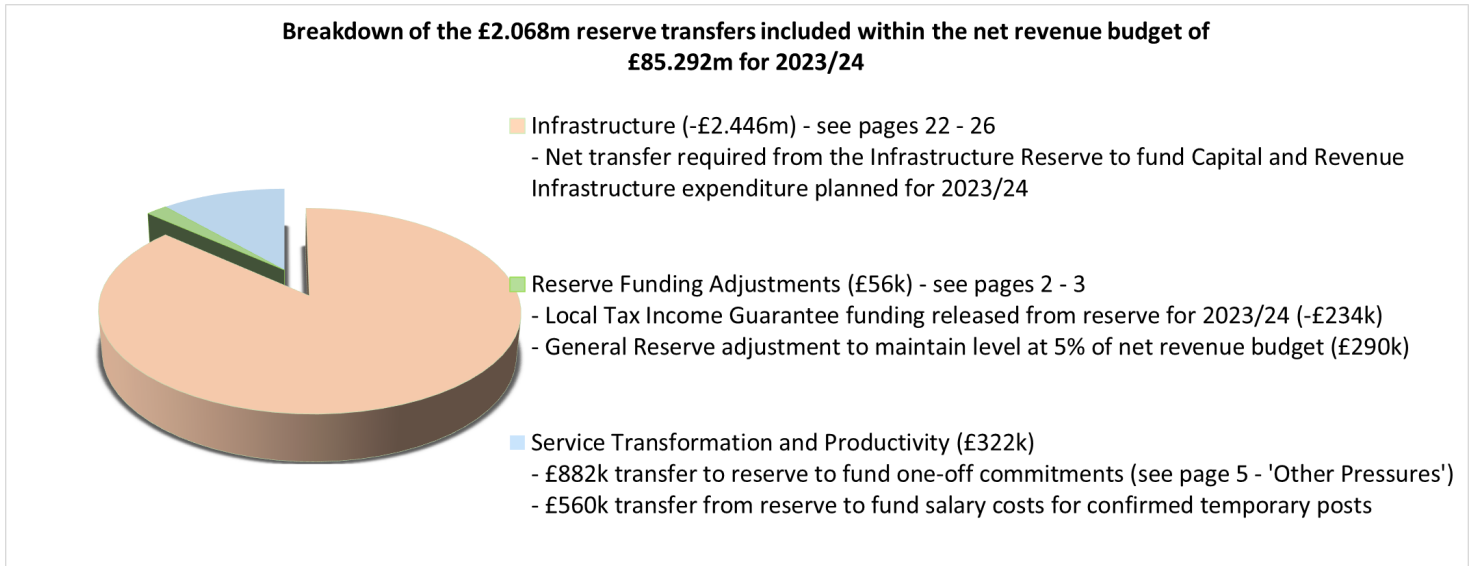
Pay Group	Operational Response and Resilience		Customer Safety, Building Safety, Engagement & Collaboration		Customer Services		Total Pay	
	FTE	Budget £'000	FTE	Budget £'000	FTE	Budget £'000	FTE	Budget £'000
WT - Stations	485.0	29,723	0.0	0	0.0	0	485.0	29,723
On-call - Stations	N/A	6,905	0.0	0	0.0	0	N/A	6,905
Control Room	47.0	1,948	0.0	0	0.0	0	47.0	1,948
WT - Other	109.0*	10,134	20.0	1,617	9.0	1,015	138.0*	12,766
Green Book	70.1	3,877	134.4	5,688	169.6	9,362	374.1	18,927
Apprentices	0.0	0	0.0	0	4.0	108	4.0	108
<b>Total Pay Budget</b>	<b>711.1*</b>	<b>52,587</b>	<b>154.4</b>	<b>7,305</b>	<b>182.6</b>	<b>10,485</b>	<b>1,048.1</b>	<b>70,377</b>

\* excludes WT trainee recruits

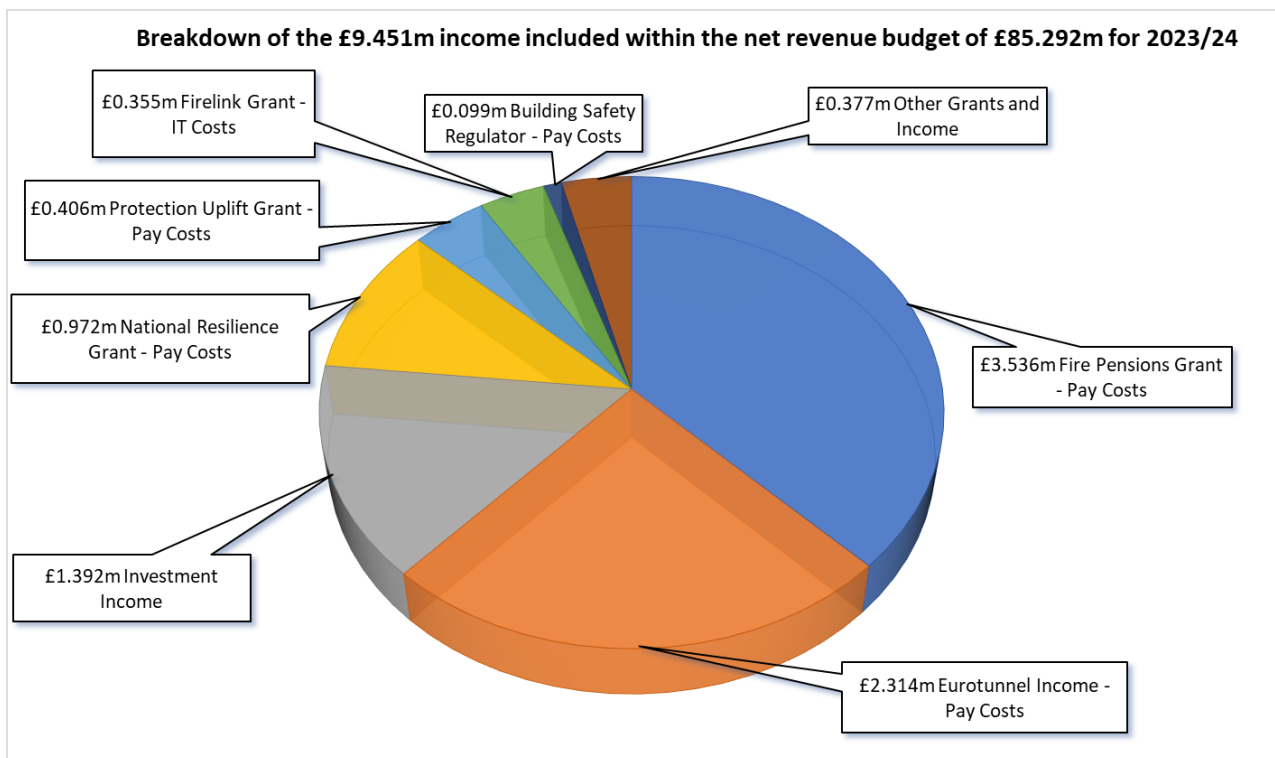
# BUILDING THE 2023/24 REVENUE BUDGET

## 2023/24 Additional Subjective Analysis - Reserve Transfers and Income

The Chart below provides a breakdown of the total £2.068m net reserve transfers included within the net revenue budget of £85.292m for 2023/24 along with details of the type of expenditure funded by the reserve transfer:



The Chart below provides a breakdown of the total £9.451m income included within the net revenue budget of £85.292m for 2023/24 along with details of the type of expenditure funded by this income:



Further details regarding the grant income and related expenditure are provided on page 12.

# FUNDING THE 2023/24 REVENUE BUDGET

## 2023/24 Grant Funded Expenditure

In addition to the non-specific Government grants that form part of the Authority's overall funding (pages 13 and 14), a proportion of the Authority's annual expenditure is offset by other Government grant income. These grants are usually provided for specific purposes and will therefore be matched to specific grant-related expenditure. Grant funds may be carried forward within Earmarked Reserves if they are not spent in the year in which they are allocated. Detailed below are the estimated grant allocations for 2023/24:-

	£'000
<b>Fire Pensions Grant</b> - This grant is provided to cover a proportion of the increase in costs resulting from the significantly higher employer pension contribution rates following the last Firefighters' Pension Scheme valuation. The amount of grant has been budgeted at the same amount that has been received in previous years.	3,536
<b>National Resilience (formerly New Dimension) Grant</b> - This grant provides funding towards the cost of various resilience activities including the costs of the Technical Rescue team. The amount of grant has not been confirmed for 2023/24 so the budget has been built on the assumption that the same amount will be received as in 2022/23.	972
<b>Protection Uplift Grant</b> - This grant provides funding to support fire protection work and to respond to new burdens arising from the Fire Safety Act. The amount of grant has not been confirmed for 2023/24 so the budget has been built on the assumption that the same amount will be received as in 2022/23.	406
<b>Firelink Grant</b> - This grant partly covers the difference between the annual charge for the Firelink managed service radio scheme and the legacy costs of the now decommissioned radio scheme. Following confirmation of government intentions to phase this grant out over 5 years, this grant has been decreased by a further 20% for 2023/24 on top of the 20% reduction in 2022/23.	355
<b>Building Safety Regulator Grant</b> - The Building Safety Act (2022) places new requirements on FRAs in working closely with the new Building Safety Regulator, which will regulate higher-risk buildings. One-off new burdens funding has been agreed to recruit and train two Inspecting Officers. The amount of grant budgeted is based on the recovery of costs expected to be incurred in 2023/24.	99

# FUNDING THE 2023/24 REVENUE BUDGET

## 2023/24 Sources of Funding the Net Revenue Budget

For 2023/24 the Authority will receive funding from Council Tax, Business Rates, Collection Funds (prior years Council Tax and Business Rates surplus' or deficits), Revenue Support Grant, Top-up Grant, Business Rates Section 31 Grants and a Services Grant, each of which are described below:-

**Council Tax Precept** - Around 67% of the Authority's funding comes from Council Tax. The level of Council Tax raised is affected by the level of Council Tax discounts given by billing authorities (Medway Council and Kent District Councils) to Council Taxpayers on low incomes and the level of exemptions granted. The level of discount can also have an impact on collection rates. The amount to be collected from Medway Council and Kent District Councils for 2023/24 is £57.689m.

**Business Rates and Top-up Grant** - 50% of the income from Business Rates is paid to the Government with the remaining 50% being retained locally, from which fire and rescue authorities (FRAs) receive a 2% local share. Authorities that collect more than the amount specified by the Government will pay a levy to the Government and those that collect less may receive a safety net payment. This Authority is part of a pooling arrangement with Kent County Council and the majority of Kent District Councils. This Authority's share of the amount to be collected from Medway Council and Kent District Councils for 2023/24 is £6.959m. As the Authority's Business Rates Baseline is less than the Baseline Funding need, the Government will also pay a Top-up Grant which is expected to be £8.480m for 2023/24.

**Collection Funds** - Each year there can be either a surplus or a deficit on the Collection Funds if the amount collected for Council Tax and Business Rates differs from estimates (assumed by the Districts and Medway) when setting budgets in prior years. Overall there is a net surplus of £289k to be paid to the Authority in 2023/24.

**Revenue Support Grant (RSG)** - The Government continues to redistribute funding through the payment of RSG so a grant of £7.330m is expected for 2023/24.

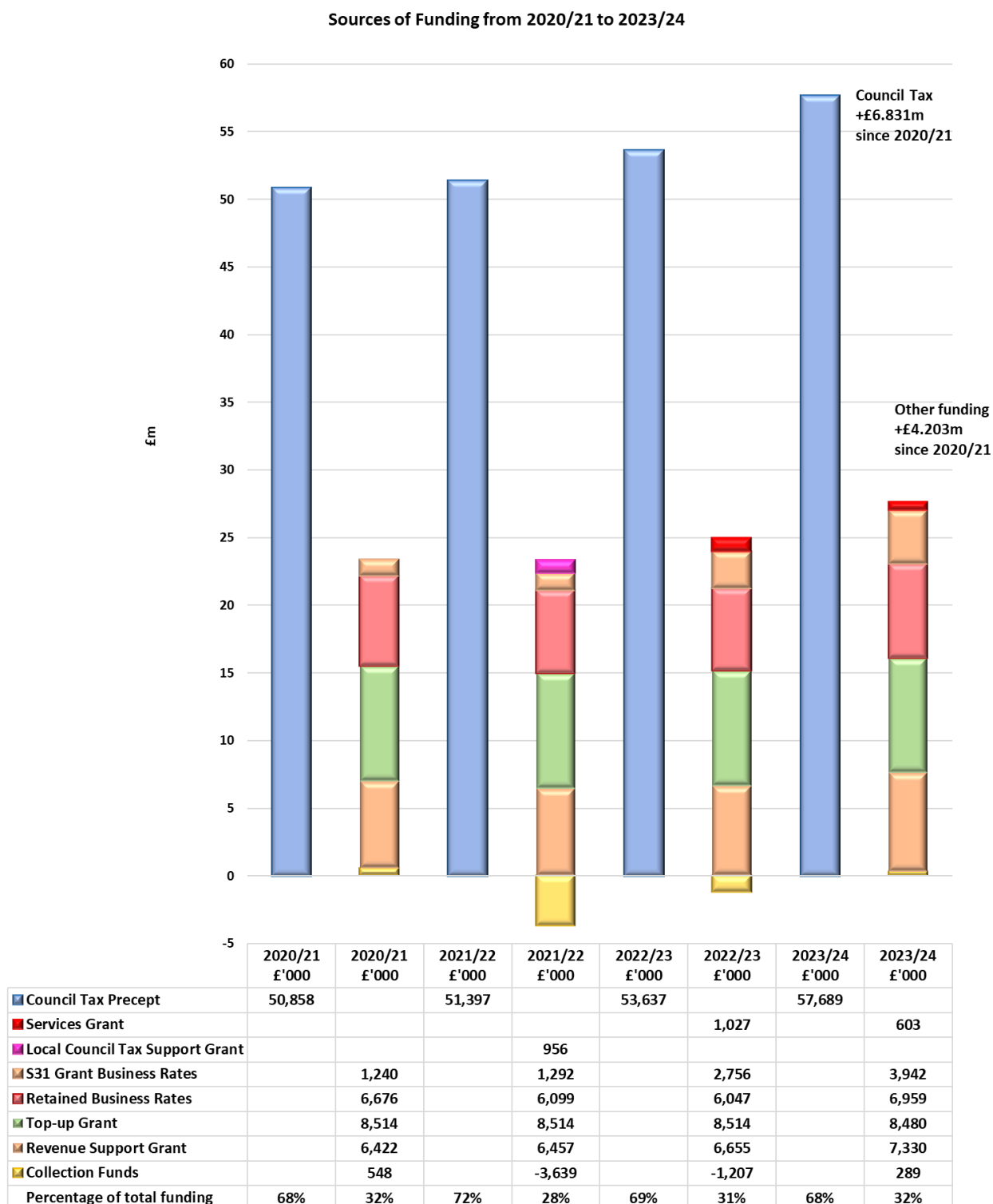
**Section 31 Grants** - The Government continues to provide additional funding to authorities to compensate for the continued impact of the cap on the small business rate multiplier and other reliefs given. The amount of Section 31 grant expected for 2023/24 is £3.942m.

**Services Grant** - A reduced Services Grant will be provided to the Authority in 2023/24. The grant is not ring-fenced but it is intended to provide additional support for services provided. An amount of £603k is expected for 2023/24.

# FUNDING THE 2023/24 REVENUE BUDGET

## Sources of Funding the Net Revenue Budget for 2023/24

The Chart below shows how the Authority's funding sources have changed between 2020/21 and 2023/24. Total funding has increased by 14.9% (£11.034m) since 2020/21, of which 9.2% relates to Council Tax and 5.7% relates to Business Rates and Government Funding:-



# FUNDING THE 2023/24 REVENUE BUDGET

## Council Tax and Business Rate Income – Additional Information

**Council Tax Base** - The Authority's tax base is the sum of the tax bases of the 12 Kent District Councils and Medway Council (billing authorities), and is expressed as the number of equivalent Band D properties. The Council Tax base has increased by 1.46% for 2023/24.

**Council Tax Referendum Limits** - In recent years the Government has set a cap on the amount by which a local authority can increase its Council Tax each year. For 2023/24 Fire and Rescue Authorities will have the flexibility to increase the Band D Council Tax charge by up to £5 i.e. an increase of £5 or more would require a referendum. That equates to a 6.01% increase.

**Household Council Tax** - To arrive at the annual Council Tax charge that is made to each household, the Authority's Council Tax charge is added on to the charges set by Kent County Council or Medway Council, plus the charges set by the relevant District Council, Kent Police and if applicable the Parish or Town Council charge. The total is then collected by the District Councils and Medway Council (billing authorities), on behalf of all the different precepting authorities.

**Council Tax Increase** – The proposed council tax increase set out in this MTFP is 6.01% for 2023/24. This equates to an annual increase of £4.95 (just under 10 pence per week), increasing the Council Tax for a Band D property to £87.30 for 2023/24.

# FUNDING THE 2023/24 REVENUE BUDGET

## Council Tax and Business Rate Income – Additional Information

The Table below shows a breakdown of the funding sources for the 2023/24 budget and the amount of this Authority's Council Tax charge by Council Tax band:-

	£'000	£'000
<b>Net Revenue Budget Requirement 2023/24</b>		<b>85,292</b>
<b>Funding:</b>		
Council Tax	57,689	
Services Grant	603	
Revenue Support Grant	7,330	
Top-up Grant	8,480	
Retained Business Rates	6,959	
Net Surplus on Collection Funds (see page 13)	289	
Section 31 Business Rates Relief Grant	2,498	
Section 31 Compensation for Under-Indexation of Top-Up Grant	1,444	
<b>Total Funds Available 2023/24</b>		<b>85,292</b>
Council Tax Base for 2023/24		660,815
Tax charge for a Band D property in 2023/24		£87.30
Annual increase in Band D charge from 2022/23 to 2023/24		£4.95





## REVENUE RESERVES SUMMARY

Details of the Authority's General Reserve and each Earmarked Reserve are given below:-

**General Reserve** - Provides a contingency to cushion the impact of unexpected events or exceptional costs, and in extreme circumstances would be used to provide a working cash balance to cushion the impact of uneven cash flows, and help avoid unnecessary temporary borrowing. For example, the General Reserve could be used to fund any unforeseen loss on the Authority's share of Kent District's and Medway Council's Business Rate collection funds. Within the 2023/24 Reserve Strategy, it is proposed that the level of General Reserve is set at approximately 5% of the Authority's base revenue budget. The appropriateness of this level is assessed on an annual basis, through a detailed risk assessment.

**Earmarked Reserves** - Sums specifically set aside not only provide funds to meet future known or predicted expenditure or liabilities, but also support the transformation of the service to ensure it is fit for the future. Earmarked Reserves are typically used to smooth the impact on the revenue budget (and Council Tax) of expenditure that would otherwise cause significant fluctuations in the annual budget requirement, such as expenditure on the replacement of vehicles and equipment. Earmarked Reserves are also of use where there may be plans to introduce a policy change or a service improvement which initially requires a one-off increase in expenditure for which additional resources are required, or where there is a future budget liability or pressure which is known, but for which the timing of payments or change in funding is uncertain. The purpose of each reserve is clearly defined, with regular reviews to ensure continued relevance and adequacy.

- **Government Grants** - Used to carry forward unspent Government grants.
- **Infrastructure** - Used to fund revenue and capital investment in infrastructure assets (premises, IT, vehicles and operational equipment) and reflects funding for a significant programme of investment in these areas over the medium-term.
- **Insurance and Resource** - Used to smooth the impact of insurance claims volatility and the annual variability in legal costs in relation to the enforcement of building safety regulations. The reserve will also be used to support significant one-off costs that may arise, for example for higher levels of pay awards, compared to that planned for in the MTFP or significant increases in inflation in some areas of supplies, which again may arise after the budget is agreed. Future funding levels currently remain highly uncertain so this reserve may be required to temporarily balance the budget where there is a timing difference in cuts to funding and the delivery of base budget savings.
- **Rolling Budget** - Used to fund committed expenditure where the goods or services will not be received or delivered until the following financial year.
- **Service Transformation and Productivity** - Used as a one-off funding resource to help pump-prime new transformation initiatives or improvements to the Service which may arise in-year or be planned for future years, as set out in the relevant Strategies. It will also be used to help support collaborative initiatives with other blue light services and partner agencies, and fund a number of fundamental reviews across the Service which will help ensure that it stays fit for the future.

## REVENUE AND CAPITAL RESERVES SUMMARY

The Table below shows the forecast closing revenue reserve balances along with the estimated closing capital receipts balances for the years 2022/23 to 2026/27. Figures exclude any transfer from reserves that may be required at year end as a result of the forecast overspend on the 2022/23 revenue budget.

<b>General and Earmarked Reserves - Forecast Balances</b>	<b>31/03/23 Forecast Balance</b>	<b>31/03/24 Forecast Balance</b>	<b>31/03/25 Forecast Balance</b>	<b>31/03/26 Forecast Balance</b>	<b>31/03/27 Forecast Balance</b>
<b>(All figures are £'000)</b>					
<b>General Reserve</b>	<b>3,970</b>	<b>4,260</b>	<b>4,430</b>	<b>4,520</b>	<b>4,640</b>
<b>Earmarked Reserves:</b>					
Government Grants	1,105	467	347	347	0
Infrastructure	24,992	22,546	13,623	8,173	9,927
Insurance and Resource	3,800	3,800	3,800	3,800	3,800
Rolling Budgets	216	0	0	0	0
Service Transformation & Productivity	467	293	0	0	0
<b>Total Earmarked Reserves</b>	<b>30,580</b>	<b>27,106</b>	<b>17,770</b>	<b>12,320</b>	<b>13,727</b>
<b>Total General and Earmarked Reserves</b>	<b>34,550</b>	<b>31,366</b>	<b>22,200</b>	<b>16,840</b>	<b>18,367</b>
<b>Capital Receipts Reserve</b>	<b>9,855</b>	<b>6,489</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserves</b>	<b>44,405</b>	<b>37,855</b>	<b>22,200</b>	<b>16,840</b>	<b>18,367</b>
<b>Net Change in Total Reserves</b>	<b>(6,386)</b>	<b>(6,550)</b>	<b>(15,655)</b>	<b>(5,360)</b>	<b>1,527</b>

### Breakdown of forecast Government Grant balance as at 31.03.2023:

<b>Grant:</b>	<b>£'000</b>
National Resilience and New Threats	312
Building Risk Review and Protection Uplift	70
Emergency Services and Mobile Communication Programme	347
Fire Pensions Administration – McCloud / Sargeant Remedy	142
75% Local Tax Income Guarantee Grant	234
<b>Estimated Total Government Grants Remaining at 31.03.2023</b>	<b>1,105</b>

## MEDIUM TERM FINANCIAL PLAN 2023/24 – 2026/27

### Revenue Budget Assumptions (Funding, Pressures and Savings)

The revenue budget funding for 2024/25 to 2026/27 is estimated using various assumptions, as much of the information required to set the medium-term budget is not yet known. As detailed previously, the Government has only confirmed funding for 2023/24 (with some guiding principles for 2024/25). On that basis a prudent approach has been taken in estimating funding that may be received from central Government in future years. Details of the main assumptions used in estimating the revenue budgets for 2024/25 to 2026/27 are detailed below:-

#### The main funding assumptions at this point in time are:-

- The Settlement Funding Assessment (Revenue Support Grant, Baseline Business Rates and Top-up Grant) will increase in line with inflation each year. A prudent estimate of 4% has been used for 2024/25 and the Government target rate of 2% has been used for each year thereafter.
- The Services Grant (£603k for 2023/24) will be received in 2024/25 but will be discontinued thereafter.
- A prudent estimate that the Council Tax base will increase by 1.5% in 2024/25 and 1.0% in 2025/26 and 2026/27.
- The Council Tax charge will increase by 2.99% in 2024/25, 1.90% in 2025/26 and 1.97% in 2026/27.
- There will be no surplus or deficit on the Collection Funds for 2024/25 to 2026/27.

Once further clarity is available on the level of funding available in future years, the scale of the savings that the Authority needs to make may change.

#### Anticipated Budget Pressures:

(All figures are £'000)	2024/25 Budget	2025/26 Budget	2026/27 Budget
2% pay award for all staff groups in each year	1,477	1,517	1,559
Green Book staff increments	170	170	170
Bank holiday pay adjustment	0	50	102
Other additional pay costs	253	0	0
Actuarial valuation - LGPS	157	157	0
Actuarial valuation – Fire Pensions	0	917	0
Annual inflation each year	635	381	390
Pressures identified from spending plan review	949	504	562
Apprenticeship Levy	9	9	9
Borrowing Costs	643	-20	0
<b>Total Pressures</b>	<b>4,293</b>	<b>3,685</b>	<b>2,792</b>

## MEDIUM TERM FINANCIAL PLAN 2023/24 – 2026/27

### Anticipated Budget Savings:

(All figures are £'000)	2024/25 Budget	2025/26 Budget	2026/27 Budget
Bank holiday and other pay adjustments	-94	-51	0
Ill health pensions (2 new ill health retirements each year)	-68	-41	0
Price increases not given to areas of discretionary spend	-305	-159	-162
Savings identified from spending plan review	-622	-1,074	-4
Other savings to be identified	0	-617	-290
<b>Total Savings</b>	<b>-1,089</b>	<b>-1,942</b>	<b>-456</b>

**Other Savings to be Identified** - The MTFP is currently showing that £907k of unidentified base budget savings are required to balance the budget in 2025/26 and 2026/27. As funding levels beyond 2024/25 are highly uncertain the timing and amounts may change as and when future funding levels are confirmed.

### Summary Revenue Budget Estimates

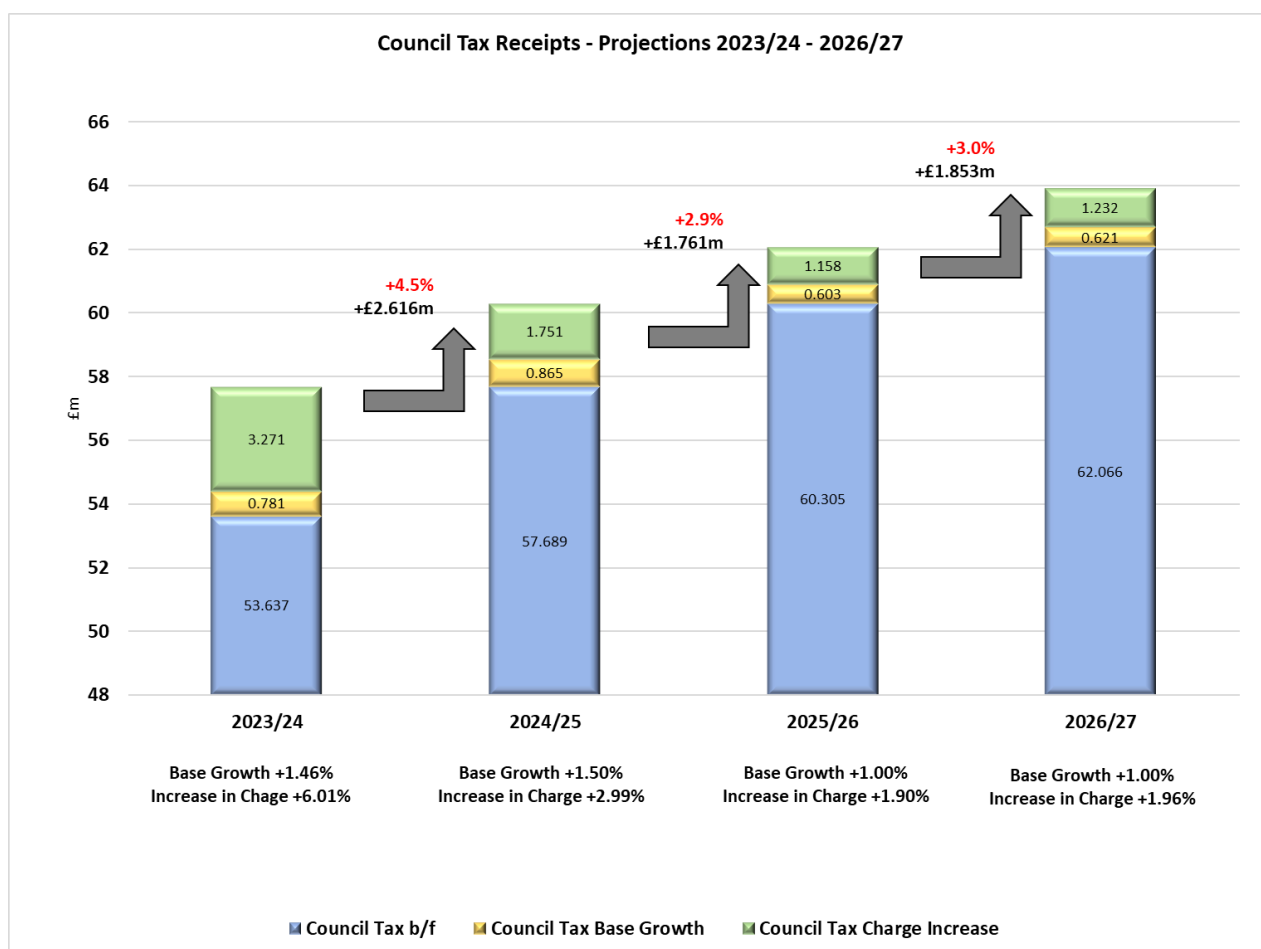
The Table below summarises the base budget changes in each of the financial years between 2023/24 and 2026/27. Also shown is a breakdown of funding sources and additional information with regards to increases in Council Tax receipts for the same years:-

(All figures are £'000)	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Base Budget brought forward	79,408	85,236	88,440	90,183
Pay, Pensions, Prices and Pressures	9,445	4,293	3,685	2,792
Savings	-3,617	-1,089	-1,942	-456
<b>Base Budget carried forward</b>	<b>85,236</b>	<b>88,440</b>	<b>90,183</b>	<b>92,519</b>
Transfers from Earmarked Reserves – see page 3	-234	0	0	0
Transfer to General Reserve	290	170	90	120
<b>Net Revenue Budget</b>	<b>85,292</b>	<b>88,610</b>	<b>90,273</b>	<b>92,639</b>
Net change £	7,863	3,318	1,663	2,366
Net change %	+10.15%	+3.89%	+1.88%	+2.62%
<b>Budget funded by:-</b>				
Council Tax	57,689	60,305	62,066	63,919
Services Grant	603	603	0	0
Revenue Support Grant	7,330	7,623	7,776	7,931
Business Rates Baseline/Growth	6,959	7,260	7,405	7,553
Top-up Grant	8,480	8,819	8,996	9,176
Net Surplus on Collection Funds	289	0	0	0
Section 31 Business Rates Grant	3,942	4,000	4,030	4,060
<b>Total Funding</b>	<b>85,292</b>	<b>88,610</b>	<b>90,273</b>	<b>92,639</b>

# MEDIUM TERM FINANCIAL PLAN 2023/24 – 2026/27

## Analysis of Additional Council Tax Income

	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Council Tax Base	660,815	670,727	677,434	684,209
Council Tax Base Growth %	1.46%	1.50%	1.00%	1.00%
<b>Council Tax Base Growth £'000</b>	<b>781</b>	<b>865</b>	<b>603</b>	<b>621</b>
Council Tax Band D Charge £	87.30	89.91	91.62	93.42
Council Tax Band D Charge Increase %	6.01%	2.99%	1.90%	1.97%
Council Tax Band D Charge Increase £	4.95	2.61	1.71	1.80
<b>Council Tax Charge Increase £'000</b>	<b>3,271</b>	<b>1,751</b>	<b>1,158</b>	<b>1,232</b>
<b>Additional Income from Council Tax £'000</b>	<b>4,052</b>	<b>2,616</b>	<b>1,761</b>	<b>1,853</b>



# MEDIUM TERM INFRASTRUCTURE PLAN 2023/24 - 2026/27

## Medium Term Infrastructure Plan – Capital and Revenue

### Capital Expenditure Plan

The Capital Plan has been developed in line with the proposals detailed in the Customer Safety Plan and supporting corporate strategies, to improve and maintain key assets and infrastructure across the organisation. The main areas contained within the Plan are detailed below:-

**Building works** - A programme of refurbishment and improvements across the estate is in place to not only ensure that the Service and its operational bases remain fit for the future but also to improve efficiency to enable us to achieve carbon neutrality by 2030. Current reviews for the Maidstone site and Road Safety building at Rochester are ongoing. Indicative funding requirements have been incorporated into the capital programme, to ensure that any redevelopments can be afforded. Redevelopment of the Ashford site, including the Live Fire training facility, is underway and it is expected to be completed towards the end of 2023/24. We are now looking to take vehicle maintenance and repairs in-house and expect to finalise the leasing of a suitable property in 2023/24.

**Vehicle replacements** - There is a comprehensive long-term programme in place for the replacement of the operational fleet of fire engines, specialist vehicles, pool and response cars which is reviewed on a regular basis to determine any change in the numbers and types of vehicles that may be needed to facilitate operational capability identified in the Customer Safety Plan. Alongside the dual fuel vehicles recently purchased we have now taken delivery of 36 self-charging hybrid vehicles. We will continue to consider, where appropriate to do so, more eco-friendly products as they become available. We are expecting delivery of 5 new Rescue Pumps in 2023/24 with a further 44 to be delivered over the following 2 years.

**Mobile Data Terminals** - This is an operational response IT project to install data terminals in all fire engines and response vehicles as well as Satnavs and tracking devices and is due to be completed during 2023/24.

### Revenue Expenditure Plan

One-off expenditure in relation to premises, IT and operational equipment that does not meet the criteria for capitalisation is funded from the Infrastructure Revenue Plan.

**Premises** - The Plan contains funding for climate works, security upgrades and fire compartmentation works. Works on the site for Control are due to complete in 2023/24.

**IT** - There is significant investment planned for IT including expenditure on key internal support systems such as Fleet and Operation Equipment management systems, responsive operational systems such as Command and Control; systems that underpin the pro-active work of the organisation such as Operational Response (CRM); plus expenditure on underlying core IT infrastructure such as replacement mobile equipment.

**Equipment** – There are plans to upgrade various items of operational equipment in the near future including Breathing Apparatus.

## MEDIUM TERM INFRASTRUCTURE PLAN 2023/24 – 2026/27

### Medium Term Infrastructure Plan - Expenditure

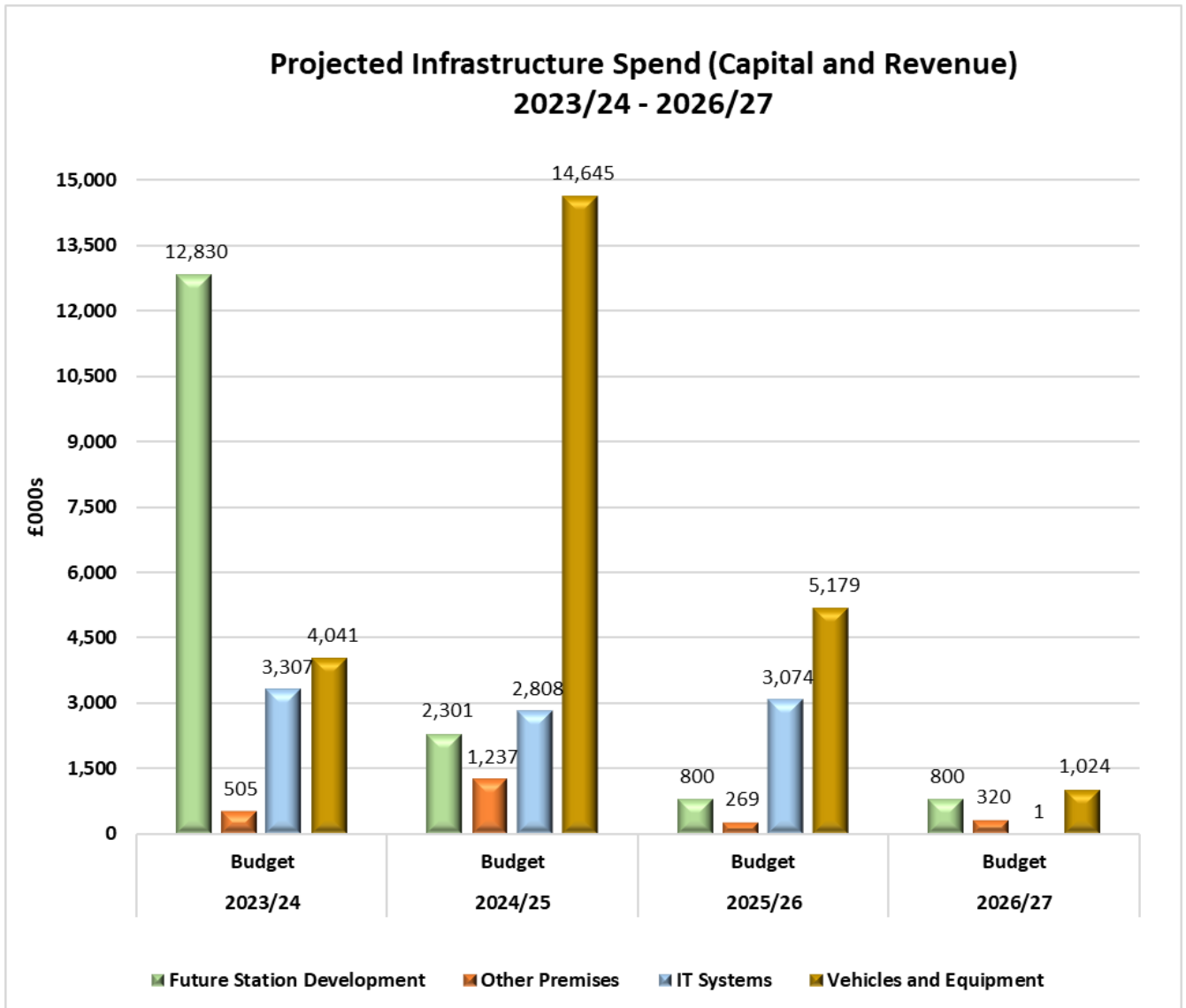
The Tables below detail the capital and revenue infrastructure spend provisionally planned between 2023/24 and 2026/27:-

<b>Capital Infrastructure Programme</b> (All figures are £'000)	<b>2023/24</b> <b>Budget</b>	<b>2024/25</b> <b>Budget</b>	<b>2025/26</b> <b>Budget</b>	<b>2026/27</b> <b>Budget</b>	<b>2023-27</b> <b>Total</b>
Future Station Development	11,570	2,301	800	800	15,471
Vehicle Maintenance Unit Lease	1,260	0	0	0	1,260
<b>Total Station Development</b>	<b>12,830</b>	<b>2,301</b>	<b>800</b>	<b>800</b>	<b>16,731</b>
Roofing Works	160	238	171	150	719
Drill Towers	0	0	0	100	100
Boilers / Heat Pumps	110	722	50	50	932
Generators	0	69	20	20	109
<b>Total Premises</b>	<b>270</b>	<b>1,029</b>	<b>241</b>	<b>320</b>	<b>1,860</b>
Operational Response Project	158	530	0	0	688
<b>Total Systems</b>	<b>158</b>	<b>530</b>	<b>0</b>	<b>0</b>	<b>688</b>
Pumps	1,346	0	0	0	1,346
Rescue Pumps	0	10,523	4,537	0	15,060
Light Fleet (Cars and Vans)	114	658	0	187	959
Specialist Vehicles	1,774	1,272	492	42	3,580
<b>Total Vehicles &amp; Appliances</b>	<b>3,234</b>	<b>12,453</b>	<b>5,029</b>	<b>229</b>	<b>20,945</b>
<b>Total Capital Expenditure</b>	<b>16,492</b>	<b>16,313</b>	<b>6,070</b>	<b>1,349</b>	<b>40,224</b>
<i>* A ten-year capital programme is detailed in the Capital Strategy</i>					
<b>Revenue Infrastructure Programme</b> (All figures are £'000)	<b>2023/24</b> <b>Budget</b>	<b>2024/25</b> <b>Budget</b>	<b>2025/26</b> <b>Budget</b>	<b>2026/27</b> <b>Budget</b>	<b>2023-27</b> <b>Total</b>
Premises	235	208	28	0	471
IT	3,150	2,278	3,074	1	8,503
Vehicles and Equipment	806	2,192	150	795	3,943
<b>Total Revenue Expenditure</b>	<b>4,191</b>	<b>4,678</b>	<b>3,252</b>	<b>796</b>	<b>12,917</b>
<b>Total Revenue and Capital</b>	<b>20,683</b>	<b>20,991</b>	<b>9,322</b>	<b>2,145</b>	<b>53,141</b>

# MEDIUM TERM INFRASTRUCTURE PLAN 2023/24 – 2026/27

## Medium Term Infrastructure Plan - Expenditure

The Chart below details the capital and revenue infrastructure spend provisionally planned between 2023/24 and 2026/27:-





# MEDIUM TERM INFRASTRUCTURE PLAN 2023/24 – 2026/27

## Infrastructure Plan - Funding and Reserve Balances

The Infrastructure Plan is funded from various sources, each described below:-

**Revenue Contributions / Reserves** - The base revenue budget has a level of funding which is used to support the funding of both the revenue and capital infrastructure plans. If all of this resource is not used in-year, then it is carried forward in the Infrastructure Reserve for use in future years. The Infrastructure Reserve is used to fund revenue and capital investment in infrastructure assets to ensure continuous development and improvement across the organisation.

**Capital Receipts** - The use of capital receipts from the disposal of assets is governed by Regulations and can only be used to fund capital expenditure and repay debt. Where properties are identified as surplus to operational requirements, Members approval is sought for their disposal. Cash receipts which are generated from the asset disposal and which are in excess of £10k, must be used to support new capital investment or offset future debt or transitional costs. They cannot be used to fund day to day revenue expenditure. As at 31 March 2023 there are forecast to be unapplied capital receipts arising from the disposal of a number of the Authority's assets, including redundant fire stations, land and unoccupied housing of £9.855m.

**Prudential Borrowing** - The Authority can use prudential borrowing to fund capital expenditure provided that such borrowing is affordable, prudent and sustainable over the medium term. A range of calculations (prudential indicators) are completed as part of the annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and the repayment of principal is taken into account when developing the Medium Term Financial Plan.

*Internal borrowing* will be used to finance the Ashford Fire Station Redevelopment project with a view to potentially undertaking external borrowing in later years. Internal borrowing requires an amount to be set aside in the revenue budget (Minimum Revenue Provision) to repay the principal amount and although interest charges will not be incurred on internal borrowing it will result in reduced investment income as the funds will no longer be available to invest.

## MEDIUM TERM INFRASTRUCTURE PLAN 2023/24 – 2026/27

### Infrastructure Plan - Funding and Reserve Balances

The Tables below show the funding sources for the capital plan plus anticipated balances on the capital receipts and infrastructure reserves for 2023/24 to 2026/27.

#### Capital Infrastructure Plan Funding

(All figures are £'000)	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2023-27 Total
<b>Funded By:</b>					
Revenue Contributions - from Base Budget	2,592	2,592	2,592	2,592	10,368
Revenue Contributions – (to) / from Reserve	(496)	5,497	3,478	(1,243)	7,236
Internal Borrowing	11,030	1,501	0	0	12,531
Capital Receipts Applied	3,366	6,723	0	0	10,089
<b>Total Funding</b>	<b>16,492</b>	<b>16,313</b>	<b>6,070</b>	<b>1,349</b>	<b>40,224</b>

#### Revenue Infrastructure Plan Funding

(All figures are £'000)	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2023-27 Total
<b>Funded By:</b>					
Revenue Contributions - from Base Budget	1,200	1,252	1,280	1,307	5,039
Revenue Contributions – (to) / from Reserve	2,941	3,426	1,972	(511)	7,828
One off funding	50	0	0	0	50
ESMCP (ESN) Grant	0	0	0	0	0
<b>Total Funding</b>	<b>4,191</b>	<b>4,678</b>	<b>3,252</b>	<b>796</b>	<b>12,917</b>

#### Capital Receipts Reserve

(All figures are £'000)	Forecast 31.3.23	Forecast 31.3.24	Forecast 31.3.25	Forecast 31.3.26	Forecast 31.3.27
<b>Balance at end of year</b>	<b>9,855</b>	<b>6,489</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Infrastructure Reserve

(All figures are £'000)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Balance at start of year (1 April)	24,992	22,546	13,623	8,173
Infrastructure reserve – capital movements	496	-5,497	-3,478	1,243
Infrastructure reserve - revenue movements	-2,941	-3,426	-1,972	511
<b>Balance at end of year (31 March)</b>	<b>22,546</b>	<b>13,623</b>	<b>8,173</b>	<b>9,927</b>



## What do you get for your money?

(2022/23 figures)



We employ **1,125** firefighters



We have **56** fire stations across the county. We aim to have between 32 and 44 fire engines available at all times

All this to protect you and your family for about the cost of a large carton of milk



# £1.58

a week for a Band D property (2022/23 figure)

## There in times of need



Our 999 operators answered **42,618** emergency 999 calls



We have specialist beams for a range of incidents including water, mud and cliff rescue, chemical incidents, animal rescue, explosions and terrorism



**21,608** incidents were attended last year - an increase of **21%**

## Incidents and activity

Thanks in part to the efforts of our customer safety teams, we attended just **562** house fires...



...but **47%** of fires in the home still start in the kitchen

We went to **2,966** medical emergencies where our firefighters were closer than the nearest ambulance (which was mobilised at the same time)



Crews with specialist trauma care and rescue equipment went to **1,089** road crashes...



Summer 2022 was the busiest period for grass fires in the last decade



## Helping you stay safe



Last year we carried out **10,794** visits to homes of higher-risk people customers



We audited more than **1,500** business premises across Kent and Medway



Firefighters visit specialist sites and buildings to build their knowledge of sites in their local area



Our online social media content has been viewed **75 million** times



**10,000** customers visited our summer station open days



We have continued to invest in our building safety team to help keep businesses and our customers safe



We have completed a review of all residential buildings over **18 metres** in Kent and Medway

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# CAPITAL STRATEGY

## Background

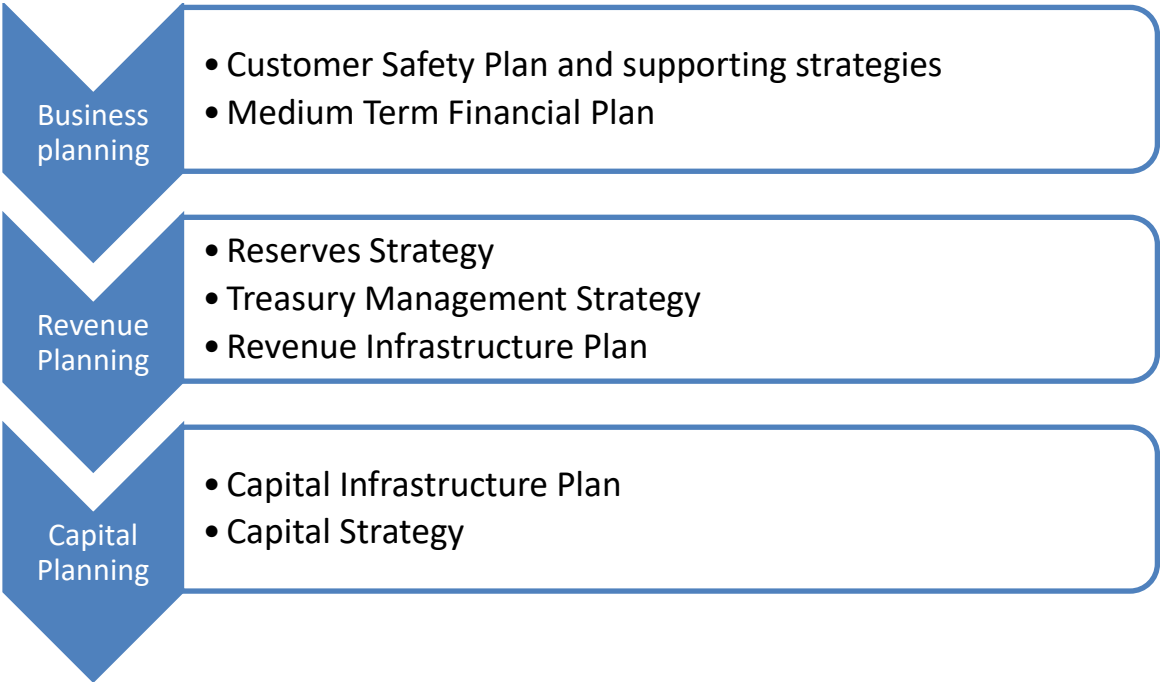
1. **Statutory Requirement** – The latest revision to the CIPFA Prudential Code for Capital Finance in Local Authorities was issued in December 2021, its key objectives remain, which are to ensure that decisions made around the capital programme are affordable, prudent and sustainable. The Authority continues to use the Code as required under Part 1 of the Local Government Act 2003, as a framework to demonstrate effective planning and proper appraisal of its capital finances.
2. A requirement of the Code is that authorities should produce a Capital Strategy which sets out an outline of the reporting requirements that it should be meeting. As this represents the long-term capital investment for the Authority it has been regularly reviewed and updated as necessary. Members last agreed the Capital Strategy at the February 2022 Authority meeting and were updated on the latest plans regarding Ashford Live Fire training facilities in October 2022. Since then the tables have been updated to reflect the latest capital forecasts. The following paragraphs therefore set out the proposed updated Strategy for this Authority. Members are asked to consider and agree this updated Strategy.
3. **Purpose and Principles of the Strategy** - The Capital Programme for the medium term has been developed following the principles that are laid out in the Capital Budget Strategy which are shown below:
  - To ensure capital resources are aligned with the corporate priorities as set out in the Customer Safety Plan and supporting strategies.
  - To maintain the assets and infrastructure across the organisation.
  - To maintain an affordable 10 year rolling capital programme.
  - To undertake Prudential Borrowing only where there are sufficient monies to meet the full implications of capital expenditure, which include both borrowing and revenue running costs.
  - To consider collaboration with our partner organisations, such as Kent Police and SECAMB and progress any other possible collaboration opportunities that may present themselves to enable greater efficiencies and improvements to the service.

Expenditure will be classified as capital if it meets the criteria set in Statute within the Local Government Act 2003 and CIPFA Statement of Recommended Practice. A minimum limit of £10k is applied per item (unless a significant number of assets below this value result in a large amount of expenditure, with a life of more than a year). Any

expenditure falling below the minimum will be treated as revenue expenditure. The outlay should result in either the acquisition, construction or enhancement of a fixed asset that provides a benefit to the Authority in excess of a year.

Capital programme planning is reviewed and determined alongside the revenue budget planning process within the framework of the Medium-Term Financial Plan (MTFP).

## Strategic Planning Framework



4. **Business Planning** – The Authority’s Customer Safety Plan is supported by a number of strategies which set out the forward look in a number of specific areas.
- ***The Customer Engagement and Safety Strategy*** and the ***Response and Resilience Strategy*** set out the rationale behind each service we provide and our priorities, to ensure we continue to provide a modern efficient and effective service to our customers.
  - ***The Environment and Assets Strategy*** is a key document for consideration when developing the Capital Strategy as it is important that the Authority ensures that capital resources are directed at its existing assets to ensure that they are of good condition to achieve best use of them to deliver a better service. We are also looking to make our buildings and fleet more energy efficient to achieve carbon neutrality by 2030. Where assets are identified as

surplus to requirements they are disposed of in an appropriate manner, in line with the Authority's Disposal Policy, consequently generating a capital receipt which is, at some future point used to contribute to the capital expenditure of asset investments or developments.

- **The Business Change, Information and Technology Strategy** sets out how and why we will invest in technology, to improve the service delivered to all customers.

This overarching Capital Strategy reflects the contents of these supporting strategies and their longer-term ambition, as they define the anticipated investment and development in areas such as the Property Estate, Fleet and IT.

5. **Revenue Planning** - The revenue planning looks at the funding available from central government, council tax, business rates, external funding and reviews the level of revenue contributions available or required to be set aside in reserves to fund expenditure in the Capital Strategy to reduce the levels of borrowing. The Treasury Strategy sets out the cost and cashflow of expenditure, identifies any shortfall in funding that may require the authority to borrow and determines its affordability via a number of prudential indicators.
6. **Capital Planning** - Identifies the capital expenditure required to enable the business strategies to be delivered within in the 10-year Capital Strategy cycle. It also identifies the draw down required from the Infrastructure Reserve and Capital Receipts reserve required to fund it, with shortfalls in funding identified and consequently highlights if the Authority may need to consider borrowing.

## Governance and Funding

7. **Governance and Monitoring** - An important part of the governance arrangements is the frequent monitoring of the agreed capital programme and probably more importantly the transparency, accountability and sustainability of the funding of the agreed programme. As such, members of the Authority are responsible for approving the Capital Strategy which sets out the considerations for such investments. It is a prerequisite that all expenditure incurred in the delivery of the capital programme must be compliant with the defined Financial and Procurement policies and procedures.
8. **Officers Responsibility** - Within the Authority, Corporate Management Board has an overall responsibility for the strategic development, management and monitoring of the capital programme. Wherever appropriate to do so, and more specifically for the larger projects, project boards are established, which consist of a wide range of professional expertise. These groups meet regularly to assess and monitor the progress of the projects to ensure the delivery of the defined capital investment.

9. **Available Capital Funding** - There are a variety of ways in which capital expenditure can be financed, but the main sources are often from a combination of revenue resources / reserves, capital grants, capital receipts and borrowing. There is also the option of leasing, but this will only be considered where it is a viable and cost-effective route to fund the asset in question. A brief explanation for each of these options is described below:

- a) **Revenue Contributions / Reserves** - The base revenue budget has a level of funding which may be used to support the funding of the capital programme. The Authority also has revenue resources set aside in the Infrastructure Reserve that can be used to fund capital projects.
- b) **Prudential Borrowing** - The Authority can use prudential borrowing to fund capital expenditure provided that such borrowing is affordable, prudent and sustainable over the medium term. A range of calculations (prudential indicators) are completed as part of the annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and the repayment of debt (including Minimum Revenue Provision) is taken into account when developing the Medium-Term Financial Plan.
- c) **External Capital Grants** - Certain projects may have specific external funding in the form of grants that can be applied for and utilised on the defined capital project.
- d) **Capital Receipts** - The Authority has a large property estate, the majority of which are fire stations, but the estate also includes day crewed houses, a training centre and administrative buildings such as Service Headquarters. The estate is managed by the Head of Property and Facilities and their team, all of whom ensure the buildings are well maintained and fit for their daily use. Where properties are identified as surplus to operational requirements, Members approval is sought for their disposal. Cash receipts which are generated from the asset disposal and which are in excess of £10k, must be used to support new capital investment or to offset future debt or transitional costs. They cannot be used to fund day to day revenue expenditure.
- e) **Lease Finance** - This option of financing may be considered if it is economically viable to do so. Consideration would be taken as to the availability of funding for such a purchase and its implications. However, financing of expenditure through any lease arrangement needs to consider the:
  - Value of expenditure;
  - Residual Value of the asset;
  - Life span of equipment matches the funding proposed.



We are currently reviewing suitable properties for the Vehicle and Maintenance service that is being brought in-house from 1 April 2023. It is highly likely that the Authority will need to lease one / two units in the medium term.

- f) **Internal borrowing** - The Capital Financing Requirement (CFR) measures the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose, although this borrowing is unlikely to need to take place externally, given the positive net cash flow position of the Authority. The Authority may judge it prudent, especially given the current high borrowing rates, to make use of cash that it has already invested in order to reduce borrowing levels. In doing this, the Authority does not reduce the magnitude of the funds it is holding for these long-term purposes but simply adopts an efficient and effective treasury management strategy. This practice, often known as 'internal borrowing', is common in local authorities and means there is no need to externally borrow to pay for capital spending.

## Capital Receipts Strategy

10. **Statutory Requirement** - The Department for Levelling Up, Housing and Communities' (DLUHC) Statutory Guidance on the use of Capital Receipts requires local authorities to prepare and publish a Strategy before the start of each year, setting out their planned use. It is generally the case that all capital receipts must be utilised to support capital purchases only. However, in March 2016 the Government issued statutory guidance which allowed a variation to this requirement to allow for flexible use of capital receipts to fund some revenue expenditure that may generate on-going savings such as the sharing of back-office services, service reform, collaboration, driving digital delivery. In April 2022 the guidance was updated so that for each financial year the Authority is required to send details setting out their planned use of the flexibility. This Authority currently has no requirement to apply for flexible use of capital receipts to fund service reform as due to its long-term planning it was able to plan for such changes/efficiencies through the use of the Infrastructure reserve, negating the need to utilise capital receipts.
11. **The utilisation of capital receipts** - The forecast capital receipts opening balance for the 2023/24 financial year is expected to be £9.8m with the potential for further receipts in the next few years. These balances will be utilised in future years to help support the funding of the capital programme. They will help smooth out the peaks and troughs of the service demands and provide a balanced capital programme reducing the need to borrow.

## Description of Major Capital Projects

12. **The main capital projects / programmes of work** that are incorporated into the Authority's capital programme are identified below and link into our Response and Resilience Strategy, Environment and Assets Strategy and Business Change, Information and Technology Strategy:

- **Mobile Data Terminals** - This is an operational response I.T project to install and upgrade data terminals in all our fire engines and response vehicles as well as Satnavs and tracking devices and is due to be completed during 2023/24.
- **Vehicle Replacements** - We have a comprehensive long-term programme in place to replace our operational fleet of fire engines, specialist vehicles, pool and response cars. The fleet is reviewed on a regular basis to determine any change in the numbers and types of vehicles that may be needed to facilitate operational capability identified in our Customer Safety Plan. We have successfully reduced the types of appliances down to two by combining the capabilities of our 'Rescue' and 'Heavy Rescue' appliances, using the latest equipment technology which has enabled us to attend a wider range of rescue incidents.

We purchased 36 Self charging Hybrid pool vehicles and will continue to consider, where appropriate to do so, more eco-friendly products as they become available. Due to the COVID pandemic and the ongoing disruption caused by the conflict in Ukraine, supplier delivery delays are still impacting on the programme resulting in £5.2m of slippage from 2022/23 to future years relating mainly to extend lead times of the appliance chassis. However, we still expect to take delivery of 5 new appliances in 2023/24 as well as a number of specialist vehicles. During 2024/25 we expect to take delivery of 31 appliances and a further 34 self-charging hybrid vehicles.

- **Building Works** - The Authority's property portfolio consists of more than 80 buildings which it aims to maintain in a good condition. Periodically, however, enhancements and improvements to the buildings are undertaken wherever it is appropriate and necessary to do so, not least to ensure that the Service and its operational bases remain fit for the future. Currently a number of reviews are underway to determine property use across the estate. These reviews are in their early stages, but indicative funding requirements have been incorporated into the capital programme, to ensure that any redevelopments could be afforded.

Redevelopment of the Ashford site, to provide a state-of-the-art Live Fire training facility, has now been granted planning permission and we have also successfully procured the main contractor as well as the live fire specialist. Indicative costings

for the project are now £13m but this is kept under constant review and there are expectations of being able to reduce this cost.

We are exploring a number of options in relation to our dated Maidstone site, which could include redeveloping some or all of that site, to improve the facilities that are currently available, such as the fire station, distribution centre, training facilities and Technical Rescue. Feedback from schools of the road safety centre at Rochester has identified a preference for us to visit them, which possibly provides us with an opportunity to consider alternative options for that part of the Rochester site. Also, home and hybrid flexible working and increased use of virtual meetings technology has identified a reduced need for office space in the future and presents the Authority with increased collaboration opportunities with blue light partners or the potential to review if existing office space is deemed surplus to requirements.

13. Every project goes through a robust process of producing a business case, assessing risks and outcomes along with any savings or efficiencies that could be achieved. Projects are appraised after completion and a review of successes and lessons learned are documented.
14. Wherever possible we consider collaboration with our partner organisations, such as Kent Police and SECamb and progress any other possible collaboration opportunities that may present themselves to enable greater efficiencies and improvements to the service. We currently have a number of site sharing licences in place.

## Prudence and Sustainability

15. **Capital Expenditure** - The Prudential Code requires that the Authority shall ensure that all its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact on the Authority's overall fiscal sustainability.
16. The Authority is required to make reasonable estimates of the total capital expenditure that it plans to incur over the next 10 years, as a minimum. Budget Managers are asked to consider future works and capital expenditure requirements as part of the budget setting process. Usually at this stage the project will have indicative costs associated to it based on past project expenditure to enable development of the Capital Programme. As the project develops and the objectives and specifications are clearer the indicative costs are refined as the business case progresses.

17. All major acquisitions have a life assigned to them and where appropriate a replacement is included within the Capital Programme based on the historic cost or current market value, whichever is available at that time. As the replacement year moves closer an assessment is made of the business need and current condition of the asset. The original sums set aside will then be replaced with the revised estimates. This is undertaken on an ongoing basis for vehicles and equipment, IT projects and premises component replacements.
18. If the cost of a project increases, and additional funds are required and available, a change request is presented to the Project Board for approval. If the agreed amount is significantly increased, it will also be presented to members for approval.
19. The anticipated capital expenditure for the next 4 years is detailed below, however, it should be noted that the Authority plans to continue to invest in the improvement of its I.T. infrastructure across the organisation, but most of this will be classified as revenue costs. These costs are not reflected in the Capital Programme below:

<b>Estimates of Capital Expenditure (£'000)</b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>
Premises	13,100	3,330	1,041	1,120	970
IT	158	530	0	0	0
Vehicles	3,234	12,453	5,029	229	1,060
<b>Total Planned</b>	<b>16,492</b>	<b>16,313</b>	<b>6,070</b>	<b>1,349</b>	<b>2,030</b>

20. **Funding of Capital Expenditure** - All proposed expenditure set out in the Capital Programme is planned to be funded from a combination of revenue contributions to capital, capital receipts and the Infrastructure reserve. The Ashford project will be funded from Internal Borrowing between 22/23 and 24/25 which will enable us to then borrow against it in future years, when borrowing rates should be more favourable, but this may be necessary earlier if our cash balances reduce and impact on cashflow. There are currently no allocations of capital grants expected in the near future.
21. **Total Capital Financing Costs** - One of the features of the Prudential Code arrangements is the need to calculate the Capital Financing Requirement (CFR). This figure covers unfunded capital expenditure which has not yet been permanently financed through the revenue account. The figures below reflect the unfunded spend on Ashford station and the leased unit to be utilised for Vehicle Maintenance as it is intended to fund them currently by internal borrowing for the short term until interest rates on borrowing have reduced.

<b>Capital Financing Requirement</b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>
	<b><u>(£'000)</u></b>	<b><u>(£'000)</u></b>
Opening CFR	2,400	12,167
Capital Investment	16,492	16,313
Sources of Finance:		
Government Grants	0	0
Revenue contributions to Capital	-2,592	-2,592
Capital Receipts and Reserves	-2,870	-12,220
Minimum/Voluntary Revenue Provision	-1,263	-1,294
<b>Closing CFR</b>	<b><u>12,167</u></b>	<b><u>12,374</u></b>

**External Debt** - All borrowings are from the Public Works Loan Board (PWLB) and our current outstanding debt is as follows:

<b>As at end March</b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>
<b>£'000s</b>	701	400	0

Current forecasts identify that the Capital Programme may need to undertake new external borrowing in the future, if anticipated costs and planned works are as expected in the Capital Programme. The Treasury Strategy reflects the potential impact of any borrowing that may be required, but of course this will be kept under regular review.

22. **Risk Assessment** - The Authority has a sound financial plan in place, to deliver the Capital Programme over the coming years, which includes the use of earmarked reserves, revenue funding, capital receipts and new external borrowing. Brexit, the Covid pandemic and the conflict in Ukraine over the last three years has had a significant impact on the whole economy, with many authorities facing significant levels of unexpected funding pressures as well as procurement delays resulting in slippage. This, alongside the lack of any agreed long-term funding and seeing only a one year settlement in the spending review, may well have a significant impact on funding resources over the medium term. The Fair Funding Review was intended to examine the distribution methodology of available funding, but this has again been delayed until possibly 2025/26. Other risk considerations are detailed in the table in the below:

Risk	Mitigation
Market	Within the funding programme assumptions on the use of the capital receipts are based on the future health of the property market and the Authority relies on expert advice to mitigate this risk.
Interest Rate	External Borrowing from any approved source will have an interest rate that the Authority will need to pay back over the duration of the profiled borrowing. To mitigate the risk of interest rate fluctuations only fixed rates will be considered.
Legislative	Changes in statute and regulations will impact on the capital projects, as they must comply with current legislation. As mitigation the Authority must horizon scan and remain aware of any changes in the pipeline, which might affect projects and make amendments accordingly through the proper governance channels.
Project Delivery	These are unforeseen delays and increases in costs. Apart from building in contingencies there is a range of measures that can mitigate the risks. Effective scrutiny of business cases at the outset will ensure robustness of projects. During the life of the project, risks are monitored with risk registers being properly maintained and updated. Regular highlight reporting to Corporate Management Board and project boards keeps key stakeholders informed and allows for any early intervention. In the case of complex major projects, such as Ashford, professional experts are brought in to value analyse the methods and materials to ensure savings and effective delivery.
Climate Change	Climate change could see an increase in demand on natural resources, resulting in price rises and shortages as well as increasing the risks of flooding and wildfire.
Supply Chain	The fallout from both Brexit and Covid-19, as well as the war in Ukraine, is still seeing an impact on the available labour and materials supply chain. It is therefore important that the supply chain is regularly reviewed as part of the contract management. To also mitigate risk for high level projects it may be necessary to place orders earlier than initially anticipated to ensure a timely delivery so as not to impact on project delivery.

The programme does not include the additional costs for our fleet to be zero emission compliant by 2030 as it is not possible to predict the impact on costs and emerging technology at this time.

23. In order to fully understand the risks and the need to contain the level of borrowing undertaken to minimise the revenue impact, the Authority has now moved away from a

short term 4-year capital programme to a longer term 10-year capital programme (attached at **Annex 1**). This will enable the Authority to identify where any funding shortfalls may arise in the programme that delivers corporate priorities, which may result in actions, such as increasing reserves in the short term to provide greater long-term stability to the programme or evaluation of the service needs against the asset strategy. Due to the complex and large-scale nature of capital projects, the original budgets have to be based on estimations that often need revising as the project progresses. This in turn leads to re-phasing of the capital programme in order to keep the overall costs within the agreed bottom line. This is monitored and reported to Corporate Management Board quarterly and any key issues are subsequently reported to Members.

24. **Knowledge and Skills** - The Capital and Treasury programmes are managed by a team of professionally qualified accountants with extensive Local Government financial knowledge. A Continuous Professional Development (CPD) is a requirement of various professions and courses are attended to update knowledge on a regular basis. All project teams consist of various professionals, including Surveyors and Accountants and outside professional advice is bought in when required. Periodically Members are provided with relevant training on a range of financial topics, which is either provided by officers or external organisations.
25. **The Director of Finance and Corporate Services** is of the opinion that the current Capital Strategy provides core principles on which to build a capital programme that is affordable, prudent and sustainable.

## CAPITAL EXPENDITURE PLAN

The table below shows the ten year capital expenditure plan for 2023/24 to 2032/33

(All figures are £'000)	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>	<u>2031/32</u>	<u>2032/33</u>	<u>TOTAL</u>
Future Station Development	12,830	2,301	800	800	800	800	800	800	800	800	21,531
<b>Total Station Development</b>	<b>12,830</b>	<b>2,301</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>21,531</b>
Roofing Works	160	238	171	150	100	100	100	100	100	100	1,319
Drill Towers	-	-	-	100	-	-	-	-	100	-	200
Generators	-	69	20	20	20	20	20	20	20	20	229
Boilers/Ground source heat pumps	110	722	50	50	50	50	50	50	50	50	1,232
<b>Total Premises</b>	<b>270</b>	<b>1,029</b>	<b>241</b>	<b>320</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>270</b>	<b>170</b>	<b>2,980</b>
<b>Total Premises and New Builds</b>	<b>13,100</b>	<b>3,330</b>	<b>1,041</b>	<b>1,120</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>1,070</b>	<b>970</b>	<b>24,511</b>
Operational Response Project	158	530	-	-	-	575	-	-	-	630	1,893
Printers	-	-	-	-	-	-	160	-	-	-	160
<b>Total Systems</b>	<b>158</b>	<b>530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>630</b>	<b>2,053</b>
Appliances	1,346	10,523	4,537	-	-	-	-	7,528	-	-	23,934
Cars and Vans	114	658	-	187	761	828	1,907	46	815	-	5,316
Specialist Vehicles	1,774	1,272	492	42	299	563	205	3,112	155	837	8,751
<b>Total Vehicles &amp; Appliances</b>	<b>3,234</b>	<b>12,453</b>	<b>5,029</b>	<b>229</b>	<b>1,060</b>	<b>1,391</b>	<b>2,112</b>	<b>10,686</b>	<b>970</b>	<b>837</b>	<b>38,001</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>16,492</b>	<b>16,313</b>	<b>6,070</b>	<b>1,349</b>	<b>2,030</b>	<b>2,936</b>	<b>3,242</b>	<b>11,656</b>	<b>2,040</b>	<b>2,437</b>	<b>64,565</b>



<b><u>FUNDING</u></b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>	<b><u>2028/29</u></b>	<b><u>2029/30</u></b>	<b><u>2030/31</u></b>	<b><u>2031/32</u></b>	<b><u>2032/33</u></b>	<b><u>TOTAL</u></b>
<b>CAPITAL Funded from:-</b>											
Contributions from Revenue	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,242	25,570
Infrastructure Reserve movement	-496	5,497	3,478	-1,243	-562	344	650	9,064	-552	95	16,275
Capital receipts applied	3,366	6,723	0	0	0	0	0	0	0	0	10,089
INTERNAL BORROWING	11,030	1,501	0	0	0	0	0	0	0	0	12,531
Borrowing requirement	0	0	0	0	0	0	0	0	0	100	100
<b>Total Capital Funding</b>	<b>16,492</b>	<b>16,313</b>	<b>6,070</b>	<b>1,349</b>	<b>2,030</b>	<b>2,936</b>	<b>3,242</b>	<b>11,656</b>	<b>2,040</b>	<b>2,437</b>	<b>64,565</b>

## ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2023/24

### Introduction

1. Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice as:  
  
"the management of the Authority's borrowings, investments and cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
2. There are two parts to the treasury management operations, the first is to ensure that the Authority's cash flow is adequately planned, with cash being available when it is needed to support business and service objectives. Surplus monies are placed in low-risk counterparties or instruments in line with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return. The second main function of treasury management is the funding of the Authority's capital plans. The Capital Strategy provides a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning to ensure that the Authority can meet its capital spending obligations.
3. The CIPFA Code of Practice on Treasury Management (TM) and the CIPFA Prudential Code require local authorities to determine and set the Authority's Treasury Management Strategy, its Strategy relating to investment activity, and Prudential Indicators on an annual basis. The Authority currently has cash backed reserves and balances of circa £45m, so it is important that robust and appropriate processes are in place to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund. Set out below are the key elements of the Strategy covering the borrowing requirements and investment arrangements.
4. The Authority's Investment Strategy has regard to the TM Code and the Guidance. It has two objectives: the first is security, in order to ensure that the capital sum is protected from loss, ensuring that the Authority's money is returned; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and liquidity have been determined can the Authority then consider the yield that can be obtained within these parameters.
5. This Strategy has been created based on the CIPFA 2021 Prudential and Treasury Management Codes, which requires the Authority to prepare a Capital Strategy. The Capital Strategy is a document in its own right which will be reported separately to the Authority as part of the February budget papers. This Authority does not envisage any commercial investments and has no non-treasury investments.

## Policy Statement

6. The Authority regards the successful identification, monitoring and control of risk to be the main criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
7. The Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives including its Customer Safety Plan and long term Capital Strategy. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurements, within the framework of effective risk management.

## National Guidance and Governance

8. This Strategy complies with the CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (“the TM Code”), and guidance on Local Government Investments issued by the Secretary of State for Communities and Local Government under section 15(1)(a) of the Local Government Act 2003 (“the Guidance”). Specific decisions on the timing and amount of any borrowing will be made by the Authority’s Director, Finance and Corporate Services in line with the agreed Strategy.
9. **Governance:** The Authority is required to receive and review a number of financial reports each year, which cover the following:
  - (a) **An Annual Treasury Management and Investment Strategy:** This Strategy forms part of the February 2023 budget report to Authority. This Strategy therefore includes:-
    - the Capital Programme together with the appropriate prudential indicators.
    - the minimum revenue provision (MRP) policy, which details how residual capital expenditure is charged to revenue over time.
    - the Treasury Management Strategy, which defines not only how the investments and borrowings are to be organised, but also sets out the appropriate treasury indicators; and
    - an Investment Strategy which sets out the parameters on how deposits are to be managed.
  - (b) **A Mid-year Treasury Management Report:** This will usually be presented to Members of the Audit and Governance Committee for review in the autumn prior to submission to the Authority meeting in February and provides an update on the Capital Programme, amending prudential indicators and/or the Strategy, if necessary.
  - (c) **A Year-end Annual Report:** This provides the final outturn position for the year in relation to investments and deposits made during the year, prudential and treasury indicators, and a summary of the actual treasury activity during the year.

10. From 2023/24, CIPFA requires treasury management to be formalised on a quarterly basis. A quarterly review by Corporate Management Board (CMB) will monitor the treasury management and prudential indicators as part of the Authority's general revenue and capital monitoring reporting.

### External Support

11. **Treasury Management Advisor:** The Authority uses Link Group (previously known as Capita Asset Services) as its external Treasury Management Advisor. The Authority recognises that the responsibility for treasury management decisions remains with itself and will ensure that undue reliance is not placed upon the external advisor. The current contract expires at the end of September 2024.
12. **Administration:** As of 3 October 2022, day to day treasury management activity, such as placing deposits with institutions, is now being managed in-house and is no longer being carried out on behalf of the Authority by the Kent County Council Treasury and Investment Section.

### THE CAPITAL PRUDENTIAL INDICATORS 2023/24 - 2026/27 AND THE MINIMUM REVENUE PROVISION (MRP) STATEMENT

13. The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the Capital/Infrastructure Plan is reflected in the Prudential Indicators, which are designed to assist Members' overview and confirm capital expenditure plans.
14. **Capital Expenditure:** This can be funded from a variety of sources such as directly from the revenue budget, capital receipts (money received for the sale of the Authority's assets) capital grants or from borrowing. The Authority's Capital Plan, and the revenue and capital resources being used to finance it, are shown in **Table 1** below. Where there is a difference between planned expenditure and cash resources, this will result in an increase in the net financing need and hence the potential need to consider external borrowing. The Authority will only ever borrow to fund capital expenditure. Given that interest rates remain high, it is prudent to consider internal borrowing as opposed to external borrowing until such time as interest rates reduce.

Table 1 - Capital Expenditure	2022/23	2023/24	2024/25	2025/26	2026/27
	Forecast £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
Total Capital Expenditure	5,349	16,492	16,313	6,070	1,349
Funded By					
Revenue / Infrastructure funding	-2,441	-2,096	-8,089	-6,070	-1,349
Capital Receipts	-1,508	-3,366	-6,723	0	0
One off Capital Funding	0	0	0	0	0
<b>Net Financing Need (Borrowing) for the Year</b>	<b>1,400</b>	<b>11,030</b>	<b>1,501</b>	<b>0</b>	<b>0</b>

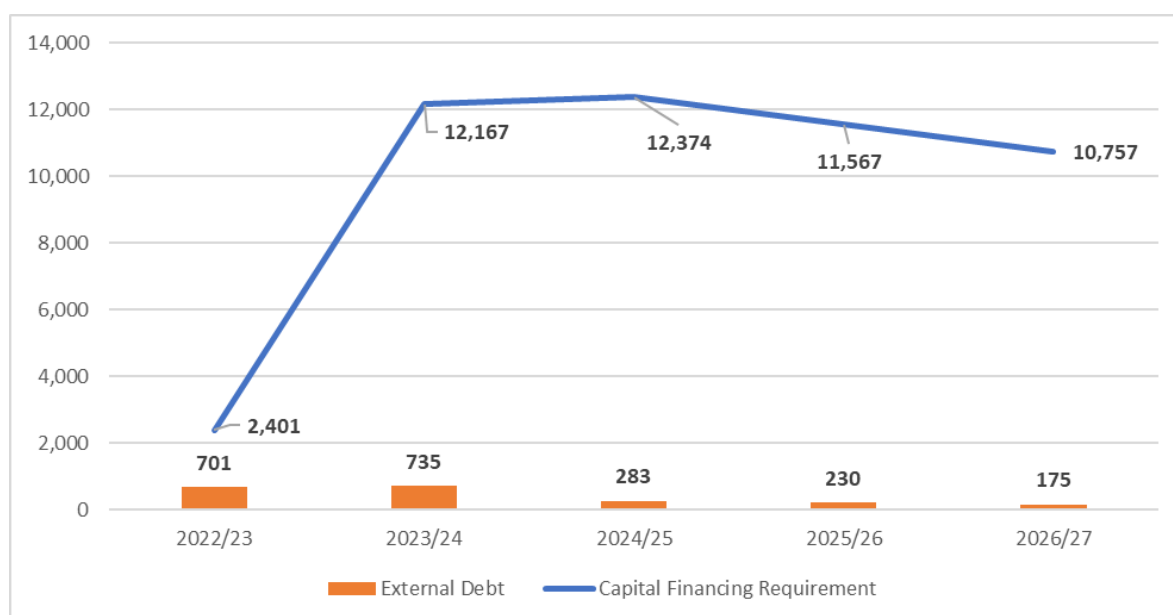
15. **The Authority's Borrowing Need [the Capital Financing Requirement (CFR)]:** The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through revenue or capital resource will increase the CFR. The CFR projections are shown in **Table 2**.

<b>Table 2</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Capital Financing Requirement</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening CFR	1,829	2,400	12,167	12,374	11,567
Movement in CFR	571	9,767	207	-807	-810
<b>Closing CFR</b>	<b>2,400</b>	<b>12,167</b>	<b>12,374</b>	<b>11,567</b>	<b>10,757</b>

<b>Movement in CFR represented</b>					
Net Financing Need (Borrowing) for the Year	1,400	11,030	1,501	0	0
Less: Provision for Principal (MRP/VRP) *	-829	-1,263	-1,294	-807	-810
<b>Movement in CFR</b>	<b>571</b>	<b>9,767</b>	<b>207</b>	<b>-807</b>	<b>-810</b>

\*The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which reduces the indebtedness in line with each asset's life.

#### Capital Financing Requirement Profile vs External Debt Profile (year-end position)



Note: External Debt includes other long-term liabilities such as leases

16. **Core Funds and Expected Investment Balances:** The application of resources (capital receipts, reserves, etc.) to finance capital expenditure or other budget decisions to support

the revenue budget will have an ongoing impact on investments/deposits. Detailed below in **Table 3** are estimates of the year-end balances for each cash-backed resource, working balances and the net amount of capital expenditure funded from internal resources (historical under-borrowing). The sum of these balances is the amount estimated as available for investment.

17. Working balances comprise of the estimated net difference between amounts owed to or by the Authority (debtors and creditors and other amounts paid or received but not yet charged to the accounts). The amount under-borrowed in this table relates to historical capital expenditure that was identified as needing to be funded from borrowing in earlier years, but where a decision was made to use internal cash balances instead of external debt (this is shown calculated in **Table 2** above), less the actual amount of external debt at the end of each year. New Internal borrowing will be undertaken from 2022/23 and is reflected in the table below. **Table 7** further below details how the under-borrowing is then calculated.

<b>Table 3 Reserves and Balances</b>	<b>2022/23 Forecast £'000</b>	<b>2023/2024 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
General reserve	3,970	4,260	4,430	4,520	4,640
Earmarked reserves	30,580	27,106	17,770	12,320	13,727
Insurance Provision	129	129	129	129	129
Capital Receipts	9,855	6,489	0	0	0
<b>Total Core Funds</b>	<b>44,534</b>	<b>37,984</b>	<b>22,329</b>	<b>16,969</b>	<b>18,496</b>
Working Capital surplus	2,273	2,273	2,273	2,273	2,273
Under borrowing	-1,700	-10,508	-11,175	-10,478	-9,781
<b>Expected Investments</b>	<b>45,107</b>	<b>29,749</b>	<b>13,427</b>	<b>8,764</b>	<b>10,988</b>

18. **Financing Costs to Net Revenue Stream:** This indicator shows the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. It is an indication of how affordable the borrowing required to fund the capital programme is and shows the trend in the cost of capital, (borrowing and other long-term obligation costs), against the net revenue stream.

<b>Table 4 Financing Costs to Net Revenue Stream</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Ratio of Financing Costs	1.13%	1.50%	1.48%	0.89%	0.87%

19. **Minimum Revenue Provision (MRP) Policy Statement:** The Prudential Code sets out the regulations around determining the annual charge that must be made to the revenue account in order to repay what has been borrowed to fund capital expenditure. This charge is called the Minimum Revenue Provision (MRP). As explained above the MRP calculation has an impact on the year end value of the CFR and the Code is clear that the outstanding debt cannot be greater than the CFR. The Policy for MRP is detailed below:

(a) **Borrowing for capital expenditure incurred before 1 April 2008** - The MRP is calculated as 4% of the opening CFR balance for the year.

(b) **Borrowing for capital expenditure (including lease agreements on balance sheet) post 2008** - The Authority will calculate the MRP for all new borrowing (internal or external) using the Asset Life method. This method uses the estimated life of the asset to calculate a yearly revenue charge which ensures sufficient provision is set aside to reduce the borrowing need over the life of the asset. Repayments for leases on the balance sheet are applied as MRP.

If the Authority were to undertake no new external borrowing, the outstanding external debt will be cleared by 2025. At this moment in time, it is prudent that future borrowing undertaken will be through internal borrowing against the Authority's available balances for investment.

20. **MRP Overpayments:** As defined in the Code the Authority has always set aside additional funding, on top of the regulated MRP, to repay the borrowing of money to fund capital. This additional funding that is set aside is called a Voluntary Revenue Provision (VRP). A change introduced by the revised DLUHC MRP Guidance, allows for any charges made over the statutory minimum revenue provision (MRP), to be reclaimed for use in the budget. Up until the 31 March 2022 the total VRP overpayments were £6.2m. These overpayments have allowed for prudent voluntary repayments to reduce the indebtedness of the Authority within a shorter timescale providing greater financial stability in the long term.

21. **Forecast for Bank Rate:** Forecasts on the Bank rate are constantly being reviewed given the current economy and political climate. At this moment in time the Bank Rate is expected to peak at 4.5% and remain the same for three quarters of the year, before seeing a decrease of 50bps to 4% in March 2024. However, there are a number of factors that could require these forecasts to be revised, such as progress on economic recovery, supply shortages, rising utility prices, labour shortages. With the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be kept under regular review.

Link Group Interest Rate View		19.12.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50

22. **Limits on External Debt:** The Treasury Indicators set limits for interest rate exposures in relation to borrowing, deposits and the maturity structure of long-term borrowing. The objective of these indicators is to restrain the activity of the treasury function within certain limits, thereby managing the risk of re-financing and adverse movements in interest rates.
23. **Interest Rate Exposures for Borrowing:** All the borrowing undertaken by the Authority has been on a fixed rate of interest with the Public Works Loans Board (PWLB). Current plans suggest some borrowing maybe required from 2024, however as capital projects progress and their figures finalised within the capital strategy this requirement will be reviewed and reported. It is likely that any external borrowing undertaken would be on a fixed rate of interest or alternatively internal borrowing could be utilised.
24. **Interest Rate Exposures for Deposits:** The Authority primarily deposits its cash balances on a fixed rate basis and therefore limits its exposure to any reductions in interest rates. Whilst security of the deposit still remains a prerequisite, it is proposed that as interest rates are forecast to improve further that a greater degree of flexibility is required to gain improved market returns on deposits with up to 100% of deposits on a variable interest basis, an increase from the initial 75% within the 2022/23 Treasury Strategy. The Authority defines fixed rate investments as those where the interest rate does not fluctuate during the period of the investment.

<b>Table 5 Limit of Deposit Exposure</b>	<b>2022/23 Limit</b>	<b>2023/24 Limit</b>	<b>2024/25 Limit</b>	<b>2025/26 Limit</b>	<b>2026/27 Limit</b>
Fixed Interest Rates	100%	100%	100%	100%	100%
Variable Interest Rates	100%	100%	100%	100%	100%

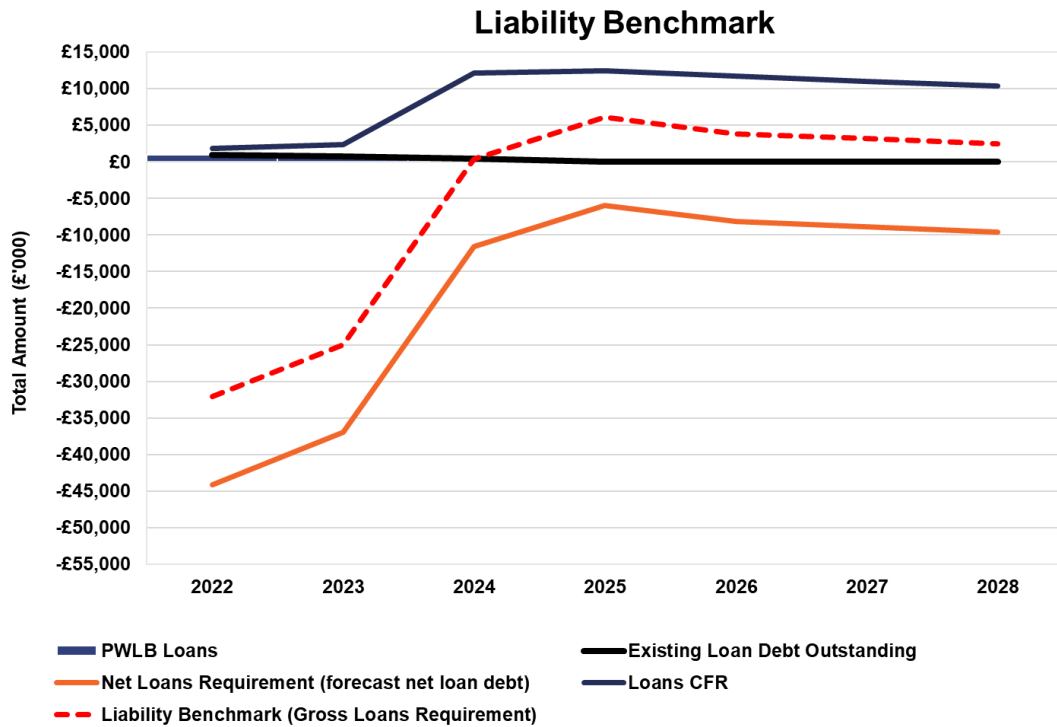
25. **Maturity Structure of Borrowing:** The current maturity profile of the Authority's existing loans, as at 31 March 2023 is set out in **Table 6** below.

<b>Table 6 Existing Loan Profile</b>	<b>Amount £'000</b>	<b>Percentage Maturing</b>
2023/24	301	43%
2024/25	400	57%
<b>Total borrowing to be repaid</b>	<b>701</b>	<b>100%</b>

26. **Debt Liability Benchmark:** the liability benchmark is a new indicator introduced as part of CIPFA's review of the prudential code and is a projection of the optimum amount of loan debt outstanding which the authority needs each year into the future, in order to fund its existing debt liabilities, planned prudential borrowing and other cash flows.
27. As the Authority is currently operating with a net cash surplus, the indicator is a measure of the forecast net investment requirement and guides the appropriate size and maturity of



investments needed – there is currently no need to borrow externally for capital financing purposes.



## BORROWING

28. **Borrowing Arrangements:** The Authority has been actively trying to reduce its cash balances by deferring long term borrowing. The Authority will continue with this prudent strategy which has resulted in savings in borrowing interest costs, and thus has minimised the risk of counterparty loss. The Authority is currently under-borrowed by £1,700k and, based on current interest rates has saved approximately £83k per annum by not borrowing this money.
29. **Timing of Borrowing:** Officers engaged in treasury management monitor interest rates on a daily basis and receive advice from the Authority’s Treasury Management Advisor on changes to market conditions, in order that borrowing and investing activity can be undertaken at the most advantageous time. However, at the time of writing it is not anticipated that the Authority will undertake any new external borrowing in 2023/24. In the event that borrowing is required, given the high borrowing rates and the Authority’s high cash balances, it is proposed to undertake internal borrowing in the interim.
30. **Volatility to Inflation:** The Authority will keep under review the sensitivity of its treasury liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation’s inflation exposures.
31. **Periods of Borrowing:** In general, the period of borrowing is linked to the life of the assets acquired, although regard is also given to the maturity profile of debt in order to mitigate the risks that might arise on any re-financing. However, on occasions, borrowing decisions may

be taken to borrow over shorter or longer periods where this is considered to be the cheapest option in the long term.

32. **Sources of Borrowing:** The Authority could borrow from the Public Works Loan Board (PWLB), other Local Authorities, the money markets, the Municipal Bonds Agency or through Finance Leasing depending on which terms are the most favourable overall.
33. **External Debt:** The Authority's current debt portfolio position for the next five years is detailed in **Table 7** below. It shows the actual external debt against the underlying capital borrowing need (the CFR) highlighting any over or under-borrowing.

<b>Table 7 - Current Debt Portfolio</b>	<b>2022/23 Forecast £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
<b>Borrowing as at 1 April</b>	<b>1,001</b>	<b>701</b>	<b>400</b>	<b>0</b>	<b>0</b>
New Borrowing - External	0	0	0	0	0
Other Long-term liabilities (OLTL)	0	1,259	1,259	1,199	1,089
Expected change in OLTL	0	0	-60	-110	-113
Loans Repaid	-300	-301	-400	0	0
<b>Borrowing as at 31 March</b>	<b>701</b>	<b>1,659</b>	<b>1,199</b>	<b>1,089</b>	<b>976</b>
<b>Less closing CFR</b>	<b>-2,401</b>	<b>-12,167</b>	<b>-12,374</b>	<b>-11,567</b>	<b>-10,757</b>
<b>Under borrowing</b>	<b>-1,700</b>	<b>-10,508</b>	<b>-11,175</b>	<b>-10,478</b>	<b>-9,781</b>

34. The Authority's debt should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) for the current year and the next two financial years. This allows the Authority the flexibility to borrow for future years whilst ensuring that borrowing is not undertaken for revenue purposes. The level of actual borrowing and the CFR will often be different for a combination of reasons. It could be due to timing differences between amounts set aside for the repayment of debt and the actual timing of loan repayments, but it could also be due to a decision to defer the borrowing relating to capital expenditure that has already been incurred.
35. **The Director, Finance and Corporate Service** reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals within the budget report.
36. **The Operational Boundary for External Debt:** This is the limit which external debt is not normally expected to exceed. The proposed Operational Boundary for external debt is based on the Authority's plans for capital expenditure and financing, and is consistent with its treasury management policy, statement and practices to provide sufficient headroom to switch funding for capital projects from reserves, receipts and revenue contributions to external borrowing.

37. The Authority has some projects where there is the potential to lease rather than buy, and so the limit recognises that such leases may be classified as finance leases. Currently there are impending accounting changes with regard to leases (IFRS16) that mean that some existing lease arrangements, that in the past have been accounted for within the revenue budget, may now need to be reflected on the Authority's balance sheet as a liability for the commitment of the contract so this now needs to be considered as part of the Treasury Strategy under the Other Long-Term Liabilities heading. Risk analysis and risk management strategies have been taken into account, as have estimates of the Capital Financing Requirement and estimates of cash flow requirements for all purposes when determining this limit.
38. **The Director, Finance and Corporate Services**, has confirmed that the Operational Boundary is based on expectations of the maximum external debt of the Authority according to probable - not simply possible - events and is consistent with the maximum level of external debt projected by estimates. This indicator is a key management tool for in-year monitoring and acts as an "alert" for the possibility of an imminent breach of the authorised limit. The Operational Boundary for external debt excluding investments is shown in **Table 8** below.

<b>Table 8 Operational Boundary</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	18,000	20,000	35,000	35,000	35,000
Other long term finance liabilities	3,000	3,500	3,500	3,500	3,500
<b>Total</b>	<b>21,000</b>	<b>23,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>

**Authorised Limit for External Debt:** The Authorised Limit provides for additional headroom over and above the Operational Boundary to allow for unusual and unexpected cash movements. This represents a limit beyond which external debt is prohibited. The Authorised Limit for the Authority's total external debt, excluding investments, is shown in **Table 9** below.

<b>Table 9 Authorised Limit</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	22,000	24,000	39,000	39,000	39,000
Other long term finance liabilities	3,000	3,500	3,500	3,500	3,500
<b>Total</b>	<b>25,000</b>	<b>27,500</b>	<b>42,500</b>	<b>42,500</b>	<b>42,500</b>

39. **Borrowing in Advance of Need:** The Authority will not borrow in advance of its needs in order to profit from any short term interest rate advantage. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds. The risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual treasury reports.
40. **Debt Rescheduling:** Whilst short term interest rates may be cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of the debt repayment (premiums incurred). The reasons for rescheduling may include the generation of cash savings in annual interest payments or to amend the maturity profile of the portfolio. The premium now charged by the PWLB generally makes restructuring debt for interest rate reasons unattractive. Consideration would be given to debt restructuring if there was a significant change in the PWLB's policy. Any debt rescheduling will be reported to the Authority at the earliest opportunity following the rescheduling.
41. **Gearing:** Gearing is used as a measure of financial leverage and indicates how much of the Authority's activities are funded by debt. The higher the percentage, the more risk the Authority has, as it must continue to service this level of debt. Gearing is calculated as (total debt/total assets). The Authority's current gearing level is a very low 0.55%.
42. **Borrowing Strategy:** The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flows has been used as a temporary measure. This strategy is prudent as borrowing rates are currently increasing and counterparty risk is still an issue that needs to be considered.
43. Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Director, Finance and Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. Any decisions taken will be reported to the Authority at the next available opportunity.

## **ANNUAL INVESTMENT STRATEGY**

44. **Investment Policy - Management of Risk:** The Authority's Investment Strategy has regard to the CIPFA Treasury Management Code 2021 and the CIPFA Treasury Management Guidance Notes 2021. It has two main objectives: the first is security, in order to ensure that the capital sum is protected from loss; and the second is portfolio liquidity, in order to ensure that cash is available when needed. Only when the proper levels of security and portfolio liquidity have been determined can the Authority then consider the yield that can be

obtained within these parameters. Where appropriate the Authority will also consider the value available in periods up to 12 months with high credit rated financial institutions. The Authority will ensure that robust due diligence procedures cover all external investment. This Strategy is reviewed and updated annually.

45. The Treasury Management Code of Practice details that the term “investments” used in the definition of treasury management activities also covers other non-financial assets which an organisation holds primarily for financial returns, such as investment property portfolios. The Authority does not hold non-financial assets primarily for financial returns, nor does it propose to do so.
46. The above guidance places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
  - Minimum acceptable **credit criteria** are applied in order to generate a list of highly credit worthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
  - **Other Information** - ratings will not be the sole determinant of the quality of an institution, it is important to continually assess and monitor the financial sector and take account of the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this the Authority engages with its Treasury Advisors.
  - **Other Information sources** used will include the press and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
47. **Volatility to Inflation:** The Authority will keep under review the sensitivity of its treasury assets to inflation and will seek to manage the risk accordingly in the context of the whole Authority’s inflation exposures.
48. **Specified or Permitted Investments:** These are investments of not more than one-year maturity, or those which could be for a longer period but where the Authority has the right to be repaid within 12 months if it wishes. All such investments will be sterling denominated. These are considered low risk assets where the possibility of loss of principal or investment income is small and will include deposits with: -

- the UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
  - other local authorities.
  - Money Market Funds (CNAV and LVNAV).
  - banks, building societies and other financial institutions of **high credit quality**.
49. **High Credit Quality:** The Authority's Treasury Management Advisor provides a creditworthiness service which, taking into account the ratings provided by the credit agencies, market data, market information and information relating to government support for banks, provides a recommendation on counterparty, group and country limits as well as investment duration. Officers have considered this, together with other information available and views on risk, in order to produce a counterparty list. The Authority defines "high credit quality" as being: -
- UK Banks
  - UK part-nationalised banks.
  - Institutions domiciled in the UK that have been classified by Link Group as being appropriate for deposit durations of between 100 days and one year; that have a minimum sovereign long-term rating of A- and have, as a minimum, the following credit rating from at least one of Fitch, Moody's and Standard and Poors (where rated): -
    - (a) Short term – F1 (or equivalent).
    - (b) Long term – A- (or equivalent).
  - The Authority's own banker for transactional purposes, or except if the bank falls below the above criteria, in which case balances will be minimised in both monetary size and time.
  - Institutions domiciled in a foreign country where that country has a sovereign rating of AAA.
50. **The Monitoring of Investment Counterparties:** The credit rating of counterparties will be monitored regularly, based on credit rating information received from Link Group. On occasions ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list. If this requires revision of the Treasury Strategy, then this will be reported to the Authority for approval.
51. **Investment Duration for Deposits:** The longest duration for any investment will be one year. The Authority will only use specified investments, the criteria for which are set out in paragraphs 48 and 49 above and may restrict the period of investment to a period shorter than the maximum.
52. The Strategy for 2023/24 will be to use only those institutions detailed on the counterparty list, shown in **Table 10** below

**Table 10 – Investment Duration for Deposits**

<b>Permitted Forms of Investment 2023/24</b>	<b>Minimum Credit Criteria</b>
Cash Deposits with the Debt Man. Office	N/A
UK Treasury Bills	N/A
Call Accounts/Notice Accounts Term Deposits	UK Banks, UK part-nationalised bank or an institution rated by Link Group as suitable for investment for 100 days or more
Certificates of Deposit	N/A
Money Market Funds CNAV	AAA
Money Market Funds LVNAV	AAA
Term Deposits with Other UK Local Authorities	AAA

<b>Counterparty List 2022/23</b>	<b>Counterparty Limit</b>
Debt Management Office (incl. Treasury Bills)	Unlimited
<b>RBS Group:</b> Royal Bank of Scotland/Nat West	£7m Group Limit
<b>Lloyds Bank:</b> Lloyds TSB/HBOS, Corporate Markets	£7m Group Limit
Barclays Bank plc	£5m
Coventry Building Society	£5m
HSBC Bank plc	£7m
Leeds Building Society	£5m
Nationwide Building Society	£5m
Skipton Building Society	£5m
Santander UK plc	£7m
Close Brothers Ltd	£5m
Goldman Sachs International Bank	£5m
Standard Chartered Bank	£5m
Handelsbanken plc	£5m
Svenska Handelsbanken	£5m per institution but £5m Country
Skandinaviska Enskilda Banken	Limit
Swedbank	
Australia and New Zealand Banking Group	£5m per institution but £5m Country
Commonwealth Bank of Australia	
National Australian Bank Ltd	
Westpac Banking Corporation	
Bank of Montreal	£5m per institution but £5m Country
Bank of Nova Scotia	Limit
Canadian Imperial Bank of Commerce	
National Bank of Canada	
Royal Bank of Canada	
Toronto Dominion Bank	
Bank of America N.A	£5m per institution but £5m Country
Bank of New York Mellon	Limit

JP Morgan Chase Wells Fargo	£5m per institution but £5m Country Limit
DNB Bank ASA – (Norway)	£5m per institution but £5m Country Limit
DBS Bank Ltd – (Singapore)	£5m per institution but £5m Country Limit
United Overseas Bank Ltd – (Singapore)	£5m per institution but £5m Country Limit
UBS AG – (Switzerland)	£5m per institution but £5m Country Limit
ING Bank N.V. – (Netherlands)	£5m per institution but £5m Country Limit
Cooperatieve Rabobank U.A.	£5m per institution but £5m Country Limit
Bank Nederlandse Gemeenten N.V.	£5m per institution but £5m Country Limit
ABN AMRO Bank N.V.	£5m per institution but £5m Country Limit
Other Local Authorities	£5m per Local Authority - £20m limit
Money Market Funds (CNAV and LVNAV)	£5m per fund - £25m limit

Banks that qualify using this credit criteria as at the date of this report are shown above. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

53. **Investment Returns Expectations:** Investment returns are expected to improve further in 2023/24. The Authority is expecting investment income of approximately £1,068k for 2022/23, averaging a return of 1.92% for the year, due to very low returns at the start of the year. However, it should be noted that political and economic events around the economic recovery, changes in leadership, supply shortages, rising utility prices, labour shortages could result in changes to these assumptions, consequently these will be regularly monitored and Members will be kept updated through the mid-year Treasury report.
54. Returns on Treasury bills have now improved and the Authority has commenced placing deposits with the Debt Management Office. They offer a high degree of security and are currently returning an average rate of 3.26%. The Authority continues to make use of Money Market Funds (MMFs) which are included in the treasury strategy. They offer a high degree of security, being AAA-rated, with instant access and carry rates currently of circa 3.19%. The rates generally track the base rate. They are deemed to be a good way of diversifying cash and spreading risk as the credit rating agencies put strict limits on how much they can have in any one counterparty and what the average duration of the underlying portfolio can be.



55. There are three types of Money Market Funds, which are: -
- **Constant Net Asset Value (CNAV)** – Short term funds that have a high level of investment in government assets. Units in the fund are purchased or redeemed at a constant price.
  - **Low Volatility Net Asset Value (LVNAV)** - Short term funds that are primarily invested in money market instruments, deposits and other short-term assets. Units in the fund are purchased or redeemed at a constant price so long as the value of the assets do not deviate by more than 0.2% (20bps) from par (i.e. 1.00)
  - **Variable Net Asset Value (VNAV)** – Funds that are invested in money market instruments and deposits and other Money Market Funds. The funds are subject to looser liquidity rules and may invest in assets with a longer maturity than CNAV and LVNAV funds. Units in the funds are purchased or redeemed at a variable price.
56. A review has been undertaken of the available funds and the Authority will only invest in CNAV and LVNAV Money Market Funds as they are considered more appropriate for the Authority's investment risk appetite.
57. **Local Authority Loans:** As set out above, the Authority does make provision to allow loans to be made available to other Local Authorities, however the maximum duration for any loan will be one year, in line with the maximum timeframe for other deposits set out in this Strategy. Prior to agreeing to any such loan, the Authority will undertake appropriate due diligence to establish the financial stability of the Authority that requires the loan. Reviews will be undertaken on issues such as past audit reports / opinions, balance sheet reviews, any adverse public reporting.
58. The maximum duration for investments suggested by Link Group can be revised at any time, which means that the Authority could find that the remaining duration of a fixed term investment is greater than the maximum suggested at that time. When there is a change to reduce the suggested duration downwards, and an early redemption would cause a penalty or loss of interest, the investment will be allowed to run to maturity. If the suggested duration is changed to zero, the investment will be redeemed early regardless of the level of penalty incurred.
59. Some of the institutions on the Authority's counterparty list charge for transferring the investment income into the Authority's main bank account. Where such charges apply, and in light of the low level of return received, it is not cost-effective to transfer the investment income out of these accounts on a monthly basis. For these institutions, therefore, investment income will be transferred annually. As a consequence, the counterparty limit may be exceeded during the year by up to the amount of the annual interest due for the year.
60. LIBOR (the rates at which banks are prepared to lend to each other) and associated LIBID (the bid rate at which banks are prepared to borrow) ceased from the end of 2021 and has been replaced with a rate based on SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England.

61. **Training:** The Authority has processes in place to ensure that the appropriate level of training is delivered to both Members and staff who are involved in the delivery and scrutiny of the treasury management function. A training session on the latest economic forecast and changes to the Prudential Code and Treasury Management practices was provided by Link Group to the Audit and Governance members at the September 2022 meeting. Officers within the Finance team with direct responsibility, regularly attend seminars and conferences to ensure specialist Treasury and Investment knowledge is kept up to date and a number of them have also completed their CIPFA Treasury e-learning modules. As mentioned previously, the management of the Treasury function moved back in-house with effect from October 2022.
62. **Current Portfolio** - below sets out the investment portfolio of the Authority as at 30 December 2022.

<b>Table 11 Current Portfolio</b>	<b>Fixed Deposits</b>	<b>Call A/C</b>	<b>Notice Call A/C</b>	<b>Money Market Funds</b>	<b>Total</b>	<b>Average Interest Rate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Debt Management Office (including Treasury Bills)	9,800	0	0	0	<b>9,800</b>	3.26%
RBS Group: Royal Bank of Scotland/ Nat West	0	300	0	0	<b>300</b>	0.80%
Barclays Bank plc	0	0	5,000	0	<b>5,000</b>	3.55%
Nationwide Building Society	2,000	0	0	0	<b>2,000</b>	2.75%
Santander UK plc	0	0	4,350	0	<b>4,350</b>	2.86%
HSBC	0	0	7,000	0	<b>7,000</b>	3.40%
Coventry Building Society	4,000	0	0	0	<b>4,000</b>	3.01%
Standard Chartered Bank	5,000	0	0	0	<b>5,000</b>	4.06%
Lloyds Bank	3,000	0	0	0	<b>3,000</b>	4.26%
Leeds Building Society	1,000	0	0	0	<b>1,000</b>	2.98%
Aberdeen Sterling Liquidity Fund	0	0	0	5,000	<b>5,000</b>	3.23%
BlackRock Institutional Sterling Liquidity Fund	0	0	0	2,425	<b>2,425</b>	3.14%
Goldman Sachs Sterling Liquid Reserves	0	0	0	5,000	<b>5,000</b>	3.18%
<b>Total Per Deposit Type</b>	<b>24,800</b>	<b>300</b>	<b>16,350</b>	<b>12,425</b>	<b>53,875</b>	<b>3.33%</b>
<b>Average Interest Rate Per Deposit Type</b>	<b>3.43%</b>	<b>0.80%</b>	<b>3.30%</b>	<b>3.19%</b>		

## RESERVES STRATEGY AND ANNUAL REVIEW 2023/24

### Background

1. **Statutory Requirement** - Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year, precepting authorities should have regard to the level of reserves needed to provide sufficient resources to finance estimated future expenditure, plus any appropriate allowances that should be made for contingencies. The Fire and Rescue Services National Framework for England includes a requirement for all Combined Fire and Rescue Authorities to publish a Reserves Strategy and outlines the detail which should be included.
2. **Professional Guidance** - Best practice guidance on the use and management of reserves and balances is provided by CIPFA and the Local Authority Accounting Panel (LAAP) guidance, specifically LAAP Bulletin 99 - 'Local Authority Reserves and Balances' issued in July 2014.
3. **Role of External Auditors** - The External Auditors are not responsible for prescribing the optimum or minimum level of reserves for individual authorities or for authorities in general, but they are required to review and report on the level of reserves and balances. The External Auditors' view as to whether an authority has strong financial management and sound financial standing will be supported by their review of the process used to determine and approve the level of reserves.
4. **Annual Review** - Members of the Authority annually review the Reserve Strategy to ensure that it remains relevant and up to date, reflecting the medium to long term needs of the Authority. The Authority holds a number of different reserves, each of which are explained in this Strategy, and all support the prudent and sustainable approach to budget setting, which has existed for many years. Over the years use has been made of Earmarked Reserves to manage spend profiles across financial years, especially when there are large capital build projects in place, however, the Authority has also seen the use of reserves as an aid to support the transformation, improvement and collaboration agenda, which is helping make the service fit for the future.
5. **Reserve Balances** - these have been identified as a key indicator of financial health and the Authority continues to have an appropriate level of reserves to deal with identified risks. As a minimum, there are sufficient balances to support the budget requirements and they provide an adequate contingency for budget risks. The Strategy and the outcome of the annual review of reserves are set out in the paragraphs that follow.

6. **Members Approval** - Members are requested to consider and approve this Strategy and the annual review of the General and Earmarked Reserves as set out in this report.

## **Reserve Strategy**

7. **National Framework Requirements** - The framework is prescriptive over the details that should be included in a Reserve Strategy. It is clear that General Reserves should be held by the Authority and used to balance funding (in exceptional circumstances), support spending priorities and to manage risk. The Strategy should be specific about how the level of the General Reserve has been determined and provide justification if there is a need for the level to be in excess of five percent of the revenue budget. The Strategy should also include details of current and future planned reserve levels, their value and purpose, set out over the timeframe of the Medium Term Financial Plan.
8. **Strategic Context for this Authority** - There are several reasons why this Authority holds a number of reserves, these include, to:-
  - mitigate potential future risks such as increased demand and costs;
  - help absorb the costs of future liabilities;
  - temporarily plug a funding gap should resources be reduced suddenly;
  - enable the Authority to resource one-off policy developments and transformation initiatives without causing an unduly disruptive impact on Council Tax;
  - in the current environment they are available to fund significant spikes in inflationary increases;
  - spread the cost of large scale projects which span a number of years.

Reserves only provide one-off funding so the Authority aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable medium-term budget plan.

9. **Long-Term Sustainability** - Reserves are an essential tool to ensure long-term budget stability, particularly at a time when government funding levels beyond 2024/25 remain highly uncertain. Due to the fact that funding for future Capital Projects is held within the Infrastructure Reserve, the overall level of Earmarked Reserves held by the Authority is currently still high, but these will reduce significantly as the capital programme progresses.
10. **Types of Reserves** - There are three different types of reserve, and these are described below:-
  - (a) **General Reserve** - provides a contingency to cushion the impact of unexpected events or exceptional costs, and in extreme circumstances would be used to provide a working cash balance to cushion the impact of uneven cash flows, and help avoid unnecessary temporary borrowing. Any use of the General Reserve is always subject to Members' prior approval.

- (b) **Earmarked Reserves** - are sums specifically set aside to not only provide funds to meet future known or predicted expenditure or liabilities, but to also support the transformation of the service to ensure it is fit for the future. Earmarked Reserves are typically used to smooth the impact on the revenue budget (and Council Tax) of expenditure that would otherwise cause significant fluctuations in the annual budget requirement, such as expenditure on the replacement of vehicles and equipment or large scale build projects. Earmarked Reserves are also of use where there may be plans to introduce a policy change or a service improvement which initially requires a one-off increase in expenditure for which additional resources are required, or where there is a future budget liability or pressure which is known but for which the timing of payments or change in funding is uncertain. Reserves are key tools to manage these risks. There is a clear protocol setting out the reason/purpose of each Earmarked Reserve, how and when the Reserve can be used, procedures for the Reserve's management and control, and a process and timescale for review of the Reserve to ensure continuing relevance and adequacy;
- (c) **Capital Receipts** - These are effectively an Earmarked Reserve and as such are set aside for a defined purpose. The value of this reserve is generated from the income receipt from the sale of capital assets and as such these resources can generally only be used for reinvestment in other capital assets.
11. **Risk Assessment to Determine the Adequacy of the General Reserve** - A comprehensive financial risk assessment to assess the adequacy of the Authority's General Reserve is carried out annually to determine the extent to which the Authority is exposed to uninsured and unbudgeted losses. A well-managed multi-purpose authority will strive to maintain as low a level of General Reserve as possible, whilst still covering its financial risks. As a single-purpose authority, the Authority has no opportunity to use cross-service subsidies to meet unanticipated expenditure and so, proportionally, its General Reserve may be slightly higher than for a multi-purpose authority. The Authority has a robust approach to managing risk and there are effective arrangements for financial control in place. That said, given the high level of influence that third parties, such as the Local Government Employers and Government departments have on its income and expenditure, there is always a risk that the Authority will unexpectedly become liable for expenditure that it has not budgeted for.
12. The annual risk assessment looks at the risks in the context of the Authority's overall approach to risk management and internal financial controls. This information is then used to determine the optimal level of reserve holdings needed to meet the requirements of the contingency and working balance.
13. **Analysis of Need for the Working Balance** - The Authority's General Reserve and Earmarked Reserves are largely cash-backed and as a result any instance of exceptional expenditure or a delay in receiving income is unlikely to lead to the Authority having to borrow temporarily (or go overdrawn).

- (a) **Expenditure** - A significant proportion of the Authority's budget is related to employee and pension payroll costs which are paid monthly and so the cash flow is evenly spread across the financial year. The Authority receives its business rate demands in April each year for immediate payment which significantly raises the cash flows out of the Authority in April. Capital expenditure will generally be on large-value assets (and usually planned well in advance) so the timing of these purchases can result in large cash outflows falling in some months. The Firefighter Pension Fund Account is balanced by top-up grant from Government, with any difference between payments made and income received reflected in the Authority's cash position.
  - (b) **Income** - Precepts, business rates and revenue grant payments are paid to the Authority in regular instalments throughout the year.
14. **Earmarked Reserves** - The Authority currently has five Earmarked Reserves, each of which has been set aside for a specific purpose. The relevance of, and balance in, each reserve is reviewed annually and Members are informed of the latest plans for the balances held in such reserves over the medium-term.

#### **Annual Review of Reserves**

15. **General Reserve** - Detailed at **Annex A** is the annual financial risk assessment. **Annex A** indicates the likelihood of each risk occurring and the potential financial risk to which the Authority could be exposed. It would be very unlikely for all of the risk areas to impact at the same time but it is conceivable that a number of them could be co-dependent. For example, a failure of part of the banking system could result in delayed payments to suppliers, supplier failure and loss or delayed recovery of deposits. A key supplier may not be able to deliver the goods or services necessary for the safe delivery of firefighting services, impacting on the safety and wellbeing of staff, which might then lead to industrial action. Due regard is therefore given to the likelihood of each risk occurring and the optimum level of the General Reserve.
16. The risk assessment has been reviewed for its relevancy to future years spanned by the Medium Term Financial Plan (MTFP) and includes consideration of:-
- (a) The ability of the Authority to make difficult decisions to manage financial and other challenges;
  - (b) The ability of the Authority to deliver statutory responsibilities from the resources available, avoiding legal challenges and protests from stakeholders;
  - (c) Financial issues, setting a balanced budget, strong financial controls, avoiding the need to reduce reserves to unacceptably low levels, able to pay debts when due;
  - (d) The possibility of industrial action that might arise in response to pay restraints, changes to terms and conditions, pension related issues and job losses;
  - (e) External factors such as a major supplier failing due to general economic conditions, which might lead to significant service disruption and reputational

damage to the Authority. The impact of the pandemic continues to be being felt by many suppliers;

- (f) Incremental factors where multiple, smaller, failures in individual areas lead to an eventual critical mass of tipping points;
  - (g) A doomsday scenario where a further banking/financial crisis leads to even greater levels of austerity, over a significantly longer timeframe;
  - (h) Potential financial implications arising as a result of Brexit or related negotiations.
17. **Proposal for the Level of the General Reserve** - Taking all of the above into consideration, together with the risk assessment at **Annex A**, it is proposed that, at least for the medium term, it would be appropriate to maintain the General Reserve balance at approximately 5% of the base revenue budget. Therefore it is proposed that the General Reserve balance is increased by £290k, up from £3.970m to £4.260m for 2023/24 and as such Members are asked to agree to this proposal.
18. **Earmarked Reserves** - The Authority currently holds five earmarked reserves. **Annex B** details each reserve and provides a brief explanation of the purpose of each reserve and the potential or planned use of the respective reserve.
19. **Earmarked Reserve Balances over the Medium Term** - **Annex C** sets out the balances, at the current point in time, estimated to be in place at 31 March 2023. This position currently excludes any year-end adjustment that may be required as a result of the final under/overspend on the 2022/23 revenue budget. The final movement on Earmarked Reserves for 2022/23 will be shown in the Annual Statement of Accounts, which will be reported to the Audit and Governance Committee in September 2023. In line with the proposed policies on the control and management of these funds, the limits will be reviewed on an annual basis against prevailing risk assessments and other information.

## Annual Risk Assessment of the Adequacy of General Reserves

The following % assessments have been applied to the likelihood value to estimate a net impact:

**Low Risk (25%)** – A risk that is unlikely to occur, or where the organisation has taken steps to mitigate potential risk.

**Medium Risk (50%)** – A risk that could possibly occur, moderate concern and impact.

**High Risk (75%)** – Has occurred regularly before or it may have a significant financial impact which the organisation cannot control.

Likelihood and value of risk £'000	Net Impact £'000
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### Risk

#### 1. Natural Disasters, National Emergencies and Prolonged Periods of Operational Activity

1.1	The Bellwin Scheme provides financial assistance to local authorities in the event of a national emergency or disaster, subject to an authority contributing to the total costs by an amount equivalent to 0.2% of its approved budget.	Low 170	43
1.2	In addition, there could be local large-scale incidents or periods of high activity due to local weather patterns which would not meet the criteria laid down within the Bellwin Scheme. Government currently covers 100% of eligible expenditure above the threshold but only in limited circumstances will claims against capital expenditure be allowed.	Medium 1,000	500
1.3	It is difficult to anticipate the cost of a potential disaster that could have a detrimental effect on the Authority, but it could be significant. Costs might include enhanced welfare and protective equipment, plus increased legal claims in the event that service delivery is detrimentally affected.	Medium 250	125

#### 2. Unanticipated Business or Economic Pressures

2.1	The Authority has a wide range of contractual arrangements which could see a financial loss in the event of the bankruptcy of a supplier or a customer. The Authority maintains a bad debt provision based on aged debtor analysis but it would be insufficient to fully fund a loss from a major contract.	Low 2,000	500
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2.2	Public sector procurement bodies are increasingly likely to be subject to challenge and litigation from unsuccessful bidders in tendering exercises or from suppliers not invited to submit bids in the first place. In the event that this should arise, the Authority would need to cover the legal costs of responding to such potential challenges and to account for any potential reparation costs awarded to successful claimants by the courts.	Medium 200	100
2.3	In the event that a key system, such as the control mobilising system or system networks, were to fail, it is possible that urgent consultancy or replacement equipment would be required, and this could, due to the short notice, be costly.	Low 1,500	375
<b>3. Pension Liabilities</b>			
3.1	The budget provides for two ill-health retirements (one higher tier and one lower tier), but with the increase in normal pension age there is a possibility that this could increase.	Medium 150	75
3.2	The McCloud pension case may result in additional liabilities falling on the Fire Authority, particularly in relation to Category 2 cases where tax charges may be incurred on unauthorised pension payments and interest will be due on back dated pension adjustments.	Medium 100	50
<b>4. Inflationary Increases</b>			
4.1	Whilst an allowance has been made for inflation against specific budget lines, inflation remains high both domestically and around the globe which, if it continues, could result in even higher costs.	High 400	300
4.2	The level of interest rates prevailing during the financial year impacts on both rates for long term borrowing and the level of investment income achieved. A 50 basis point (0.5%) difference in short term rates could change the investment income by £100k - £200k depending on the level of cash balances held. To date, all of the Authority's long term borrowing has been at fixed interest rates thus eliminating any exposure to interest rate risk.	Low 200	50
<b>5. Legal Issues</b>			
5.1	Given the nature of the work of the Authority there is a possibility that it could suffer a major health and safety or environmental failure. Although this could result in a substantial cost, the Authority's Risk Register has details of the controls that are in place to mitigate this risk.	Low 3,000	750
5.2	It would be prudent for the Authority to make provision for an unfavourable outcome of any legal action taken against	Low 500	125

it, which could be made on a range of different grounds, including breaches of data protection, equal pay, discrimination and corporate manslaughter. Such awards are usually significant and a sum of up to £500k would not be unusual.

5.2	Under the Regulatory Reform (Fire Safety) Order 2006, FRAs are responsible for enforcement, and thus the risk of legal challenge to such action could arise, the costs of which could exceed existing revenue budget provision.	Low 100	25
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## 6. Employment Issues

6.1	Issues that might arise in respect of pay settlements or other factors which might lead to industrial action would, in the first instance, may be managed within the revenue budget. However, if the requirement for such additional resources was excessive, then there may need to be a call on the Reserves to meet the additional one-off costs.	Medium 1,000	500
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## 7. Funding Issues

7.1	The changes to the funding mechanism for local government, introduced following the Local Government Resource Review, transferred potentially significant levels of financial risk to the Authority. These risks relate to the localisation of Council Tax Benefit, where it is anticipated that higher levels of non-payment will be experienced together with higher than anticipated growth in discounts awarded. The other major area of financial risk relates to the Business Rates Retention Scheme where significant fluctuations in income might arise from the appeals process, business growth/reduction and collection rates. These areas could expose the Authority to a financial risk as anticipated funding may not materialise.	Medium 1,000	500
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## 8. Cyber Security / Fraud

8.1	Cyber threats are constantly evolving and although the Authority has undertaken additional measures to enhance protection against such threats a cyber breach could result in a financial loss or additional costs for the Authority.	Medium 1,000	500
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<b>Estimated Reserve Requirement</b>	4,518
<b>Proposed Reserve Balance for 2023/24</b>	4,260

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<p><b>Earmarked Reserves</b></p>
<p><b>Government Grants Reserve</b> - The Authority has received grants from the Government, which include funding in support of National Resilience work, Building Safety and the Emergency Services Mobile Communications Programme (ESMCP). Any unspent grant balances are carried forward in reserves at the end of each financial year to fund any future costs associated with the relevant initiative.</p>
<p><b>Infrastructure Reserve</b> - This reserve is by far the largest as it is used to fund both revenue and capital investment in infrastructure assets (premises, environmental improvements, IT and communications equipment, as well as vehicles and operational equipment) and includes a programme of investment in station improvements, IT and replacement vehicles over the medium-term. The funding held in this reserve will be utilised as and when expenditure is incurred so will reduce over the medium-term.</p>
<p><b>Insurance and Resource Reserve</b> - This reserve is utilised to help smooth the volatility of settling insurance claims each year and also the annual variability in legal costs in relation to the enforcement of building safety regulations. Additionally the reserve is also used to support significant one-off costs that may arise, for example for higher levels of pay awards, compared to that planned for in the MTFP or significant increases in inflation in some areas of supplies, which again may arise after the budget is agreed. The financial settlement for 2023/24 was a one-year settlement so government funding for future years remains highly uncertain meaning this reserve may be required to temporarily balance the budget where there is a timing difference in cuts to funding and the delivery of base budget savings.</p>
<p><b>Rolling Budgets Reserve</b> - Members approved the establishment of a reserve to carry forward budget for which there was planned spend but for which the goods or services had not been delivered by the close of the respective financial year (typically over £2,000). The reserve is simply used to roll the amount forward into the accounts of the following year to fund the payment once the purchase has been completed.</p>
<p><b>Service Transformation and Productivity Reserve</b> - This reserve will be used as a one-off funding resource to help pump-prime new transformation initiatives or improvements to the Service which may arise in-year or be planned for future years, as set out in the relevant Strategies. It will also help support collaborative initiatives with other blue light services and partner agencies, which is likely to include the procuring of professional project management support. It will also fund a number of fundamental reviews across the Service which will help ensure that it stays fit for the future.</p>

## Reserve Balances over the Medium Term

	Balance at 31.3.22 £'000	Forecast Net Transfers 2022/23 £'000	Forecast Balance at 31.3.23* <sub>1</sub> £'000	Forecast Balance at 31.3.24 £'000	Forecast Balance at 31.3.25 £'000	Forecast Balance at 31.3.26 £'000	Forecast Balance at 31.3.27 £'000
<b>General Reserve</b>	<b>3,760</b>	<b>210</b>	<b>3,970</b>	<b>4,260</b>	<b>4,430</b>	<b>4,520</b>	<b>4,640</b>
<b>Earmarked Reserves:</b>							
Govt. Grants	3,214	-2,109	1,105	467	347	347	0
Infrastructure	27,870	-2,878	24,992	22,546	13,623	8,173	9,927
Insurance and Resource	4,316	-516	3,800	3,800	3,800	3,800	3,800
Rolling Budget	867	-651	216	0	0	0	0
Service Transformation & Productivity	1,294	-827	467	293	0	0	0
<b>Sub total E. M Reserves</b>	<b>37,561</b>	<b>-6,981</b>	<b>30,580</b>	<b>27,106</b>	<b>17,770</b>	<b>12,320</b>	<b>13,727</b>
<b>Capital Receipts</b>	<b>9,470</b>	<b>385</b>	<b>9,855</b>	<b>6,489</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserves</b>	<b>50,791</b>	<b>-6,386</b>	<b>44,405</b>	<b>37,855</b>	<b>22,200</b>	<b>16,840</b>	<b>18,367</b>

Note 1: Forecast Earmarked Reserve balances at 31.3.23 exclude any transfer from reserves that may be required at year end as a result of the forecast overspend on the 2022/23 revenue budget.

By: Chief Executive  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: EFFICIENCY AND PRODUCTIVITY STATEMENT 2023/24  
Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

In the past the Authority's Efficiency Statement has been incorporated within the Customer Safety Plan. As such this element of the Plan focused on efficiency and how the Authority would seek to achieve value for money in line with the requirements of the [Fire and Rescue National Framework for England](#). However, whilst the focus must clearly remain on value for money, a broader focus should be on Efficiency and Productivity in relation to the resources we utilise. This is an important aspect of our key strategies. As such it is proposed that going forward this annual Statement will now be a standalone document, presenting the Authority's overall approach to these important issues, whilst giving recent examples and proposals for the future. Consequently, Members are asked to approve the revised Efficiency and Productivity Statement for 2023/24.

### **RECOMMENDATION**

Members are requested to:

1. Approve the Efficiency and Productivity Statement for 2023/24 (paragraph 5 and **Appendix 1** refer).

LEAD/CONTACT OFFICER: Owain Thompson – Policy Manager  
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EMAIL: [owain.thompson@kent.fire-uk.org](mailto:owain.thompson@kent.fire-uk.org)  
BACKGROUND PAPERS: None

## COMMENTS

### Background

1. Members may be aware that producing and publishing an Efficiency Plan is a key requirement set out in the Fire and Rescue national framework for England. Consequently, this Authority's Efficiency Plan was previously incorporated within the Customer Safety Plan. However, the focus on value for money, efficiency and increasingly productivity are key aspects and considerations of everything we do.
2. Consequently, it is proposed that this document now becomes a standalone Statement in its own right, but it will also be expanded to incorporate a focus on productivity, which is after all a key component of value for money.
3. More recently the Minister of State for Crime, Policing and Fire wrote to all Fire and Rescue Authorities and requested:  
  
*'that in light of the nationally agreed Spending Review commitments, FRAs extend their planning to cover productivity as well. Driving sustainability, productivity and efficiency in fire services will be a key focus for the Minister in the next financial year, alongside wider reforms to improve services'*
4. Furthermore, the Minister has also requested that the Statement is published with a copy being sent to his office by the end of March 2023.
5. This now enhanced Statement is consequently attached at **Appendix 1** for Members approval.

### The Statement

6. Section 4.6 of the Fire and Rescue National Framework requires each Fire and Rescue authority to publish three types of documents:
  - a) Integrated Risk Management Plan. Within the Authority this is currently met through the publication of the Customer Safety Plan and the Safety and Wellbeing Plan.
  - b) Annual statement of assurance. This outlines the way in which the Authority has regard to the Fire and Rescue National Framework. The most recent statement of assurance was approved by Members at the October 2022 meeting of the Fire Authority. Members should be aware that this is separate from the Annual Governance Statement, which is written to meet the needs of an additional legislative requirement; the Accounts and Audit Regulations 2015, and which was approved at the September 2022 meeting of the Audit and Governance Committee.

- c) Financial plans: a Medium-Term Financial Plan, an Efficiency Plan and a Reserves Strategy. The Efficiency Plan can be published separately or form part of the Medium-Term Financial Plan.
7. Consequently, this revised and updated Statement meets the requirement set out above in point iii.
  8. As part of the Spending Review 2021/22, the National Fire Chiefs Council (NFCC) and the Local Government Association made a commitment on behalf of the fire sector in England to create 2% of non-pay efficiencies and to increase productivity of the fire sector by 3% by 2024/25. The Efficiency and Productivity Statement sets out the various ways in which the Authority is working towards these goals. To that end, the Statement is also strongly linked to the Authority's Medium Term Financial Plan 2023 – 2027.

### **IMPACT ASSESSMENT**

9. There are no resource implications or other impacts.

### **RECOMMENDATION**

10. Members are requested to:
  - 10.1 Approve the Efficiency and Productivity Statement for 2023/24 (paragraph 5 and **Appendix 1** refer).

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# Draft Efficiency and Productivity Statement 2023/24

## Introduction

1. This enhanced Statement for 2023/24 builds on the previous statements that we have previously set out in the Customer Safety Plan. It presents a general overview of the national and local economic environment in which KFRS (Kent Fire and Rescue Service) are operating and the effect of this upon our planning and delivery of services over the medium term. The aim is to offer a degree of context about the way we undertake our financial planning but to also set out that our focus is to ensure the efficient and effective delivery of our services to all our customers. Ensuring our services are delivered as efficiently as possible whilst also considering our outputs and outcomes is an important driver to improving productivity.
2. Consequently, this Statement describes the financial constraints that we are operating within, sets out the concept of efficiency and productivity as an underpinning principle of how we operate and provides examples of improvements we have made in addition to those we are striving to achieve in the future.
3. Further information about many of the areas described here may be found in the [Medium Term Financial Plan 2023/24 – 2026/27](#).

## The national funding environment

4. The economic environment remains a challenge to us all, and within a relatively short timeframe we have experienced inflation (CPI) spiralling from 4.2% in October 2021 to 11.1% a year later. As a consequence, we are now feeling the effects of significant increases in the prices of goods and services across many areas, with little scope to fix in prices with suppliers. But even when we are able to order goods/service the delivery timescales are often being impacted and considerably delayed. And to add to these pressures we are also seeing wage inflation which has not yet found its balance as many organisations are feeling the pressure by many sectors of the workforce to increase pay by at least inflation. This of course brings its pressures on funding allocations to public sector bodies.
5. However, the provisional Finance settlement for the Fire and Rescue Authorities (FRAs), released on the 12 December did go some way to help contribute to these funding pressures, by allowing Fire Authorities, in 2023/24, to increase council tax in a Band D property by up to £5, without a local referendum. It also increased many grants by September CPI inflation (10.1%). Nevertheless, pressures remain across the Fire Sector with regards to ensuring sufficient capacity and funding remain available to meet the spiralling costs of running the service.

6. As part of the Spending Review 2021/22, the National Fire Chiefs Council (NFCC) and the Local Government Association made a commitment on behalf of the fire sector in England to create 2% of non-pay efficiencies and to increase productivity of the fire sector by 3% by 2024/25. The narrative that follows sets out the improvements and efficiencies that have been made to date and we have clearly exceeded the non-pay efficiencies in financial terms (approx. £350k) but of course efficiencies are broader than that and include effective utilisation of resources too, which we have also achieved in a number of areas. In relation to productivity, we have made a number of improvements, as set out below, but we will also continue to strive to at least if not meet the set target.

### **The Medium-Term Financial Plan (MTFP)**

7. Whilst the provisional finance settlement goes some way to help meet the increased pressures and commitments, this does not necessarily meet all the cost pressures and commitments we have. This Authority has for many years also looked at streamlining processes wherever possible to do so, but to also reduce spend where appropriate in certain areas to then redirect it to other areas, in order to ensure we stay fit for the future. One example of this is the increased work in relation to Home Fire Safety work and building safety. The size of these teams has increased to support our work on prevention and protection in the workplace and at home.
8. So the need to generate savings is twofold, firstly to provide us with opportunities to focus on innovative solutions and new ways of working, for example utilising lighter battery operated operational equipment, compared to mains operated, which makes on-scene work much easier, but also to bridge the funding gap to meet increased costs of providing our day to day service to the people of Kent and Medway.
9. The Medium-Term Financial Plan is our financial plan which reflects and supports the delivery of our operational and frontline plans set out in our Customer Safety Plan and underpinning strategies.
10. Covering the period 2023/4 – 2026/27, the Medium-Term Financial Plan is a fundamental part of our corporate planning process and very much reflects the financial impact of delivering our key strategies. It therefore ensures that we have the requisite financial resources to maintain our emergency service cover to the public, whilst delivering our planned improvements. This includes both capital and revenue expenditure and income. The capital budget sets out the planned purchase of assets, such as vehicles, equipment, property and information systems.
11. Planning for day-to-day costs over the medium term is vital as this allows us to take a well-structured and considered approach to any investments in people or infrastructure, and to be aware of any potential significant costs that could arise from changes to legislation or government policy. The development of the four-year Medium

Term Financial Plan is always service led, to allow us to achieve the best possible service, whilst also being achievable and sustainable over the medium term.

12. For 2022/23 (the first year covered by the Plan) our day-to-day revenue budget was £77.4m and approximately 70% of this amount is derived from council tax. Our single largest expenditure is on pay-related costs, which account for approximately 82% of our budget. For 2023/24 the proposed day to day budget increases to £85.4m.
13. However, it is expected that there will be a number of cost pressures over the medium term. These include: the effect on local government funding of the government's spending review, which is now not expected until at least 2025/26; the business rate review; the increase in employer pension contributions for the local government pension scheme (from 2023/24) and possibly an increase to the employers contribution to the firefighters' pension schemes in 2025/26; the annual inflationary staff pay increases; the cost of recruiting new full-time firefighters; inflationary increases relating to non-pay expenditure, such as contracts and utility costs; and the need to maintain our infrastructure assets to an appropriate standard. To be able to meet these costs, we must constantly look to save money where appropriate to do so.
14. Another important aspect highlighted in the Medium-Term Financial Plan is the need to generate efficiencies by continuing to explore new ways of delivering our services. Examples of this include changes to duty systems at fire stations, as well as a variety of non-pay savings, arising from a number of budget reviews.

## **Reserves**

15. KFRS holds two types of reserves, known as General Reserves and Earmarked Reserves. The General reserve is maintained at approximately 5% of our net revenue budget (currently £4m) and provides a contingency to cushion the impact of unexpected events or exceptional costs.
16. The Earmarked Reserves are established for specific purposes and can vary in value. These are held to provide funds to meet future known or predicted expenditure or liabilities, but also support the transformation of the service to ensure it is fit for the future.
17. There are five earmarked reserves and the largest is currently the Infrastructure Reserve with a balance of approximately £25m. This reserve is used to help fund the projects in the capital programme such as vehicle and equipment replacement and large one-off IT investments. Due to the unstable global financial climate, nation-wide inflationary pressures, it is currently more cost-effective and prudent for KFRS to use its own funding resources rather than to borrow. Moreover, significant savings are made by not incurring interest charges on large sums of borrowing.

## **Funding**

18. For the 2022/23 financial year approximately 69% (£53.6m) of our funding came from council tax. Following a public consultation on the issue as part of our Safety and Wellbeing plan, in February 2022 the Kent and Medway Towns Fire Authority agreed to a 1.89% increase in council tax for the 2022/23 financial year. For a Band D property this equates to an annual increase of just under 3 pence per week, increasing the council tax contribution to KFRS for such a property to £82.35 per year. This increase, whilst relatively modest, helps us to continue to deliver the best possible fire and rescue service to our customers in Kent and Medway.
19. Another part our funding comes from business rates, which is a charge levied on the majority of non-domestic properties. The Government receives 50% of the income from business rates, with the remainder being retained locally. Of this local share of business rates, we receive 1%. In 2022/23, our share of the amount to be collected from Kent County Council, Medway Council and Districts was £6.4m – a sum that will help to offset the continued savings that we have to make. Finally, the remainder of the funding comes from various government grants. The proposed basis of funding for 2023/24 is set out in the budget book for 2023/24 – 2026/27 (<https://www.kent.fire-uk.org/fire-authority>).

## **Efficiency and Productivity**

20. We are acutely aware of the need to continually become more efficient and productive across all areas of Service activity. As part of this we recognise that this can take a variety of forms ranging from: spending less; streamlining processes; working collaboratively with partners; procuring services and equipment more effectively; or in some cases committing to an initial outlay or spending marginally more in order to provide significantly better services to our customers or deliver future efficiencies and productivity gains. This drive for efficiency and productivity runs across the whole of KFRS, from customer-facing to internal teams.

## **External Validation**

### **His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)**

21. Our 2022 inspection by HMICFRS was undertaken over a period of six weeks running from July to August and provided an exhaustive and robust external validation and accreditation of the effectiveness and efficiency of KFRS. When the results of the inspection were published in January 2023, we were delighted to be judged by HMICFRS as 'Outstanding' in the pillar around 'Efficiency' – which is about how everyone in the service spends public money and uses resources – and 'Good' in the two pillars of 'Effective emergency response' and 'People.'
22. Furthermore, within the Efficiency pillar itself, as well as an overall 'Outstanding' judgement, KFRS was also graded as 'Outstanding' against both of the pillar's

underlying categories ('Making best use of resources' and 'Making the fire and rescue service affordable now and in the future'). Among the findings presented by HMICFRS is that KFRS is judged to be "*Outstanding in the way that it uses its resources and manages its budgets to provide an efficient fire and rescue service for the public.*" The full report is available to read online via the link below.

<https://www.justiceinspectors.gov.uk/hmicfrs/frs-assessment/frs-2021/kent/>

### **Grant Thornton, opinion on 'value for money'**

23. In addition to our 'Outstanding' efficiency grading by HMICFRS, we were held up as an exemplar in the first of the new Value for Money assessments (undertaken as part of the 2020/21 review of the final accounts) that was undertaken by our external auditor Grant Thornton.
24. As part of the annual audit of the financial statements, Grant Thornton, our external auditors, are required to give a separate opinion on 'Value for Money', which focusses on ascertaining if we have made proper arrangements for securing economy, efficiency and effectiveness in our use of resources. As part of this assessment, we were required to provide far more evidence of how we have achieved value for money than we have been required to provide in the past. A large number of policies and frameworks as set out within the Annual Governance Statement were provided with supporting evidence. Performance reports, risk registers and project documentation were also reviewed, and some members of Corporate Management Board and officers were also interviewed.
25. The first of these was published in November 2021 and reported to the Authority meeting in February 2022. This was a strong and complimentary report about KFRS' performance in the area of value for money. The full report is available to read online via the link below (Item Number B1, page 11).

[https://www.kent.fire-uk.org/sites/default/files/dam/documents/kmfra/ctte\\_papers/kmfra\\_auth\\_2022-02-18\\_agenda-and-reports.pdf](https://www.kent.fire-uk.org/sites/default/files/dam/documents/kmfra/ctte_papers/kmfra_auth_2022-02-18_agenda-and-reports.pdf)

### **Efficiency and Productivity Across Our Teams**

26. In this section we highlight a number of areas of improvement which has led to efficiencies alongside improvements of service delivery to our customers.
27. Undertaking fire prevention and fire safety activities relating to homes and businesses is one of our statutory duties and we are continually looking at ways to improve our efficiency and productivity in these areas. This is a core feature of the six strategies that underpin our Customer Safety Plan. For more information about this and the six

strategies, please see the link below. The section headings underneath this, set out some of the key improvements that we have made.

<https://www.kent.fire-uk.org/report/customer-safety-plan-2021-2031>

### **Efficiency through improved internal customer service**

28. Our Customer Experience Team are supporting a new programme to transform internal customer experience, for example with the support services and associated processes provided to our fire stations. This is important as it is known that a customer-focused approach, and associated improvements to systems and processes, not only supports better outcomes but importantly can lead to improved organisational efficiency and productivity.
29. To identify the opportunities for improvement, the public sector transformation partner, iESE, was commissioned to undertake a piece of research to understand the current state of internal customer service within KFRS. Evidence was gathered from conversations and meetings with different teams alongside analysis of activity within various teams. Following their analysis of the evidence that they had gathered, iESE stated that, while internal customer service was generally good throughout the organisation, there were certain areas identified where the level of service has the potential to be excellent. As a result of this, a transformation board, chaired by the Chief Executive, has now been established to oversee the changes and improvements arising from this report.

### **Understanding Our Customers**

30. One of the key ways we ensure that we are as efficient and productive as we can be is to target our resources, fire safety services and expertise as effectively and as possible to those groups and communities who need it the most. To do this we invest time and resources in creating effective risk targeting allied to an evidence-based understanding of factors that put communities and groups at increased risk of having a fire, being injured in a fire, or even dying in fire.
31. For example, we know through our incident data and risk targeting tools that some groups are more likely to have a fire than others. There are other groups who are not necessarily showing in our data as being at higher risk from having a fire but may not be accessing our services because of other barriers such as language, perceived prejudice and other societal factors. Using this evidential base allows us to target our services more effectively and design those services to be relevant to different groups.

### **Safety In the Home**

32. We have put in place a new home fire safety taskforce, using on-call firefighters, to do even more visits to people's homes to provide home safety advice. Our target is to

complete 14,000 visits in 2022/23. And when needed, we can immediately convert them to a firefighting crew, something we did successfully during the hot weather in the summer.

### **Business Safety**

33. We have developed the Risk Assessment Visits (RAV) Intelligence process as part of the Service's Risk Based Inspection programme. Fire crews carry out combined prevention, protection, and operational checks to ascertain whether further action is required to make the building as safe as possible from fire, but this also helps fire crews have a better understanding of the issues they may face if they were ever called to a fire at those premises, thus aiding and improving operational response. The risk information is captured at scene and entered directly into a tablet device. Operational crews are able to make priority referrals whilst on site to provide safeguarding and support our customers. The real benefit is that fire crews can directly submit information relating to the premises thus removing the need to complete additional emails, forms or referrals on their return to the fire station.

### **Processes, Duty Systems and Ways of Working**

34. We regularly examine our ways of working and the processes we apply to determine whether they are carried out in the most efficient manner. Processes are streamlined wherever it is effective to do so, to give a better outcome for our customers.

### **Flexible Rostering**

35. We were one of the first fire and rescue services to move away from a traditional, fixed 'watch system' to a flexible rostering model, which allows us to resource in a flexible way to meet changes in demand across the whole of our geographical area. As well as continuing to refine and improve this, we also regularly review the vehicle fleet that we need to attend fires and support our customers. We are able to flex the number of fire engines up and down constantly to meet demand which helped us successfully deal with all the large wildfire incidents across Kent and Medway we were called to during the summer of 2022. We are working with landowners and farmers across Kent and Medway to help prevent or at least reduce the possibility of future wildfires. Due to climate change, we believe that we are more likely to see these types of incidents more frequently during the summer months. For this reason, we are reviewing the specialist equipment and off-road capability we have to ensure that we remain as effective and efficient as possible in the face of climate-related changes to operational demand.
36. In addition, with our on-call colleagues, we have continued to refine the contractual offer to improve availability, although the recruitment of on-call firefighters does remain a challenge. In April 2022, we made changes to how we use our on-call firefighters,

giving them more flexibility to provide us with additional hours of their time. This has given us better and more consistent availability at the times when we need it.

### **Trainee Pathway for New Firefighters**

37. In 2020 KFRS implemented the 'Trainee Pathway'; a brand-new approach and philosophy to training wholetime and on-call firefighters. This emerged from a recognition that the traditional approach to firefighter training required resources to be committed exclusively to this for extended periods and gave trainees no operational experience until over four months after joining KFRS. The new trainee pathway addresses this by providing a flexible approach to training that does not tie up resource unnecessarily and offers trainee firefighters carefully managed operational exposure that complements and embeds their training, within a few weeks of starting training.
38. Under the previous approach, a 16–18-week wholetime firefighter training course at Training Centre required several instructors for an extended period (including pre- and post-training periods), dedicated resources and a reallocation of leave. Furthermore, at the end of the period this produced firefighters who had done a lot of training but had very limited operational experience. This frequently resulted in capacity issues in the training estate, allocation of equipment and fire engines and availability of instructors. The need for sufficient instructors frequently meant that the Service had to take Junior Officers (Crew Managers and Watch Managers) away from fire stations for training periods, which in turn affected capacity on station.
39. The other issue this created was the need to run courses that were large enough to be viable to commit all of the required resources for a 16–18-week period, which in turn entrenched and exacerbated the resource issues. The impact of this was that the additional costs and inefficiencies created by either waiting until there were sufficient vacancies before running a course, meant the Service could be significantly under establishment, thereby leading to increased costs in overtime and fire engine unavailability.
40. To avoid these problems and reduce the associated inefficiencies, KFRS considered what was already being done with our on-call firefighters, who would undertake their training in modules interspersed with practical experience and knowledge acquisition. A decision was taken to implement the same modular approach for wholetime firefighter training – making KFRS the first fire service to do this for wholetime training. Because the courses are modular this made it possible to run joint courses for wholetime and on-call trainees with both groups being in the same class and working on the same module. By running courses as modules, we have been able to operate with far greater flexibility with regards to our buildings, vehicles, equipment and trainers. It also means that we do not lose a training site for periods of 4 to 5 months – as previously these would be blocked out for firefighter training, limiting other teams'



opportunity to use training venues. Modules are also run to bring trainees together at stations with particular specialisms, for example, line rescue, or boats,

41. Under the new approach trainees are allocated a home station and a mentor and undertake training on station organised by their mentor and station-based colleagues. This means that within the first four weeks of joining KFRS, wholetime firefighters have the opportunity to attend incidents and interact with the public. This also means there is additional crewing on fire engines, with the trainees contributing directly to assisting at incidents, for example in supporting casualties, or moving hoses and equipment. To support this new approach, all wholetime trainees are issued laptops to access training and learning materials.
42. A further benefit that this has brought is that when an on-call firefighter is transferred to a wholetime contract the training they have undergone is consistent across the two duties systems and so the transition is much easier. This makes the transfer more cost effective and efficient and allows us to place the transferee onto a wholetime fire engine more quickly, which keeps establishment up and, in turn, ensures that more fire engines are available and ready to respond.
43. In terms of effectiveness, efficiency, productivity and culture this has been a great success. It also embeds a practical approach and ethos of lifelong learning and is starting to breakdown some of the historical cultural barriers that existed between the wholetime and on-call firefighters.

### **The Strategic Reserve**

44. One of the major initiatives that we introduced last year was the concept of the 'strategic reserve'. This developed from the awareness that there were operational (Grey Book) employees who were performing non-operational roles, but who were not being required to maintain operational competence. This meant that they were not available to crew fire engines in times of need, for example during the height of the covid-19 pandemic or during the intense period of outdoor fires in the summer of 2022.
45. Following this, KFRS introduced an approach where everyone who is operational has been put through appropriate refresher training, upskilled and been signed off as operationally competent, meaning they are able to crew a fire engine and respond to operational incidents as required. As part of this they now spend part of their time working on fire stations and maintaining competency. The other benefit of this is that an office-based operational colleague can work from the office in an on-call fire station and by doing so can make-up a full complement of four on-call firefighters which makes an on-call fire engine available to respond to incidents.
46. In addition, KFRS also has a number of non-operational (Green Book) employees who also work as on-call firefighters, so were flexible in allowing them to provide on-call cover and respond when performing their non-operational role. This is after all exactly

what KFRS asks of the other on-call firefighters' primary employers, being an essential aspect underpinning the viability of the on-call duty system.

47. Collectively, these Operational and Green Book colleagues have been grouped together in something called 'The Strategic Reserve'. Since its introduction this has allowed fire engine availability to far more effectively match demand and scale resources to changes in demand and do so with greater speed and efficiency. The benefits of this approach were highlighted for praise by HMICFRS in their 2022 inspection report of KFRS. To access this please see page 29 on the link below.

<https://www.justiceinspectors.gov.uk/hmicfrs/publications/frs-assessment-2021-22-kent/>

48. Further examples relate to employee pay budgets where we have introduced a process to challenge whether the post can be changed or even deleted before any approval is given to re-appoint to a vacant post.

### **Treasury Services Review**

49. Treasury Services have always been provided by Kent County Council for which the Authority has a Service Level Agreement in place, which sets out the charge for the provision of this service, the Strategy to be followed and the service to be provided. Following an Internal Audit review of Treasury, the Authority has since invested in the training and upskilling of its in-house Finance team and brought the service back in-house. This is estimated to result in a base saving of at least £17k. Having an in-house team has created efficiencies in the way the Treasury teamwork as we are now able to respond to bank rate changes immediately and develop our own relationships with banking and investment counterparties. This has resulted in a review of the counterparties used by the Authority. A number of Money Market Funds are now used, and the Authority has since opened new bank products, whilst still always maintaining the security of balances as a priority, the liquidity to meet payments and then achieving the best yield possible with the Authority's low risk appetite. Whilst the investment income achieved on balances has increased due to the changes in bank rates, we have seen increased efficiencies through the development of the knowledge of the team and the direct engagement with the banking sector.

### **Other Processes**

50. Another improvement is the process of using paper logbooks to record where fire engines and response vehicles travel to, as we can collect this data automatically using our investment in vehicle telemetry.
51. We are one of the first FRSs to fully implement Nation Operational Guidance – the new approach that forms the basis for common operational practices among FRSs. Having this fully implemented in the Service improves our ability to respond to, and learn from, incidents, contributing to making our operational processes and learning

ever more efficient. Indeed, this was an achievement for which KFRS won project of the year award at the Excellent in Fire and Emergency Awards 2021.

52. We restructured the Response and Resilience branch to improve support to our fire stations, especially on-call, allowing us to better harness creativity and idea generation in rapid problem solving.
53. Our Project Management Team record and, where possible, quantify the benefits of new projects. These benefits are grouped across the following three categories: Efficiency; Customer outcomes and stakeholder relations; and Compliance and business continuity. Within each category are a number of benefit descriptions, indicators and measurements.

### **Infrastructure investment: Property, IT and Fleet**

54. Investment in infrastructure is another key part of our approach to value for money. Despite the challenging financial climate, we have been determined to ensure that our front-line emergency response is not compromised by old and out-of-date equipment, vehicles and buildings.

### **Property**

55. We are currently in the process of redeveloping our live fire training facility at Ashford. This investment will create a modern and fit-for-purpose facility that will provide a carbonaceous live fire (as opposed to simulated fires), multi storey training facility that offers a comprehensive fire, rescue and road traffic accident training environment. The training opportunities that this will offer our firefighters will range from initial acquisition to ongoing skills refresh and development to meet the National Operational Guidance (NOG) requirements and future-proof our training delivery programme.
56. The re-development will also take account of the lessons learned from the Grenfell Tower disaster, with the new facility including the ability to train in high-rise firefighting scenarios, and tactical firefighting in commercial, residential and industrial premises. There will also be a re-modelling of the internal fabric of Ashford fire station, to improve the working conditions for our firefighters, to introduce dirty transitional and clean pathways and the management of contaminants. There will also be a new welfare building to supplement the on-site learning provision and provide welfare amenities to trainees.
57. Whilst this requires an initial outlay, it addresses the constraints of the ageing assets at both Maidstone and Ashford (with Maidstone Live Fire at end-of-life and Ashford Live Fire nearing the end of its useful life), and importantly it provides a robust training solution for our firefighters in a safe, live fire environment, which in turn enables those live fire training skills to be deployed efficiently, effectively and confidently in real life, which will help to ensure the safety of customers and their property.

58. It is intended to fund the expenditure re-developing Ashford through internal borrowing for the first couple of years due to the current high interest rates. Internal borrowing is where an authority delays the need to borrow externally by temporarily using cash it holds for other purposes, such as earmarked reserves. The 10-year capital strategy has assisted in ascertaining when the infrastructure earmarked balances will be utilised, and we anticipate that for the next 2 years we can comfortably sustain internal borrowing. This allows the Authority to avoid paying approx. £600k in interest costs per annum assuming an interest rate of just under 5%. Then by the time the Authority needs to borrow, as cash balances will have reduced to fund the capital programme it should be at a lower interest rate and the principal loan required will also be lower.
59. Across the rest of our estate, we have invested in solar panels at the majority of our suitable buildings (including headquarters) and installed smart meters, both of which are helping to reduce our carbon footprint and also to deliver financial savings. In addition, these feed power back into the National Grid. Another development is a programme of replacement of fluorescent and halogen lighting with LED lighting on fire stations, improving quality of lighting and reducing energy usage. This, coupled with the improvements to heating, window and door installations, re-roofing and fitting of insulation across the portfolio, has made our building stock more energy-efficient and provided more comfortable spaces for our colleagues to work in. Separately these are all relatively limited gains, but together they add up to notable improvement in the efficiency of our buildings, which further supports improvements in our colleagues' productivity.

## **Information Technology**

60. Investing in up-to-date technology is also a priority for us. Effective and timely communication is an important part of the service we provide, so we have made a significant investment in IT over the medium term to upgrade a variety of equipment.
61. We are replacing the mobile data terminals in all of our fire engines and have introduced new fireground radios. Along with this our core IT network and IT equipment has been updated to improve resilience and Wi-Fi coverage. Additionally, IT systems will be replaced with cloud-based technology as part of our cloud first principle, set out in the business change, information and technology strategy. Our flexible ways of working and use of dockable laptops mean that even in periods of disruption colleagues are able to work flexibly from home or at any of our 56 premises.
62. Having resilient IT, has in turn allowed us to move to a hybrid office-work from home pattern for non-station colleagues, further driving working efficiencies.
63. We have entered an arrangement with a digital poverty charity based in Kent to repurpose old IT devices and provide them to those in digital poverty across Kent and Medway. This reduces our impact on the environment through landfill and provide demonstrable social value benefits.

## Fleet

64. The fleet replacement plan represents a real investment for the future and will ensure that our front-line fleet of fire engines and blue light response cars remains modern and efficient. We are also investing in our fleet of support vehicles, as part of which we took delivery of a ladder transport vehicle, a 'prime mover' (a standard lorry chassis fitted with a hook lift, which is designed to lift and carry pods or containers) and a motorbike. All of our fleet of blue light response cars are in the process of being replaced with brand new vehicles, with full rollout expected to be completed by April 2023. Using a range of data sources, we were able to determine that the previous 74 response cars could be replaced with a reduced number. Consequently, we have ordered 66 replacement vehicles and the unit cost saving in this case was in the region of £200k.
65. Because we are an emergency service, we frequently have various specialist requirements to make our vehicles suitable for our needs, so our Fleet Services Team have also worked to make the vehicle build process more efficient. Typically, a vehicle build process is made up of four stages, which were carried out in person by visiting the supplier to see the progress of the build and confirm or amend various aspects. Previously, as part of this, it has been quite common for a team to visit Scotland for a number of days at a time. However, we have now altered this so that two of the four stages are undertaken entirely virtually in the form of video live streaming by suppliers to show us progress on the build. Given the distances involved, this has saved employee time, costs and mileage accordingly. It has also meant that employees are not having to spend periods of time travelling and can instead use this time productively.
66. In the last two years, using data from the in-vehicle telemetry systems our Fleet Services Team have been collating details of how vehicles are being used and driven by employees and when it is identified that a vehicle is not being used as efficiently as expected or driven appropriately, then the team can provide appropriate remedial guidance and training and, depending upon the circumstances, even reallocate the vehicle to someone who has a greater need. This same data has been used to support business cases for new and replacement vehicles.
67. All of our vehicles are fitted with a tracking and telemetry system. We have automated the process now so that actual mileage travelled by each vehicle is used to calculate the CO2 emission levels for vehicle related travel. We are also monitoring the improvements in this technology, so that in the next iteration of product the emission levels will take account of driving style too making the data even more meaningful.
68. We have installed CCTV in all fire engines and blue light response vehicles alongside telematics in the majority of our vehicles. This has resulted in a number of benefits, including an insurance premium discount of £45.5k and a £32.4k claims handling

saving based on our achievements against Key Performance Indicators (KPI) set by the insurance mutual Fire and Rescue Indemnity Company (FRIC) due to a more effective insurance claims process. It also provides us with better management information about our fleet, including improving driving styles in order to reduce fuel consumption and with it the associated environmental impact.

69. There is a tied-up approach for reviewing motor claims including circumstances around why the accident happened, driver performance, additional driver training requirements and welfare support for drivers plus lessons learnt. Many drivers have willingly taken up a driving refresher day session with driver training and some KFRS colleagues have approached driving training for help with their driving (especially manoeuvring).

### **Procurement and Commercial**

70. The adoption of 'category management principles' in procurement has allowed us to establish a better platform to engage with the marketplace and to progress more collaborative procurement with our partners, which is leading to better value for money and more competitive contracts.

### **Personal Protective Equipment**

71. Working together also allows us to share best practice and expertise and to consider opportunities for joint procurement. One important example is the collaborative framework for firefighters' Personal Protective Equipment (PPE) that we have been working on. This collaborative approach is more efficient and offers greater savings opportunities compared to the old approach. This is because instead of individual fire services purchasing PPE on an ad hoc basis, the participants have adopted a set of nationally agreed standardised specifications for PPE, which are then accessed through an agreed framework. Currently 22 fire services are signed up to the New Collaborative PPE Project. This co-ordinated approach allows us to meet the Government's requirement to save money whilst continuing to provide the best equipment possible to our firefighters.
72. We are leading on two other national projects: the National Firefighting Specific Training Framework and the National Specialist PPE Framework. The former will deliver a route to market for all FRSs to procure their training service requirements to align with National Operational Guidance (NOG) training outcomes. The latter has already delivered protective equipment for multiple operational environments and, to underscore the depth of the collaboration, has been open to all emergency services to participate in. Moreover, our role in this work also illustrates the leading position KFRS plays in driving the value for money agenda at the national level.
73. During the covid-19 pandemic, KFRS led the national commercial hub sourcing PPE and also managed smoke alarm supply for the sector. Using Home Office savings calculation methodology, this has resulted in more than £56m savings for the sector

through the National Procurement Hub, calculated using the Home Offices methodology.

### **Managed Print Review**

74. The Authority has previously re-tendered for a leasing contract for a Managed Print Service. A leasing vs purchasing option appraisal was undertaken which suggested purchasing printers as opposed to leasing may present better value for money. This assisted in understanding the market cost drivers for contracts and as a result the Authority ascertained that the purchase of printers would be more cost effective. Overall, it is estimated that a revenue saving of £28.2k will be achieved during 2023/24 through purchasing as opposed to leasing with a further saving of £4.2k against maintenance and printing costs.
75. It is also anticipated that ongoing further savings can be achieved by changing behaviours and ensuring that greyscale is set as the default for printing so that more expensive colour printing is only used if the user wishes to select it. The new devices are expected to provide greater efficiencies as they have faster printing speeds than current models and it is also now possible to have access to managed print software which will help our IT section to monitor devices remotely and support users more efficiently.

### **Partnership Working**

76. Partnership working and collaboration has reached a point where it is now a key feature of how we operate. Its importance cannot be overstated as it allows us to maximise the benefits and assistance we provide to our customers. Partnership working has made KFRS more efficient as it has allowed us to achieve a level of scope and scale that would have been impossible had we been working alone. We will continue to work with our partners and, where appropriate, seek new partners, since we know that by working in partnership, we are able to deliver better services to the community and improve efficiency. We have worked hard to develop strong and lasting working relationships with Kent Police, SECAMB, other fire and rescue services, local authorities, Clinical Commissioning Groups, and many other agencies. These are partnerships that are delivering real improvements to our customers throughout Kent and Medway.
77. This is evident in our front-line emergency response, where we operate from a shared 999 control room with Kent Police. Another example of a critically important area of front-line collaborative activity is the support that we provide to the South East Coast Ambulance Service (SECAMB) by responding to life-threatening medical emergencies when our firefighters are available to do so.

## **Complex lifts**

78. In common with other fire and rescue services, KFRS is frequently asked to help the ambulance service to lift patients, often because they are heavy. This resulted in firefighters and paramedics regularly suffering back injuries – in fact this is the leading cause of injury for SECamb paramedics. Moreover, for patients the previous approach to lifting was sometimes undignified and ineffective. This is not just limited to those who are heavy, but also includes those who may be frail, those who need to be moved in a careful and managed way due to other issues, or because of difficulties in moving a patient caused by the layout of a building.
79. To improve the effectiveness of the response and reduce the injuries to responders, we changed the way we approach these incidents, moving away from being little more than an extra pair of hands to help paramedics carry someone, to an approach based on that adopted by fire and ambulance at road traffic collisions, in which KFRS focus on the extraction of the patient whilst SECamb deal with their clinical needs. As part of this improved approach, KFRS changed the name of these incidents to ‘complex lifts’ and introduced new lifting equipment that allows people to be lifted in a way that is safe for both patient and emergency responders and carrying equipment that allows people of different heights to carry patients in a level position. Alongside this, training was rolled out, in conjunction with SECamb, across wholetime and on-call crews. The operational response for complex lifts was changed to a fire engine and an officer who performs an oversight and co-ordination role.
80. Because SECamb is now freed up to focus only on the patient’s clinical needs and not lifting, it means they can send fewer resources. Since the new approach to complex lifts was implemented in early 2022, the number of back injuries suffered by KFRS and SECamb crews has fallen to zero. In addition to employee wellbeing, this has generated savings related to reduced injury costs, compensation claims and loss of employees due to injury. This is all the more remarkable when considered against an increase in number of attendances to support SECamb with complex lifts. Our joint approach has now been offered as best practice to the National Ambulance Resilience Unit and the National Fire Chiefs Council.

## **Evaluation of Safe and Well Visits**

81. Our community safety teams are collaborating with the NHS to provide a robust means of evaluating our programme of Safe and Well Visits. Developed with input from the NHS, as well as access to a securely managed NHS data set, our Safe and Well Visits allow us to visit those at greatest risk of fires and other accidents (such as falls) in the home and put in place measures to reduce the likelihood of those incidents occurring. We are actively looking at other data sets available through the NHS to allow us to direct our services even more effectively at those who really need us.



## **Premises sharing**

82. Another important aspect of partnership working is premises sharing. To ensure we develop better inter-agency working and to help save public money, we have proactively opened up our premises for use by other agencies, particularly SECamb and Kent Police. For example, SECamb currently utilise several of our fire stations for welfare of their teams and, since 2020, one of our fire stations has become a 'fire and ambulance response station'. Two ambulances are now based at this fire station and available to respond on a 24/7 basis. The close working has benefits for us as it leads to a greater ability to cooperate effectively at incidents.
83. Other arrangements across our existing estate include allowing Police Community Support Offices, Council Wardens, the Red Cross, the Institute of Advanced Motorists, and the Health and Safety Executive to utilise our premises. Finally, we have also made best use of our space to facilitate the creation of two multi-agency teams – the Kent Resilience Team and the drop-in hub for Police colleagues – both of which we host.
84. In 2022 we introduced a dedicated Collaboration Team to forge relationships with community groups, and local Community Safety Units, to improve equality of access along with a tailor-made benefits tracker.

## **Environmental Awareness**

85. In KFRS we place great importance on our environmental responsibilities. As a result, we carefully monitor several key measures of environmental efficiency: electricity; gas; heating oil; water, including wastewater; and vehicle mileage.
86. As part of our commitment to reducing our CO<sub>2</sub> emissions we recently introduced 11 hybrid vehicles into our diverse fleet. All of these vehicles are pool cars, and their hybrid system combines the use of a petrol engine and an electric motor, improving fuel efficiency and reducing exhaust emissions. Being conscious of the environmental impact caused by cars, these hybrid pool vehicles allow us to make our journeys more sustainable. We have already made a number of improvements to our fire stations and other buildings, but we plan to do more over the next few years.
87. We use a set of operational procedures and guidance to mitigate the impact on the environment of our actions at incidents. One example of this is in fires at waste sites. It has been recognised nationally that fires at waste sites have caused severe damage to the environment and tied up response services for long periods of time. Fires at such sites, regardless of whether the sites are licensed, exempt or illegal, can have potentially severe effects upon water and air quality, and damage can cause disruption to local communities and local commercial interests. In partnership with the Environment Agency, we have been working in collaboration with other agencies who have an interest in or regulatory function relating to waste such as Public Health

England, Health and Safety Executive and local councils to address this issue.

88. We are investigating alternative ways of fuelling our heavy fleet instead of diesel. Technology and availability of biodiesels (hydrogenated vegetable oil) is increasing all the time and offer no degradation in fleet performance and require no amendments to the fleet to use.

## **Summary**

89. The need to continually operate in an efficient and productive manner are key aspects in ensuring both the day-to-day effectiveness of KFRS and a sustainable long-term future. We recognise and are committed to the prudent management of our finances and spending decisions. This approach, taken in combination with effective and appropriate partnership working, ensures that we have the resources needed to support our colleagues, whilst being able to purchase and maintain our vehicles, equipment and buildings – the combination of which allow our team to do their jobs as effectively as possible. Taken together, this ensures that we can continue our duty to keep the people of Kent and Medway and safe as possible.
90. This Authority will continue to regularly review how our services operate both internally and externally, to ensure we are able to provide the most effective and efficient service to our customers. In order to do this, we will continue to review all activity, large and small, to understand outputs and outcomes. This will also help us ensure that we are productive in our use of people and financial resources. Consequently, this plan will be reviewed on an annual basis to highlight our progress.

By: Chief Executive  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: PAY POLICY STATEMENT - 2023/24  
Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

Sections 38 to 43 of the Localism Act 2011 requires that the Authority prepares and publishes a Pay Policy Statement for each financial year before the start of that financial year, and this report seeks approval to the Statement for 2023/24.

In May 2022 the government issued new guidance which relates to the making and disclosing of special severance payments by local authorities in England. In response to this, the Authority has added an addendum to the current Pay Policy Statement for 2022/23 called Special Severance Payments. This mirrors Section 3 of the 2023/24 Pay Policy Statement.

### **RECOMMENDATIONS**

Members are requested to:

1. Agree the addendum to the Pay Policy Statement for 2022/23 in relation to Special Severance payments (paragraph 3 and **Appendix 1** refer).
2. Approve the Pay Policy Statement for 2023/24 (paragraph 4 and **Appendix 1** refer).

LEAD/CONTACT OFFICER: Assistant Director, People and Learning, Karen Irvine

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BACKGROUND PAPERS:

## COMMENTS

1. **Background** - Sections 38 to 43 of the Localism Act 2011 requires all local authorities to prepare and publish an annual Pay Policy Statement. The requirements in the Act originate from the recommendations set out in the Hutton Review of Fair Pay in the Public Sector. This recognised not only the need for high-calibre leaders but also the requirement for fair levels of pay reflecting individuals' contributions whilst also reassuring the public that this was being achieved.
2. The Hutton Review expressed concern over pay governance practices, in particular placing an emphasis on the pay and benefits received by Chief Executives. The Act specifically refers to the relationship between these and the lowest-paid employees by requiring that the ratio between the two is identified. Members will be aware that, under the Accounts and Audit Regulations 2015, the Authority is already required to publish, as part of its Annual Statement of Accounts, details relating to senior employee salaries, defined as £50,000 and above. For the purposes of the Pay Policy Statement, it is not intended to replicate this information but to provide the necessary link to it through the website.
3. **Pay Policy Statement for 2022/23** - In May 2022 the Government issued new guidance which related to the making and disclosing of special severance payments paid by local authorities in England. Consequently, it has been necessary to update our current Pay Policy Statement to reflect these legislative changes. It is important that the Authority highlights how they propose to apply the new guidance, whilst ensuring all payments reflect value for money and appropriate use of taxpayer's money. As such Part 3 of the 2023/24 Pay Policy Statement, as attached at **Appendix 1**, will now be added as an addendum to the current Pay Policy Statement for 2022/23. Members are therefore requested to agree this amendment to the Pay Policy Statement for 2022/23.
4. **Pay Policy Statement for 2023/24** - The proposed Pay Policy Statement for 2023/24, as attached at **Appendix 1**, reflects the current establishment figures and the pay increases agreed as of 17 January 2023. The Statement also provides Members with the assurance that the Authority currently pays all of its employees an hourly rate above the living wage. Members are therefore asked to agree the Pay Policy Statement for 2023/24.
5. **Communication** - Once the Pay Policy Statement has been approved it will be placed on the Authority's website so that it is available for the public to access. There are a number of links to other sources of information shown in the Statement and these will be included when the document has been agreed and published.

## IMPACT ASSESSMENT

6. The draft Pay Policy Statement puts into context, for members of the public, the arrangements the Authority has in place for setting and amending the pay of its employees. The Pay Policy Statement meets all current guidance issued by the Government to produce such documents.

## RECOMMENDATIONS

7. Members are requested to:
  - 7.1 Agree the addendum to the Pay Policy Statement for 2022/23 in relation to Special Severance payments (paragraph 3 and **Appendix 1** refer).
  - 7.2 Approve the Pay Policy Statement for 2023/24 (paragraph 4 and **Appendix 1** refer).

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**Kent and Medway Fire and Rescue Authority  
Pay Policy Statement 2023/24**

**Introduction**

The Pay Policy Statement has been compiled in accordance with Sections 38 to 43 of the Localism Act 2011. The Act requires Kent and Medway Fire and Rescue Authority to publish a Pay Policy Statement annually. The information contained in this Statement is based on the position as at 31 October 2022, unless otherwise stated. The purpose of a Pay Policy Statement is to provide information to the public on the pay arrangements that apply to employees of the Authority, including the Chief Executive and their direct reports. The Statement also includes information on how decisions to set or change pay are made.

**Structure of the Workforce**

As at 31 October 2022, 1,604 people worked for us. These employees span various pay groups which perform a variety of roles and have different working patterns to meet our business needs. In its simplest form these are employees who either have an operational role (such as firefighters working on fire stations, 999 operators in our Control Room and technical colleagues working in specialist areas) and wear a uniform; or those who provide administrative and customer service functions such as finance, property, information technology systems and human resources, and do not wear a uniform. A summary of the numbers in each of these categories is set out below in **Table 1**. Additionally, the Authority has a third group of employees, namely the Chief Executive, and three Directors; one of whom is uniformed and the other two non-uniformed, which are not shown in the table below.

**Table 1: Number of Colleagues Employed by Category as at 31 October 2022**

Colleague Group	Definition	Number of Colleagues in Group
<b>Whole-time Firefighters</b>	Firefighters who work an average of 42 hours a week to crew stations 24 hours a day either as firefighters located at the station, or as firefighters located at the station during the day and responding from their own homes on an on-call basis at night, or who work in specialist areas such as Building Safety. This figure also includes officers that do not work on fire stations.	738 (738 full-time equivalents)
<b>Control colleagues</b>	Uniformed colleagues who handle 999 calls and are based at the Fire and Rescue / Police Control Centre.	36 (36 full-time equivalents)
<b>On-call Firefighters</b>	A duty system where firefighters respond from their own homes or workplaces located near to the fire station on an on-call basis.	462 (full-time equivalents not applicable)
<b>Customer Services, front line prevention and protection colleagues</b>	Colleagues who typically do not wear a uniform and largely work in administrative and professional support functions. A proportion provide fire prevention and road safety advice and offer home safety services and specialist advice for those more at risk	364 (344 full-time equivalents)

## **Part 1: Pay**

### **Pay Policy**

The overarching framework for pay and conditions of service for colleagues employed by the Authority is governed by three National Joint Councils (NJC). These are

- the NJC for Local Authority Fire and Rescue Services
- the NJC for Local Government Services
- the NJC for Brigade Managers of Local Authority Fire and Rescue Services.

The principle role of each of these national bodies is to reach agreement on a national framework of pay and conditions of service for authorities to apply locally. Each NJC is made up of people who represent the employers and others who represent employees; the latter typically being trade union representatives. The frameworks of pay and conditions set by each of these national bodies are locally referred to as the Grey Book (generally applies to uniformed colleagues); the Green Book (generally applies to colleagues who do not wear a uniform); and the Gold Book (applies to the Chief Executive and three Directors) respectively.

Each NJC acknowledges that its national framework of pay and conditions will need to be adjusted locally to reflect local needs. Where appropriate this will be undertaken through local agreement, with recognised trade unions where they exist, or alternatively through local decision-making processes.

The Equality Act 2010 gives women (and men) a right to equal pay for equal work. The Authority undertook an equal pay audit in 2017 to ensure that its pay and benefits policy and practices were not being applied inconsistently. There were no areas of concern identified as a result of the audit. An equal pay audit has taken place in the latter half of 2022/23 and the outcomes will be reported to the June Authority meeting.

From 2017, Regulations included in the Equalities Act 2010 means that any organisation that has 250 or more employees has a legal responsibility to publish and report specific figures about their gender pay gap. The gender pay gap shows the differences in the average pay between men and women (in percentage terms) within an organisation across all types of work/colleague groups. (It is not the same as Equal Pay which is the difference between men and women who carry out the same or similar jobs or work of equal value).

Public Sector organisations must provide a snapshot for gender pay gap reporting at the 31 March for any given year. We have published our data for the snapshot for 31 March 2021. Our data was published before the deadline date. The data did not identify any areas for concern, but it did reveal that the gap was marginally in favour of women. The gender pay report as of 31 March 2022 is nearing completion and will be published before the deadline date.

Within this data analysis we also looked at the ethnicity, disability and sexual orientation pay gap analysis for this year, which currently is not a requirement from Government. This analysis shows our commitment to improving representation across our organisation in terms of protected characteristics which we plan to support through a structured inclusive



recruitment strategy, incorporating planned positive action activities across all roles, review our branding and our attraction package, with an emphasis on our flexibility as an employer.

### **Local Variations to Pay and Conditions of Service**

The national pay agreements and the terms and conditions constitute a minimum standard but it is acknowledged that these can be modified through local negotiation to reflect local needs. There is a mechanism in place to agree such changes. However, any changes to the pay or conditions of service of the Chief Executive and/or the Directors must be approved by the Authority's Senior Officer Appointment and Conditions (SOAC) Committee.

### **Pay Structure**

Each category of colleagues is linked to a pay structure which is directly linked to a national pay agreement. When the pay agreement has been amended to reflect local needs, Members of the Authority are updated accordingly.

The pay structure for uniformed colleagues is based on the national pay agreement which is negotiated and issued by the NJC for Local Authority Fire and Rescue Services annually and is based upon six roles. The annual salary within each role is a fixed-point salary. This means that unless the employee is promoted, or a national pay award is agreed, the salary will remain unchanged. Employees may move up the pay structure through promotion into a higher role. For an employee to do this they must be approved by their line manager as having demonstrated the type of behaviours and skills required of an employee operating at the higher level through the monitoring of their performance, undergo a development process and then by being successful through interview for a role at the higher level.

The pay structure is different for green book colleagues. Employees are appointed to a post which has a specific pay grade assigned to it. Within each grade there are between five and six pay points. The experience and skills of the employee are evaluated against the requirements of the job which will then determine the pay point to which they are appointed. Progression to higher pay points within the grade will be dependent on the employee demonstrating continued development and performance against the requirements of the role which is measured through the continuous monitoring of their performance.

### **Pay Awards 2022/23**

An annual pay increase is awarded based on the outcome of the relevant national pay negotiation process. Based upon the decisions taken at a national level by the NJCs relevant to this Authority, the Authority's Green Book colleagues were awarded a pay award of £1,925 for the 2022/23 financial year (effective from the 1 April 2022). As at the 17 January 2023 negotiations regarding Grey Book colleagues pay award for 2022/23 are still on-going, following the rejection of a 5% offer. The pay award for the Chief Executive and Directors is described below.

### **How are Grades and Roles Determined?**

When a post is created or changes significantly it is evaluated in order that it can be matched against the appropriate grade for the role. A job evaluation process is used to determine the grade of a post. The process of job evaluation considers a range of factors relating to the demands of the job, including knowledge necessary to do the job; complexity; level of discretion in, and potential impact of, decision-making; and accountabilities in

relation to people, finance and physical resources such as equipment or property. The job evaluation process ensures that the principle of equal pay for work of equal value is met and that the demands required of the post are assessed as objectively as possible. The job evaluation process includes input from trained individuals from across the organisation including union representatives.

The job evaluation process was last reviewed in September 2018. The scheme still follows the principles of the NJC scheme but some factors have been updated to ensure the scheme better relates to specialist/professional roles.

The Authority has an Establishment Group which considers the future needs of everyone that works for us, what posts are needed and which can be deleted. Within this group, where uniformed vacancies arise or will occur at some point in the future, consideration is given to the post being converted from uniformed (Grey Book) to non-uniformed (Green Book) terms and conditions.

### **Supporting and Encouraging Performance**

The Authority supports all employees to develop and perform to the best of their ability. To do this there are management training and procedures such as Supporting Talent and Career Aspiration Conversations which encourage talent management conversations to help individuals to maximise their potential and support their development, engagement and career progression.

Managers support individuals through continuous dialogue therefore giving timely feedback on performance, supporting, encouraging and checking regularly on individual's wellbeing. They also offer individual's a more in-depth career conversation, to explore how they would like to progress in the organisation on a longer-term basis. This information is collated through the Talent Bench Review process, which is used to inform succession planning and progression.

The Authority seeks to encourage individuals to own their development with the support of their manager and the organisation. This may be through; the creation of an individual development plan to support performance/wellbeing/progression towards promotion, access to a professional qualification via the Authority's Bursary scheme, Continuous Professional Development (CPD) allocated days or through external and internal events and workshops.

Where there are concerns about performance and an individual becomes subject to the Authority's formal capability procedure, this may have an affect on their pay, and the continued payment of CPD. CPD is designed to recognise and reward experienced employees who are able to demonstrate continuous professional development. It is expected that employees will maintain a high level of continuous professional development and commitment to their job to receive a CPD payment.

The Authority does not currently have arrangements in place for performance related pay as part of its appraisal of performance; neither does it have any arrangements in place for the payment of bonuses.

### **Market Premiums**

In 2018 the Authority introduced the use of market premium payments for the purpose of attraction within recruitment and retention of key colleagues. The recruitment of certain

specialist colleagues, particularly within the Information Technology (IT) department, has proved difficult with roles being advertised and subsequent applications being poor in quality and quantity. Therefore, a procedure to apply market premium was developed and approved through Establishment Group.

### Senior Officers

The Authority is required to publish information relating to the pay of its most senior employees, which are defined as those employees whose annual salary is £50,000 or more. We publish this information in salary bands only, showing how many officers are in each band. The pay of the Authority’s most senior officers is published with their name. This information is [published](#) on an annual basis as part of the Statement of Accounts.

The Senior Officer Appointments and Conditions (SOAC) Committee has a specific remit from the Authority to consider and make decisions about the remuneration and terms and conditions of employment of the Chief Executive and Directors.

There have been no SOAC Committee meetings held between 31 October 2021 and 31 October 2022. The pay award for the Chief Executive and Directors generally follows the recommendations of the NJC for Brigade Managers of Local Authority Fire and Rescue Services. As at 17 January 2023 no agreement has yet been made in the relation to the 2022 pay award.

### Ratio between Highest Earner and Average Earnings of the Organisation and Definition of ‘Lowest Paid’

The Authority is required to publish information which expresses as a ratio the difference between the pay of its highest paid employee and the average pay for all other employees. The Authority is also required to publish its own definition of ‘lowest-paid’ employees as it applies to the Authority’s workforce.

The Authority has a range of colleagues employed on different conditions of service and this means that it has a range of salary levels. Some colleagues are employed on contracts which are regarded as secondary employment. This means that they are able to undertake their contract in addition to other full-time employment. Specifically, this relates to firefighters who work the ‘on-call’ duty system, providing on-call availability from their home or place of work. These employees generally have full-time work outside the Authority.

The Table below sets out the difference between the pay of the highest paid employee (who is the Chief Executive) when compared to the average pay (total pay divided by the number of employees) of all other employees. The information illustrates that the Chief Executive’s pay is 3.81 times more than the average pay of all other employees as at 31 October 2022. However, given that only one pay award has been agreed in 2022/23, **Table 2** will not ultimately be a truly representative figure for the year, merely a snapshot at a point in time.

**Table 2: Pay Ratio**

	Oct-21	Oct-22	Degree of Change
<b>Chief Executive’s Salary</b>	£160,273	£160,273	0%
<b>Mean Salary</b>	£40,250	£42,050	4.48%
<b>Ratio</b>	3.98	3.81	-4.27%

This ratio is calculated by dividing the Chief Executive's salary by the mean salary for other colleagues (excluding overtime).

### **The Authority's Definition of 'Lowest-Paid' Employees**

The Authority regards its lowest-paid employees to be those employed on its Green Book conditions of employment. These are employees who do not wear a uniform and who work in administrative and customer service function areas. Employees can be employed on grades which range from 2 to 12. The Authority currently does not have any Grade 2 posts in its establishment. It has removed some of its Grade 3 posts due to a job evaluation process, where it has reviewed its support and administrative roles giving these greater responsibility, therefore increasing the roles to Grade 4.

The Authority recognises that the necessary training and development can be provided in-house over a relatively short period and therefore specific skills or experience are not specified as essential at the recruitment stage. The Authority is committed to supporting all colleague's development and in addition a number of teams have built into their structure, graded progression posts.

The salary range that applies to grade 3 is £21,258 - £23,719. The minimum hourly rate for a grade 3 role is £11.02 per hour, which is greater than the current National Minimum Wage (£6.83 to £9.18 dependent on age) and National Living Wage (£9.50 per hour as at 31 October 2022). Consequently, the Authority has ensured that all employees, including apprentices, received no less than the National Living wage, with effect from November 2021.

As at 31 October 2022 there were 2 apprentices working within the customer services functions of Information Technology & Finance.

The Authority has met the requirements under the Apprenticeship levy.

## **Part 2: Pensions arrangements**

### **Pension Arrangements**

The Authority currently administers five occupational pension schemes. There are four schemes for firefighters

- the Firefighters' Pension Scheme 1992 (FPS) (closed to new entrants from April 2006)
- the New Firefighters' Pension Scheme 2006 (NFPS) (closed to new entrants from April 2015)
- the Modified Scheme 1992/2006 (specific to retained firefighters who served between 1 July 2000 and 6 April 2006)
- the Firefighters' CARE Pension Scheme 2015 (FPS 2015)

However, with effect from 1 April 2022, all firefighters/employees in any of the first three pension schemes will automatically be moved to the FPS15 scheme, as all these schemes other than the FPS15 are now closed. The employee contribution rates effective from 1 April 2022 for the FPS15 range between 11% to 14.5%, whilst the employer rate is currently fixed at 28.8%.

Each scheme includes discretions which the employer decides how to apply. In November 2014 the General Purposes Committee approved an overarching Pensions Policy which defined five key principles, each of which the Chief Executive must ensure is considered before applying any such discretions on behalf of the Authority. This Policy will be reviewed in 2023, once the new pension regulations are in place and the key principles will be refreshed to reflect the revisions to the pensions legislation following the McCloud/Sargeant case.

Green Book colleagues have the right to belong to the Local Government Pension Scheme (LGPS). The employee contribution rates for this scheme currently range from 5.5% to 12.5% depending on salary level. However, the employee does have a right to choose to reduce to 50/50 contribution, i.e. reducing their contribution to half, but this does have an impact on their benefits. The employer contribution rate increased from 14.5% to 15.5% from the 1 April 2022.

A new Local Government Pension Scheme (LGPS 2014) came into effect on 1 April 2014. This Scheme is a 'Career Average Revalued Earnings' (CARE) Scheme, unlike the original LGPS which is a final salary scheme. The new LGPS 2014 scheme introduced five employer discretions which were agreed by the General Purposes Committee in November 2014. Generally, these discretions lead to enhanced benefits to scheme members, but result in additional costs which fall to the Authority and not to the pension scheme.

### **Re-engagement of Employees**

For Grey Book colleagues who were members of the Firefighters' Pension Scheme (1992) and New Firefighters' Pension Scheme (2006) a policy regarding re-employment and the treatment of pensions in payment has been in place since March 2010. This policy is based on the Regulations under each scheme and guidance is provided by the Government.

The principles and process of the policy is that any re-employment, for all levels, following retirement, must be to an advertised vacancy, and as a result of a normal open and

competitive selection process. Where re-employment is secured, the pension is adjusted (where relevant) so that the combination of pension and new salary does not exceed the individual's salary at the time of their retirement. This adjustment process is called abatement. The process of abatement is not included in the Local Government Pension Scheme regulations and therefore does not apply to Green Book employees.

However, in April 2019 the Authority agreed a discretion to allow abatement not to be applied to specific roles within Business Safety. Following the Grenfell Tower Fire there has been an increased focus nationally regarding the inspection process on fire safety and prevention work conducted by Business Safety teams. Much of this work requires a specialist skill set. The recruitment of qualified personnel in this area was and continues to be difficult, and as a result of impending retirements at the time, of a number of qualified colleagues, their loss of skills from this team would have been significant. Therefore, a discretion was agreed not to apply abatement to fire safety officers retiring from these specific posts.

This discretion was set for a maximum of two years, however in April 2021 the Authority extended it by a further two years. During the past two years the Building Safety team have worked hard on increasing their skill set within the team. However, the requirement for this specific skill set is much in demand in the employment market, and as such a number of employees have been attracted by other employers to these highly skilled and sought-after roles. This compounded with the impact of Covid (which delayed the training timeframe), has resulted in the organisation struggling to recruit suitably qualified and experienced personnel to these vacancies. Consequently, we are in the process of recruiting a number of trainees to fill these vacancies, however, the duration of their training is some 18-24 months.

In July 2022 the Authority agreed a further discretion to allow abatement to not be applied to the post of Operational Development Technician PPE (Personal Protective Equipment). This discretion was granted for a maximum of three years. This decision was based on the current post holder's specialist skill set and their use of these skills within the national arena for the Fire Service. Such skills are not readily available within the recruitment market.

### **Part 3 Special Severance Payments**

When carrying out structural change or introducing new ways of working it may result in the need to reduce establishment through the deletion of posts and/or the re-defining of skill sets within teams. To achieve this the Authority may need to make special severance payments over and above any statutory or contractual entitlement, to enable employees to leave the organisation to support these change initiatives.

The Authority has always sought to do structural change through natural turnover and has chosen not to apply compulsory redundancy wherever possible to do so. In addition they have used redeployment, retirement, flexible retirement and the offer of voluntary redundancy.

In 2012 the Authority agreed an enhanced redundancy package. This package includes:

- the use of the government calculator to calculate statutory redundancy based on age (maximum 61) and years' service (maximum 20)
- Average weekly pay is calculated on actual pay whereas the statutory redundancy is calculated on weekly up to a set maximum amount.

- Lump sum payment of an additional 12 weeks' pay

Those taking redundancy are entitled to statutory notice pay i.e. a maximum of 12 weeks (1 weeks' notice for each year of service). Individuals being dismissed or resigning due to other reasons will be entitled to the notice stated within their contract of employment. All notice pay is subject to tax and national insurance.

In May 2022 the government issued a new guidance which relates to the making and disclosing of special severance payments by local authorities in England. This guidance sets out:

- that these payments should only be made in exceptional circumstances
- what would be included in a special severance payment
- what would be considered an exceptional circumstance
- And how payments should be disclosed and reported.

The Authority has the responsibility to ensure that special severance payments are only made when there is a clear, evidenced justification for doing so, and such payments are in the interests of the taxpayer. It must also ensure that all relevant internal policies and procedures have been followed and all alternative actions have been fully explored and documented. If in exceptional circumstances it is decided that a special severance payment should be paid, it is the responsibility of the Authority to ensure that this is fair, proportionate, lawful and provides value for money for taxpayers.

Special severance payments are payments made to an employee, worker or contractor when leaving employment in the public sector. These payments may be made in circumstances where an employee resigns, is dismissed or agrees to a termination of contract.

The following payments would not be classed as a special severance payment:

- Statutory redundancy
- Contractual or voluntary redundancy
- Payment of untaken annual leave
- Any payments made through a COT3 agreement (a settlement agreement that records the terms of settlement of an employment tribunal claim)
- Payments made as a result of an ill health retirement
- The non-working of notice period due to business reasons.
- Pension strain paid under LGPS Regulation 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under Regulation 30(7), or under Regulation 30(6) where the employer has waived the reduction under Regulation 30(8). This relates to the strain costs incurred by employers when a member takes early retirement on the grounds of redundancy or business efficiency. Or where a member takes flexible retirement and an employer decides to waive any reductions.

The following payments, however, would form part of a special severance payment:

- Any payments made under a settlement agreement which will discontinue legal proceedings without admission of fault

- The value of any employee benefits / allowances which continue beyond the agreed exit date
- Write off of any loans or hardship payments
- Any honorarium or hardship payments
- Costs incurred due to re-training or outplacement services relating to termination of employment
- Pay or compensation in lieu of notice where the amount is greater than the amount due
- Pension strain payments arising from employer discretions to enhance standard pension benefits (for example under Regulation 30(5) where the employer has waived the reduction under Regulation 30(8) or because of the award of additional pension under Regulation 31). Regulation 30(5) refers to members who are aged 55 or over and voluntarily elect to draw their retirement benefits, and accept any actuarial reductions applied to these benefits. Under this Regulation an employer can decide to waive in whole or part any reduction and cover the costs incurred. This is a mandatory requirement. Under Regulation 31, an employer can award additional annual pension to a member.

In considering whether it is appropriate to make a special severance payment the Authority must consider if the payment is a proper use of public money. Payments should be consistent with the Public Sector Equality Duty under the Equality Act 2010.

Consideration should be given to:

- Economy – there should be an economic rationale behind the proposal which considers if the individual can be exited at a lower cost, public perception, could there be a better alternative use of the money and any potential of setting a precedent.
- Efficiency and effectiveness – ensure that these payments are not avoiding management action, consider chances of legal success balanced against cost to take case to court and ensures that the payments are in line with public sector practice.

The approval process for special severance payments will be:

- Payments of £100k and above must be approved by the Authority
- £20k to £100k must be approved by the Chair of the Authority and the Chief Executive
- Less than £20k can be approved in line with the Officers Scheme of Delegations.

To avoid conflict of interest it is expected that the payment will be approved by at least two independent persons. In the case of all severance payments, it will be part of the Authority's S151 Officer, and where appropriate, the Monitoring Officer responsibility, to monitor and justify special severance payments made by the Authority.

There will be an annual collection of data relating to exit payments by the Department of Levelling up, Housing and Communities and this data will be published into official statistics through the gov.uk website.



By: Clerk to the Authority  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: MEMBERS' ALLOWANCES SCHEME 2023/24  
Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

This report proposes formal re-adoption for 2023/24 of the existing Members' Allowances Scheme.

### **RECOMMENDATION**

Members are requested to:

1. Formally re-adopt for 2023/24 the existing Members' Allowances Scheme as set out in **Appendix 1** (paragraph 2 refers).

LEAD/CONTACT OFFICER: Clerk to the Authority – Marie Curry  
TELEPHONE NUMBER: 01622 692121 ext 8291  
EMAIL: [marie.curry@kent.fire-uk.org](mailto:marie.curry@kent.fire-uk.org)  
BACKGROUND PAPERS: None

## COMMENTS

### Background

1. It is a requirement of The Local Authorities (Members' Allowances) (England) Regulations 2003 that every local authority must formally adopt a new Members' Allowances Scheme each year.

### Members' Allowances Scheme

2. The Authority last agreed a review of its Members' Allowances Scheme in February 2022 where it was agreed to adopt the new scheme to cover the whole of the four-year period from 1 April 2022 to 31 March 2026. Therefore no major changes are proposed to the Scheme for 2023/24 with the exception of any inflationary increases in line with the annual pay award to the Authority's 'Green Book' (non-uniformed) staff. The existing Scheme is attached for Members' approval at **Appendix 1**.

### IMPACT ASSESSMENT

3. As no changes are proposed to the Members' Allowances Scheme, there are no new resource implications, and payments under the current Scheme have been taken into account in the proposals for the Authority's budget for 2023/24.

### RECOMMENDATION

4. Members are requested to:
  - 4.1 Formally re-adopt for 2023/24 the existing Members' Allowances Scheme as set out in **Appendix 1** (paragraph 2 refers).

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

**SCHEME OF MEMBERS' ALLOWANCES PAYABLE FROM 1 APRIL 2022 TO 31 MARCH 2026**

**Basic Allowance:** £1,568.88 per annum (subject to any annual inflationary increases)

**Notes**

- (1) Payable to all Authority Members to cover their time commitment on KMFRA duties and any miscellaneous expenses incurred in pursuit of KMFRA business such as office equipment, stationery, and day-to-day subsistence.
- (2) Members must serve 14 consecutive days on the Authority before they become eligible to receive Basic Allowance. For those who meet that requirement the allowance will be backdated to the date of their appointment.

**Special Responsibility Allowances (SRAs)**

<b>Post-holder</b>	<b>% of Chairman</b>	<b>Allowance (per annum) £</b>
Chairman	100	£20,574.24
Vice-Chairman	40	£8229.72
Opposition Group Leader	30	£6172.32 plus £300 for every Member above two.

**Notes:**

- (1) Members may only receive one SRA at any one time no matter how many offices within the KMFRA that Member may hold.
- (2) Basic Allowance and SRAs will be increased by the same percentage, and on the same dates, as the annual pay award to the Authority's 'Green Book' (non-uniformed) staff.
- (3) Allowances may be rounded up or down where necessary for payment purposes.

## Travel and Subsistence Allowances

### Members' Private Vehicles

Mileage is reimbursed at Her Majesty's Revenue and Customs (HMRC) approved rates. At the date of approval of this scheme these rates were:

Cars:	45p per mile for the first 10,000 miles per annum and 25p thereafter (with an additional 5p per mile for journeys where another Member is carried as a passenger on official business)
Motorcycles:	24p per mile
Bicycles:	20p per mile

### Public Transport

Rail (standard class only), bus and taxi (where no other means of transport available) fares reimbursed as incurred, subject to tickets/ receipts being submitted wherever possible.

### Eligible Duties for Claiming Travel Allowance

- All official Authority meetings, and all Committee, Panel, etc meetings as a Member of that Committee, Panel, etc.
- Other meetings or events relating to the business of the Authority and authorised by the Authority or called by the Chief Executive or Clerk.
- Briefing sessions in respect of official Authority, Committee and Panel meetings attended by KMFRA office-holders in relation to the responsibilities for which they receive SRAs.
- Meetings of all outside bodies to which the Member is appointed by KMFRA, except where those bodies have their own expenses schemes.

### Subsistence

No allowance payable for day-to-day subsistence because an element for this has been included in the Basic Allowance. However, Members may claim direct reimbursement of actual expenditure incurred on non-routine subsistence, eg when away overnight on KMFRA business, subject to receipts being submitted.

## **General Notes**

- (1) Allowances are only payable for the period during which a Member holds office and Members may be required to refund any over-payments of allowances made to them.
- (2) Where a Member of the Authority is also a Member of another authority, that Member may not receive allowances from more than one authority in respect of the same duties.
- (3) Any Member may choose to forgo all or part of his or her entitlement to allowances by giving notice in writing to the Clerk.
- (4) Members' private vehicle mileage is reimbursed at the HMRC approved rates and will change automatically from time to time as those rates change.
- (5) Travel Allowances must be claimed before the end of the financial year in which they become payable, or within six months, whichever is the shorter.

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By: Director, Finance and Corporate Services  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: APPOINTMENT OF AN INDEPENDENT MEMBER FOR THE  
AUDIT AND GOVERNANCE COMMITTEE  
Classification: Unrestricted

## **FOR DECISION**

### **SUMMARY**

This report seeks approval to the recruitment of an Independent Member to sit on the Authority's Audit and Governance Committee in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommended good practice.

Members are requested to:

1. Agree to the recruitment of an Independent Member to sit on the Audit and Governance Committee (paragraph 5 refers).
2. Agree for the Audit and Governance Committee to approve the advertisement, job description and person specification for the recruitment of its Independent Member and the process by which any recommendation on an appointment will come back to the Authority for approval (paragraphs 6 and 7 refer).

LEAD/CONTACT OFFICER: Clerk to the Authority – Marie Curry  
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BACKGROUND PAPERS:

## **COMMENTS**

### **Background**

1. Members will recall that at the February 2021 meeting of this Authority, it was agreed that an Audit and Governance Committee would be established to further enhance the Authority's governance framework and support strong public financial management.
2. The Chartered Institute of Public Finance and Accountancy's (CIPFA) recommended good practice sets out the core functions that an Audit Committee should undertake in both standard practice as well as specific legislative and professional standards.
3. In support of this guidance, the Authority agreed at its meeting in April 2021 to undertake a recruitment exercise of an Independent Member to sit on its Audit and Governance Committee. Unfortunately and despite best efforts at the time the recruitment exercise did prove unsuccessful, and the post currently remains vacant.

### **CIPFAs Position Statement**

4. In April 2022 CIPFA revised its Position Statement on Audit Committees, which replaced the 2018 edition. It is assuring to note that the Audit and Governance Committee does already comply with the majority of the points set out in the revised guidance. However, there is still one area that requires attention, and this is that audit committees should appoint at least one Independent Member in order to provide the appropriate challenge and scrutiny as well as technical expertise.
5. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 also sets out in legislation the requirement on audit committees of a combined authority to have at least one independent person. Therefore in support of CIPFA's guidance and the requirement by legislation, Members are asked to agree to a further attempt to recruit an Independent Member to sit on this Authority's Audit and Governance Committee.

### **Timing**

6. As the next meeting of this Authority is not taking place until the summer, agreement is sought from Members for the Audit and Governance Committee, at its next meeting in April, to be given approval to agree the advertisement, job description and person specification of its Independent Member in line with the Committee's Terms of Reference.
7. Should the recruitment exercise be successful then the Audit and Governance Committee will make its recommendations to the Authority to approve any potential appointment in time for its next meeting on 29 June 2023.



## **IMPACT ASSESSMENT**

8. The inclusion of an Independent Member on the Audit and Governance Committee will assist in strengthening the Committee's assurance to the Authority of its good governance and financial standards whilst reinforcing its independence.

## **RECOMMENDATIONS**

9. Members are requested to
  - 9.1 Agree to the recruitment of an Independent Member to sit on the Audit and Governance Committee (paragraph 5 refers).
  - 9.2 Agree for the Audit and Governance Committee to approve the advertisement, job description and person specification for the recruitment of its Independent Member and the process by which any recommendation on an appointment will come back to the Authority for approval (paragraphs 6 and 7 refer).

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By: Chief Executive  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: SAVE SAFELY CAMPAIGN – COST OF LIVING  
Classification: Unrestricted

**FOR INFORMATION**

**SUMMARY**

A presentation will be given at the meeting on the work of the Save Safely Campaign.

**CONCLUSION**

Members are requested to:

1. Note the contents of the presentation.

LEAD/CONTACT OFFICER: Area Manager, Customer and Building Safety – Leanne McMahon

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BACKGROUND PAPERS:

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By: Chief Executive  
To: Kent and Medway Fire and Rescue Authority – 21 February 2023  
Subject: INFORMATION UPDATE  
Classification: Unrestricted

## **FOR INFORMATION**

### **SUMMARY**

This information update covers the following topics:

- A.** Inspection Update and National Issues Update (paragraphs 1 to 12 and **Appendix 1** refer).
- B.** Outcomes of Safety and Wellbeing Plan (paragraphs 13 to 14 and **Appendix 2** refer).
- C.** Performance Update (paragraphs 15 to 28 refer).
- D.** Response and Resilience Update (paragraphs 29 to 61 refer).
- E.** Prevention, Protection, Customer Engagement and Safety Update (paragraphs 62 to 92 refer).
- F.** Climate Action Plan update (paragraphs 93 to 95 refer)
- G.** Freedom of Information update (paragraphs 96 to 102 refer).
- H.** Insurance update (paragraph 103 and **Appendix 3** refer).
- I.** Pensions Board Update (paragraph 104 and **Appendix 4** refer).

### **CONCLUSION**

Members are requested to:

1. Consider and note the contents of the report.

LEAD/CONTACT OFFICER: See each section  
BACKGROUND PAPERS:

## COMMENTS

### Background

#### A. Inspection and National Issues Update

*Lead/Contact Officer: James Finch - Assistant Director, Corporate Services  
01622 692121 ext 8453, [james.finch@kent.fire-uk.org](mailto:james.finch@kent.fire-uk.org)*

1. **Inspection outcomes:** On 20 January 2023, the Authority received the outcome of its “recent inspection by His Majesty’s Inspectorate of Constabularies and Fire and Rescue Services. During the process His Majesty’s Inspectorate of Constabularies and Fire and Rescue Services collected more than 1400 pieces of evidence about what they found, all of which needs reviewing and processing into the final report.
2. Their report found that Kent Fire and Rescue Service is performing exceptionally well and has been congratulated for its performance by the Inspectorate. His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services graded the service as:
  - ‘good’ at effectively keeping people safe and secure from fire and other risks.
  - ‘outstanding’ at efficiently keeping people safe and secure from fire and other risks.
  - ‘good’ at looking after its people.
3. The Authority received no areas for improvement, no causes for concern, and no recommendations.
4. His Majesty’s Inspector of Fire and Rescue Services Roy Wilsher added some very pleasing words in the accompanying press release, set out below:

*“I congratulate Kent Fire and Rescue Service on its performance across all three areas of our assessment. Since its last inspection, it has improved in almost all areas.*

*“There are many positives to report. The service thoroughly understands risk and prioritises accordingly, showing some very innovative and clear planning. “Senior leaders have a clear vision for the culture of the service, and staff described a working environment with positive behaviours firmly in place, that are accepted, demonstrated and understood throughout the organisation, using the Fire Service Core Code of Ethics. It has adopted some promising practices, including introducing a neurodiversity passport to reduce the burden on individuals who need reasonable adjustments when completing learning and assessments.*

*“We look forward to continuing to work with the service.”*

5. This represents the culmination of a year’s preparation by the inspection team and officers and Members across the Authority and pays particular testament to the vital role performed by colleagues across the Service in keeping Kent and Medway safe.

6. On the day the outcomes were published the Chief Executive was interviewed by Meridian Television and BBC Southeast News. Communications announcing the outcome were published on the Authority's social media channels, and to all colleagues.
7. In terms of a comparison with the other reports published at the same time and the previous two tranches the following observations can be made:
  - Three Services achieved outstanding for "efficiency" (Kent, Dorset & Wiltshire and Merseyside).
  - West Midlands achieved outstanding for effectiveness
  - Kent is the only Service nationally to have no areas for improvement highlighted in its report
  - Some fire and rescue services in this tranche of reports have in excess of 20 areas for improvement.
  - Kent received the most gradings of "outstanding" in the sub-diagnostics with four. Merseyside achieved three which was the next highest.
8. The final inspection report is attached for Members' information at **Appendix 1** to this report.
9. **State of Fire 2023:** at the same time, His Majesty's Inspectorate of Constabularies and Fire and Rescue Services published its annual "State of Fire" report. This is the first report authored by Matt Parr, the new Chief Inspector. In the report Chief Inspector noted disappointment that only two of the six previous recommendations made in previous State of Fire reports have been completed and urged the government to implement further reform of the sector.
10. The Authority itself is highlighted in the report in five separate examples of notable or promising practice which the rest of the sector could learn from. This is by far the most of fire and rescue service nationally. If considered together, the outcomes of our inspection and the state of fire report indicate that Kent is probably the highest performing fire and rescue service nationally. The State of Fire 2023 report is available on the Inspectorate's [website](#).
11. **Spotlight on Values and Culture:** Members may be aware of the recent independent culture review of London Fire Brigade which highlighted several issues regarding the culture of that organisation. Given the serious issues involved, and to support improvement within the sector, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services will produce a spotlight report on values and culture in all 44 fire and rescue services in England, based on their existing evidence. The Terms of Reference for the report have been published on their [website](#). The outcomes will be reported to a future meeting.
12. **National industrial relations update:** Members will no doubt be aware that the Fire Brigades' Union has announced its intention to ballot its membership for strike action on the grounds of pay. A verbal update on the current position and the mitigations the

Authority has in place should strike action of any kind be taken can be provided at the meeting.

## **B. Outcomes of Safety and Wellbeing Plan**

*Lead/Contact Officer: James Finch - Assistant Director, Corporate Services*

*Tel: 01622 692121 ext 8453, [james.finch@kent.fire-uk.org](mailto:james.finch@kent.fire-uk.org)*

13. The Authority agreed a Safety and Wellbeing Plan update for consultation with the public at its meeting held on 13 October 2022. The major issues covered were:
  - What customers get for their money in the form of a visual performance update
  - Current campaigns being run by customer safety, especially those related to emerging issues such as electrical and home safety, and awareness amongst customers of them,
  - An overview of the forthcoming fundamental review of emergency response, which covers all service delivery to customers
  - Proposals on Council Tax options for 2023/24.
14. Consultation ran from 24 October 2022 to 13 January 2023. The overall message from this survey is that the Authority's campaigns are pleasingly well known amongst customers, with the more longstanding ones probably being more well know. The survey also demonstrates once again that customers believe the Authority provides value for money. Customer opinions were less consistent regarding next year's Council Tax contribution than previous years, although the majority selected some level of increase. A detailed report is attached for Members' information at **Appendix 2**.

## **C. Performance Update**

*Lead/Contact Officer: James Finch - Assistant Director, Corporate Services*

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### **Summary of Performance**

15. This update provides Members with an overview of the Authority's performance between April and December 2022/23 as well as performance against the three-year average targets for the period 2021-24.
16. So far this year 34,298 emergency calls were received in the Authority's control room which is considerably higher than levels seen in the previous year. For the same period in the previous year 26,821 calls had been received with the increase being largely attributed to the busy summer. The Authority has attended 4,310 fires so far this year which is also considerably higher than the same period the previous year (55% increase). The three-year average projection for the 2021-24 period is 5,145 which is higher than the target of 4,210.



17. Members will be aware that the summer was incredibly busy for the Authority with unprecedented numbers of outdoor and rubbish fires and wildfires. These incidents account for 53% of all the fires attended so far this year. The exceptionally dry and hot weather has undoubtedly increased the number of incidents to record levels; the months of July and August had double the number of fires than the individual months of April through June. In addition to the summer activity, the Authority has also experienced an increase in deliberate non-residential premise fires.
18. Whilst the numbers of non-residential fires are comparatively low compared to other property types, the increase in activity is significant. The increase in activity in this area can be almost entirely attributed to fires in prisons and it is important to note that these fires are all minor in nature. Increases in fires reported in prison buildings are not uncommon and are often a sign of unrest or issues within the prisons themselves, and they are often short-lived issues.
19. Accidental fires accounted for 61% of the total fires attended so far, this financial year and, as a result of these fires, four people have died and 61 people have suffered fire related injuries. There has also been one serious injury and 21 slight injuries reported because of deliberate fires this year.
20. In recent years the Authority has reported the lowest ever number of accidental fires in the home. So far this year 439 incidents have been attended which is higher than the levels seen in the previous years. The current projection for the medium-term period (2021-24) is 572 which is 7.5% higher than the target of 532.
21. The Authority has attended 808 road traffic collisions so far this financial year which is higher than the same period in the previous year (786). As a result of these incidents 21 people have died and 101 have been seriously injured.
22. So far this year 65.8% of life-threatening incidents were reached within 10 minutes and 77.3% within 12 minutes. Overall performance is lower than the targets set for these indicators. Performance on response times met target in May but has not met target for the other months so far this year. A higher proportion of life-threatening incidents were in on-call areas which we would not expect that response times could be reached routinely. Further investigations are continuing to identify the causes of these.
23. Overall, the Authority attended life-threatening incidents within 10 minutes on 65.8% of occasions which is lower than the standard of 71%. Of these, life threatening fire incidents were attended in 10 minutes on 68.6% occasions whilst life-threatening road traffic collisions were reached within 10 minutes on 57.7% of occasions. Non-life-threatening incidents were attended within 15 minutes on 87.6% of occasions.
24. The Authority's Customer Safety team has delivered 8,124 Safe and Well Visits to customers across Kent and Medway so far this year. In addition to these visits, 4,947 Home Safety Visits have been carried out by on duty crews and the Home Safety Visit Taskforce.

25. Building consultations received (1,788) have been completed within 21 days on 96% of occasions so far this year. Business Safety teams have also carried out 777 audits of business premises so far this year in line with the Authority's risk-based inspection programme, which is higher than the same period the previous year (634).
26. The Authority aims to have a minimum of 32 with an aspiration of 44 fire engines available day and night across Kent and Medway as detailed in the recently agreed Safety and Wellbeing plan. The number of fire engines available is heavily influenced by the availability of on-call firefighters and can therefore fluctuate over a 24 hour period. So far this year the average number of fire engines available has been 32 during the day (9am-6pm) and 46 in the evening (6pm to 9am). Of the 32 available during the day, 26 of these are full-time fire engines and the remainder on-call.
27. So far this year, 5.0% of all contracted hours have been lost due to sickness. Operational staff have lost 5.67% of contracted hours to sickness and corporate teams' staff have lost 3.47%.
28. Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995: RIDDOR-reportable injuries are those that the Authority is required to report to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. So far this year eight RIDDOR-reportable injuries have been recorded.

#### **D. Response and Resilience Update**

*Lead/Contact Officer: Mark Rist - Director, Response and Resilience*

*Tel: 01622 692121 ext 8231, [mark.rist@kent.fire-uk.org](mailto:mark.rist@kent.fire-uk.org)*

#### **Recent Incidents of Interest**

29. There have been a number of significant incidents since September. A selection of some of the most notable incidents is provided below for Members' information.
30. **Building fire, old water tower, Sheerness – initial call 20.04 hrs 05/09/2022:**  
Firefighters were called to a fire in a derelict water tower. This was a large building around 12m tall and measuring approximately 10 by 25m, which was fully alight on arrival. Due to the large volumes of smoke that were being generated, residents in the vicinity were advised to keep doors and windows closed. A total of five fire engines and one height vehicle attended the incident. Such was the severity of the fire that over 90% of the internal part of the building was destroyed by fire. Due to the resulting instability of the structure, it was not possible to carry out an internal search of the building. However, large numbers of what were believed to be cannabis plants were observed through ground floor openings in the building. Consequently, Police attended and determined that this was a suspected cannabis farm. After around five hours the incident was reduced to one fire engine, which remained in attendance for another 24 hours to continue to damp down hot spots and ensure that the fire did not re-ignite in any areas. The responsibility for the site was handed over to local authority building control on 09/09/2022. Built in the Victorian period, this building had supplied water to

Sheerness until around 1960 but has sat vacant ever since. There had been a previous fire in this building (also attended and extinguished by the Authority) in July 2016.

31. **House fire, Five Oak Green, Tonbridge – initial call 04.49 hrs 12/09/2022:** Two fire engines were mobilised to reports of a smoke-filled kitchen in a house. Upon arrival firefighters forced entry into the property and discovered an adult male lying on the sofa in the sitting room. Firefighters immediately carried out a rescue and removed the casualty from the property. Sadly, the casualty was confirmed as deceased by SECAmb. Whilst there was extensive smoke damage throughout the whole property, the level of fire damage was limited to only part of the sitting room. The Fire Investigation Team attended and conducted a scene examination which concluded that the fire was most likely caused by a discarded cigarette on the sofa, which resulted in a smouldering fire.
32. **House fire, Wrotham, Sevenoaks – initial call 15.13 hrs 12/09/2022:** This was a large fire in the upper floor and roof space of a substantial detached house. On arrival crews were faced with a fire which had consumed the front bedrooms and broken through to the roof. Once hoses were set up and a hydrant connected to allow external firefighting, firefighters in breathing apparatus entered the property to fight the fire from inside. It was determined that the internals of the building were becoming unstable. The breathing apparatus team were withdrawn and tactics changed to firefighting defensively. At the height of the incident seven fire engines and five specialist vehicles, including a height vehicle and six officers, were in attendance. As part of the response, the height vehicle was used in conjunction with the drone to great effect to give a visual overview of fire spread, which allowed the tactical plan to be reviewed more frequently based on an accurate real-time overview. The height vehicle was also used to check for hot spots towards the close of the incident. In addition to dealing with the fire, the crews also removed items from the property in a salvage operation that was undertaken in line with the owner's requests. Such was the severity of the fire that over 90 per cent of the roof and first floor had been severely damaged.
33. A fire scene examination was undertaken by the Fire Investigation Team. This determined that the fire originated in a guest bedroom. A concave makeup mirror had been moved to the south side of room and placed on a table at a south facing window. Refracted sunlight from this was then focussed onto soft furnishings in the room which ignited and subsequently spread to the rest of the room.
34. **Building fire, Dirty Habit public house, Hollingbourne – initial call 20.23 hrs 09/10/2022:** A large and rapidly developing fire broke out in the kitchen of this Grade II listed pub. It was first noticed when fire was seen on the kitchen extraction ducting on one side of the building. Employees of the pub attempted to extinguish the fire, but it spread rapidly through the extraction duct, vented out of the top and then spread to other parts of the building. From this point it then spread through roof voids, leading to the collapse of parts of the roof, floor joists and internal walls. All the pub patrons and employees and occupants of affected properties were safely evacuated with no casualties. The size and severity of this fire meant that at its peak there were 20 fire

engines, 10 specialist vehicles and 11 officers in attendance. The Fire Investigation Team attended and carried out a joint investigation with forensic insurance investigators, although the ability to undertake an investigation inside the building was limited due to safety concerns about the structural integrity of parts of the building. Nonetheless it was discovered that fire was sustained and fuelled by grease and oil deposits that had built up in the trunking ducts. An old window opening had been used to pass the ductwork from the interior to the outside and it was identified that timber used in the void behind the cooking area in the vicinity of the window was butted up to the ductwork. When this ductwork reached high temperatures due to the fire within, it then ignited, and fire spread to the building structure. The fire then travelled through voids within the building to spread, initially venting through the old window which had been boarded over with timber sheeting. Photos obtained from the public show the intense rate of fire within the ducts with flames exiting the top with rocket-like force. Firefighters successfully protected and limited the damage to the surrounding buildings. There is an approximately 400-year-old grade II listed building next door just under one metre away from a severe fire, with the roof overhang just 60 cm away. However, due to the firefighters' skill and tactical planning, including highly effective use of compressed air foam, this building suffered little notable fire or heat damage.

35. **Road traffic collision, M20 Sevenoaks – initial call 08.27 hrs 17/10/2022:** Firefighters attended an incident on the hard shoulder of the coastbound carriageway between junctions 1 and 2. It transpired that a vehicle had hit the barrier and come to a rest on the hard shoulder of the motorway. Two passing cars then stopped on the hard shoulder to give assistance. All three drivers (two female, one male) exited their vehicles and were then struck by another vehicle. Both female casualties had died while the male casualty suffered spine and leg injuries. The crews then assisted SECamb and HEMS (Helicopter Emergency Medical Service) with providing medical assistance and screening for the incident.
36. **House fire, Ashford – initial call 12.00 hrs 04/11/2023:** a call was received to a fire in the rear bedroom of a two-bedroom bungalow. Firefighters wearing breathing apparatus entered the property and rescued an adult male adult who was taken to hospital by ambulance with the effects of smoke inhalation. The fire damage was limited to the bedroom. The Fire Investigation Team attended and conducted a fire scene examination. This determined that earlier in the day a concave shaving mirror had been moved to a bedside chest of drawers. The bedroom is south facing, and the weather was bright and sunny on the day. The Fire Investigation Team were able to ascertain the direction of sunlight travel and the position of the mirror as the firefighters had effectively preserved the scene. Based upon this the fire was determined to have been caused by refracted sunlight from the shaving mirror igniting the soft furnishings on the bed from where the fire spread to other flammable materials.
37. **Animal rescue, Higham, Rochester – initial call 12.59 hrs 10/11/2022:** Firefighters responded to an incident where a cat had fallen from a flat roof and got stuck in the space between the external walls of two houses. Firefighters arrived to find residents were on the flat roof attempting to rescue the cat. After moving the residents to safety,

the firefighters used a reach pole and also a line to try to secure the animal, but this was unsuccessful. The location meant that it was very difficult to see so crews used a thermal imaging camera to determine the size and location of the cat. The Technical Rescue Team were then mobilised and made a hole in the side of the property. This had to be made larger and a toilet was removed, which then created enough space to be able to reach into the void and rescue the cat. The cat was then taken to the vets for a check-up by their owner and has made a full recovery after its ordeal.

38. **Boat sinking, English Channel – initial call 04.44 hrs 14/12/2022:** The Authority supported partner agencies with the provision of equipment and officers in the major operation that was launched after a rigid inflatable boat travelling from France sank off the Kent coast leading to the deaths of four of the passengers. The boat's passengers, among whom it was reported were eight unaccompanied children, are understood to have been refugees trying to reach the UK. During the operation which involved a fishing boat crew who were first on the scene, HM Coastguard, the RNLI, the Royal Navy, Border Force, Kent Police and SECamb, 43 people were rescued with over 30 of them being pulled from the sea. This was an incident that generated national press interest, along with statements from the Prime Minister, the Home Secretary, the French Minister of the Interior and the UNHCR. The Marine Accident Investigation Branch is currently reviewing evidence of the incident to decide whether an inquiry should be launched.
39. **Rescue from water, Dock Road, Chatham – initial call 04.17 hrs – 17/01/2023:** Police requested the attendance of firefighters following a report that a teenage boy had fallen into the river Medway and got trapped in the mud. A crew member in a dry suit with a rescue sling was lowered to the casualty. During the rescue the casualty became unconscious – although still breathing. He was then passed to the care of SECamb, who reported that the conditions and duration of exposure had meant there was a potential for frostbite.
40. **Explosion and Residential Building Collapse – Pier Road, St Helier, Jersey – 10/12/2022:** Jersey FRS requested the attendance of Hampshire and Isle of Wight Fire and Rescue Service's Urban Search and Rescue team following an explosion and building collapse, trapping nine residents. Ten technical responders and two tactical advisors plus specialist technical rescue equipment, including breakers and specialist listening devices were deployed.
41. Due to the 24-hour working pattern, Hampshire requested two tactical advisors from Kent be deployed to support operations to locate the missing persons. Sadly, the incident had moved from a rescue to a body recovery operation. On Tuesday 13th December, two tactical advisors from Kent were deployed and took over the incident. Along with partner agencies, they located and recovered all the missing persons and returned to the UK on Sunday 18 December.
42. On 5 January a further request was received for Kent's USAR team to be re-deployed to Jersey to assist with the investigation and recover personal effects for the effected

families. The team worked systematically with colleagues including specialist scene of crime officers, forensic archaeologists, and scientific structural engineers to protect vital evidence and remove floors and debris. They returned to the UK on Saturday 21 December.

43. The Kent team received very positive feedback and messages of thanks from the authorities in Jersey, who provided fantastic support to the team.

### **Manchester Arena Inquiry Outcomes**

44. Volume 2 of the inquiry into the attack on Manchester Arena was published on 3 November 2022. This volume examines the emergency response. The report highlighted several failings across responders and made 149 recommendations.
45. Immediately following the attack, the Authority began to examine its own planned response to terrorist incidents to ensure that it is well placed to respond effectively. This included taking the learning from the Kerslake report, which also explored events on the night, and resulted in improvements to procedures such as multi-agency communications. The Authority has also increased its capacity to respond through the training of additional specialist responders. We are concluding an initial gap analysis of the Authority's current position when set against the inquiry recommendations. Progress against resultant actions will be overseen by the Assistant Director Response and managed in accordance with our Operational Learning process.
46. The application of the Joint Emergency Services Interoperability Principles (JESIP) during the response was noted as being ineffective, particularly around communication and joint understanding of risk. The authority fully embedded JESIP in 2013, with all operational staff receiving JESIP awareness training as part of their induction and all incident commanders at every level receiving initial and revalidation training in its implementation. All practical exercises have JESIP related objectives; the authority supports the Kent Resilience Forum in delivering JESIP training to our partners across Kent and Medway. The level of JESIP engagement is reported quarterly to the central JESIP office with the HMICFRS noting that our commanders are effective in using JESIP to the benefit of our customers. This positive feedback is supported by our own operational learning, where JESIP is reviewed during all our incident and exercise debriefs.

### **Changes to the Way We Maintain our Fleet**

47. The Authority currently utilises Commercial Services Trading Limited to provide planned maintenance and repair services for its fleet of operational vehicles, and additional operational equipment. Members will recall that In April 2022, Commercial Services informed the Authority of its intent to withdraw from providing these services with effect from 31 March 2023. Work has been underway to bring these services in house, under the management of the Authority's Fleet and Equipment Services team.

48. Commercial Services colleagues will become employees of the Authority under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
49. We anticipate continuing to operate from the current Commercial Services leased premises. During the course of the next 12 months, we will review the suitability of this premises, with a view on the development of the service in the coming years and to provide better facilities and conditions for our new fleet maintenance colleagues. Further information regarding the lease and the interim arrangement is provided elsewhere on this agenda.

### **Renewing our Breathing Apparatus Equipment**

50. Breathing Apparatus is one of the most important items of Personal Protective Equipment we provide to firefighters, helping them to safely conduct the most risk critical part of their job – fighting fires and rescuing people from burning buildings. Our current equipment is due for replacement in 2024/25. We have started working with partner fire services in East Sussex, West Sussex, and Surrey to jointly procure new breathing apparatus sets. This represents a significant investment for the Authority. Taking a collaborative approach to procurement will help to ensure we achieve value for money through economies of scale. It will also allow us to lay the foundations for better joint working at incidents.
51. We are putting engagement with firefighter colleagues at the heart of this replacement project. The priorities they have outlined so far include better communications equipment, ensuring sets are easier to decontaminate, and lighter equipment. We are also ensuring that we are taking an inclusive approach and will be looking to ensure breathing apparatus sets can accommodate a wide range of user needs.

### **Technical Training and Professionalism Update**

52. In December we awarded the first of our FirePro verifications to over 200 colleagues. This will result in the Institute of Fire Engineers (IFE) awarding a certificate enabling them to become graded Technician members of their professional body.
53. As we said in the original integrated learning and Assurance Model (ILAM) we want the equivalent of the gas industry Gas Safe certificate where someone has a 'ticket' to work as a professional which means something to the public. After Grenfell and Manchester Arena reports its even more vital that we can 'certify' each person is competent to practice as a professional firefighters and incident commanders. We plan for all operational firefighting colleagues to have completed this by October 2023.

### **Resilience and Business Continuity Update**

54. **Power resilience:** The Resilience team has produced an interim plan for Local Power Outages which will be embedded into the refreshed Business Continuity Response and Recovery plan. The team are attending workshops run by the Kent Resilience Forum to get an understanding of the impacts on other partners in the county and any assistance

that may be requested to ensure these can be worked into our plans, as well as facilitating internal workshops with department heads to understand the risk of outages and other winter pressures across the service. A small scale exercise will be taking place whereby power to an on-call station will be turned off, to assess and mitigate any effects. The team has also attended a Cabinet Office exercise relating to a national power outage which was led by the KRF, and a follow up 3-day exercise is taking place in March, which will feed into both KRF and KFRS plans.

55. **Exercises:** Between March and December 2022 the service recorded 116 exercises, of which 47 were practical, 31 were tabletop, and 38 were professional discussions following a response awareness visit. There were several National Resilience led exercises, as well as some held out of county and abroad. The Exercise Planning Group has now been in place for almost a year and ensures that the Authority is conforming to the legislative requirements for exercising and training. The next phase of this will see the response awareness visit and exercise processes incorporated into one streamlined process to ensure that all high and very high-risk sites in Kent and Medway are visited and exercised against.
56. **Hydrants:** Currently 100% of all statutory fire hydrants across Kent and Medway have been inspected within the last four years This is due to improved working practices and additional inspections. In the past six months new housing developments across Kent and Medway have been identified as low provision sites and we are now inspecting these sites as a matter of priority. Fire hydrants will have to be adopted by local water companies with the responsibility for maintenance cost then sitting with the Authority.

### **Fire Control and the Networked Fire Service Control Partnership (NFSP)**

57. At the Authority meeting in October 2022, Members approved the request for this fire authority to formally apply to become a member of the NFSP. The NFSP is a partnership between Devon and Somerset Fire and Rescue Service, Dorset and Wiltshire Fire and Rescue Service, and Hampshire and Isle of Wight Fire and Rescue Service, which gives them the capability to handle each other's 999 calls during periods of high operational activity. Having this capability was one of the outcomes from the Grenfell Tower Inquiry, which identified the importance of fire and rescue services being able to work closely from a fire command and control perspective.
58. The NFSP has now accepted the Authority as the fourth member of the NFSP.
59. In practical terms, this will mean that once a new mobilising system is procured calls that take longer than six seconds are passed to another specialist fire control room, if the call is then not answered in ten seconds it is transferred to two further specialist fire control rooms. This effectively means that under a major incident scenario we have access to a minimum of 16 specialist fire control operators who can give lifesaving fire survival guidance advice to our customers. We currently have a minimum of four specialist operators and our partners in the police control room that can provide basic lifesaving advice. This is a significant increase in the resilience of our fire control room.



60. The benefits this will provide will be realised through the new mobilising and communication system that we have begun the process of procuring with the NFSP.
61. In addition to this, the new fire control room in partnership and in collaboration with Kent Police is nearing completion. This control room, which remains co-located with the Kent Police control room, is situated at the Coldharbour site in Maidstone. Both police and fire control rooms are planned to be moved through the summer and autumn of 2023. The fire control room will use the existing system in the new location until the NFSP control system is implemented in the latter part of 2025.

**E. Prevention, Protection, Customer Engagement and Safety Update**

*Lead/Contact Officer: Jon Quinn - Director, Protection, Prevention, Customer Engagement and Safety Tel:01622 692121 ext 7806, [jon.quinn@kent.fire-uk.org](mailto:jon.quinn@kent.fire-uk.org)*

62. This section of the report provides Members with an update on the current activities, campaigns and initiatives within the Building Safety; Customer Safety; Customer Experience and Behaviour Change; and Engagement teams.

**Building Safety**

63. The new Fire Safety (England) Regulations 2022 came into force on 23 January 2023. This relates to high-rise premises over seven floors as a result of the Grenfell Tower fire and requires the responsible person to provide additional information to the Authority. Systems and processes are now in place to manage incoming electronic risk information provided by building owners.
64. As part of the Authority's regulatory duties, two business owners were fined in October 2022 for breaching a Prohibition Notice issued by the service's Building Safety team. The Authority is committed to ensuring that all buildings in Kent and Medway are fire compliant and will take all the necessary steps to make sure fire safety regulations are adhered to, including enforcement action and prosecution.
65. The Building Safety team has recruited a number of new inspecting officers who are now undertaking training to become competent in their role. The team will be supporting upcoming regional work with the Building Safety Regulator following the implementation of the Building Safety Act 2022. A further update will be provided to Members when this work is finalised.
66. The Dynamics project, which will enable colleagues to view risk information relating to building and customers across Building Safety, Customer Safety and Response, has now moved to the next phase of development. This work will further improve the user interface and risk information sharing to enable operational colleagues can better respond to incidents.

## **Behaviour Change**

67. The Behaviour Change team has completed the first phase of a project to increase the level of customer insight. The research sought to understand views on smoking, customer experience, employment, website access and wider communication. In the coming months the team will work through the recommendations to identify any immediate actions to improve safety messaging and general service to our customers.
68. As part of the Authority's strategy to align our education programme with the school curriculum, the Behaviour Change team will support the review of Key Stage 2 interventions, which will begin in the coming months. Further updates will be provided to future Authority meetings.

## **Collaboration**

69. The Collaboration team has been working closely with multi-agency partners supporting arrangements around immigration and people seeking asylum. The team have co-ordinated education sessions to ensure customers at immigration sites are clear on what to do in the event of a fire and what to expect when the fire service arrives.
70. The team has also been working with food banks supporting people affected by the cost of living. The team has spent time liaising with banks, sharing information and testing engagement activities with customers referred to foodbanks. This has resulted in a number of referrals to our Safe and Well and Safeguarding teams for further support. This engagement will continue over the coming months, further improving the referral routes to our services.
71. The Medway Taskforce officer has been instrumental in supporting at risk homeless customers who were living in a derelict block of flats. A multi-agency response to the premises was undertaken and individual support put in place for people using the premises for sleeping.
72. The Collaboration team hosted several engagement events at the end of 2022, including the Dartford Tamil group, Magdalene Ministry, Black History Association Gravesham and The Umbrella Centre Canterbury. The sessions delivered key safety messages, taught key lifesaving skills, and highlighted opportunities for a career in the Fire Service.

## **Customer Experience**

73. Members will recall that the Authority successfully achieved ServiceMark accreditation by the Institute of Customer Service in 2020. To maintain the accreditation for a three-year period, mid-term benchmarking was undertaken in October 2022. The Business Benchmarking survey was carried out to compare our customer service with other organisations, including those in the public sector. Using the UK Customer Satisfaction Index the Authority achieved a remarkable score of 96.3 out of 100, an increase from

95.3 in 2020. For comparison, the all-sector average for the UK was 78.4 and local public services was 72.3. Local fire services on average scored 83.5.

74. The Institute of Customer Service also measured the Net Promoter Score (NPS) for the Authority, which identifies whether customers would recommend the Service to friends and family. Against this measure the Authority scored 93.0 out of 100, up from 92.6 in 2020. The UK all sector average for NPS was 27.9 and for local public services it was just 12.2.
75. Finally, the Institute of Customer Service identified how much effort customers needed to access the service they needed. For this indicator a low score is better than a high score, indicating less effort required. The Authority scored 1.7 out of 10, an improvement on the score of 2.9 achieved in 2020, and far better than the UK average of 5.3 and the local public sector average of 5.8.
76. The Institute of Customer Service also carried out a survey with all colleagues across the Service to measure the progress in achieving a customer centred culture, including delivery processes, training, strategy and leadership. The Authority scored 69.86 against this index which was very similar to the score in 2020. The detailed results of the survey will be used to identify areas for improvement which largely centre on awareness and communication.
77. The customer experience team is supporting a new programme to transform internal customer experience, for example corporate services provided to operational stations. This is important as it is known that a customer focused approach not only supports better outcomes but can also improve efficiency and effectiveness. To identify the opportunities for improvement, the public sector transformation partner, Improvement and Efficiency Southeast, undertook research which included speaking to colleagues across the organisation.
78. Improvement and Efficiency Southeast confirmed that internal customer service was generally good throughout the Authority but believed that with some changes it has the potential to be excellent. A transformation board, chaired by the Chief Executive, has been established to oversee these changes.
79. A new cohort of twenty-two Customer Ambassadors have now received initial training. These individuals, who undertake the role on a voluntary basis, will act as the customer's voice across the organisation, supporting a customer centric culture. They are now able to use a number of tools and techniques, such as customer journey mapping, which will support projects and service improvements.
80. To support continuous improvement, it is essential that the Authority receives timely feedback directly from its customers. As reported to the Authority in June, customers are actively encouraged to provide feedback, via surveys, after a home safety visit. Following a successful pilot, a similar process has been adopted for operational incidents and building safety will follow shortly. This will provide a complete picture of the primary customer services provided by the Authority.

## **Customer Safety**

81. The Safe and Well team and Home Fire Safety Visit Task Force have worked with operational colleagues to identify and target customers who may be affected by the cost of living. Using the Index of Multiple Deprivation (IMD), visits took place in Margate, Chatham and Sheppey. The teams looked to identify unsafe cooking or heating practices, provided advice linked to the Save Safely campaign and carried out referrals for further support where needed. During January 2023, the visits were rolled out across Kent and Medway.
82. The Education team has supported the Save Safely campaign, delivering key messaging to groups via fire safety talks and pop-up events at various locations across Kent. In October 2022 the team also supported the Restart a Heart initiative, delivering lifesaving messages to year six children (reaching 253 more students than in 2021).
83. The number of safeguarding referrals received continues to rise. Cases have increased in complexity, with additional responsibilities placed upon the Authority to ensure a person-centred approach to safeguarding with partner agencies. To support the increase in demand, the number of designated safeguarding officers has been increased to 23. A new Safeguarding Lead role has been introduced, and the Safeguarding Manager post adjusted to focus on case management and learning.

## **Engagement**

84. The recruitment pages on the Authority's website have been redesigned, with further development to come. The new pages will give customers and job hunters more insight into all teams, workforce, benefits and the culture of the organisation. This will play an important role in helping to appeal to a targeted marketplace of people looking for new job opportunities. The pages have been developed to include more visual and video content, blog posts and staff experiences.
85. The next recruitment campaign for volunteers launched in January 2023. The Authority will be recruiting for three roles – Event Support Volunteers, Resource Hub Support and the Volunteer Response Team. They will be especially targeted for West Kent to build resilience in this area. A number of positive action events have been held to encourage applications from under-represented groups.
86. The 'Save Safely' campaign, designed in response to the rising cost of living, achieved good local media coverage upon its launch in late September 2022. The campaign has continued to feature in local news and wider publications throughout the winter, bolstered by case studies and fresh news angles. The campaign currently focuses on safe home heating tips and heating hazards, and it set to end on 31 March. The campaign will be reviewed during spring/summer.
87. The Authority launched a kitchen fire prevention campaign called 'Hook it, Don't Cook it' in November 2022, which aims to encourage residents to hook or store tea towels or other items at least 50cm away from the hob. The behaviour change campaign is based

on research and incident data, which highlighted the target geographical areas for paid advertising should be Medway, Swale and Thanet. This campaign will pause in April after six months running time, be reassessed and will relaunch for a further six months in November 2023 – as research identified most kitchen fires happen in the colder month.

88. Planning for the next campaign is currently underway. The campaign focuses on closing internal doors at night to prevent injuries and property damage and allow for safe escape routes in a fire. Focus groups and co-creation with members of the target audience are underway, and the feedback will help shape the campaign in the development stages this spring, before it goes live in the summer.
89. A year ago, the Authority launched a KFRS' TikTok account. This now has 17,000+ followers – bypassing Instagram growth at a staggering rate. The Engagement team are experimenting with different styles of content on TikTok, as the channel requires a much more instant and trend-led approach to engage its audience effectively, compared to other platforms. Much of the content is created in collaboration with the education team as it's largely watched by a younger audience. Content creation is centred around safety and prevention has so far performed exceptionally well, with some videos being watched millions of times, and actively saved for repeat viewing by thousands.
90. The Authority has increased the focus on Nextdoor, which is a hyper local social media platform with the ability to target residents living in specific towns, villages, and even individual roads. This is particularly useful for warn and inform statutory messaging, and ultra-targeting for recruitment and campaign work.
91. During October 2022, the Authority successfully delivered a further three Fire Station 'Autumn Open Day' events (Dartford, Margate, and Hoo), each event selling out of their allocated tickets (through Eventbrite) totalling 900 bookings.
92. The Spring Open Days will take place during the Easter break at a number of smaller day-crewed and On-Call fire stations. Further details will be sent to Members in the coming weeks. Planning for 2023's events involved a deeper use of data and demographics around communities living around fire stations. Higher risk areas have been identified to deliver all 2023 open days and held in locations where there a diverse mix of customers, which will help the organisation to reach under-represented groups with greater impact to support behaviour change and fire safety awareness.

#### **F. Climate Action Plan Update**

*Lead/Contact Officer: James Finch - Assistant Director, Corporate Services*  
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93. In conjunction with other local authorities across Kent and Medway, in 2020 the Authority declared a climate emergency. We also set ourselves the ambitious goal to become carbon neutral by 2030 and have developed a Climate Action Plan to achieve this. As part of our plan to achieve our target, we appointed a firm of energy

management consultants to calculate our carbon footprint and model ways in which this could be reduced. It was established that based on 2018 emission levels, the Authority will use our entire budget to 2100 within 6 years from 2020, so we need to deliver a rapid and very significant drop in emissions.

94. The Climate Action Plan is made up of 59 actions split over 6 headings and is published on the Authority's website. To date 20 of those actions are complete and 31 are in progress. A substantial focus has been placed on communicating our position and objectives and influencing the behaviour of KFRS colleagues. To achieve this, multiple presentations have been given to colleagues across the Service and initiatives and events have been set up to improve engagement and awareness. These include collaborative social value events with our supply chain partners such as community litter picks, and biodiversity events with colleagues across the estate, as well as weekend events run for KFRS colleagues and their young families.
95. As it has been identified that emissions associated with fuel use for operational vehicles account for over half our carbon footprint (53%), with gas consumption responsible for just under a third (32%), the two areas of focus currently are:
- Feasibility studies for heat pumps to be considered as an alternative to conventional gas heating.
  - Investigating the use of biodiesel, including Hydrogenated Vegetable Oil (HVO) to reduce carbon emissions of our operational fleet.

## **G Freedom of Information Update**

*Lead/Contact Officer: James Finch - Assistant Director, Corporate Services*

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96. As part of the Authority's commitment to transparency and good governance, a regular update is brought to Members' attention on the number of Freedom of Information requests received by the Authority along with more detailed information about the way such requests have been processed.
97. A total of 153 Freedom of Information requests have so far been received in 2022/23 (up to and including 18/01/2023). For comparison, for the same period in 2021/22 the Authority received 155 Freedom of Information requests (out of a total of 188 for that year). All Freedom of Information requests responded to so far in 2022/23 have been dealt with within the statutory limit of 20 working days (starting with the first working day after the request was received).
98. So far 11 Subject Access Requests have been received in 2022/23 (up to and including 18/01/2023). All Subject Access Requests received in 2022/23 have been dealt with within the statutory limit (from the day the Authority receives the request [whether it is a working day or not] until the corresponding calendar date in the next month).
99. **Revised Code of Practice for Freedom of Information Requests:** In 2018, the Cabinet Office published a revised Code of Practice for Freedom of Information

requests. The Code of Practice provides guidance for public authorities on best practice in meeting their responsibilities under Part 1 (right of access to information) of the Freedom of Information Act. This Code of Practice is designed to be considered alongside the current guidance on best practice published by the Information Commissioner's Office.

100. Section 8 of this Code of Practice covers publication schemes and provides more specific guidance on two areas which supplements the existing guidance published by the Information Commissioner's Office. These are: Compliance Statistics and Senior Executive Pay and Benefits. With Compliance Statistics, the intention is for authorities to provide more detailed information on their performance in handling Freedom of Information requests. Unless otherwise stated, the information should be published on a quarterly basis and include the following:

- The number of requests received during the period.
- The number of the received requests that have not yet been processed.
- The number of the received requests that were processed in full (including numbers for those that were met within the statutory deadline, those where the deadline was extended and those where the processing took longer than the statutory deadline).
- The number of requests where the information was granted in full.
- The number of requests where the information was refused in full.
- The number of requests where the information was granted in part and refused in part.
- The number of requests received that have been referred for internal review (reported annually).

101. The requirement is for this to be reported on a quarterly basis in line with central Government and the Authority is fully compliant with this. The reporting periods are as follows:

- Q1: April to June
- Q2: July to September
- Q3: October to December
- Q4: January to March

102. An update is brought to Members' attention as part of the Information Update Report that forms part of each agenda for the Authority. **Table 1** presents the current update for 2022/23:

**Table 1: Reporting against the revised Code of Practice 2022/23**

	2022/23			
	Q1	Q2	Q3	Q4*
The number of requests received during the period	43	64	36	10
The number of the received requests that have not yet been processed	0	0	0	9
The number of the received requests that were processed in full	43	64	36	1
The number of requests where the information was granted in full	31	49	25	1
The number of requests where the information was refused in full	1	4	0	0
The number of requests where the information was granted in part and refused in part	11	11	11	0
The number of requests received that have been referred for internal review	0	0	1	0
Number of subject access requests**	3	2	6	0

\* Q4 is currently incomplete as it covers the period from 01/01/2023 to 31/03/2023

\*\*Although this is not a requirement in the Code, it is reported to Members.

## H. Insurance Update

Lead/Contact Officer: Alison Kilpatrick Director, Finance and Corporate Services  
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103. It was agreed by Members at the July 2021 Authority meeting that all future reports would be based on the Fire and Rescue Insurance Company Financial year (our insurance policy year) of 1 November to 31 October and that an insurance report reflecting this format would be submitted to the Authority each February. This enables a full year's worth of data to be captured and also allows for the impact of insurance renewal to be reported in line with the previous year's Fire and Rescue Insurance Company data and the Authority's performance. The biggest change in the distribution of claims is a spike in property claims, primarily caused by damage to Tonbridge fire station caused during Storm Eustice early in 2022. This year's update is attached at **Appendix 3** for Members' information.



## **I Pensions and Pensions Board Update**

*Lead/Contact Officer: Mark Rist - Director, Operations (Chair of the Pension Board)*  
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104. Members will recall that, in accordance with the Public Service Pensions Act 2013, the Authority established a Pension Board in relation to the Firefighters' Pension Schemes comprising representatives of both the employer and employees. To ensure that Members are kept informed of the issues discussed and can be reassured that the Authority is complying with its duties under the Act, Minutes of the Pension Board meetings are routinely reported to the Authority. Accordingly, an update from the last meeting of the Authority's Pension Board is attached at **Appendix 4** for Members' information.

### **IMPACT ASSESSMENT**

105. There are no cost implications arising directly from this report.

### **CONCLUSION**

106. Members are requested to:

- 106.1 Consider and note the contents of the report.

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# Fire & Rescue Service 2021/22

## Effectiveness, efficiency and people

An inspection of Kent Fire and Rescue Service



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# About this inspection

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This inspection is from our third round of inspections of fire and rescue services in England. We first inspected Kent Fire and Rescue Service in January 2019. We published a report with our findings in June 2019 on the service's effectiveness and efficiency and how it looks after its people. Our second inspection, in autumn 2020, considered how the service was responding to the pandemic. This inspection considers for a second time the service's effectiveness, efficiency and people.

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In this round of inspections of all 44 fire and rescue services in England, we answer three main questions:

1. How effective is the fire and rescue service at keeping people safe and secure from fire and other risks?
2. How efficient is the fire and rescue service at keeping people safe and secure from fire and other risks?
3. How well does the fire and rescue service look after its people?

This report sets out our inspection findings for Kent Fire and Rescue Service.

## What inspection judgments mean

Our categories of graded judgment are:

- outstanding;
- good;
- requires improvement; and
- inadequate.








Good is our expected graded judgment for all fire and rescue services. It is based on policy, practice or performance that meet pre-defined grading criteria, which are informed by any relevant [national operational guidance](#) or standards.

If the service exceeds what we expect for good, we will judge it as outstanding.


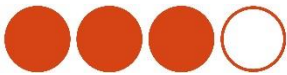

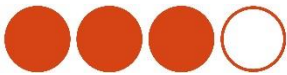


If we find shortcomings in the service, we will judge it as requires improvement.

If there are serious, critical or systemic failings of policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of inadequate.

# Overview

Question	This inspection	2018/19
 <b>Effectiveness</b>	 <b>Good</b>	<b>Good</b>
Understanding fires and other risks	 <b>Outstanding</b>	Good
Preventing fires and other risks	 <b>Good</b>	Good
Protecting the public through fire regulation	 <b>Good</b>	Requires improvement
Responding to fires and other emergencies	 <b>Good</b>	Good
Responding to major and multi-agency incidents	 <b>Good</b>	Good

Question	This inspection	2018/19
 <b>Efficiency</b>	 <b>Outstanding</b>	<b>Good</b>
Making best use of resources	 <b>Outstanding</b>	Good
Future affordability	 <b>Outstanding</b>	Good

Question	This inspection	2018/19
 <b>People</b>	 <b>Good</b>	<b>Good</b>
Promoting the right values and culture	 Outstanding	Good
Getting the right people with the right skills	 Good	Requires improvement
Ensuring fairness and promoting diversity	 Good	Good
Managing performance and developing leaders	 Good	Good

### HM Inspector's summary

It was a pleasure to revisit Kent Fire and Rescue Service, and I am grateful for the positive and constructive way that the service engaged with our inspection.

I congratulate Kent Fire and Rescue Service on its excellent performance in keeping people safe and secure from fires and other risks. We have judged the service to be outstanding in four areas and good in all the others. There are many positives to report.

I am pleased how the service has progressed since our last inspection, including addressing seven of the eight areas for improvement that we had identified.

My principal findings from our assessments of the service in the last year are as follows:

- The service has a thorough understanding of the risks it faces.
- It has set clear priorities for the use of its resources, and it has well-structured risk-based plans.
- The service has introduced a range of measures to ensure that its workforce is productive.
- Senior leaders have a clear vision for the service's culture, and lead by example.

Also of note are the [innovative practices](#) that we have found:

- The service has developed a process to gather and use risk information in a timely and effective way.
- The presentation, clarity, and purpose of the service's plans is excellent.

And the [promising practices](#) we have identified:

- The service makes excellent use of its procurement arrangements.
- The national [Core Code of Ethics](#) has been used to support a positive culture.
- The service has introduced a neurodiversity passport to reduce the burden on individuals who need reasonable adjustments.

The service has assessed an appropriate range of risks and threats after a thorough risk management planning process. When assessing risk, it has considered relevant information collected from a broad range of internal and external sources.

It has set clear priorities for the use of its resources, and it has well-structured plans.

It knows what it wants to achieve based on a thorough understanding of risk.

The service has explained its objectives and priorities clearly in a set of well-presented strategies which are fully aligned with its customer safety plan.

We are pleased to see that the service's arrangements for managing performance clearly link resource use to its customer safety plan and strategic priorities.

The service continues to take steps to make sure the workforce is as productive as possible. This includes implementing new ways of working.

Senior leaders have a clear vision for the culture of the service, and staff described a working environment with positive behaviours firmly in place, that are accepted, demonstrated and understood throughout the organisation.



**Roy Wilsher**

HM Inspector of Fire & Rescue Services



# Service in numbers



## Response

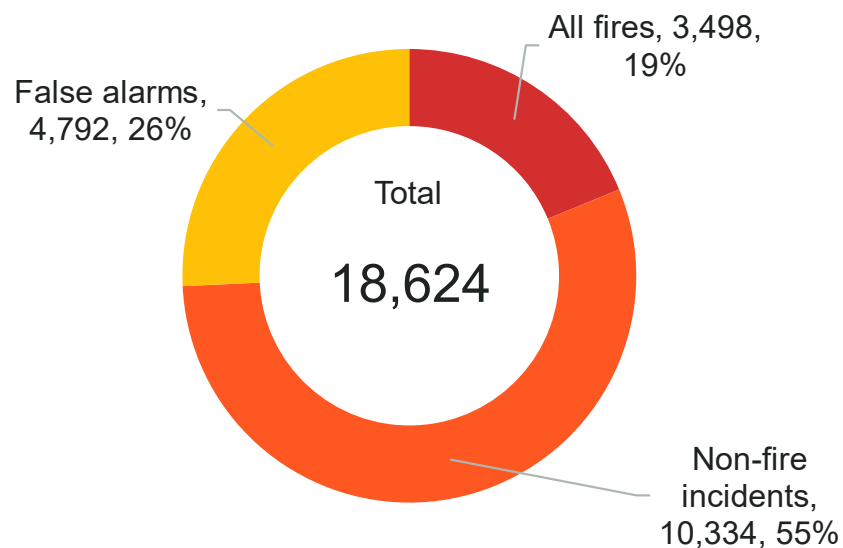
	Kent	England
Incidents attended per 1,000 population Year ending 31 December 2021	9.97	9.82
Home fire safety checks carried out by fire and rescue service per 1,000 population Year ending 31 March 2021	5.45	4.47
Fire safety audits per 100 known premises Year ending 31 March 2021	4.76	1.70
Average availability of pumps Year ending 31 March 2021	65.1%	86.4%



## Cost

Firefighter cost per person Year ending 31 March 2021	£18.23	£25.02
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### Incidents attended in the year to 31 December 2021

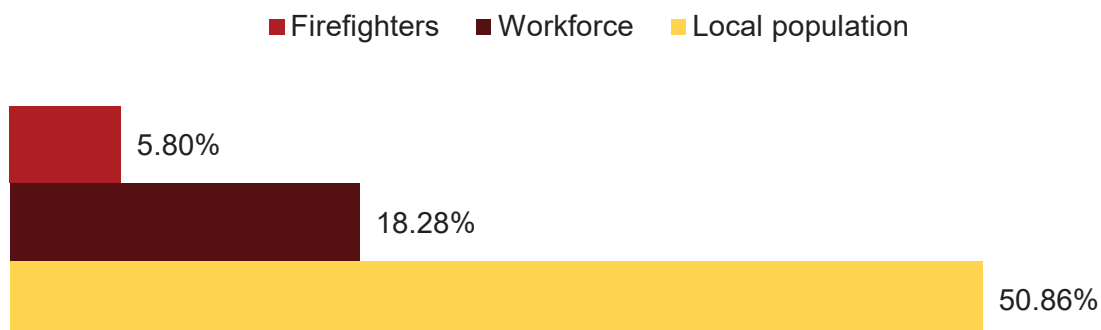




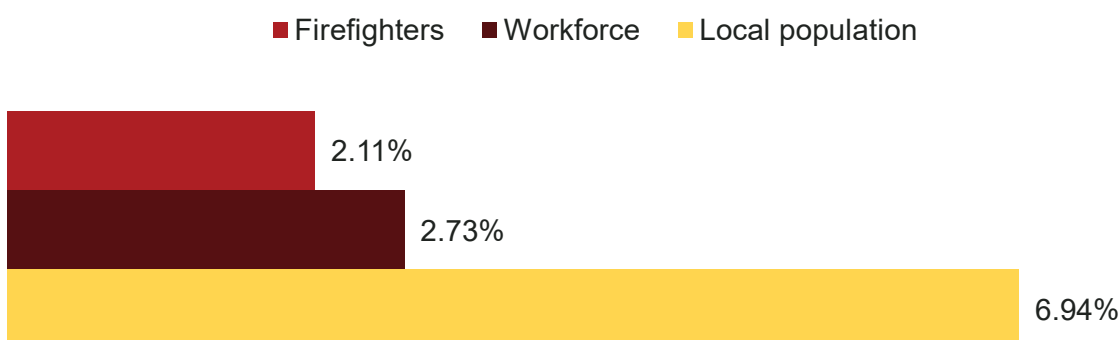
## Workforce

	Kent	England
Five-year change in total workforce 2016 to 2021	5.88%	-1.60%
Number of firefighters per 1,000 population Year ending 31 March 2021	0.63	0.62
Percentage of firefighters who are wholetime Year ending 31 March 2021	57.5%	64.4%

### Percentage of population, firefighters and workforce who are female as at 31 March 2021



### Percentage of population, firefighters and workforce who are from ethnic minority backgrounds as at 31 March 2021



For more information on data and analysis throughout this report, please view the [‘About the data’ section of our website](#).

# How effective is the service at keeping people safe and secure?



**Good**

## Summary

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An effective fire and rescue service will identify and assess the full range of foreseeable fire and rescue risks its community faces. It should target its fire prevention and protection activities to those who are at greatest risk from fire and make sure fire safety legislation is being enforced. And when the public calls for help, it should respond promptly with the right skills and equipment to deal with the incident effectively. Kent Fire and Rescue Service's overall effectiveness is good.

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We are pleased to see the progress the service has made in being effective at keeping people safe and secure from fire and other risks.

We found that the service has a thorough understanding of the risks it faces. It has assessed an appropriate range of risks and threats after a thorough risk management planning process. This is presented in a ten-year customer safety plan. There is a clear risk profile, and the data is reviewed and evaluated annually. When assessing risk, it has considered relevant information collected from a broad range of internal and external sources and data sets. The service has been innovative by developing a process to gather and use risk information in a timely and effective way.

The service's prevention and protection strategies are clearly linked to the risks identified in its risk management process. Prevention activity is clearly prioritised using a risk-based approach towards people most at risk from fire and other emergencies.

The service works well with a wide range of other organisations such as other emergency services, road safety partnerships and various community groups to prevent fires and other emergencies. We found good evidence that it routinely refers people at greatest risk to other organisations which may be better able to meet their needs.

The service's response strategy is linked to the risks identified in its [integrated risk management plan \(IRMP\)](#). It consistently meets its own response standards.

## Understanding the risk of fire and other emergencies



### Outstanding (2019: Good)

Kent Fire and Rescue Service is outstanding at understanding risk.

Each fire and rescue service should identify and assess all foreseeable fire and rescue-related risks that could affect its communities. Arrangements should be put in place through the service's prevention, protection and response capabilities to prevent or mitigate these risks for the public.

#### **Innovative practice: The service has developed a process to gather and use risk information in a timely and effective way**

The service has been innovative in developing a process to improve the gathering and communication of risk information called 'Response Assessment Visits – Intelligence'. It makes sure that relevant risk information can be gathered and shared with those who need it in all functions of the service. Firefighters can visit premises and upload risk information on portable devices that are carried on fire engines (companion devices). They can make immediate referrals for building safety matters, risk intelligence and [safeguarding](#) and vulnerability issues. Information is efficiently managed and shared throughout the organisation by a central risk information team.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

#### **The service has a thorough understanding of the risks it faces**

The service has assessed an appropriate range of risks and threats after a thorough risk management planning process. This is presented in a ten-year customer safety plan. There is a clear risk profile, and the data is reviewed and evaluated annually.

When assessing risk, it has considered relevant information collected from a broad range of internal and external sources and data sets. The service has a collaboration team that works with diverse communities to determine risk. There is also a business intelligence team which analyses risks using a variety of different sources.

The service regularly consults and undertakes constructive dialogue with communities and others such as local businesses and organisations, elected members and staff to both understand the risk and explain how it intends to mitigate it. This is managed through its safety and well-being plan.

The communications team is actively involved in consulting and working with the public, using a variety of different methods. The service has successfully reached wider communities through relevant social media platforms. It is continually working to improve its methods of establishing, understanding and responding to changing risks.

### **There is an effective risk management plan**

After assessing relevant risks, the service has recorded its findings in an easily understood and well-presented customer safety plan. The plan clearly explains current risk, and future anticipated changes in risk. It describes how prevention, protection and response activity is to be effectively resourced to mitigate or reduce the risks and threats the community faces, both now and in the future. There are six corporate strategies and supporting action plans which clearly direct activity.

Since our last inspection the service has reviewed the number of fire appliances it needs to meet anticipated operational need and has satisfied the previous area for improvement.

### **The service gathers, maintains and shares a wide range of risk information**

The service routinely collects and updates the information it has about the people, places and threats it has identified as being at greatest risk. This includes through a data sharing agreement with members of Kent Integrated Dataset and the Kent Public Service Network.

This information is readily available for the service's prevention, protection and response staff, which helps it to identify, reduce and mitigate risk effectively. For example, the service's risk information can be accessed by operational staff and is routinely shared between teams. Where appropriate, risk information is passed on to other organisations such as neighbouring fire and rescue services. Access to operational risk information through [mobile data terminals](#) has improved since our last inspection and the previous area of improvement has been satisfied.

The service has been innovative in developing a process to improve the gathering and use of risk information called 'Response Assessment Visits – Intelligence'. It makes sure that relevant risk information can be gathered and shared with those who need it in all functions of the service. Firefighters can visit premises and upload risk information on companion devices that are carried on fire engines. They can make immediate referrals for building safety matters, risk intelligence and safeguarding and vulnerability issues. Information is efficiently managed and shared throughout the organisation by a central risk information team.

The service told us it plans to expand the process to include more prevention activity.

### **The service builds its understanding of risk from operational activity well**

The service records and communicates risk information effectively. It also routinely updates risk assessments and uses feedback from local and national operational activity to inform its planning assumptions. For example, during the prevention desktop review that we carried out we found that the service applied learning from its operational activities and from sharing information with response and protection colleagues. A similar review of protection files revealed that risk summaries are created for the benefit of firefighters following fire safety audits.

### **The service has used learning from the Grenfell Tower Inquiry to reduce risk**

During this round of inspections, we sampled how each fire and rescue service has responded to the recommendations and learning from Phase 1 of the Grenfell Tower Inquiry.

Kent Fire and Rescue Service has responded positively and proactively to learning from this tragedy. The service had assessed the risk of every high-rise building in its service area by the end of 2021.

It has carried out a fire safety audit and collected and passed relevant risk information to its prevention, protection and response teams about buildings identified as high risk and all high-rise buildings that have cladding similar to the cladding installed on Grenfell Tower.

## **Preventing fires and other risks**



### **Good (2019: Good)**

Kent Fire and Rescue Service is good at preventing fires and other risks.

Fire and rescue services must promote fire safety, including giving fire safety advice. To identify people at greatest risk from fire, services should work closely with other organisations in the public and voluntary sector, and with the police and ambulance services. They should provide [intelligence](#) and risk information with these other organisations when they identify vulnerability or exploitation.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

## **The prevention strategy is clearly linked to the service's customer safety plan**

The service's prevention strategy is clearly linked to the risks identified in its risk management process.

The service's teams work well together and with other relevant organisations on prevention, and it shares relevant information when needed. Information is used to adjust planning assumptions and direct activity between the service's prevention, protection and response functions. For example, the service works to identify and engage with groups and individuals at higher risk who may not have equitable access to the available services. It makes good use of people impact assessments (PIAs) for this purpose. The service has trained staff to develop an awareness of these issues so they can identify and engage with these groups more effectively.

## **The service has developed its prevention work well since the pandemic**

We considered how the service had adapted its prevention work during our COVID-19 specific inspection in 2020. At that time, we found it had adapted its public prevention work appropriately. Since then, we are encouraged to find that the service has continued to develop its online presence to raise awareness of prevention matters, and benefits from improved working relationships with other organisations, including various charities.

## **There is a risk-based approach to prevention activity**

Prevention activity is clearly prioritised using a risk-based approach towards people most at risk from fire and other emergencies. For example, risk profiles are regularly updated based on relevant information and aligned to the customer service plan. The service takes a person-centred approach and uses evaluation techniques well, including understanding how its work brings about behavioural changes among the public.

The service takes account of a broad range of information and data to target its prevention activity at vulnerable individuals and groups. It holds events to target activity in higher-risk communities using different staff groups effectively. In the year to 31 March 2021, 80 percent of [home fire safety visits \(HFSVs\)](#) were conducted for vulnerable groups of people – higher than the England average of 57 percent. Eighty-three percent of [safe and well visits](#) were carried out for vulnerable groups of people. This is higher than the England average of 58 percent.

It provides a range of interventions that it adapts to the level of risk in its communities. We were told by the service how it actively identifies new and transient communities.

The prevention strategy is well supported by the central communications team and they are involved in many of the service's activities. The service considers the issues that customers face in accessing services and actively works to ensure equality of access, including for online content and recruitment purposes.

## **Staff are competent to carry out home fire safety visits and safe and well checks**

Staff told us they have the right skills and confidence to carry out home fire safety and safe and well visits. The work is allocated as appropriate between operational firefighters, an HFSV task force and the safe and well team. These checks cover an appropriate range of hazards that can put [vulnerable people](#) at greater risk from fire and other emergencies. The service has response standards for its prevention activity based on risk, with timings for making first contact and visiting.

## **The service responds well to safeguarding concerns**

Staff we interviewed told us about occasions when they had identified safeguarding problems and gave us specific examples. They told us they feel confident and trained to act appropriately and promptly.

There is a safeguarding competency framework in place for all staff, who complete mandatory training. The service's e-learning package has also been adopted by two other services.

The service continues to learn from events, such as domestic homicide reviews, safeguarding adult reviews and serious case reviews. These are actioned and monitored through the service's operational learning processes. Since our last inspection the service has also introduced a dedicated safeguarding team.

## **The service collaborates well with others**

The service works well with a wide range of other organisations such as other emergency services, road safety partnership and various community groups to prevent fires and other emergencies.

We found good evidence that it routinely refers people at greatest risk to other organisations which may be better able to meet their needs. These organisations include other members of the community safety partnership. Arrangements are in place to receive referrals from others, including multi-disciplinary health teams who have fire safety criteria in their own assessments. The service acts appropriately on the referrals it receives and prioritises its response based on risk.

The service routinely exchanges information with other public sector organisations about people and groups at greatest risk. It uses the information to challenge planning assumptions and target prevention activity.

## **Fire-setting behaviour is tackled**

The service has a range of suitable and effective interventions to target and educate people of different ages who show signs of fire-setting behaviour. This includes setting up arson task forces to target specific problem areas. The service told us that this had led to a significant reduction in deliberate fire setting.



When appropriate, it routinely shares information with other relevant organisations such as the police and social services to support the prosecution of arsonists. Data is also shared with other organisations to help reduce deliberate fire setting and other [anti-social behaviour](#).

### **Good evaluation is used to improve services**

The service has some good evaluation tools in place. These tools measure how effective its work is so that it knows what works, and its communities get prevention activity that meets their needs. For example, the service has evaluated the effectiveness of its education programmes and adjusted the way it delivers them.

Prevention activities take account of feedback from the public, other organisations, and other parts of the service. Work is routinely quality assured and peer reviewed. The service has used evaluation to provide evidence of behavioural change. It has used the learning well and it has run further campaigns to address specific risks such as kitchen safety and smoking.

Feedback is used by the service to inform its planning assumptions and amend future activity, so it is focused on what the community needs and what works.

### **Protecting the public through fire regulation**



#### **Good (2019: Requires improvement)**

Kent Fire and Rescue Service is good at protecting the public through fire regulation.

All fire and rescue services should assess fire risks in certain buildings and, when necessary, require building owners to comply with fire safety legislation. Each service decides how many assessments it does each year. But it must have a locally determined, risk-based inspection programme (RBIP) for enforcing the legislation.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

#### **The service has a protection strategy linked to the risk it has identified**

We are pleased to see the progress that the service has made with its protection work since our last inspection.

The service's protection strategy is clearly linked to the risk it has identified from its risk management process.

Staff across the service are involved in this activity, with information effectively exchanged as needed. For example, a new database has been set up to share information effectively. Information is then used to adjust planning assumptions and

direct activity between the service's protection, prevention and response functions. This means resources are properly aligned to risk.

### **Protection work is back on track since the pandemic**

We considered how the service had adapted its protection activity during our COVID-19 specific inspection in 2020. At that time, we found it had chosen to adapt its protection work outside national guidance. Since then, we are encouraged to find that the service has reassessed its protection work; it is well planned and resourced, and scheduled audits are on track.

### **Activity is aligned to risk**

The service's RBIP is focused on the service's highest risk buildings. It has been re-written since our last inspection using data from a wide range of internal and external sources. The programme defines high-risk buildings.

The audits we reviewed were completed in the timescales the service has set itself, and in line with its own policies.

### **The service has carried out fire safety audits at high-rise buildings**

The service has carried out audits at all high-rise buildings, including those it has identified as having cladding similar to the type installed on Grenfell Tower. It makes information gathered during these audits available to response teams and control operators, so they can respond more effectively in an emergency. We also found evidence that the service works well and communicates effectively with other agencies and organisations, and responsible persons.

By the end of 2021 it had visited all the high-rise and high-risk buildings identified in its service area.

### **Fire safety audits are completed to a high standard**

We reviewed a range of audits of different types of premises. This included audits:

- which were part of the service's RBIP;
- which were carried out after fires at premises where fire safety legislation applies;
- where enforcement action was taken; and
- at high-rise, high-risk buildings.

The audits we reviewed were mainly completed to a high standard, in a consistent, systematic way. They were in line with the service's policies. But the service should make sure that information from post-incident inspection activity is recorded consistently and is sufficiently detailed.

### **Protection activity is quality assured**

Quality assurance of protection activity takes place in a proportionate way. There are robust processes in place; protection activity is well embedded within the service's systems and is recorded.

The service has good evaluation tools in place to measure the effectiveness of its activity and to make sure all sections of its communities get appropriate access to the protection services that meet their needs.

### **Enforcement powers are used consistently and appropriately**

The service consistently uses its full range of enforcement powers, and when appropriate, prosecutes those who don't comply with fire safety regulations.

In the year to 31 March 2021, the service issued:

- 3 alteration notices;
- 535 informal notifications;
- 26 enforcement notices;
- 10 prohibition notices; and
- undertook 1 prosecution.

It completed 4 prosecutions in the 5 years from 2016/17 to 2020/21.

### **Protection work is well resourced**

The service has enough qualified protection staff to meet the requirements of its RBIP. The service told us it has increased the number of protection staff from 44 to 73 since 2019. This helps the service to provide the range of audit and enforcement activity needed, both now and in the future.

Staff get the right training and work to appropriate accreditation.

### **The service works well with other enforcement agencies**

The service works closely with other enforcement agencies to regulate fire safety and routinely exchanges risk information with them. It belongs to multiple partnerships, for example with private sector housing groups. The service also works closely with the Environment Agency.

There is a memorandum of understanding in place with local government throughout the county setting out enforcement responsibilities. There is also an agreement in place with the Health and Safety Executive.

## **Building consultation responses are timely**

The service responds to building consultations on time, so consistently meets its statutory responsibility to comment on fire safety arrangements at new and altered buildings. Therefore, the area for improvement from our last inspection has been satisfied.

In 2020/21 the service responded to 97.6 percent of consultations in the required time frame but fell to 85.8 percent during 2021/22 whilst changing to a new system. Since then, the service has reported a response rate of 99.1 percent for January to March 2022, and 99.5 percent for April to June 2022.

## **The service works well with businesses and other organisations**

The service proactively engages with local businesses and other organisations to promote compliance with fire safety legislation and it has dedicated business support officers. There is a self-service feature for businesses on its website, where a range of products and guides about fire safety are available. There are also regular webinars which can be viewed live or later.

## **The service has reduced the number of unwanted fire signals**

An effective risk-based approach is in place to manage the number of unwanted fire signals. There are effective response procedures in place and the service actively monitors and supports businesses and responsible persons to manage their premises. It gets fewer calls because of this work. In the year to 31 December 2021, 25.7 percent of incidents in Kent were fire false alarms. This is considerably lower than the national rate of 40.5 percent. Fewer unwanted calls means that fire engines are available to respond to a genuine incident rather than responding to a false one. It also reduces the risk to the public if fewer fire engines travel at high speed on the roads.

## **Responding to fires and other emergencies**



### **Good (2019: Good)**

Kent Fire and Rescue Service is good at responding to fires and other emergencies.

Fire and rescue services must be able to respond to a range of incidents such as fires, road traffic collisions and other emergencies in their area.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

### **The service's response is aligned to risk**

The service's response strategy is linked to the risks identified in its IRMP. Its fire engines and response staff, as well as its working patterns, are designed and located to help the service to respond flexibly to fires and other emergencies with the appropriate resources. The resourcing model is based on a clear methodology and makes sure the service meets the standards it has set itself.

### **The service meets its own response standards**

There are no national response standards of performance for the public. But the service has set out its own response standards in its customer safety plan. It has set out that it will attend 71 percent of life-threatening calls within 10 minutes.

The service consistently meets its standards. Home Office data shows that in the year to 31 December 2021, the service's response time to [primary fires](#) was 10 minutes and 11 seconds. This is in line with the average for significantly rural services.

### **The availability of fire engines is closely managed**

Since the last inspection the service has reviewed its risk profiles and the number of fire engines it needs. To support its response strategy, the service has a flexible approach to the number of fire engines that it has available at any time. The normal operating range is 32 to 44 engines, and the availability of fire engines is closely managed by a resourcing team. At the time of the inspection, we saw good evidence of the service making additional resources available to match demand during extremely hot weather.

### **Most staff understand how to command incidents safely**

The service has trained incident commanders who are assessed regularly and properly, aligned to [national operational guidance](#). This helps the service to safely, assertively and effectively manage the whole range of incidents that it could face, from small and routine ones to complex multi-agency incidents.

As part of our inspection, we interviewed incident commanders from across the service. Most incident commanders we interviewed are familiar with risk assessing, decision-making and recording information at incidents in line with national best practice, as well as the [Joint Emergency Services Interoperability Principles \(JESIP\)](#). During our last inspection we found that some incident commanders did not understand [operational discretion](#). We were pleased to find that this area for improvement has now been addressed. All incident commanders who we asked had a good understanding of operational discretion and felt that they would be supported by the service in using it.

However, we were disappointed to find that some level one incident commanders lacked a good understanding of decision-making models, and how to apply them. The service should make sure this is addressed.

### **Control is involved in wider service activities**

We are pleased to see the service's control staff integrated into the service's command, training, exercise, debrief and assurance activity. Staff told us that they are included in service-wide debriefing. We also found evidence of some control staff attending exercises with firefighters.

### **The service should make sure it can handle multiple fire survival guidance calls**

Not all control room staff we interviewed were confident they could provide fire survival guidance to many callers simultaneously. This was identified as learning for fire services after the Grenfell Tower fire. Staff told us that they had received some training but the service plans to do more.

Control has systems in place, including a 'persons at risk' spreadsheet, to exchange real-time risk information with incident commanders, other responding partners and other supporting fire and rescue services. Maintaining good situational awareness helps the service to communicate effectively with the public, providing them with accurate and tailored advice. The service doesn't currently have a 'control buddy' (another fire and rescue service that can support it with its control function) and it should assure itself that it can handle a high number of multiple simultaneous calls effectively.

### **The service is good at managing risk information**

We sampled a range of risk information including what is in place for firefighters responding to incidents at high-risk, high-rise buildings and what information is held by [fire control](#).

The information we reviewed was up to date and detailed. It could be easily accessed and understood by staff, including in control. Encouragingly, it had been completed with input from the service's prevention, protection and response functions when appropriate. The service has improved access to risk information for firefighters since our last inspection, with more reliable mobile data terminals and newer companion devices on fire engines.

### **The service is good at evaluating operational performance**

As part of the inspection, we reviewed a range of emergency incidents and training events.

We are pleased to see the service routinely follows its policies to assure itself that staff command incidents in line with operational guidance. Internal risk information is updated with the information received. 'Hot' debriefs are carried out routinely after incidents and the service carries out formal structured debriefs later. There was good evidence of operational learning being used to make changes, including the use of an action tracker. Where relevant, this information is exchanged with interested partners such as other fire and rescue services.

The service has responded to learning from incidents to improve its service for the public. It uses learning from incidents to evaluate customer outcomes as part of the customer safety plan. Operational assurance processes have been identified as good practice by the [National Fire Chiefs Council](#).

We are encouraged to see the service is contributing towards, and acting on, learning from other fire and rescue services or operational learning gathered from other emergency service partners. This includes chairing the regional fire and rescue service group meetings where learning is shared, and recent examples were given by staff including [near misses](#) involving hydrants.

### **The service is good at communicating information about incidents to the public**

The service has good systems in place to inform the public about ongoing incidents and to help keep them safe during and after incidents. It uses a range of social media platforms, as well as traditional press releases. The intranet and internet sites are both accessible and use accessibility tools to good effect.

Kent Fire and Rescue Service has good communication arrangements with other organisations throughout the county. For example, working with and hosting on its estate the [local resilience forum](#) on warning and informing the public.

## **Responding to major and multi-agency incidents**



### **Good (2019: Good)**

Kent Fire and Rescue Service is good at responding to major and multi-agency incidents.

All fire and rescue services must be able to respond effectively to multi-agency and cross-border incidents. This means working with other fire and rescue services (known as intraoperability) and emergency services (known as interoperability).

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

### **The service is prepared for major and multi-agency incidents**

The service has effectively anticipated and considered the reasonably foreseeable risks and threats it may face. These risks are listed in both local and national risk registers as part of its integrated risk management planning. We found evidence that it works with other members of the Kent Resilience Forum to establish and assess local risks and produce multi-agency response plans.

It is also familiar with the significant risks that could be faced by neighbouring fire and rescue services that it might reasonably be asked to respond to in an emergency. There are memorandums of understanding in place with these. Firefighters have access to risk information from neighbouring services through mobile data terminals and companion devices.

We reviewed the arrangements the service has in place to respond to different major incidents, including for high-rise, wide-area flooding and marauding terrorist attack incidents.

The service has good arrangements in place, which are well understood by staff. In addition to the specialist response team, all firefighters are trained to respond to marauding terrorist attack-type incidents. However, some staff felt they would benefit from more practical training and the opportunity to be involved in the service's major incident exercises.

### **The service works well with other fire and rescue services**

The service supports other fire and rescue services responding to emergency incidents. It is intraoperable with these services and can form part of a multi-agency response. This includes having emergency plans in place with fire service counterparts in France for the Channel Tunnel, and maritime response plans in place with France, Holland and Belgium.

The service understands how to deploy to other services and use national assets itself.

### **Cross-border and multi-agency exercising isn't consistent**

We found evidence during the inspection that opportunities for staff to take part in cross-border exercising could be improved. Sixty-seven percent (227 out of 341) of respondents to our staff survey told us they have not participated in training with other neighbouring services in the past 12 months.

The service acknowledges this and has recently reviewed and is strengthening its arrangements with neighbouring services. Similarly, 53 percent (180 out of 341) of respondents to our staff survey told us they have not participated in training with other agencies in the past 12 months, and this too should be addressed. It should also continue to make sure that learning from exercising is used to inform risk information and service plans.

### **Incident commanders have been trained in JESIP**

The incident commanders we interviewed had been trained in and were familiar with JESIP. We found that most incident commanders were confident in their knowledge of JESIP, although some staff told us that they hadn't done practical training or exercising.



The service could provide us with strong evidence that it consistently follows these principles.

It also showed it had participated effectively in the local resilience forum during the pandemic.

### **The service works well with partners**

The service has good arrangements in place to respond to emergencies with other partners that make up the Kent Resilience Forum. The service has two emergency planners on the forum, which creates multi-agency response plans for different risks.

The service is a valued partner in the forum and is integral to the different groups within it. It takes part in regular training events with other members of the local resilience forum and uses the learning to develop planning assumptions about responding to major and multi-agency incidents. This includes at multiple sites in Kent.

### **The service uses national learning**

The service keeps itself up to date with [national operational learning](#) updates from other fire services and [joint organisational learning](#) from other emergency organisations, such as the police service and ambulance trusts. This learning is used to inform planning assumptions that have been made with other partners.

# How efficient is the service at keeping people safe and secure?



## Outstanding

### Summary

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An efficient fire and rescue service will manage its budget and use its resources properly and appropriately. It will align its resources to the risks and priorities identified in its [integrated risk management plan \(IRMP\)](#). It should try to achieve value for money and keep costs down without compromising public safety. It should make the best possible use of its resources to achieve better results for the public. Plans should be based on robust and realistic assumptions about income and costs. Kent Fire and Rescue Service's overall efficiency is outstanding.

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We are pleased to find that the service is outstanding in the way that it uses its resources and manages its budgets to provide an efficient fire and rescue service for the public.

The service has set clear priorities for the use of its resources, and it has well-structured risk-based plans. It knows what it wants to achieve based on a thorough understanding of risk. The service has explained its objectives and priorities very clearly in a set of well-presented strategies which are fully aligned with its customer safety plan. The service adapts well to change and has a range of measures to make sure that its workforce is productive.

The service has robust plans to address financial challenges. It has used a wide range of information to develop a sound understanding of future financial challenges, including for funding, cost pressures and budget management. It has detailed plans to mitigate its major financial risks.

Since our last inspection in 2019 the service has improved how it monitors, reviews and evaluates the benefits and outcomes of its collaborations. We were particularly pleased to see the efforts that the service has made to make savings, collaborating

well with others, and how it contributes nationally through its lead role with the National Procurement Hub.

## Making best use of resources



### Outstanding (2019: Good)

Kent Fire and Rescue Service is outstanding at making best use of its resources.

Fire and rescue services should manage their resources properly and appropriately, aligning them with the services' risks and statutory responsibilities. Services should make best possible use of resources to achieve the best results for the public.

The service's net revenue budget requirement for 2022/23 is £77.429m. This is an increase from £71.573m in the previous financial year.

#### **Promising practice: The service has excellent procurement arrangements**

We found that the service has a deep understanding of procurement arrangements and makes excellent use of them, all underpinned by strong leadership.

It has a detailed and well-presented Commercial and Procurement Strategy 2021–25, aligned to the customer safety plan. The strategy gives direction for procurement and commercial matters. This includes access to market intelligence for supporting business cases and decision-making. The service takes a category management approach to purchasing (grouping related products) to improve supplier performance, reduce risk and promote innovation and continuous improvement.

Procurement performance is monitored and measured to promote continuous improvement. There are clear, logical and measurable objectives to assess against, including for wider impacts such as inclusion, social value, and modern slavery.

The service has played a lead role supporting and developing the National Procurement Hub framework, making very effective use of its resources. The hub tracks savings nationally. The service itself has saved £4.7m since 2017.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

## **The service has set clear priorities for the use of its resources, and it has well-structured risk-based plans**

The service knows what it wants to achieve based on a thorough understanding of risk. It is explained very clearly in a set of well-presented strategies which are fully aligned with its customer safety plan. It has developed four areas which support all its strategies. These are:

- operational excellence;
- inclusion;
- well-being; and
- efficiency and value for money

It regularly reviews how it provides services and makes changes when needed. Successful changes since our last inspection include:

- a wide-ranging restructure including creating a new customer safety and building safety teams supported by a reallocation of resources;
- the creation of a collaboration team, ensuring activities are carried out efficiently, with benefits tracked and monitored;
- the creation of a customer experience and behaviour change team to support the development of safety programmes by using customer insight and research;
- a reorganisation of operational groups to improve efficiency and productivity;
- establishing a risk information team to improve the accuracy, consistency and availability of risk information throughout the service;
- fleet – the introduction of 11 hybrid vehicles, and a further commitment that by 2030, 75 percent of pool cars, vans and maintenance vehicles will be ultra-low emission or hybrid; the introduction of telemetry to manage mileage and engine idling for efficiency; and the purchase of new response cars in collaboration with the police; and
- full alignment of all operational policies to [national operational guidance](#).

We found strong evidence that it is providing the services it has promised it will. The service makes excellent use of its resources to achieve this. Its financial and workforce plans, including allocating staff to prevention, protection and response, continue to reflect and are consistent with the risks and priorities it has identified. For example, the service has increased the number of protection staff to make sure that audits are completed, and it is able to cope with an increased workload from changes in legislation. The overarching capital strategy supports the service in achieving its objectives through investment and development in areas such as estates, fleet and IT.

Plans are built on sound scenarios. They help make sure the service is sustainable and are underpinned by financial controls that reduce the risk of misusing public

money. For example, uncertainties with the capital programme caused by external factors such as supply chain issues are managed and mitigated by close working between the finance team and budget holders. The corporate management board provides effective strategic oversight. And the fire authority, which has a separate audit and governance committee for more detailed focus, also provides oversight.

### **The service has introduced a range of measures to make sure its workforce is productive**

We are pleased to see that the service's arrangements for managing performance clearly link resource use to the customer safety plan and service's strategic priorities. The service continues to take steps to make sure the workforce's time is as productive as possible. This includes implementing new ways of working.

The service has policies in place to allow staff to work more flexibly and continues to operate a flexi-rostering system. This helps control and station staff to manage their own working patterns. Control and each station have a station leader, at [watch](#) manager level, who is responsible for planning work routines. More flexible arrangements for [on-call](#) staff have also been introduced. Firefighters understand risk in their local areas, and the service provides good access to information. This helps with station planning and the allocation of activities. Training is also well planned and organised through an online platform.

Since the last inspection the service has reviewed its risk profiles and the number of fire engines it needs. The availability of fire engines is actively managed. It has a flexible approach to the number of fire engines it has available at any time, with a normal operating range of 32–44. It can stand resources up or down to match demand by making use of a strategic reserve. It uses on-call firefighters flexibly, including at times [mobilising](#) some fire engines with a crew of three.

Capacity can be maximised because of the low number of fire false alarms that the service attends. In the year to 31 December 2021, 25.7 percent of incidents in Kent were fire false alarms. This is much lower than the national rate of 40.5 percent. The service uses its capacity productively to co-respond with the ambulance service. During our inspection, we learnt that 55.5 percent (10,334 out of 18,624) of incidents the service attends are to non-fire incidents. Across England, 33.0 percent of all incidents attended are to non-fire incidents. The service told us that over 30 percent of its total calls are co-responding with the ambulance service, and that around 52 percent of its operational workforce are contracted to do co-responding.

The service hasn't yet identified the contribution it will make towards the national productivity target (using an extra 3 percent of national [wholetime firefighter](#) capacity to carry out additional prevention and protection work). However, the service understands and makes good use of the capacity it currently has available, directing resources to risk-based priorities. And it carries out [HFSVs](#) and [safe and well visits](#) above the England average rate per 1,000 population. The service makes good use of

key performance indicators and other data to evaluate and monitor the success of its objectives, and the data is passed to the corporate management board and the fire authority for scrutiny.

Since our last inspection there has been a restructuring of the service's operational response and resilience teams to a functional leadership model. Under this system middle managers are responsible for specific functions throughout the service, such as leadership, operational performance and professional standards, rather than managing by geographical areas. Staff, including station leaders, feel better supported and empowered to be more productive within their roles.

Technology is also used to increase productivity. For example, technology is being used to track vehicles and reduce the number of movements around the county.

The service had to adapt its working practices because of the pandemic, and these are still part of its day-to-day activity. It continues to support office-based staff to do hybrid working. It also has objectives in its Business Change, Information and Technology Strategy to allow mobile working through improving IT capabilities.

### **The service works well with others and has made savings**

We are encouraged to see the improvements the service has made since the last inspection, making good progress against the previous area for improvement regarding monitoring, reviewing and evaluating the benefits and outcomes of collaboration.

The service meets its statutory duty to collaborate, and routinely considers opportunities to collaborate with other emergency responders. This includes in areas such as estates, joint operational working and procurement. Examples of collaboration include purchasing response cars and sharing premises with other services such as the police and a local voluntary organisation, and sharing a data centre with other local services. The service has regular regional meetings with other organisations to explore other collaborations and joint working opportunities. Recent areas identified for consideration include IT and better use of office space, as well as achieving its social value objectives through a range of initiatives.

Collaborative work is aligned to the priorities in the service's customer safety plan. For example, there is a commitment to continue to work with other organisations to carry out joint procurement. The service comprehensively monitors, reviews and evaluates the benefits and results of its collaborations. This includes a benefits tracker for partnership working to evaluate if it is providing value for money and is aligned to the service's strategies.

Collaborative procurement projects are assessed and [benchmarked](#) against existing arrangements to ensure best value. Since 2017, the service has made collaborative savings of £4.7m.

## **The service has excellent procurement arrangements and leads the national framework arrangements**

We found that the service has a deep understanding of procurement arrangements and makes excellent use of them, all underpinned by strong leadership.

It has a detailed and well-presented Commercial and Procurement Strategy 2021–25, aligned to the customer safety plan. The strategy gives direction for procurement and commercial matters. This includes using market intelligence to support business cases and decision-making. The service takes a category management approach to purchasing (grouping related products) to improve supplier performance, reduce risk and drive innovation and continuous improvement.

Procurement performance is monitored and measured to ensure continuous improvement. There are clear, logical, and measurable objectives to assess against, including for wider impacts such as inclusion, social value, and modern slavery.

The service has played a lead role supporting and developing the National Procurement Hub framework. It makes very effective use of its resources to get value for money nationally through economies of scale. There is a national cross-service annual spend with third party suppliers of over £500m, and savings of £53.6m have been made since 2016.

## **The service has good continuity arrangements in place**

The service has good continuity arrangements in place for areas where threats and risks are considered high. These threats and risks are regularly reviewed and tested so that staff are aware of the arrangements and their associated responsibilities. This includes testing control systems, cybersecurity and the potential for industrial action by staff.

## **The service shows sound financial management and value for money**

There are regular reviews to consider all the service's expenditure, including its non-pay costs. And this scrutiny makes sure the service gets value for money. For example, the Environment and Assets Strategy 2021–25 has made managing contracts and suppliers a priority with clear measurable objectives. There are key performance indicators linked to estates contracts. This is managed by the estates team and reported monthly to the corporate management board.

The service has made savings and efficiencies, which haven't affected its operational performance and the service it provides to the public. For example, it has made savings by reducing the number of posts in the central training team and it is using station-based staff as trainers.

The service is taking steps to make sure important areas, including estates, fleet and procurement, are well placed to achieve efficiency gains through sound financial management and best working practices. This includes the savings that the service

has made using national framework contracts, such as for smoke alarms and personal protective equipment. The telematics in all vehicles and CCTV installed on fire engines has resulted in a base saving of £60,000 from insurance costs and better information to manage the fleet. The service uses the information well to improve driving styles, reduce fuel consumption and support overall decision-making.

## Making the fire and rescue service affordable now and in the future



### Outstanding (2019: Good)

Kent Fire and Rescue Service is outstanding at making the service affordable now and in the future.

Fire and rescue services should continuously look for ways to improve their effectiveness and efficiency. This includes transforming how they work and improving their value for money. Services should have robust spending plans that reflect future financial challenges and efficiency opportunities, and they should invest in better services for the public.

#### **Innovative practice: The presentation, clarity, and purpose of the service's plans is excellent**

The service knows what it wants to achieve based upon a thorough understanding of risk. It is explained very clearly in a set of well-presented strategies which are fully aligned with its customer safety plan.

The service's plans are built on sound planning assumptions. They are subject to informed challenge and meet financial requirements. It understands the likely financial challenges it will face in the future. The service also has a plan for using [reserves](#) effectively, in a sensible and sustainable way.

The strategies relating to estates, IT, fleet and procurement all clearly underpin the customer safety plan. Staff with responsibilities for strategies understand the priorities and objectives of their own areas of work and understand the interdependencies with others. There is a clear corporate approach with an appreciation that the strategies can't be carried out in isolation from one another.

Objectives are underpinned by performance measures and the service understands the need to evaluate.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.



## **The service has robust plans to address financial challenges**

The service has used a wide range of information to develop a sound understanding of future financial challenges, including for funding, cost pressures and budget management. It has detailed plans to mitigate its main or significant financial risks. The financial plan sets out those risks and actions to mitigate them. It includes moving to a longer ten-year capital programme to minimise the revenue budget impact and provide longer-term stability.

The underpinning assumptions are relatively robust, realistic and prudent, and take account of the wider external environment and some scenario planning for future spending reductions. These include for inflation, pay awards and pension arrangements.

Reserves are well managed and support financial security and future ambition. The service reviews and updates its reserves strategy annually. Its budget strategy details the use of reserves, including those earmarked for specific expenditure or liabilities.

Earmarked revenue reserves include funding allocated for transformation and productivity improvements. They are set aside as one-off funding for transformation initiatives, service improvements and collaboration opportunities that may arise during the year. Previous uses of these reserves have been to buy in project managers, commissioning work with a university, and funding a risk data project. Other earmarked reserves include those for holding government grant funding, infrastructure, insurance and contingencies, and a rolling budget to carry over funds for committed expenditure to the next year.

We are pleased to see that the service has identified savings and investment opportunities to improve the service to the public or generate further savings. This includes allocating £1.77m for the restructuring and the generation of additional posts in several teams, including operational response, building safety, customer safety, people and learning, finance and procurement. The service is also planning to invest heavily in IT systems and infrastructure, with a combined capital and revenue spend of £3.724m in 2022/23. Plans include improving the joint control facility with the police as part of the revenue programme, and future station developments in the capital programme of £4.66m in 2022/23 and total of £15.74m up to 2026.

A recent external audit highlighted the service's strong financial planning and budget management, and its history of making savings. The service has taken a lead role supporting and developing the National Procurement Hub framework, with national cross-service savings of £53.6m since 2016. Since 2017 the service has made its own savings of £4.7m through effective and efficient procurement practice. Annual savings are well managed. Pay savings of £667,000 and non-pay savings of £1.102m have been identified for 2022/23. Non-pay savings include £241,000 identified from a review of existing revenue budgets with managers.

## **Fleet and estates strategies clearly support the customer safety plan**

The service's estate and fleet strategies have clear links to the customer safety plan. Interdependencies are understood throughout the organisation and there is a common strategic approach, with teams working closely together rather than in silos. For example, this was apparent with the carbon neutrality commitment which requires co-ordination between different departments.

Strategies exploit opportunities to improve efficiency and effectiveness. Key objectives for estates include a programme of refurbishment, minimising contaminants and supporting equality, diversity and inclusion by improving facilities on fire stations. A venue at Ashford is being redeveloped to improve live fire facilities there. And the service has plans for the new shared control facility with the police. Fleet plans include a more efficient system for servicing vehicles. The service is working well and sharing information with other organisations to achieve this, including the ambulance service and county council.

Strategies are regularly reviewed so the service can properly assess the effect any changes in estate and fleet provision or future innovation have on risk. We were pleased to find that objectives are supported by performance measures and the service recognises the importance of evaluation. For example, it is evaluating the fleet technology it has used to make savings and increase productivity. It intends to find further efficiencies and create more savings.

## **The service invests in technology and transforms to improve efficiency**

The service actively considers how changes in technology and future innovation may affect risk. Its Business Change, Information and Technology Strategy 2021–25 sets out a programme of work. It has a planned combined capital and revenue spend for IT systems and infrastructure of £3.724m in 2022/23. It seeks to exploit opportunities to improve efficiency and effectiveness presented by changes in technology. There are detailed objectives underpinned by performance measures. The service has plans to simplify its processes and make sure staff have the right devices and secure systems to do their work. For example, planned investment in better systems for workforce planning and asset management will improve efficiency and productivity.

The service collaborates with others to improve efficiency, including supporting the re-procurement of the wide area network in conjunction with the county council and other relevant organisations.

The service has put in place the capacity and capability needed to achieve sustainable transformation, and it routinely seeks opportunities to work with others to improve efficiency and provide better services in the future. Transformational projects are well managed and resourced, with strategies supported by action plans.

### **The service explores income-generating activities**

The service actively considers and exploits opportunities for generating extra income.

Where appropriate, it has secured external funding to invest in improvements to the service provided to the public. These include using the uplift grant to build resilience for protection work. And it has sought government grant aid to help with the ongoing commitment towards carbon neutrality by 2030.

The service has a paid arrangement to provide a dedicated response to the Channel Tunnel for an agreed level of service with the company.

The service has considered options for generating income through commercial trading but has decided not to take them further.

# How well does the service look after its people?



## Good

### Summary

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A well-led fire and rescue service develops and maintains a workforce that is supported, professional, resilient, skilled, flexible and diverse. The service's leaders should be positive role models, and this should be reflected in the behaviour of staff at all levels. All staff should feel supported and be given opportunities to develop. Equality, diversity and inclusion (EDI) is part of everything the service does and its staff understand their role in promoting it. Overall, Kent Fire and Rescue Service is good at looking after its people.

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We are pleased to see the improvements the service has continued to make in looking after its people.

We found that the service is outstanding at promoting the right values and culture. Senior leaders embody a positive vision for the culture of the service, and staff described a working environment with positive behaviours firmly in place, that are accepted, demonstrated and understood throughout the organisation. We found good practice in how it has used and incorporated the national [Core Code of Ethics](#).

Mental and physical health and well-being is a priority. The service has a range of measures to support staff. It makes good use of a defusing tracker as a tool to determine where additional support might be needed.

The service now has a system to record and monitor operational staff competence which is accurate and accessible. And all staff have access to a range of learning and development opportunities.

The service has put considerable effort into developing its recruitment processes so that they are fair and understood by potential applicants. It makes good use of PIAs to understand equality issues and take appropriate actions to address them.

## Promoting the right values and culture



### Outstanding (2019: Good)

Kent Fire and Rescue Service is outstanding at promoting the right values and culture.

Fire and rescue services should have positive and inclusive cultures, modelled by the behaviours of their senior leaders. Health and safety should be promoted effectively, and staff should have access to a range of well-being support that can be tailored to their individual needs.

#### **Promising practice: The national Core Code of Ethics has been added to support the positive culture**

The new national Core Code of Ethics has been incorporated into the service's 'Code of Ethical Conduct' which has been signed by all staff, and a 'Senior Code' which members of the senior leadership team have signed up to. A set of behavioural expectations are laid out in a 'Customer Promise' and 'Promise to Each Other'. The cohesion was apparent during our inspection and staff gave positive accounts, such as people being respectful of each other and feeling looked after by the service.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

#### **Senior leaders have a clear vision for the service's culture**

Senior leaders act as role models and are visible. They have a clear vision for the service's culture, and lead by example. Staff described a working environment with positive behaviours firmly in place that are accepted, demonstrated and understood throughout the organisation.

The service goes beyond having well-defined values and focuses further on understanding the lived experience of the staff. Of staff who responded to our survey, 94 percent (524 out of 560) stated they were aware of the service's statement of values. Behaviours that reflect service expectations are shown at all levels of the service.

We are pleased with other cultural improvements the service has made, including a restructure of managerial responsibilities. The new national Core Code of Ethics has been incorporated into the service's 'Code of Ethical Conduct' which has been signed by all staff, and a 'Senior Code' which members of the senior leadership team have signed up to. A set of behavioural expectations are laid out in documents called a

'Customer Promise' and 'Promise to Each Other'. The cohesion was apparent during our inspection and staff gave positive accounts of people being respectful of each other and feeling looked after by the service.

There is a positive working culture throughout the service, with staff empowered and willing to challenge poor behaviours when they encounter them. We were told of people treating each other well.

### **Mental and physical health and well-being is a priority**

Well-being is a service priority and is well managed. The service continues to have well-understood and effective well-being policies in place that are available to staff. A significant range of well-being support is available for both physical and mental health. For example, the service has an employee assistance programme which is accessible 24 hours a day. It also gives support to staff who attend traumatic incidents, and exposure is closely monitored by the service. It makes good use of a defusing tracker to determine where additional support might be needed.

There are many good provisions in place to promote staff well-being. This includes mental health first aiders, an intranet well-being zone and well-being officers. Ninety-one percent (511 out of 560) of respondents to our staff survey told us they have had a conversation about their health and well-being with their manager, and 96 percent (538 out of 560) of respondents told us they feel able to access services to support their mental well-being. Most staff reported they understand and have confidence in the well-being support processes available.

### **The service has a strong health and safety culture**

The service continues to have effective and well understood health and safety policies and procedures in place. This includes a robust system of reporting and monitoring. [Near misses](#) can be recorded through the accident reporting process or anonymously with the operational learning tracker. Qualified staff in a central team lead the function.

Policies and procedures are readily available and effectively promoted to all staff. These include guidance on working alone (both lone working and at home) and fitness testing. Ninety-five percent (532 out of 560) of staff survey respondents told us they have the appropriate and properly fitting personal protective equipment they need to do their job safely. The service should make sure that all female firefighters have appropriately fitting personal protective equipment, including firefighting gloves. Both staff and representative bodies have confidence in the health and safety approach taken by the service.

The service monitors staff who have secondary employment or dual contracts to make sure they comply with the secondary employment policy and don't work excessive hours. This is managed using a Working Time policy both centrally and by individuals.

## Absence is well managed

As part of our inspection, we reviewed some case files to consider how the service manages and supports staff through absence including sickness, parental and special leave.

The latest Supporting Attendance at Work policy was implemented in January 2022, having been reviewed after an internal audit. We found there are clear processes in place to manage absences for all staff. There is clear guidance and support for managers, who are confident in the process. Absences are managed well and in accordance with policy. Trends are monitored and reported, and there is corporate oversight. We were told how the service has taken action to improve specific issues, including stress and mental health. It reports a reduction in the percentage of occupational health referrals for mental health issues from 24 percent of the total number in 2019 to 14 percent in 2021.

## Getting the right people with the right skills



### Good (2019: Requires improvement)

Kent Fire and Rescue Service is good at getting the right people with the right skills.

Fire and rescue services should have a workforce plan in place that is linked to their [integrated risk management plans \(IRMPs\)](#), sets out their current and future skills requirements and addresses capability gaps. They should supplement this with a culture of continuous improvement that includes appropriate learning and development throughout the service.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

### The service understands what skills and capabilities are needed

The service has good workforce planning in place. This makes sure skills and capabilities align with what is needed to effectively deliver the priorities set out in the customer safety plan. Training is aligned to [national operational guidance](#) and syllabuses of the Institution of Fire Engineers for professional accreditation of skills. Protection staff competence aligns to the national framework.

Workforce and succession planning is subject to consistent scrutiny in the form of regular meetings to discuss requirements. This is led by a workforce planning group who review current skills and capabilities against anticipated vacancies.

Most staff told us that they could access the training they need to be effective in their role. The service's training plans make sure they can maintain competence and capability effectively. The service has addressed the area for improvement in the last inspection and has a system to record and monitor operational staff competence which is accurate and accessible.

The service monitors staff competence by monthly assessments and reviewing risk-critical skills on a central recording system. It regularly updates its understanding of staff's skills and risk-critical safety capabilities through a response assurance framework and regular review of records. This approach means the service can identify gaps in workforce capabilities and resilience and can make sound and financially sustainable decisions about current and future needs.

### **There is a culture of learning and development**

A culture of continuous improvements is promoted throughout the service and staff are encouraged to learn and develop. This includes learning from operational activity through its debriefing and assurance processes. All staff have access to a range of learning and development opportunities including courses on an external online platform. There is a bursary scheme which staff can apply for funding for additional qualifications.

We are pleased to see that the service has a range of resources in place. These include mobile trainers who can help with station-based training sessions. The service has worked hard to raise awareness of issues such as well-being, mental health and inclusion. For example, it runs ethical dilemma workshops. The training and support in place for staff who need to carry out PIAs is thorough.

Staff told us that they can access a range of learning and development resources. This includes online modules on the service's own training platform. Non-operational staff are supported in [continuing professional development](#). This allows them to do their job effectively.

### **Ensuring fairness and promoting diversity**



#### **Good (2019: Good)**

Kent Fire and Rescue Service is good at ensuring fairness and promoting diversity.

Creating a more representative workforce will provide huge benefits for fire and rescue services. This includes greater access to talent and different ways of thinking, and improved understanding of and engagement with their local communities. Each service should make sure that EDI is firmly understood and demonstrated throughout the organisation. This includes successfully taking steps to remove inequality and making progress to improve fairness, diversity and inclusion at all levels



of the service. It should proactively seek and respond to feedback from staff and make sure any action taken is meaningful.

**Promising practice: The service has introduced a neurodiversity passport to reduce the burden on individuals who need reasonable adjustments**

The service applies reasonable adjustments to all pre-planned learning and assessment processes using a neurodiversity passport. This means staff can access support without the need for the individual to make multiple requests. Staff feel more included now because of the adaptations the service has made.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

**The service continues to seek and act on staff feedback and challenge**

Since our last inspection the service has reviewed all internal communications. It has developed several ways to engage with staff on issues and decisions that affect them. This includes methods to build all-staff awareness of fairness and diversity, as well as targeted engagement to identify matters that affect different staff groups. Senior leaders regularly visit fire stations and staff told us leaders are open and inclusive.

The actions being taken to address matters raised have been positively received by staff. There is an action tracker so staff can see progress on issues they have raised and the changes that are made. Representative bodies and staff associations reported that the service engages with them well. Staff also told us they feel a sense of inclusion and belonging.

**There are processes in place to tackle bullying, harassment and discrimination**

Staff have a good understanding of what bullying, harassment and discrimination are and their negative effect on colleagues and the organisation. This has been reinforced by visits to all stations and teams by senior management to raise awareness of the authority's public sector equality duty and EDI issues more generally. All new staff have induction training on the service's approach to bullying and harassment, and EDI.

In this inspection, 7 percent (41 out of 560) of respondents to our survey told us they felt bullied or harassed at work in the last 12 months, and 11 percent (62 out of 560) of respondents told us they felt discriminated against at work in the last 12 months.

Most staff are confident in the service's approach to tackling bullying, harassment and discrimination, grievances and disciplinary matters. Policies and procedures are available on the intranet and the service has made sure all staff are trained and clear about what to do if they encounter inappropriate behaviour.

## **The service is working to address disproportionality in recruitment and retention**

There is an open, fair and honest recruitment process for staff or those wishing to work for the fire and rescue service. The service has an effective system to understand and remove the risk of disproportionality in recruitment processes. For example, staff support groups and firefighters are involved in raising awareness about the service in the community. The service collects and monitors an array of recruitment data so it can understand and manage any disproportionality in its processes, including those that relate to [protected characteristics](#).

The service has put considerable effort into developing its recruitment processes so that they are fair and understood by potential applicants. It makes good use of PIAs to understand equality issues and create appropriate actions to address them. The recruitment policies are comprehensive and cover opportunities in all roles. Recruitment opportunities are advertised both internally and externally, which has encouraged applicants from diverse backgrounds, including into middle and senior management roles.

The service has made some improvements in increasing staff diversity at all levels of the organisation. The proportion of firefighters from an ethnic minority group has increased from 1.3 percent in 2017/18 to 2.1 percent in 2020/21. This is due to a small increase in the number of firefighters from an ethnic minority background following recent recruitment activity. Similarly, the proportion of female firefighters has increased from 4.9 percent to 5.8 percent over the same time, due to a small increase in the number of female firefighters.

For the whole workforce, as of 31 March 2021, 2.7 percent were from an ethnic minority background and 18.3 percent were women. Across England, 5.3 percent of FRS staff are from an ethnic minority background and 17.9 percent are women. A high proportion (19.4 percent) of the workforce chose not to state their ethnicity, compared to 8.9 percent across England. The service acknowledges this and has made efforts to encourage those staff to declare the information.

The service has acted positively to improve diversity. For example, it carries out positive action such as holding information events for specific groups and targets people from more diverse areas through research-based marketing. It uses inclusive literature and imagery. The service knows it needs to go further to increase workforce diversity. Plans to address this are in place. These include, using its collaboration team to create opportunities to engage with community groups, targeted social media and increasing the involvement of station-based staff in positive action.

## **Equality, diversity and inclusion are strategic priorities**

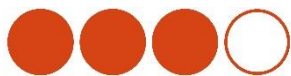
The service continues to improve its approach to EDI and is making sure it can offer the right services to its communities and support staff with protected characteristics. We found this to be a strategic priority and staff are supported to take a 'customer centric' approach. The service engages well with external and internal networks.

The service is good at understanding the diverse needs of its workforce and provides reasonable adjustments when necessary. This is supported by robust policies. For example, it has created a specific focus on and awareness of issues faced by staff, including those who identify as neurodiverse and LGBTQ+.

The service has developed good practice to reduce the burden on staff who require reasonable adjustments. It has recently introduced a neurodiversity passport so reasonable adjustments are applied to all pre-planned learning and assessment processes without the need for the individual to make multiple requests.

It has an effective process in place to assess equality impact and acts as needed to improve equality. PIAs are consistently completed and staff have training and support in this area. Actions from PIAs are centrally monitored.

## **Managing performance and developing leaders**



### **Good (2019: Good)**

Kent Fire and Rescue Service is good at managing performance and developing leaders.

Fire and rescue services should have robust and meaningful performance management arrangements in place for their staff. All staff should be supported to meet their potential, and there should be a focus on developing staff and improving diversity into leadership roles.

We set out our detailed findings below. These are the basis for our judgment of the service's performance in this area.

### **Individual performance is effectively managed and developed**

There is a good performance management system in place which allows the service to effectively develop and assess and the individual performance of all staff. It has introduced a talent bench review to establish readiness and potential for promotion.

All staff are expected to have open dialogue with line managers through ongoing conversations, moving away from the previous appraisal process. Through our staff survey, most staff reported that they have received regular discussions with their manager and that they were meaningful. Two percent (10 out of 560) of respondents

told us that they have never had a conversation about their performance with their manager and 20 percent (110 out of 560) have not had a personal development review or appraisal in the last 12 months. Of these 110, 20 percent (22 out of 110) were [wholetime](#), 14 percent (15 out of 110) were [on-call](#), 60 percent (66 out of 110) were support staff and 6 percent (7 out of 110) were other members of staff.

### **Promotion and progression processes are fair and transparent**

The service has put considerable effort into developing its promotion and progression processes so that they are fair and understood by staff. Staff who are involved in interview panels during promotion processes receive training for this. The promotion and progression policies are comprehensive and cover opportunities in all roles.

The service has effective succession planning processes in place that allow it to effectively manage the career pathways of its staff, including roles requiring specialist skills. This is managed through the workforce planning board, which meets regularly.

Selection processes are managed consistently in line with policy. Temporary promotions are used appropriately to fill short-term resourcing gaps.

### **The service develops leadership and high-potential staff at all levels**

The service has effective succession planning processes in place that allow it to manage high-potential staff into leadership roles. Leadership development is apparent at all levels in the service, from foundation sessions through core and advanced programmes.

There are talent management schemes to develop specific staff. The service recently held a middle management assessment centre where managers carried out role-specific tasks and were given development guidance and feedback on their performance. All posts above group manager level are advertised externally.

# **Outcomes of Safety and Wellbeing Plan 2023**

## Methodology

1. The Authority agreed a Safety and Wellbeing Plan for consultation with the public at its meeting held on 13 October 2022. Published in the form of a short summary, the major issues covered were:
  - What customers get for their money in the form of a visual performance update
  - Current campaigns being run by customer safety, especially those related to emerging issues such as electrical and home safety, and awareness amongst customers of them,
  - An overview of the forthcoming fundamental review of emergency response, which covers all service delivery to customers
  - Proposals on Council Tax options for 2023/24.
2. Consultation ran from 24 October 2022 to 13 January 2023. One question related to the level of the Council Tax precept, and this has been considered earlier on this agenda. Consequently, this section gives Members feedback on the methodology deployed and the remaining questions that were asked, as well as comments made on the level of the proposed Council Tax precept.
3. A variety of methods were used to promote the Plan and survey including promotion on the Authority's website, promotion via email to residents and businesses who have signed up for the Authority's e-newsletter, including all parishes through the Kent Association of Local Councils network, and a number of promoted posts on social media platforms.

## Results and Analysis

4. Promotion through social media was seen 229,684 times, and was interacted with by 57,008 people, resulting in 1,632 engagements including likes, comments, shares and clicks through to our website. The targeted gov delivery email went to 4,103 recipients, and was opened 1,333 times, and resulted in 62 clickthroughs to the website. The total number of respondents is shown in **Table 1** below and compares favourably with previous years' results [**Table 2**].

**Table 1: Total number of respondents**

<b>Customer group</b>	<b>Number of respondents</b>
<i>Colleague</i>	70
<i>Community group or partner agency</i>	13
<i>Member of the public</i>	304
<i>Business</i>	4
<b>Grand Total</b>	<b>391</b>

**Table 2: Comparison to previous public response rates**

	2019	2020	2021	2022	2023
Member of the public	187	261	16	348	304

5. It is important for transparency that all comments received, both positive and negative, are reflected to Members. Where a theme can be identified, comments have been grouped together. Four businesses took part this year and their comments are reflected in the subsequent paragraphs. Comments from community groups and again are reflected in the subsequent paragraphs. Responses were received from the following community groups.

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What community group or partner agency do you represent?
Folkestone Town Council - Councillor.
Children's centres [area not stated]
Folkestone & Hythe District Council
Flood Warden
Iwade Parish Council
Offham Parish Council
Air Search
Parish council and u3a
Charing Parish Council
Aylesham Parish Council
New Romney Town Council
Maidstone and Tunbridge wells nhs trust

6. No printed copies of the Safety and Wellbeing Plan were requested.

## Responses to Questions

### Part 1 - Our campaigns

7. This section of the Plan presented a selection of our current campaigns for the home and for businesses and ways to find out more. The questions asked respondents if they were aware of the campaign on a scale of extremely aware, very aware, somewhat aware, not so aware or not at all aware. Response levels from colleagues would be expected to be higher but provide a marker of comparison between the datasets which aids interpretation.
8. **Our home safety services** there were extremely high levels of awareness of this campaign, with more than 95% of respondents reporting they were aware or had seen campaign information, as shown in **tables 3a, b and c** below.

**Table 3a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on home safety?” – all respondents

Extremely aware	<b>43.51%</b>
Very aware	36.14%
Somewhat aware	14.74%
Not so aware	3.16%
Not at all aware	2.46%
<b>Grand Total</b>	<b>100.00%</b>

**Table 3b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on home safety?” – members of the public

Extremely aware	34.58%
Very aware	<b>40.19%</b>
Somewhat aware	18.69%
Not so aware	3.74%
Not at all aware	2.80%
<b>Grand Total</b>	<b>100.00%</b>

**Table 3c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on home safety?” – colleagues

Extremely aware	<b>73.77%</b>
Very aware	24.59%
Somewhat aware	1.64%
<b>Grand Total</b>	<b>100.00%</b>

9. **Save safely:** there was slightly less awareness across all respondent types of this new campaign, designed to help customers save money safely when cutting costs in response to the rising cost of living. Just over 50% of respondents were aware of it. **Tables 4a, b and c** present a breakdown of results.

**Table 4a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on safely reducing your energy bills” – all respondents

Extremely aware	11.35%
Very aware	17.38%
Somewhat aware	19.50%
Not so aware	<b>27.30%</b>
Not at all aware	24.47%
<b>Grand Total</b>	<b>100.00%</b>



**Table 4b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on safely reducing your energy bills” – members of the public

Extremely aware	4.27%
Very aware	12.80%
Somewhat aware	18.48%
Not so aware	<b>34.12%</b>
Not at all aware	30.33%
<b>Grand Total</b>	<b>100.00%</b>

**Table 4c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on safely reducing your energy bills” – colleagues

Extremely aware	<b>37.10%</b>
Very aware	33.87%
Somewhat aware	22.58%
Not so aware	3.23%
Not at all aware	3.23%
<b>Grand Total</b>	<b>100.00%</b>

10. **Firesetting team:** there was a similar level of awareness to the save safely campaign for the work of the firesetters team, but as a more niche service, this level of awareness identified in the survey is actually felt to be a positive outcome. **Tables 5a, b and c** present a breakdown of results.

**Table 5a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on firesetting?” – all respondents

Extremely aware	20.07%
Very aware	19.35%
Somewhat aware	<b>21.86%</b>
Not so aware	18.28%
Not at all aware	20.43%
<b>Grand Total</b>	<b>100.00%</b>

**Table 5b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on firesetting?” – members of the public

Extremely aware	10.53%
Very aware	14.35%
Somewhat aware	<b>26.79%</b>
Not so aware	22.49%
Not at all aware	25.84%
<b>Grand Total</b>	<b>100.00%</b>

**Table 5c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on firesetting?” – colleagues

Extremely aware	54.10%
Very aware	36.07%
Somewhat aware	4.92%
Not so aware	4.92%
<b>Grand Total</b>	<b>100.00%</b>

11. **Electrical safety:** Awareness of the electrical safety campaign, which promotes amongst other issues the dangers of overloading plug sockets had a pleasingly high level of awareness amongst all respondents, as shown in **Tables 6a, b and c.**

**Table 6a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on electrical safety?” – all respondents

Extremely aware	25.09%
Very aware	29.39%
Somewhat aware	25.45%
Not so aware	12.19%
Not at all aware	7.89%
<b>Grand Total</b>	<b>100.00%</b>

**Table 6b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on electrical safety?” – members of the public

Extremely aware	18.57%
Very aware	26.19%
Somewhat aware	30.00%
Not so aware	15.24%
Not at all aware	10.00%
<b>Grand Total</b>	<b>100.00%</b>

**Table 6c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on electrical safety?” – colleagues

Extremely aware	51.67%
Very aware	36.67%
Somewhat aware	11.67%
<b>Grand Total</b>	<b>100.00%</b>

12. **Chimney safety:** awareness of the campaign to promote regular chimney sweeping was tested in the same way and reveals that more than 65% of respondents were aware of the campaign. Unsurprisingly, colleagues were much more aware than members of the public, but nonetheless this can be taken to indicate that the campaign is reaching its audience. **Tables 7a, b and c** present a breakdown of results.

**Table 7a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on chimney safety” – all respondents

Extremely aware	21.69%
Very aware	<b>23.53%</b>
Somewhat aware	21.32%
Not so aware	17.28%
Not at all aware	16.18%
<b>Grand Total</b>	<b>100.00%</b>

**Table 7b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on chimney safety?” – members of the public

Extremely aware	16.18%
Very aware	21.08%
Somewhat aware	<b>23.53%</b>
Not so aware	19.12%
Not at all aware	20.10%
<b>Grand Total</b>	<b>100.00%</b>

**Table 7c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on chimney safety?” – colleagues

Extremely aware	<b>44.07%</b>
Very aware	30.51%
Somewhat aware	13.56%
Not so aware	10.17%
Not at all aware	1.69%
<b>Grand Total</b>	<b>100.00%</b>

13. **Business safety advice:** awareness of the Authority’s business safety campaigns was high amongst all groups. All businesses that responded were aware, although actual response numbers were low. **Tables 8a, b and c** present a breakdown of results.

**Table 8a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns to promote business safety?” – all respondents

Extremely aware	23.97%
Very aware	22.47%
Somewhat aware	<b>28.09%</b>
Not so aware	10.86%
Not at all aware	14.61%
<b>Grand Total</b>	<b>100.00%</b>

**Table 8b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns to promote business safety?” – members of the public

Extremely aware	15.00%
Very aware	22.50%
Somewhat aware	<b>31.50%</b>
Not so aware	11.50%
Not at all aware	19.50%
<b>Grand Total</b>	<b>100.00%</b>

**Table 8c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns to promote business safety?” – colleagues

Which of the following best describes you?	Colleague
<b>Row Labels</b>	<b>Count of Before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns to promote business safety?</b>
Extremely aware	<b>58.62%</b>
Very aware	22.41%
Somewhat aware	15.52%
Not so aware	3.45%
<b>Grand Total</b>	<b>100.00%</b>

14. **Fire risk assessments and fire alarms:** both these campaigns had good levels of awareness, and all business respondents were aware of them. **Tables 9a, b and c and 10a b and c** present a breakdown of results.

**Table 9a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire risk assessments for businesses?” – all respondents

Extremely aware	29.21%
Very aware	23.22%
Somewhat aware	<b>28.09%</b>
Not so aware	8.24%
Not at all aware	11.24%
<b>Grand Total</b>	<b>100.00%</b>

**Table 9b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire risk assessments for businesses?” – members of the public

Extremely aware	21.00%
Very aware	22.50%
Somewhat aware	<b>32.50%</b>
Not so aware	9.00%
Not at all aware	15.00%
<b>Grand Total</b>	<b>100.00%</b>

**Table 9c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire risk assessments for businesses??” – colleagues

Extremely aware	55.17%
Very aware	27.59%
Somewhat aware	13.79%
Not so aware	3.45%
<b>Grand Total</b>	<b>100.00%</b>

**Table 10a:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire alarms for businesses?” – all respondents

Extremely aware	24.72%
Very aware	29.59%
Somewhat aware	24.34%
Not so aware	9.74%
Not at all aware	11.61%
<b>Grand Total</b>	<b>100.00%</b>

**Table 10b:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire alarms for businesses?” – members of the public

Extremely aware	19.50%
Very aware	28.00%
Somewhat aware	27.00%
Not so aware	11.50%
Not at all aware	14.00%
<b>Grand Total</b>	<b>100.00%</b>

**Table 10c:** responses to the statement “before reading this page, how aware were you that Kent Fire and Rescue Service ran campaigns on fire alarms for businesses?” – colleagues

Extremely aware	43.10%
Very aware	34.48%
Somewhat aware	15.52%
Not so aware	1.72%
Not at all aware	5.17%
<b>Grand Total</b>	<b>100.00%</b>

## Part 2 – issues for the future

- In this section of the plan, respondents were asked to review the forward looking risk assessment published as part of the Authority’s Customer Safety Plan in July 2022 and consider if any risks were missing or needed to be escalated. 76 responses from public respondents were received, and 16 from colleagues, which are set out below in **Tables 11a** and **b**. Overall a range of additional suggestions were made which add additional richness to the existing statement and can be used to extend a future iteration. Comments are largely presented verbatim although some have been grouped into common themes.

**Table 11a - Public comments**

Row Labels	Response
A number of respondents commented on parking issues, such as “Added on street parking due to the number of new housing estates being built and an increase in car ownership giving rise to possibly of double parking and access issues for fire service vehicles” and “Educating people about parking in places that could stop a fire engine getting through”	Parking especially on new estates has been a theme of comments for several years. We continue to run campaigns on responsible parking, but the number of spaces made available is in the control of the relevant local planning authority and in national planning guidance.
A respondent commented “after the recent news about bullying etc you need to plan an improved recruitment drive that is more open and keep staff save [sic]”	This refers to the recent report on bullying in London Fire Brigade. Kent has a strong inclusive culture and ethos.
As more of Kent and Medway become dormitory towns for London employment, how are you going to recruit enough on-call firefighters for some areas? asked one respondent	The ability to recruit people to become on-call firefighters remains very challenging. This is an issue that will be considered in the forthcoming review of emergency response provision.
Another noted that “As much of Swale is on the coast, possible a campaign in schools regarding water safety at the beach and in rivers and lakes”.	We will re-share any campaign material produced by other agencies such as the Coastguard and local authorities in relation to water safety, as well as promoting our own water safety campaigns.
One respondent stated that “sky lanterns are a menace. Pushing for their ban would be great. Another requested a ban on private fireworks parties.	Both these issues would require legislation and is not in our power to do at this time We encourage customers to not use sky lanterns in our campaigns and to use fireworks responsibly.
Two respondents suggested “Charging customers for false call outs or preventable incidents” or “Charging those who purposely put themselves/others at risk”	The number of malicious call outs we receive are very low, and the vast majority are not attended. We do not believe charging will provide a deterrent.
A request was made for checks on flats for sprinkler systems that work and flammable cladding	The respondent will be pleased to know that the review of buildings in Kent and Medway for cladding similar to that used at Grenfell has been completed and remediation works undertaken. The function of sprinkler systems is the responsibility of the building owner or managing agent.
Climate change was suggested as an addition to the risk assessment	This is already heavily referenced in the risk assessment.
A number of respondents asked us to reconsider our support for SECAM in responding to medical emergencies as a way to save money	Attending calls on behalf of the ambulance service does not cost us anything other than diesel, as the colleagues that perform this work are on duty anyway. We have potentially saved more than 58 by performing this function in the last three years.
Deliberate fire setting of trees and parkland was raised with a spate of fires in Mangravet woods	We will pass these comments to local crews to investigate.
Alternative fuels were raised by a number of respondents. Electric vehicle increased ownership	Electric vehicles and new fuel/power sources generally are without question a new risk and

<p>was raised as an issue - safety awareness regarding fire risk/action. Fuel theft from motor vehicles and storage tanks driven by cost of living crisis was also raised</p>	<p>campaign issue for us. Fuel theft is not known to be prevalent in Kent and Medway but could be an emerging risk.</p>
<p>Ensuring all new homes are fitted with fire/smoke alarms ...domestic users have fire blankets and extinguishers in their homes was requested</p>	<p>All new homes already have hardwired smoke alarms. We do not recommend fire extinguishers or blankets in the home.</p>
<p>Three comments were made on flooding, which can be summarised as "Flood risks, particularly in towns such as Dartford where the slightest amount of rain causes flooding."</p>	<p>Riverine [fluvial] and coastal flooding will become more pressing issues in the coming years and the most recent projections for sea level rise are factored into the risk assessment.</p>
<p>Heatwaves and advice on keeping property safe and banning bbqs and how heat and humidity can affect people, particularly young and elderly</p>	<p>Heat risk is already factored into the risk assessment. The banning of BBQs would require legislation.</p>
<p>Home furnishings being made with materials that spread fire much quicker than those 15 years ago said one respondent</p>	<p>We are not aware that any standards relating to the flammability of furnishing have altered since substantial renewal in the early 1980s following a number of fatal fires.</p>
<p>Keeping up to date with new technology to provide even more safety to firefighters who risk their lives every day for the people of Kent was suggested.</p>	<p>We 100% agree with this comment and have a history of innovation and new technology being deployed. We keep our resources under constant review, including what the market is developing. We are about to embark on a fundamental review of all resources and will factor these comments in to that work.</p>
<p>Covid was raised with the impact of Covid on people in coming years with reduced access to services for a period of time creating knowledge gaps and fade. But also impact on mental health and ongoing isolation.</p>	<p>We are watching developments of research into long covid with interest</p>
<p>A number of comments were made on the Authority's support of Pride and the LGBTQ+ community. One respondent called it "gimmicky", and one called it "woke".</p>	<p>We do not agree supporting the LGBTQ+ community is a gimmick. We are committed to access to our services for all and reducing any perceived barriers to that access.</p>
<p>Three respondents asked if more houses especially in rural areas meant more fire engines were needed. One raised whether Edenbridge fire station would be upgraded to full-time. One asked for the fire station in Sturry [closed in 2012] to be reopened.</p>	<p>Rural services are an issue that will be considered in the forthcoming review of emergency response provision.</p> <p>The station at Sturry closed in 2012. Since then, we have identified no impact from its closure</p>
<p>A number of respondents commented on firefighter pay and promoted the need for a cost of living pay increase</p>	<p>We continue to hope that the government can find a workable solution to the current issues around firefighter pay.</p>
<p>A number of public respondents and colleagues commented on access to campaigns over the internet, summarised in this comment "People who do not have Internet so would not have any idea of campaigns"</p>	<p>Campaigns are designed to be delivered via multiple channels and not just electronically. There is always a need to consider the technology deficit amongst some target groups</p>

One resident raised the potential implications of the building safety act including the secondary legislation that is currently going through

This has been considered by the Authority at previous meetings, but the respondent is correct to say the implications are significant.

**Table 11b - Colleagues comments**

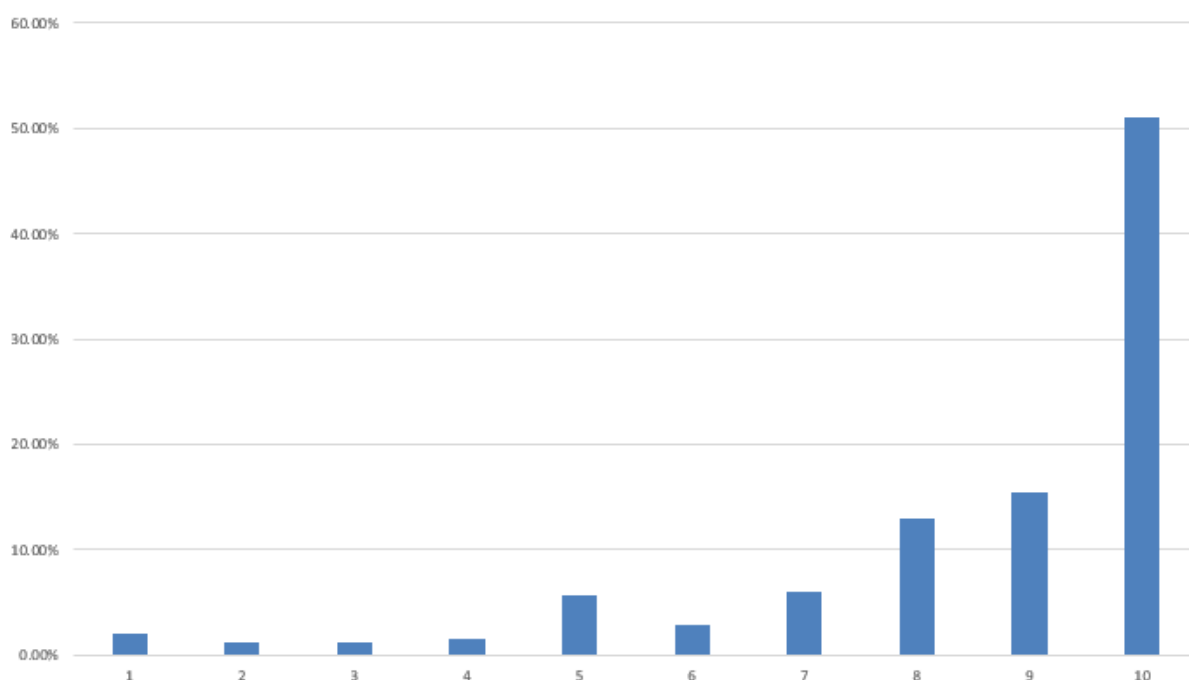
Row Labels	Response
One colleague suggested we ask for donations/contributions from customers who can afford to pay for our services which we currently provide free of charge	We have no plans to pursue this at this time
A number of colleagues noted the issues of attracting and retaining on-call firefighters	We agree this will continue to be challenging and will be considered as part of the review of emergency response provision.
A number of colleagues raised the issue of potential water shortages and interruption to electricity supply in the future	This is factored into the risk assessment but will be reviewed.
Construction methods was a subject of discussions, especially timber framing in new build properties?	The behaviour of different building types when subject to fire is a critical element of the redevelopment of the Ashford Live Fire training facility which Members have supported.
One colleague noted the effect poverty has on fire safety	Our colleague is absolutely correct to state that poverty can lead to changes to behaviour, and that is one of the drivers behind the Save Safely campaign.

### Part 3 - value for money

- Using a sliding scale, customers were asked to rate whether they felt the current Kent Fire and Rescue Service cost in the Council Tax (example cost based on a band D property) represented good value. More than 69% of respondents selected 8 or above. This indicated that most customers felt the amount was good value.



**Figure 2:** Percentage of customers rating the current KFRS element of Council Tax on a scale of 1 to 10, where 1 represents 'not good value' and 10 represents 'good value'.



17. Customers were then asked for feedback about options for next year's Council Tax contribution. This is reported elsewhere on this agenda. There were 69 comments [54 from members of the public, 10 from colleagues, one from a business and four from community groups] associated with this question, revealing greater insight into customer's reasoning behind these responses which are set out below. A number of comments mentioned value-for-money, where customers would only be happy with an increase if they felt money is well-spent, or they would not support an increase because they feel money is not currently well-spent. Other comments showed that some customers were strongly opposed to an increase, often because it would be financially difficult for them. Some customers made it clear that they would be happy with an increase as they were keen to ensure the fire service is well-resourced. The nature of the comments means that no response is required in this instance. Responses have been grouped into broad themes.

**Table 12 - Public comments on council tax – summarised**

Row Labels
A large number of comments were along a very similar theme – that even a 5% increase would be a cut in service. One respondent commented "With increasing need that service not only needs to be maintained at current level but improved and enhanced for public safety". One said, "As long as the proposed increase is going towards all the emergency services paid from council tax, I don't think anyone would object to increases."
Conversely a number of respondents were adamant that council tax overall should be 0% or reduce further. There was a perception that the fire service was part of one of the Kent local authorities rather than a standalone authority, and some comments about Member allowances. Another said "Considering there is a certainty of recession and people are already finding the impact of cost of living increases hard to cope with raising Council Tax would be inappropriate"
A large number of responses highlighted how the difficult times some customers are experiencing at the moment, with comments such as "I support the fire service, but I cannot afford to pay more".
Some comments wanted the Authority to take a stronger line in lobbying government for funding for pay and service development.

One respondent believed that “the entire subject of Council Tax is grossly unfair and needs to change. “

One informed respondent commented “under good value I have commented that the Tax Base has and will continue to increase in Kent as further developments progress. This will provide additional funding thus negating the need for any Council Tax increases above the current referendum limit of 2%. This should be seriously considered since many people cannot afford further continued increases during the present cost of living emergency. Council Tax and fuel bills each account for around 10% of income in my situation. Fuel poverty starts at 10%, is Council Tax Poverty going to be the next issue in 2023? Sadly, more taxes are unaffordable to many in the present climate.

## Any other comments

18. The final section asked for any final comments on any aspect of the Plan, with public responses summarised in **Table 13** below.

**Table 13 - Public comments**

Row Labels	
One respondent noted that all fire departments should have a 'first responder' to provide emergency first aid help like they do in most other countries.	All firefighters have medical training equivalent to an ambulance paramedic and suitable emergency medical equipment.
The Authority was thanked! “Always useful and supportive of us in education. Thank you”	We are grateful for your support in the education sector.
A large number of comments focused on what could be thought of as going back to the basics of firefighting and saving life. There was a large number of negative comments on the Authority’s use of Stonewall and others.	The Authority’s ongoing use of Stonewall is being reviewed as we have achieved what we wanted to from our engagement. No decision has yet been made on future support.
On respondent was concerned about retention. They said, “I worry about staff leaving the service, I am aware of lots that have recently moved to London, I would question why and what is being done to keep hold of experienced staff?”	The respondent is correct, a number of colleagues have elected to join other fire and rescue services, but at the same time others have joined Kent, and some colleagues have had an opportunity for promotion. Some turnover is good for an organisation.
The use of the phrase “customer” still raises negative comments from respondents.	We have no plans to stop using this phrase.

**SUMMARY INSURANCE REPORT FOR 1 NOVEMBER 2021 – 31 OCTOBER 2022**

**Introduction:**

1. This report details the Authority's insurance claim costs notified for the period 1 November 2021 to 31 October 2022. The data in this report covers the Authority's main insurance policies: motor claims; property claims, public liability, and employer's liability.

**Notes to Accompany the Claims Information**

2. The nature of insurance claims involving personal injury means that they can take three to five years from claim to final settlement. Equally some motor claims can take several years to determine and therefore the final costs may not be known at the end of any given reporting period. Where costs are unknown insurers set a "reserve" as an estimate of final costs; these estimates are often on the generous side which may inflate the costs within this report. It should be noted that the number of employer's liability and public liability claims is small but individual claim costs can vary from hundreds to thousands of pounds and therefore significant annual variances can occur.

**Table 1** below details the insurance policy excess that the Authority carries for each policy.

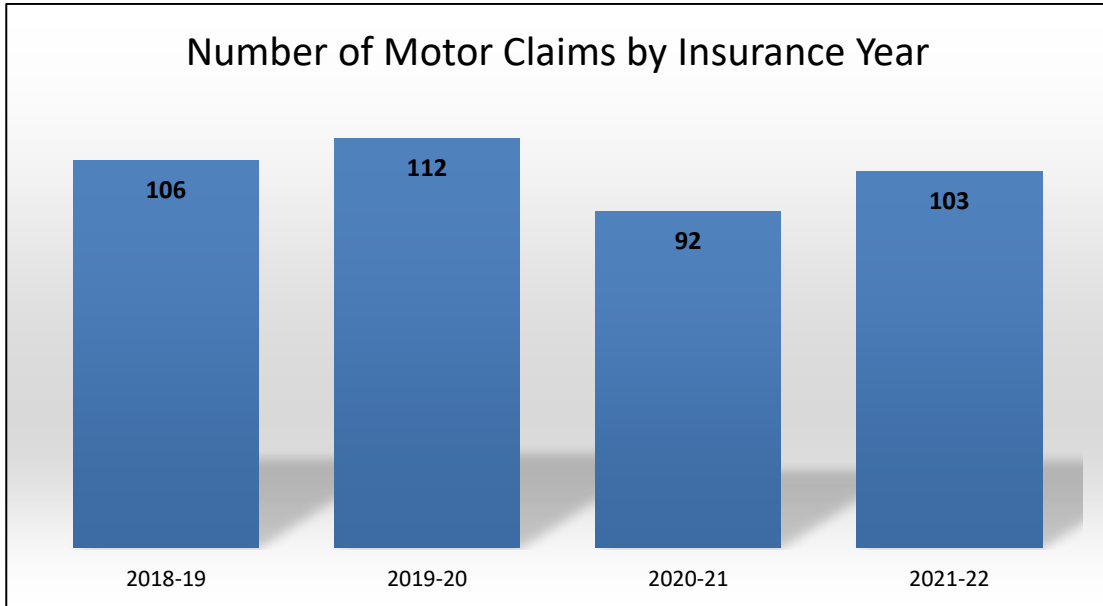
<b><u>Insurance Policy Excess</u></b>	
<b>Policy</b>	<b>Excess (£)</b>
Motor	50,000
Employers Liability	25,000
Public Liability	25,000
Property	5,000

**2021/22 Policy Year Claims**

**Motor**

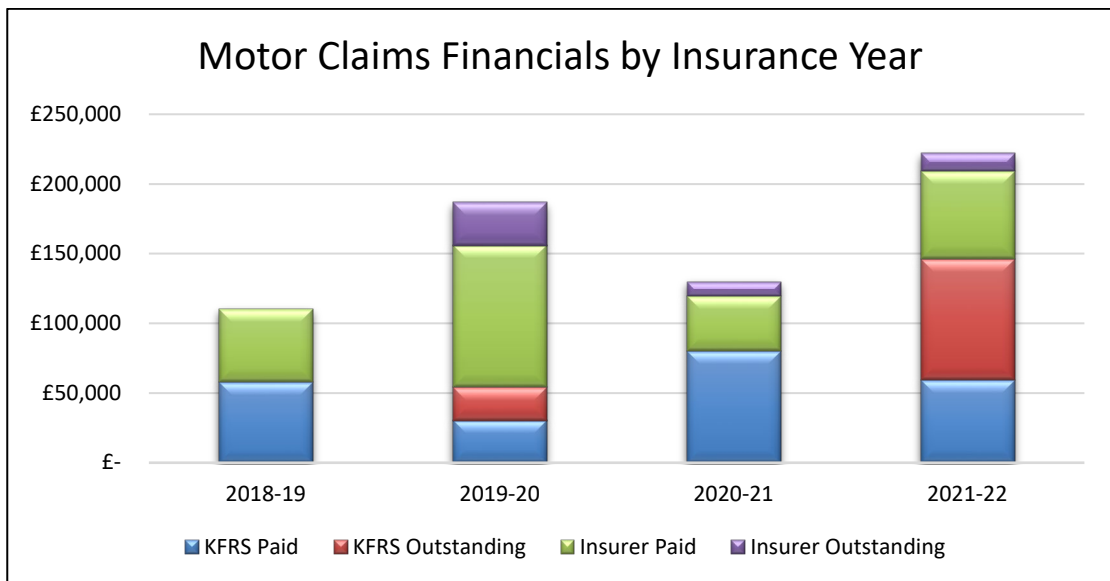
3. This policy covers claims arising from vehicles (including emergency vehicles) used on the Authority's business. There were 103 motor claims reported within the 2021/22 policy year, which is on a par with pre covid years. Of those reported, 63% involved a fire engine of which 26% of those incidents were whilst on blue lights. Fifty-two percent of all incidents involved a collision with a static item (parked vehicle, property, or street furniture), some of which could have been avoidable if width restrictions had not been compromised due to inappropriate parking by the public. An internal Driver Support Group has been created, bringing together colleagues from across teams within the Authority to review the causes of motor incidents to enable better understanding of why motor collisions occur. This assists with identifying and establishing appropriate measures to aid reduction of motor collisions and to also provide appropriate welfare support to the driver.

**Table 2** - comparative years motor claims from 2018-19 onwards.



4. Unfortunately, the cost of motor claim damage has increased this year due to several incidents resulting in extensive vehicle damage and the rising repair costs within the market globally. The estimated motor claims cost for 2021-22 is currently £221k of which £146k is a cost to the Authority. However, there are still a considerable number of claims to be finalised and therefore an estimated reserve figure has been incorporated within these calculations.

**Table 3** – Motor Claim Financials by Insurance Year from 2018-19 onwards



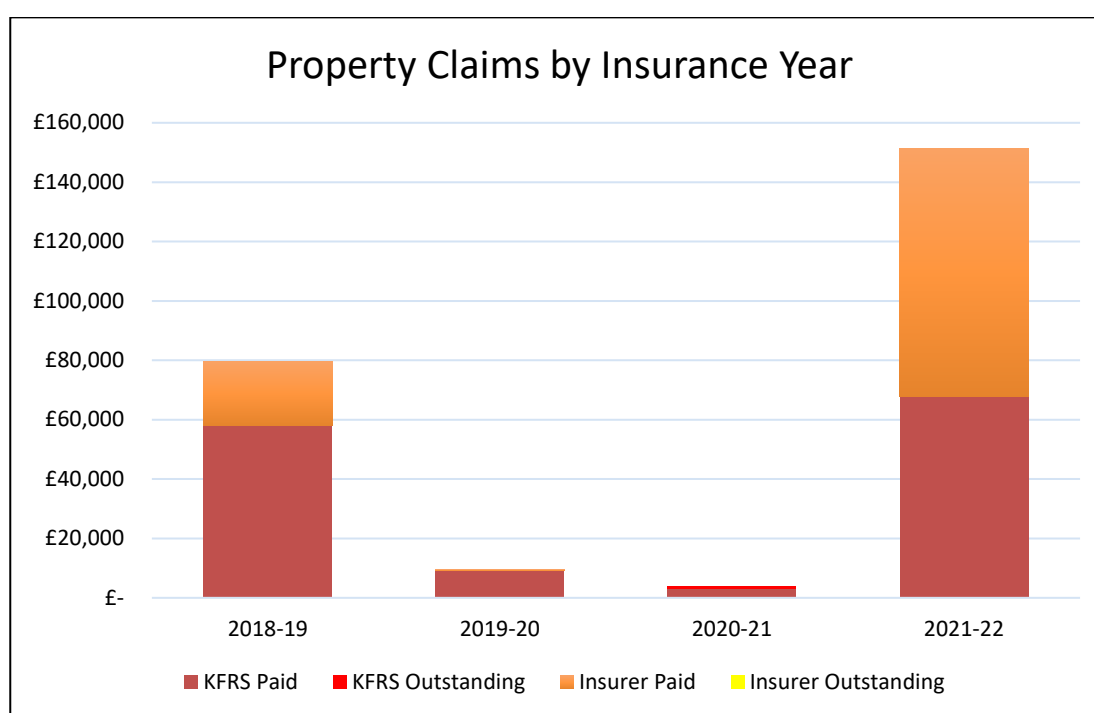
5. The use of CCTV footage and telematics is used to support drivers during driver training and during motor collisions investigations. It is also an asset in providing data to establish liability of

motor claims and has been positively used to mitigate some claims of third-party vehicle damage. A discount on our motor policy due to the provision of CCTV reflects FRIC's recognition of its advantages when dealing with such claims.

## Property Claims

- In comparison to the previous two years, property claim costs have been much higher this year at a cost of £151k. Most of this cost (£142k) relates to significant damage to the Tonbridge Station roof during Storm Eunice. A further £6k is as a result of damage to bay doors and £3k relates to damage caused by a third party which has recently been reimbursed.

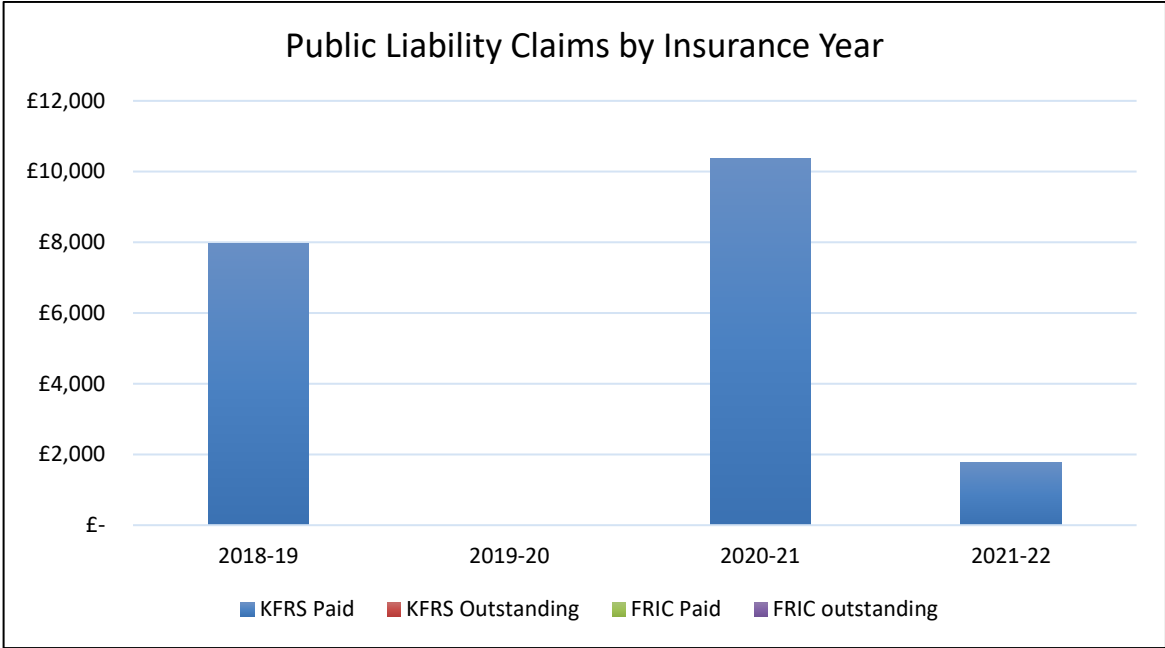
**Table 4** – comparative years Property Claims from 2018-19 onwards



## Public Liability

- This policy covers claims against the Authority by the public for injury, loss or damage caused as a result of its activities (excluding motor accidents). The third party has three years to open a claim from the date they become aware of the injury. Public liability claims are generally low in frequency and value but the widely publicised “claims culture” means that the potential remains high and the premium therefore reflects this.
- There have been five Public Liability claims for damage to property within the 21/22 policy year at a cost of £1.8k. Four are for minor damage occurring at incidents whilst the fifth claim (£1.3k), was due to damage to crops whilst attending a woodland fire during the summer. A “lesson learnt” was raised at the incident debriefing and a new process has also been introduced where feedback of any insurance claims or potential claims is now included as an agenda item within incident debriefs.

**Table 5** - comparative years Public Liability claims from 2018-19 onwards



**Employer’s Liability**

- 9. This policy covers claims made against the Authority by its employees for injuries sustained in the course of employment. Employees have three years from the date of injury to submit a claim so there is the potential for further claims to be received for 2018/19 onwards. However, for claims due to contaminant exposure such as asbestosis the claimant has three years from the date of diagnosis so claims could relate to exposure from forty plus years before.
- 10. There are currently three open claims relating to previous insurance years with an estimated cost of £46k.
- 11. KCC Insurance is dealing with 3 claims relating to Firefighters who served in Kent between the mid-1960s and late 1980s. The relating period of these claims predates KFRS becoming a combined authority and therefore liability lies with KCC and so costs are not included in this report. It is likely that further claims will be received in the future which may start to have a financial impact on this Authority.

**Insurance Renewal**

- 12. The annual insurance renewal document continues to be extensive, in an attempt for FRIC to identify potential risks for the Member Authorities as accurately as possible. As a result, the overall FRIC insurance renewal for 2022/23 has cost £668.4k which is an increase of 7.1% on the previous year. Our motor protection saw an increase of 9.9% on last year which is due to a general increase in the unit price of the motor policy but predominantly due to the crossover of new replacement vehicles with old stock awaiting disposal at the point of insurance renewal. Motor protection for the year ahead is calculated at a point in time and any changes to the fleet

over the protection year are reflected in a midterm adjustment charged to the next year's annual renewal invoice (last year's adjustment amounted to a credit of £2.5k). The Authority has benefited from a premium discount of £45.5k from the provision of CCTV and telematics in our vehicles and a £32.4k (8.7%) claims handling, based on our achievements to Key Performance Indicators (KPI) set by FRIC (fleet collision ratios, average cost per claim and claim reporting times). A charge of £2.4k was incurred for the provision of third-party uninsured loss recovery services. This is only an increase of £157 to the previous year but amounts to a 6.7% increase.

13. Finally, in addition to the four main insurances set out above, the Authority has a number of other smaller insurance policies (taken out with other insurers), which cover for example personal accident and business travel, and their annual premiums total £119k.

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**MINUTES OF PENSION BOARD MEETING  
19 OCTOBER 2022**

**Present:**

Mark Rist (MR)	KFRS (Employer Representative)
Matthew Deadman (MD)	KFRS (Employer Representative)
Danny Barrett (DB)	FBU (Employee Representative)
David Broughton (DBr)	FBU (Deputy Employee Representative)
Lawrence Pater (LP)	FOA (Employee Representative)
Callum Price-Skinner (CPS)	FRSA Representative (Employee Representative)
Alison Kilpatrick (AK)	Director Finance and Corporate Services
Barrie Fullbrook (BF)	Head of Finance, Treasury and Pensions
David Stanbury (DS)	Pensions Manager (Scheme Manager Representative)

**Apologies:**

Dylan McEvoy (DM)	FRSA Representative (Employee Representative)
Jordan McEvoy (JM)	FRSA Representative (Deputy Employee Representative)

<b>NEXT MEETING</b>	Date: 15 February (AGM)
	Venue: MS Teams
	Time: 13:30

**1. Declarations of Interests on Items on this Agenda**

None

**2. Minutes of the Pension Board Meeting held on 10 May 2022**

The minutes of the meeting held on 10 May 2022 were agreed as a true record.

**3. Minutes from the last Pension Board Meeting held on 26 September 2022**

As this meeting did not have the required number of representatives in attendance to ensure that the meeting was quorate, the decision items were deferred to the rescheduled meeting of the Pension Board being held on 19 October 2022. Therefore, these minutes are to note. Noted

**4. Pension Board Action Log - Update on Progress**

DS confirmed that there is no change in the action log since the last meeting.

**5. LPP Monthly Report**

The LPP Monthly report was circulated by MC prior to the meeting. DS gave an overview of the report and asked colleagues to email him with any further questions they may have. One area highlighted by DS was the drop in SLAs within the last quarter which he did say was a concern and will be keeping a close eye on. DS said that he thinks this may have been down to the teething problems LPP had with the new system they implemented. DS said that the next monthly report will be available soon so will review this area and if there are still concerns, he will discuss with LPP.

**6. Update on Cases (Standing Item)**

McCloud vs Sargent Case

DS provided an update on this case at the meeting on 26<sup>th</sup> September. Nothing of significance has changed since that update. LPP are continuing to process the Category 1 cases. DS is in conversations with LPP around Category 2 cases as LPP had raised some concerns around the processing of these. DS will keep the Board informed of progress.

O'Brien Case

DS provided an update on this case at the meeting on 26<sup>th</sup> September. DS said that a data gathering exercise is now underway to ascertain how many members will be affected. He added that this is being done via various means such as communication through the retirement association, notices sent to stations for their noticeboards as well as information placed on the intranet. DS will provide an update at the next meeting of the Board.

IDRP Cases

There are no IDRP cases to update on.

## **7. Administrator Remedy Self-Assessment Survey**

DS confirmed that the Remedy Self-Assessment Survey has been completed by our pension administrators. The results of the survey are provided to the Board on the below link for information.

<https://www.fpsregs.org/images/Tech/Meeting-30/Agenda-Item-3-Administrator-self-assessment-survey-results.pdf>

## **8. Slow processing of Pension Outside of ID**

DB wanted to raise an issue on behalf of his members around the slow processing of pension information by LPP. He added that these cases are not related to ID so in theory are straightforward in nature and should not be taking as long as they have to get back the required information. DB wanted to raise this issue here so it can be addressed with LPP. He also said that the Annual Benefit Statements (ABS) are taking a long time to be sent out, with some people not receiving one at all. DB said that he has only just received his in October. He said that it was his understanding that LPP had a legal responsibility to ensure that every member receives their ABS within a certain timeframe.

AK said that she is aware of some issues and asked DB to email her the details as she is keeping an issues log so that things like this can be raised within the regular meetings with LPP. She added that with regards to the ABS, every person by law should receive their statement by no later than 31<sup>st</sup> March each year. For those colleagues who exceeded their annual allowance a letter went to those affected the first week of October informing them of the tax liability. LPP has since been inundated with calls which they are trying to get through and work with individuals to resolve the issues. AK said that she recognises that the information sent out is perhaps not clear enough explaining what the detail means and the process so has since spoken with LPP to work out how this can be done better for future.

DB thanked AK for all her efforts behind the scenes. He said he acknowledges that the service continues to do everything it can to support colleagues. MR also added his thanks and said it is more down to AK and her team working constantly behind the scenes on trying to resolve pension issues. AK responded by saying that she knows what a difficult time this is for many people, but the situation is made worse by the fact that we are constantly waiting for guidance from Government, then when something is received it is how this is interpreted and actioned. We are doing the best we can, but it can present more problems. AK said that she alongside a few members of the team have recently held pension sessions at stations which by all accounts were received well.

DS added to this by saying that the notice period of a colleague's intention to retire is still key. He said that some members are still giving us very little notice so causes problems in getting the right information back to the individual within the correct timeframe. He said ID should be 4 months, outside ID should be 2 months.

**9. AOB**

LP confirmed that Lee Abel will be the Deputy FOA representative on the Board.