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Staffordshire Police, Fire and Crime Panel

Monday 10 February 2025

10:00

Oak Room, County Buildings, Stafford

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

John Tradewell
Secretary to the Panel
31 January 2025

Agenda

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

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

5. **Proposed Fire and Rescue Budget and Precept 2025/26 (inc MTFS)**

(Pages 5 - 80)

The report includes:

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

6. **Fire Safety Plan 2025-2028 Update Report** (Pages 81 - 100)
7. **Fire Statement of Assurance 2023-24** (Pages 101 - 122)
8. **Police Misconduct and Complaint Regulations - annual report** (Pages 123 - 134)
9. **Re appointment of Panel Co-optee** (Pages 135 - 136)
10. **Questions to the PFCC by Panel Members**
11. **Dates of Future Meetings and Work Programme** (Pages 137 - 140)
12. **Exclusion of the Public**

The Chairman to move:

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

Part Two

(All reports in this section are exempt)

Membership	
Charlotte Atkins	Staffordshire Moorlands
Adrian Bowen	Co-optee
Carol Dean	Tamworth
Gill Heesom (Vice-Chair)	Newcastle-under-Lyme District Council
Majid Khan	Stoke on Trent City Council
Zdzislaw Krupski	East Staffordshire
Angela Loughran	Stafford Borough Council
Vince Merrick	South Staffordshire
Bernard Peters (Chair)	Staffordshire County Council

Dave Robertson	Lichfield
David Williams	Cannock Chase

Notes for Members of the Press and Public

Filming of Meetings

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

Recording by Press and Public

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





Item No. _____ on Agenda

Report to the Police Fire and Crime Panel

10th February 2025

Fire Revenue Budget Report (incl. MTFS and Precept)

Report of the Staffordshire Commissioner

Introduction

The purpose of this report is to set out the proposed revenue budget and precept proposals for the Staffordshire Commissioner Fire and Rescue Authority for 2025/26.

This report delivers one of the Commissioner's key responsibilities as laid out within the Police Reform and Social Responsibility Act 2011.

The report sets out the following:

- Net revenue budget requirement for 2025/26
- Proposed precept for the fire element of the council tax 2025/26
- Updated Medium Term Financial Strategy (MTFS)
- Outline Capital Budget for 2025/26 to 2027/28

The report should be read in conjunction with the accompanying:

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

Recommendations

The Police, Fire and Crime Panel is asked to:

- a) Examine the information presented in this report, including:
 - The Total 2025/26 net revenue budget requirement of £51.996m, including
 - A council tax requirement for 2025/26 of £33.914m before collection fund surplus/deficits are taken into account (**see Appendix 6**)
- b) Note that the funding for 2025/26 is based upon the Provisional Local Government Finance Settlement, and includes the estimated business rates information for the nine billing authorities.

- c) Support the Commissioner's proposal to increase the 2025/26 precept for the fire element of the council tax bill by 5.85% or £5 per annum which is equivalent to 10p per week, increasing the council tax to £91.77 for a Band D Property **(see Appendix 6)**.
- d) To note that the Council Tax base has increased to 369,558 properties **(see Appendix 5)** equivalent to an increase of 1%. The Council Tax collection fund has also been finalised delivering a deficit of £87k **(see Appendix 4)**.
- e) To note the MTFS summary financials **(Appendix 7)** and MTFS assumptions contained within the report (see page 15)
- f) To note the MTFS shows a savings requirement into the medium term and includes the use of reserves in 2025/26, £1.3m, and 2026/27, £0.5 (See Appendix 7).
- g) Support the proposed three year Capital Investment Programme **(see Appendix 8)**. Note there is a Capital Strategy to accompany the programme.
- h) To note the business rates for 2025/26 is based upon the Provisional Local Government Finance Settlement. This will be adjusted within the Earmarked Business Rates adjustment reserve (£0.2m) when compared to the actual Non-Domestic Rates Income Returns (NNDR returns) from the nine billing authorities.
- i) Note the outcome of The Staffordshire Commissioner's budget consultation.
- j) Support the delegation to the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority to make any necessary adjustments to the budget as a result of late changes to central government funding (including changes due to the final funding settlement being announced) via an appropriation to or from the general fund reserve .
- k) To note the proposed fees and charges for 2025/26 **(see Appendix 10)**.
- l) To note the Statement from the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority on the robustness of the Budget and adequacy of the proposed financial reserves.

Ben Adams
Staffordshire Commissioner

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Commissioner's Foreword



This is my first budget and council tax precept proposal following my re-election in May 2024 as Police, Fire & Crime Commissioner. I continue to be impressed with the progress that Staffordshire Fire & Rescue Service has made in recent years, recognised in the most recent inspection report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The improvement in nearly all the areas assessed is testament to the hard work and dedication of the service's staff, firefighters, leaders and Chief Fire Officer. I would like to thank them for this. I am certain that they will continue to fulfil the ambitions set out in my refreshed Local Fire & Rescue Plan and the new Community Risk Management Plan issued by the Chief Fire Officer in December 2024.

This 2025/26 budget and Medium Term Financial Strategy (MTFS) is set against a backdrop that includes some significant uncertainties and new financial pressures. Even when increasing the council tax precept by the maximum permitted without a local referendum, a £1 million reduction in Government grant coupled with a material shortfall in funding to cover the increase in employers National Insurance Contributions means that Staffordshire, along with other standalone Fire and Rescue services, are having their total funding cut in cash terms. I also remain very concerned about the impact of future pay awards should nationally negotiated pay agreements continue to exceed our budget assumptions.

Staffordshire Fire & Rescue Service has developed specialist capabilities to enable it to meet new operational challenges, some of which are a consequence of climate change or new battery and energy storage technologies that are rapidly developing in response to it. To support this, I have invested in new appliances to equip the service at the most challenging incidents.

I remain very supportive of the service's ambition to help other agencies to keep people safe, even outside the traditional parameters of Fire & Rescue. Working across Staffordshire with local NHS partners and West Midlands Ambulance Service to respond when people have fallen or need assistance returning home from hospital has helped to keep hundreds of people out of hospital and freed up valuable health resources.

My office has worked with the Service to address budget challenges over the past two years which has culminated in over £1 million of recurring cash savings as part of a comprehensive transformation programme. However, there is more to do as we look at options to improve efficiency and productivity so the Service is now scoping a further £1m of new savings.

This budget must ensure that the Chief Fire Officer has the resources needed to deliver on his updated Community Risk Management Plan, national government and local priorities. With this and inflation and wage pressures in mind, I have concluded that the

2025/26 Fire and Rescue council tax precept should increase by 5.85%, equivalent to £5 per year or 10p per week for a band D property. This is in line with the referendum limit which was set at £5 for Fire & Rescue Authorities in 2025/26.

This proposed increase, alongside the updated transformation work, is essential to protect our Fire & Rescue Service from service reductions. I am acutely aware that household budgets are tight so I will always aim to keep council tax as low as possible without compromising the safety of our firefighters or the communities they serve.

Staffordshire Fire and Rescue Service continue to perform well and with your support and the continued investment set out in this MTFS it is my expectation that they will continue to keep us safe.

https://staffordshire-pfcc.gov.uk/wp-content/uploads/Fire-and-Rescue-Plan_AW4.pdf

Executive Summary

This report advises the Panel on the revenue budget for 2025/26, and the proposed level of council tax for the Staffordshire Commissioner Fire and Rescue Authority. It also presents an updated Medium Term Financial Strategy for the following four year period to 2029/30.

The Government, as part of the Autumn Budget, issued on 30 October 2024 announced over £4 billion in additional funding for local government services, £1.3 billion of which will go through the Settlement. Overall, the provisional Settlement delivered on 18 December set out a commitment that local government would receive a real-terms increase in Core Spending Power of c.3.2%.

As part of the provision settlement the government also announced that it “is taking difficult decisions to improve the value for money and efficiency of the grant funding we provide. We will repurpose a number of grants in order to target more funding towards authorities that have weak tax bases, and high levels of need and service demand.”

The settlement included the loss of around £0.9m of grant funding for 2025/26 which has been reallocated to other authorities within the public sector, in addition to the continued reduction of the Airwave grant funding resulting in £1m of reduced grant funding for 2025/26. The budget also includes the National Insurance increase included within the budget and based upon information received from the Home Office assumes that 52% of the additional £575k will be funded through additional grant.

The Settlement Funding Assessment for 2025/26 includes an inflationary increase in Revenue Support Grant (RSG) set at 1.7%, increasing by £132k. The business rates and business rates top-up have been increased by 1.1%. The total reported increase in Settlement Funding is £252k or 1.4%.

The budget process for 2025/26 involved full consultation with all budget holders and calculated from a zero base. Where possible all recurring efficiencies and savings achieved to date have been incorporated into the base budget.

Following the receipt of the provisional local government finance settlement which included the referendum limits increasing to £5 (5.8% for this authority) for Council Tax increases, the Commissioner has considered; current and future funding requirements, together with the factors included within his Fire and Rescue Plan, the results of the survey with local residents, as well as actual and expected cost pressures, including the loss of grant funding, and expected efficiency savings available to the Service as part of its updated transformation programme.

The Commissioner is proposing a 5.85% increase in Council Tax equivalent to an additional £5 per annum (10 pence per week) and will increase the Band D Council Tax for the Staffordshire Commissioner Fire and Rescue Authority to £91.77.

In summary, when considering the settlement funding position, the proposed increase in Council Tax of £5 and the updated transformation plan from the Commissioner a balance budget position is presented for the budget year 2025/26 and into the medium term, however this will require the support of the Authority's Reserves. The financial position is not helped by a further single year settlement which continues to make financial planning very challenging.

Background

1. The budget proposals contained within this report are based upon the provisional 2025/26 Local Government Finance Settlement received on 18 December 2024.
2. Settlement Funding comprises of three funding streams shown below. The Revenue Support Grant (RSG), Business Rates top-up the 1% share of local business rates shown as extracted from the Provisional Local Government Finance Settlement.

	2024/25 £m	2025/26 £m	Movement £m
1% share of Local Business Rates	3.935	3.980	0.045
Business Rates Top-up	6.493	6.568	0.075
Revenue Support Grant (RSG)	7.489	7.621	0.132
Total Settlement Funding	17.917	18.169	0.252 (+1.4%)

3. The Total Settlement Funding for 2025/26 includes the £1.7m Firefighters' Pension Grant which was rolled into the RSG from 2024/25.

Business Rates / Business Rates Top-up

4. The Staffordshire Commissioner Fire and Rescue Authority receives a 1% share of local business rates, in addition to a business rates top-up. The Panel should note that the 1% share of local business for 2025/26 has been estimated based upon the Provisional Local Government Finance Settlement.
5. The actual 1% share of the district/boroughs and city council's NNDR forms (Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits), will be calculated with any surplus/deficit transferred to the business rates earmarked reserve which is currently set at £0.2m (surplus).
6. Dialogue with the nine billing authorities will be undertaken during the year to ensure any impact of the future business rates reset is understood and included within future updates of the MTFS.
7. S31 grants are also received as part of the NNDR1 returns and have been included as estimates within the budget for 2025/26 and maintained at this level for the MTFS period. The S31 Grants are shown as income for the Authority. This is in addition to the tariff/top-up adjustment that is applied to the Business Rates Top-up and again shown as income for the Authority. S31 Grants have been held at the same level as the 2024/25 actual.
8. The S31 grants included within the district/boroughs and city council's NNDR forms (Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits) have been estimated; any surplus/deficit for S31 grants will be transferred to the Business Rates Earmarked Reserve.

9. In the event of any significant shortfall in the 1% share of business rates or S31 Grant in excess of the Earmarked Reserve a budget adjustment may be required as delegated to the S151 Officer.

Council Tax

10. The setting of Council Tax is under the control of the Staffordshire Commissioner. The process for issuing the precept is aligned to the setting of the Staffordshire Police precept following the change in governance arrangements in 2018. This process is laid out within Schedule 5 of the Police Reform and Social Responsibility Act 2011.
11. From 1 August 2018, the Staffordshire Commissioner assumed the functions of the former Stoke-on-Trent and Staffordshire Fire and Rescue Authority, including the power to issue a fire precept from 2019/20.
12. The Band D Council Tax for the Authority was approved at £86.77 for 2024/25, this report includes the proposal by the Commissioner to increase Council Tax by 5.85% or £5 to £91.77 in 2025/26.
13. The relevant basic amount of council tax for a fire and rescue authority is excessive if the authority's relevant basic amount of council tax for 2025/26 is more than £5 greater than its relevant basic amount of council tax for 2024/25 and sets the referendum limit for the Authority. This is for a single year as announced within the settlement. The MTFS assumes an increase of 1.99% for 2026/27 and for each year thereafter.
14. The Council Tax base shown in **Appendix 5** has increased to 369,558 from 365,868 properties in 2024/25, which is equivalent to an increase of 1%. The Council Tax collection fund is deficit by £87k, shown in **Appendix 4**. Both the Council Tax base and the deficit on the collection fund have been finalised and agreed with the billing authorities.
15. A 1% sensitivity in precept for the Staffordshire Commissioner is equivalent to £0.32m.
16. Based upon a 5.85% increase, the total budgeted precept (including collection fund) has increased by £1.680m, as follows:

Council Tax Amount 2024/25	£32.148m
Increase in Council Tax Base by 1%	£0.320m
Movement in Council tax Surplus	(£0.488m)
Increase in Council Tax by £5	£1.848m
Council Tax Amount 2025/26	£33.828m

17. The total funding for the Staffordshire Commissioner for 2025/26 is shown below:

	<u>2024/25</u>	<u>2025/26</u>	<u>Change</u>
Settlement Funding	£17.917m	£18,169m	£0.252m
Council Tax (Precept)	£32.148m	£33,828m	£1.680m
Total Funding	£50,065m	£51,996m	£1,932m

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

Council Tax (Fire Element)	2024/25	2025/26
Band D Council Tax Proposed	£86.77	£91.77
Increase on Prior Year	£2.52	£5
Percentage increase on Prior Year	2.99%	5.85%
Council Tax Increase*	£1,376,901	£2,167,952
Total Precept Levied (Band D)	£31,746,378	£33,914,330
Council Tax surplus (Deficit)	£401,125	(£86,616)
Total Council Tax	£32,147,503	£33,827,714
Weekly Increase	£0.05p	£0.10p

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

Revenue Budget 2025/26

19. The Revenue Budget sets out to support the new Community Risk Management Plan (CRMP) and revised Fire and Rescue Plan issued by the Staffordshire Commissioner.
20. **Appendix 1** sets out the proposed revenue budget of £51.996m for 2025/26 based upon a proposed Council Tax Increase of £5 and the provisional Local Government Finance Settlement and the estimated 1% share of local business rates from the nine billing authorities within Staffordshire and Stoke-on-Trent.
21. The key features of the budget, are as follows:

Pay costs

The overall pay costs budget for 2025/26 at £36.2m, shows an increase of £1.9m more than last year's budget.

The budget for 2025/26 assumes that the pay award for 2025/26 will be at 3%, despite overall levels of key inflation measures stabilising during 2024 there remains significant pressure on public sector pay.

There is, therefore, some risk associated with the assumed level of pay award for 2025/26 and the assumptions included within the updated MTFS. The representative bodies supporting Fire Service employees are already demanding above inflation pay awards.

The following bridge explains the net increase in pay costs:

	<u>£m</u>
Pay Budget – 2024/25	34.3
Pay Award Provision (2025/26 at 3%)	0.9
National Insurance (NIC) increase	0.6
Other Employee Costs	0.1
New Posts (ICT, Project Mgr and re-grades)	0.3
Restructure and efficiency savings – new savings	(0.3)
Non Recurring Pay Funded (e.g. Secondments, Falls Response, Home from Hospital)	0.2
Pension – Firefighters’ Pension Grant shortfall	0.1
Pay Budget – 2025/26	36.2

Non-pay costs

Non-pay costs are budgeted to increase by over £0.5 million year on year. Some of the main movements in non-pay costs are as follows:

- Premises costs have reduced by £0.4m. The costs for electricity and gas has now stabilised enough to extend the savings seen in year (2024/25) into the budget year
- Transport costs are showing an increase in the budget year of £0.1m which reflects the additional costs for fuel, oil, tyres and external repairs experience in year
- Non-Pay includes a charge of £1.7m payable to West Midlands Fire Service (£0.4m increase), this represents 30% of the budgeted cost of running the Joint Fire Control. Costs have increased by £0.1m and reflects the additional pay rates. In addition investment of £6m is now required to procure and install a new mobilisation system for Fire Control. This is estimated to increased costs by £0.3m per annum for 5 years reflecting the contribution required by the Staffordshire Commissioner
- Non-pay includes impact of contract renewals etc. reflecting the general increase in prices for goods and services, and additional requirements for response equipment purchased by the Emergency Response Team. Total increase £0.4m
- Firelink/Airwave costs (Emergency Services network) have also increased significantly based upon the current contractual arrangement with the Home Office. In addition, all grant funding for Airwave will be removed in 2025/26, representing a cash reduction of £0.1m per annum
- A saving target of £0.1m has been introduced into the 2025/26 budget for non-pay which forms part of the transformation programme into the medium term.

Income

Income for 2025/26 is budgeted to reduce by £0.8m to £6.0m

- The Commissioner is has been notified that the Special Services Grant, Funding Guarantee Grant and the reduced Airwave Grant. Total reduction c.£1m of grant funding from these three areas
- The assumption for the multiplier used for the S31 grant receivable has now been corrected resulting in a reduction in grant of £0.3m
- The budgeted income also reflects the income received to support the Falls Response initiative and also Home from Hospital trial, in addition to secondment opportunities that have been supported by the Chief Fire Officer, £0.2m
- The returns received from cash invested by the Authority (see Treasury Management Strategy), are now headlining interest returns averaging 5%, driving a further £0.1m benefit
- Income of £0.3m is expected to cover 52% of the National Insurance increase

Capital Charges

Total capital charges are budgeted to remain steady at £7.1m

- The £1.68m minimum revenue provision requirement for 2025/26 is in line with the MRP Policy. This is based upon the capital investment programme and strategy and has increased by £0.1m year on year
- The budgeted level of interest on the existing long terms loans of £16.150m is 4.22% (Budget 2025/26, £0.723m). No long term loans are due for repayment during 2025/26
- The budget includes a proportion of direct funding for the replacement of operational vehicles (including appliances) cars and vans
- The unitary charge for the PFI contracts increase by RPIx applied to the variable elements of both PFI contracts. The RPIx rate led to increases of 8.2% in 2022/23 and 12.9% for 2023/24, 3.5% for 2024/25 and is estimated at 2.6% for 2025/26. Total impact of high inflation in the last four years is £1.2m by March 2026 (cumulative impact c.40% increase). The increase in 2025/26 is c.£0.1m

Budget Monitoring 2025/26

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

Service Transformation Programme

24. Ongoing Service Transformation has been necessary to ensure that Staffordshire Fire and Rescue Service can continue to deliver 'a modern, efficient, and sustainable level of service to the public' that prioritises the safety of both our staff and our communities. The Deputy Chief Fire Officer oversees the Service's Transformation Programme that will consider how transformation can best support our priorities of **our communities, our people and our environment**.
25. The Transformation Board was formed in Feb 2022, with representatives from various areas of the Service. Its purpose is to investigate ways to transform the Service and ensure its financial sustainability. The Board has met regularly to monitor and evaluate progress through an action plan, while also providing recommendations through the relevant governance channels.
26. A majority of work streams that are aligned with the current Service's Medium-Term Financial Strategy (MTFS) have already been considered and completed which included; a high-level management restructure, the change to a minimum of four staff on whole-time fire engines, a review of operational exercises, review of incident command and outreach training and the 'On-call Nine-Point Plan' to improve availability of fire engines and crews.
27. The delivery of this transformation programme has achieved a recurring saving of over £1 million per annum for the Service.
28. Service Transformation has also taken into account additional work streams. For instance, working on a 'Clean Concept' initiative to minimise operational staff's exposure to contaminants from fires. Additionally, a project to review the standards and accreditation for fire investigation officers.
29. The Transformation Board has now moved into the next phase and will be reviewing options to further transform the Service in order to increase productivity and drive efficiency. A review by an external partner has now been completed utilising up to date and historic risk and demand data in order to objectively review existing station locations and current shift patterns.
30. In order to balance the updated MTFS and meet the additional financial challenges the Commissioner has tasked the Service to deliver a further £1m on new recurring savings over this next four year period as part of the next phase of transformation. A saving target of £0.4m has been incorporated into the 2025/26 budget (of which £0.3m is pay, £0.1m non-pay)

Firefighters' Pension Schemes

31. Pensions Grant

Following the results of the 2016 Valuation of the Firefighter's Pension Schemes employer contribution rates were increased by an average of 12.6% (to an average 30.2%), resulting in additional costs for Staffordshire of around £1.8m per year. A pension grant received for the last five years' from the Home Office covering 90% of this increase was finally rolled into the Revenue Support Grant during 2024/25.

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

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

A separate grant allocation of £1.25m was received during 2024/25 to cover the additional annual employer pension contributions into the Scheme, and was £147k less than the budget which assumed 90% of the increase would be funded.

The Home Office have only guaranteed to fund the additional costs for one further year 2025/26 and the Commissioner has adjusted the earmarked pension grant to £1.25m should this grant not be made available for 2026/27. There is therefore a significant risk into the medium term should this grant not be maintained.

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

The Police Fire and Crime Panel will be aware that as a result of legal cases brought in respect of the Firefighters Pension Reforms, it has been found that the implementation of the Firefighters Pension Scheme 2015 was discriminatory as outlined in the McCloud/Sargeant judgement.

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

between 1 April 2015 and 31 March 2022 (the retrospective remedy). The legislation to remedy this discrimination was enacted in October 2023 and Authorities have 18 months to implement and remedy members who have suffered the impact of this unlawful discrimination.

As individual members' circumstances will differ, the impact of implementing the remedy will vary. The firefighters' pension scheme manager must provide all eligible members and member representatives with information about the benefits available to them under the remedy and to enable them to make a choice of benefits with a Remedial Services Statement (RSS) by March 2025. This will provide the member with an option to take benefits based upon the legacy pension scheme or the reformed pension scheme for the remedy period 1 April 2015 to 31 March 2022.

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

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

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

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

The Service has issued formal notification to over 400 current and deferred on-call firefighters who are eligible for the second options exercise.

The Home Office have been approached and £6.2m of upfront funding for this exercise and also the Sargeant/McCloud remedy has now been received

Reserves and Balances

34. The Authority holds two reserves, a Specific/Earmarked Reserve which is built up through any surplus within the Income and Expenditure account. The utilisation of this fund has been established with the approved Reserves Strategy that was last updated in February 2024; and a General Reserve which is held to protect against any spate or emergency conditions that may arise, **(see Appendix 3)**.
35. At 1 April 2024 the Authority held £1.9m in General Reserves and a risk assessment for this reserve was undertaken as part of the budget setting process for 2025/26 and the overall

provision of £1.9m has remained unchanged for a number of years and represents less than 4% of the proposed revenue budget for the year.

36. At 1 April 2024 the Authority held £7.1m in Earmarked Reserves. **Appendix 2** demonstrates the impact on Earmarked Reserves for the Council Tax proposal included within this paper. The schedule also assumes utilisation of capital spend as incorporated within the Reserves Strategy. It does not assume use of reserves for other contingency areas that are incorporated within the Reserves Strategy.
37. The Earmarked Reserved is forecast to reduce to £3.6m by 2029/30 in line with the MTFS assumptions
38. The forecast balance on the Earmarked Reserves is detailed within the Reserves Strategy update paper and shown below (**see Appendix 2**).

Medium Term Financial Strategy

39. The MTFS has been updated to reflect the budget proposals for 2025/26 and incorporates the assumptions contained with the Provisional Local Government Settlement, which includes the assumed increase in Council Tax of £5. A summary of the financials covering the medium term period 2025/26 to 2029/30 are included within **Appendix 7**.
40. Should the overall funding for the Authority not be in line with the assumptions incorporated within this report following the Final Settlement, saving targets and use of reserves will need to be re-visited.
41. The budget for 2025/26, 2026/27 and 2027/28 includes the use of £2.1m of earmarked reserves, and shows a surplus position by 2028/29.
42. There remains a significant level of financial uncertainty regarding the funding position for the Authority beyond and including 2025/26, this unfortunately results in a higher level of risk associated with the funding assumptions contained within the updated MTFS.
43. The main areas of uncertainty must be considered when reviewing this MTFS:
 - The likely impact of pay awards for 2025/26 and beyond above the budgeted 3% and MTFS levels – see paragraph 45 below
 - The Impact of Inflation on all costs which could be impacted upon events outside of the control of the Authority
 - The impact on Firefighter pension costs after 2025/26, should funding not be included within the next Comprehensive Spending Review
 - The impact of economic and political uncertainty into the medium term
 - Delivery of the £1m savings target as per the new transformation programme over the MTFS period
 - The potential impact of the business rates reset and review of the fire funding formula

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

Cost / Income Area	Change	£000s
Pay Costs	+/- 1%	317
Premises Costs (incl utilities)	+/- 1%	24
Vehicles	+/- 1%	10
Supplies and Services	+/- 1%	94
Employer Pension Contributions	+/- 1%	233
Business Rates	+/- 1%	22
Revenue Support Grant	+/- 1%	58
Precept	+/- 1%	321
Council Tax Base	+/- 1%	317

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

	2025/26 Budget	2026/27 Plan	2027/28 Plan	2028/29 Plan	2029/30 Plan
<u>PAY COSTS</u>					
Pay Award Operational Staff	3.0%	2.0%	2.0%	2.0%	2.0%
Pay Award Non Operational Staff	3.0%	2.0%	2.0%	2.0%	2.0%
Other Pay Costs	3.0%	2.0%	2.0%	2.0%	2.0%
Pension Costs - Firefighters' Pension Schemes	+£1.4m	+£1.4m	+£1.4m	+£1.4m	+£1.4m
Pension Costs - Fire Fighters Pension Grant (Est)	(£1.2m)	(£1.2m)	(£1.2m)	(£1.2m)	(£1.2m)
<u>NON PAY COSTS</u>					
Electricity	0.0%	2.0%	2.0%	2.0%	2.0%
Gas	0.0%	2.0%	2.0%	2.0%	2.0%
Business Rates	3.0%	2.0%	2.0%	2.0%	2.0%
Water and Sewerage	3.0%	2.0%	2.0%	2.0%	2.0%
General Supplies and Services	3.0%	2.0%	2.0%	2.0%	2.0%
<u>INTEREST RATES</u>					
Interest on Investments	4.0%	3.0%	3.0%	3.0%	3.0%
Interest on Debt	4.4%	4.4%	4.4%	4.4%	4.4%
<u>GENERAL FUNDING</u>					
Council Tax Increases	5.8%	1.99%	1.99%	1.99%	1.99%
Council Tax Base Growth	1.01%	1.00%	1.00%	1.00%	1.00%
Revenue Support Grant	1.8%	2.0%	2.0%	2.0%	2.0%
Local Business Rates	1.1%	2.0%	2.0%	2.0%	2.0%
Business rates Top-up grant	1.1%	2.0%	2.0%	2.0%	2.0%

Capital Programme

46. The three year Capital Programme and Capital Strategy for 2025/26 to 2027/28 has been developed and is reviewed within the Capital Strategy.
47. The Capital Programme has been developed by the operational budget holders with all plans submitted to the Capital Review Group chaired by the Director of Finance.
48. The total programme of £5.8m for 2025/26 includes an element of carry-over from the current year. Whilst this delay has not impacted upon service delivery to date, it has culminated in a challenging but deliverable programme.
49. The revenue consequences of the proposed programme have been considered in the development of the revenue budget and the required prudential indicators are set out within the Treasury Management Strategy.
50. As part of the capital programme for 2025/26 the Commissioner has committed the use of £0.5m of reserves to support the station refurbishment work at Brewood
51. The summary capital programme for the next three years is shown within **Appendix 8**.
52. The detailed programme for 2025/26 is shown within **Appendix 9**.

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

53. The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2013, requires the Chief Financial Officer / Treasurer for the Staffordshire Commissioner Fire and Rescue Authority to report on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves. The Commissioner is required to have regard to the report of the Chief Financial Officer and the report must be given to the Police Fire and Crime Panel.
54. I can confirm that the budget for 2025/26 is balanced and has been produced on a robust basis. Whilst there remains some uncertainty with regard to future settlement funding, increased pay awards and the costs of Firefighter's pensions, estimates have been included within the Medium Term Financial Strategy and appropriate provision made within Earmarked Reserves.

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Revenue Budget Summary 2025/26

	Budget 2024/25	Budget Proposal 2025/26	Year on Year Change
	£000s	£000s	£000s
Pay			
Pay Costs	31,653	33,520	1,866
Other Employee Costs	2,600	2,666	66
Total Pay	34,253	36,185	1,932
Non Pay			
Premises Costs	5,092	4,687	(404)
Transport Costs	1,044	1,139	96
Supplies & Services Costs	9,050	9,865	815
CFS Costs and Initiatives	340	320	(20)
Total Non Pay	15,525	16,012	486
Income			
Income - General	(6,226)	(5,423)	803
Interest Receivable	(541)	(608)	(67)
Total Income	(6,767)	(6,031)	736
Capital charges	2,343	2,217	(126)
Interest Payable	720	723	3
PFI Unitary Charge	4,114	4,220	107
Total Capital Charges	7,176	7,160	(16)
Total Revenue before Reserves	50,188	53,326	3,139
Transfer to/(from) Reserves	(123)	(1,330)	(1,207)
Budget Gap in Year			
Total Revenue Budget	50,065	51,996	1,932
FINANCED BY:			
<u>Settlement Funding</u>			
Revenue Support Grant	7,489	7,621	133
Local Business Rates (1%)	3,935	3,980	45
Government Top-up (business rates)	6,494	6,568	74
Total Settlement Funding	17,917	18,169	252
<u>Council Tax</u>	32,148	33,828	1,680
Total Financing	50,065	51,996	1,932

Earmarked and General Reserves Summary to 2029/30

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Actual	Est.	Est.	Est.	Est.	Est.	Est.
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<u>Earmarked Reserves</u>							
PFI Reserve (Project Reserve Deductions)	0.7	0.8	0.8	0.8	0.8	0.3	0.3
Reserve - Brewood Refurbishment	0.5	0.5					
Operational Budget Holder Reserves	0.7	0.8	0.9	0.6	0.5	0.4	0.4
Insurance Reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Budget and MTFs Support Reserve	0.8						
Business Rates reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Capital Reserves	0.3						
Pension Reserve	1.5	1.5	1.2	1.2	1.2	1.2	1.2
Collaboration Reserve	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Future Funding reserve	1.7	2.0	0.9	0.4	0.2	0.4	0.8
Total Earmarked Reserve	7.1	6.5	4.7	3.9	3.6	3.2	3.6
Total Reserves Available (Useable)	9.0	8.4	6.6	5.8	5.5	5.1	5.5
Percentage of Revenue Budget							
General Reserve	4.0%	3.8%	3.7%	3.5%	3.5%	3.4%	3.3%
Earmarked Reserve	14.7%	13.0%	9.0%	7.3%	6.5%	5.7%	6.2%
Total	18.7%	16.8%	12.7%	10.8%	10.0%	9.0%	9.5%

Risk Assessment of General Reserves for 2025/26

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

A risk assessment for general reserves was undertaken as part of the budget setting process for 2025/26 and the overall provision of £1.9m has remained unchanged for a number of years and represents 3.7% of the revenue budget set for the year.

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

Area of Expenditure	Level of Risk *	Explanation of risk/justification of reserves	2025/26 Provision £000
Loss of Employees / additional pay costs	High	Spate conditions caused by for example; prolonged severe weather conditions (e.g. hot weather or flooding), unexpected loss of staff through COVID-19, Avian Flu / Ebola etc.	650
Insurance loss / impact of data breach	Medium	Risk of incurring uninsured losses Risk of breach due to inappropriate information sharing / failure to implement EU GDPR	550
Ill health retirement costs	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce	300
Other unforeseen costs	Medium	Risk of unforeseen event: emergency incident, waste fires / tipping	300
Other costs	Medium	Risk of failure of strategic partnership / collaboration initiatives	100
TOTAL			1,900

Council Tax Report 2025/26**Council Tax Surplus / (Deficit) by Authority**

	2024/25	2025/26	Variation
	£	£	£
Cannock Chase	(12,031)	(48,069)	(36,038)
East Staffordshire	20,909	31,444	10,535
Lichfield	35,000	470	(34,530)
Newcastle	2,364	150	(2,214)
South Staffordshire	55,514	45,166	(10,349)
Stafford	(6,416)	(43,813)	(37,397)
Staffordshire Moorlands	(3,760)	36,850	40,610
Stoke	297,961	(123,000)	(420,961)
Tamworth	11,584	14,187	2,603
Total (per budget paper)	401,125	(86,616)	(487,741)

Council Tax Report 2025/26**Taxbase by Authority**

	2024/25	2025/26	Variance	YOY %
Cannock Chase	30,015	29,999 -	16	-0.05%
East Staffordshire	40,935	41,575	640	1.56%
Lichfield	41,116	41,523	407	0.99%
Newcastle	38,738	39,807	1,069	2.76%
South Staffordshire	39,914	40,191	277	0.69%
Stafford	49,303	49,634	331	0.67%
Staffordshire Moorlands	33,737	34,382	645	1.91%
Stoke	68,632	68,851	219	0.32%
Tamworth	23,479	23,596	117	0.50%
Total	365,868	369,558	3,690	1.01%

Council Tax Report 2025/26**Council Bands for Each Band and District Precepts****Based upon a Band D Increase of £5****Council Tax Band Figures**

	2024/25	2025/26	Increase	Per Week
Band	£	£	£	Pence
A	57.85	61.18	3.33	6.4
B	67.49	71.38	3.89	7.5
C	77.13	81.57	4.44	8.5
D	86.77	91.77	5.00	9.6
E	106.05	112.16	6.11	11.8
F	125.33	132.56	7.22	13.9
G	144.62	152.95	8.33	16.0
H	173.54	183.54	10.00	19.2

Precept Payable

	2024/25	2025/26	Variation	
	£	£	£	%
Cannock Chase	2,604,381	2,753,015	89,430	3.78%
East Staffordshire	3,551,930	3,815,356	176,875	5.64%
Lichfield	3,567,618	3,810,538	152,595	4.78%
Newcastle	3,361,296	3,653,088	151,456	5.00%
South Staffordshire	3,463,341	3,688,328	126,283	4.02%
Stafford	4,277,998	4,554,926	161,244	4.14%
Staffordshire Moorlands	2,927,359	3,155,236	115,600	4.29%
Stoke	5,955,181	6,318,438	349,852	6.68%
Tamworth	2,037,273	2,165,405	67,845	3.68%
Total	31,746,378	33,914,330	1,391,178	4.88%

MTFS Summary Financials to 2029/30

	2025/26 Budget £000s	2026/27 Plan £000s	2027/28 Plan £000s	2028/29 Plan £000s	2029/30 Plan £000s
Pay					
Pay Costs	33,520	33,681	34,001	34,328	34,863
Other Employee Costs	2,665	2,705	2,746	2,787	2,829
Total Pay	36,185	36,387	36,747	37,115	37,692
Non Pay					
Premises Costs	4,687	4,781	4,877	4,974	5,074
Transport Costs	1,139	1,162	1,185	1,209	1,233
Supplies & Services Costs	9,865	9,814	9,963	10,167	10,374
CFS Costs and Initiatives	320	326	333	340	346
Total Non Pay	16,011	16,084	16,358	16,690	17,027
Income					
Income - General	(5,423)	(5,514)	(5,603)	(5,744)	(5,837)
Interest Receivable	(608)	(300)	(225)	(150)	(107)
Total Income	(6,031)	(5,814)	(5,828)	(5,894)	(5,944)
Capital charges	2,217	2,617	2,974	3,233	3,533
Interest Payable	723	723	803	863	953
PFI Unitary Charge	4,220	4,262	4,305	4,348	4,392
Total Capital Charges	7,160	7,602	8,082	8,444	8,877
Total Revenue	53,326	54,259	55,359	56,354	57,652
Use of Reserves	(1,330)	(539)	(218)	248	453
Total Revenue	51,996	53,721	55,142	56,603	58,105
FINANCED BY:					
Settlement Funding					
Revenue Support Grant	7,621	7,774	7,929	8,088	8,249
Local Business Rates (1%)	3,980	4,059	4,141	4,223	4,308
Government Top-up (business rates)	6,568	6,699	6,833	6,970	7,109
Total Settlement Funding	18,169	18,532	18,903	19,281	19,666
Council Tax	33,828	35,188	36,239	37,322	38,439
Total Financing	51,996	53,721	55,142	56,603	58,105

Capital Programme Summary 2025/26 to 2027/28

	2025/26 Budget	2026/27 Plan	2027/28 Plan
	£	£	£
Building & Infrastructure Works			
Station Refurbishment	486,677		
Improvement Works	870,000	720,000	830,000
Total	1,356,677	720,000	830,000
Operational Equipment	879,000	469,000	390,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,425,000	1,600,000	850,000
Vans & Cars	880,000	640,000	470,000
Total	2,305,000	2,240,000	1,320,000
Information Technology			
ICT Hardware, Software Systems & Installations	1,260,000	675,000	840,000
Total	1,260,000	675,000	840,000
Total Capital Programme	5,800,677	4,104,000	3,380,000
Funding			
Direct Revenue Funding	535,000	410,000	470,000
Unsupported Borrowing	4,779,000	3,694,000	2,910,000
Earmarked Reserves	486,677		
Total Funding	5,800,677	4,104,000	3,380,000

Capital Programme Detail - 2025/26

Scheme Description	Detail	PROPOSED CAPITAL PROGRAMME
<u>Building Works - Improvements</u>		
Brewood Refurbishment	Revised refurbishment options are under development by the Estates Team	486,677
Eccleshall - Gym Area Refurb	Improvements to Gym facilities in order to maintain firefighter wellbeing and fitness	40,000
L&D Remodelling Phase 3	Remodel BA Training Room and Gym	150,000
Stafford Fire Station External Lighting replacement	Replace and install new lighting to rear year and frontage	60,000
Stafford Fire Station Fire Alarm	Replace existing fire alarm system with L1/L2 system	80,000
PV Panel Installation	Installation of PV system to Jets subject to business case	180,000
Tutbury - External Portakabin	Portacabin solution for gym facilities	70,000
EV Rollout	Install EV charging points across the Estate - WOM, LEE, CAN, HAN, NEW, BOT, TAM, LTN	180,000
Lighting replacement with LED	LED Wombourne, Eccleshall, BAM, Barn, Generator room, Plant rooms, Cheadle, Barton	60,000
HQ - FBT clean concept	Design work - Clean concept provisions	50,000
		1,356,677
<u>Operational Equipment</u>		
Operational Equipment Pool		25,000
Working at Height Equipment	Replacement of all Level 1 WAH equipment	45,000
Confined Space Equipment	Equipment required to complete confined space procurement	25,000
Air Tracks / Ice Paths	Replacement due to age	45,000
Appliance Equipment (PRL 3-5)	Equipment for new PRL	180,000
Cylinder Replacement	Phase 1	125,000
BA compressors x 2	Planned replacement of existing compressors	50,000
Boat	Replace spare boat 20 years old	10,000
Body Worn Cameras	Equipment is due for replacement - Cameras will be upgraded	45,000
Animal Rescue	Animal rescue equipment required for training	26,000
Equipment For Marked 4x4 Response Vehicles	Pumps and equipment for 4x4 Response Vehicle 1 and 2	20,000
Asset Tracking	Software and Hardware	80,000
E-PPV	Procure more E-PPV inline with plan	25,000
Robotics / ROV / Cobra / Smoke Curtains	ERT including Purchase of robotic unit for operations/ Cobra System development / Smoke Curtains	178,000
		879,000
<u>Appliances & Vehicles</u>		
Cobra System Vehicle	Vehicle to support ERT Cobra project	50,000
Unmarked and Marked Response Cars x 4	Group and Station Manager Response Vehicles	100,000
Marked 4x4 Response Vehicles x 2	Replacing 63 plate Ford Rangers at 13 years old	70,000
Utility Van x 3	For Estates - Large - £30k per vehicle - replace Full EV vans that were leased	90,000
Utility van - small/medium x2	Station vans - also used by CSO's - £20k per vehicle	40,000
Marked non-response van x 2	Two Van to be replaced	40,000
Hydrant Technician Van	New Hydrant Technician van fitted out	40,000
Mobile Workshop (JETS)	£45k - used by JETS for safety inspections and on station repairs - includes fitting of shelves, benches and electrics. Price based on fit of mobile workshop 2024/25	45,000
Welfare Support Unit x 1	Vehicle will be known as Personal Hygiene Unit (PHE)	60,000
Appliances PRL (Pump Rescue Ladder)	PRL 3 / PRL 4 / PRL 5 - Body Build Payments	825,000
Appliances PRL (Pump Rescue Ladder)	PRL 6 / PRL 7 / PRL 8 / PRL 9 - Chassis Payments	600,000
Water carriers	Chassis Payment	150,000
2 x Water Rescue Units	Mercedes Sprinters	180,000
Appliance Sensors	'Dr Air Brake' - kit to automatically brake appliances before they bump and cause damages. Trial for new aerial ladder platform vehicle before wider rollout	15,000
		2,305,000
<u>Information Technology</u>		
Stations / L&D Teams Room Enablement		50,000
MDT Replacement - Software		225,000
Station End		225,000
ICT Rolling Programme - Desktop	Rolling program for officers and admin laptop replacement plus desktop solutions such as igels.	150,000
ICT Rolling Programme - Infrastructure	Citrix Server 5 year replacement/Station Alerter Equipment (Depending on work carried out in 22/23)	200,000
ICT additional infrastructure		100,000
MS Enablement		50,000
Mobile Phone Replacement		35,000
Wireless Access Points		100,000
Alerter Replacement		25,000
PSN & PSTN Network Refresh		100,000
		1,260,000
Overall Total		5,800,677

	Current (Net of VAT) £	Charges from 1 st April 2025 (Net of VAT) £	VAT Status
(a) Special Service Charges			
Attendance per Appliance per hour* (Including crew) <i>*£400 for the first hour and £100 per ¼ hour thereafter. e.g. between 1-6 mins round down, or 7-15 mins round up to the nearest ¼ hour interval.</i>	388.31	400.00	Standard
Professional services per hour <i>e.g. Officer interviews, provision of advice</i>	102.07	105.00	Standard
Fire investigation Interviews <i>£100.10 per hour or part hour</i>	130.64	134.00	Standard
Fire Investigator detailed Fire report	457.22	470.00	Standard
(b) Other charges			
Extract of Fire reports	103.73	106.00	Out of scope
Some information retrieval may incur an additional administration charge of £50 ex VAT per search.			
Photographic/digital images	Price on Application	P.O.A	Standard

c) Conference Suite
Scale of Charges from 1st April 2025

	Room Hire Only Monday – Friday Whole-day £
Conference Suite	
Room 1	322.88
Room 2	220.56
Room 3 - break out area	138.26
Room 4 (VDR)	220.56
Rooms 1 and 2	454.76
Rooms 1, 2 and 3	568.44

Catering Charges

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

Charges quoted are subject to VAT at prevailing rates

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

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

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

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



Report to the Police, Fire and Crime Panel – 10 February 2025

TREASURY MANAGEMENT STRATEGY 2025/2026

Report of the Staffordshire Commissioner

1. Background

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

2. Introduction

- 2.1 This report outlines the Authority's Treasury Management Strategy for the 2025/26 financial year.
- 2.2 Treasury management comprises the management of the Authority's cash flows, borrowings and investments, and their associated risks. The Authority is exposed to financial risks, including the effects on revenue from changing interest rates on borrowings and investments, and the risks of a potential loss of invested funds. Therefore, it is essential that the Authority successfully identifies, monitors, and controls financial risk as part of prudent financial management.
- 2.3 The Authority conducts its treasury risk management within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services Code of Practice 2021 Edition* (the CIPFA Code). The CIPFA Code requires that the Authority approves a treasury management strategy before the start of each financial year. In addition, this report fulfils the legal obligation to have regard to the CIPFA Code under the Local Government Act 2003.
- 2.4 The Annual Investment Strategy (AIS) for 2025/26 meets the requirements of the statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) in its *Guidance on Local Government Investments 2018 Edition*.
- 2.5 This strategy has been prepared in conjunction with the Treasury team at Staffordshire County Council (SCC), and after consultation with the Director of Finance.

3. **Recommendations**

- 3.1 That the Police, Fire and Crime Panel note the proposed borrowing strategy for the 2025/26 financial year. The main features are:
- a borrowing strategy to operate within the prudential limits set out in **Appendix 2**;
 - a borrowing strategy, to use cash as far as is practical with the option to borrow up to £3m long-term where the Director of Finance considers this appropriate in 2025/26; and
 - a loan restructuring strategy that is potentially unlimited where this rebalances risk.
- 3.2 The Police, Fire and Crime Panel to note in accordance with the MHCLG's Guidance on Local Authority Investments, the adoption of the Annual Investment Strategy (AIS) 2025/26 as detailed in **Section 7** of this report and summarised in **Appendix 4**. Also, to note the policies on:
- reviewing the Treasury Management Strategy;
 - use of external advisers; and
 - investment management training.

4. **External Context**

Economic background

- 4.1 The economic back drop to this report for the first part of 2024/25 saw:
- The Bank of England (BoE) reducing interest rates by 0.5%, from 5.25% to 4.75%;
 - Short, medium and long-dated gilts remaining elevated;
 - Fluctuating UK Consumer Price Index (CPI) inflation - hitting its 2% target in June, reducing to 1.7% in September and then increasing to 2.5% in December;
 - Initial easing in wage growth as the headline 3-month rate fell from 4.6% to 4.3% in September but increasing again in the last quarter of 2024; and
 - UK GDP growth slowing in quarter 2 - 0.5% compared with 0.7% in quarter 1 of 2024 and virtually stagnant in quarter 3 – 0.1%. All these measures were slightly weaker than had been expected.
- 4.2 The BoE initiated its loosening cycle in August with a 0.25% rate cut to 5.00%, and continued with this approach at its November meeting, lowering rates a further 0.25% to 4.75%. It is anticipated that UK interest rates will continue to reduce by 0.25% each quarter until September 2025 where they will remain at 4.00% for 2 quarters. Interest rates are then predicted to fall to 3.75% in March 2026 and then to 3.50% in December of the same year, where they are forecast to remain. The low-interest rate environment of the recent past is not expected to return in the coming years.
- 4.3 CPI inflation declined to 1.7% in September, however, this gradually started to increase as a result of many factors, including public sector pay rises. This trend continued, following the minimum wage and employer NI increases announced as part of the 2024 budget, with CPI increasing to 2.5% in December. The Office for Budget Responsibility and the BoE envisage that inflation will remain 'sticky' until

at least 2026. Monetary policy is acting to ensure that longer-term CPI expectations are in line with the 2% target.

- 4.4 GDP growth slowed in quarter 2 of 2024 to 0.50% and reduced further in quarter 3 to 0.1%, reflecting underlying demand momentum. The BoE are now expecting 0% GDP growth in 2024 quarter 4. Whilst the measures announced in the Autumn Budget were expected to boost the level of GDP growth, the BoE have now highlighted significant uncertainty around how the economy may respond to these measures going forwards.
- 4.5 The US President election of Donald Trump paves the way for the introduction/extension of tariffs that could prove inflationary and the same could be said of further tax cuts and an expansion of the current US budget deficit. The direction of US Treasury yields in reaction to President Trump's core policies will impact UK gilt yields. There are also domestic and international factors that could impact PWLB rates accounting for geo-political risks, such as political instability in Europe and Asia and war in the Middle East and Ukraine.

Credit outlook

- 4.6 Credit Default Swaps (CDS) stability is always a concern, as market fluctuations and economic uncertainty can significantly impact the pricing and reliability of these financial instruments. However, CDS prices are constantly monitored by the Authority in conjunction with the Treasury team at SCC in respect of this.
- 4.7 Geopolitical and environmental factors can impact on sovereign and bank credit ratings. During the past year several banking institutions credit rating outlooks have improved. Nonetheless, when setting minimum sovereign debt ratings, the Authority will not set a minimum rating for the UK.
- 4.8 Looking forward, the potential for bank losses still remains a risk and a cautious approach to bank deposits in 2025/26 is advisable. The Authority is exposed to bail-in risk, as the Government will no longer support banks if they fail but rather it will be the investors who primarily bear the financial burden of rescuing the bank.

Interest rate forecast

- 4.9 The BoE has started to initiate its easing cycle by lowering interest rates to 5.0% in August, from 5.25% and a further 0.25% reduction in November to 4.75%. Economists are forecasting that interest rates will continue to reduce by 0.25% each quarter to 4.00% by September 2025 and a continuing gradual reduction to 3.50% by December 2026.
- 4.10 The overall longer-run trend is for gilt yields and PWLB rates to fall back over time, up to December 2026, as inflation reduces .
- 4.11 Due to the ongoing risks outlined above, the treasury strategy retains the low-risk approach adopted in recent years, based on prioritising security, liquidity and then yield.

5. Local Context

- 5.1 On 14 January 2025, the Authority held £16.450m of external borrowing and had £23.830m temporarily invested. The Authority's future requirements for borrowing

and investments can be considered by reviewing its balance sheet forecasts described in the following paragraphs.

Balance sheet

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

	31.03.25 Estimate £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Loans CFR	25.2	27.9	28.8	29.3
Less external borrowing	(16.2)	(16.2)	(15.9)	(15.5)
Less: Capital financing from revenue/ grants/ receipts	(1.4)	(1.0)	(0.4)	(0.5)
Internal / (over borrowing)	7.6	10.7	12.5	13.3

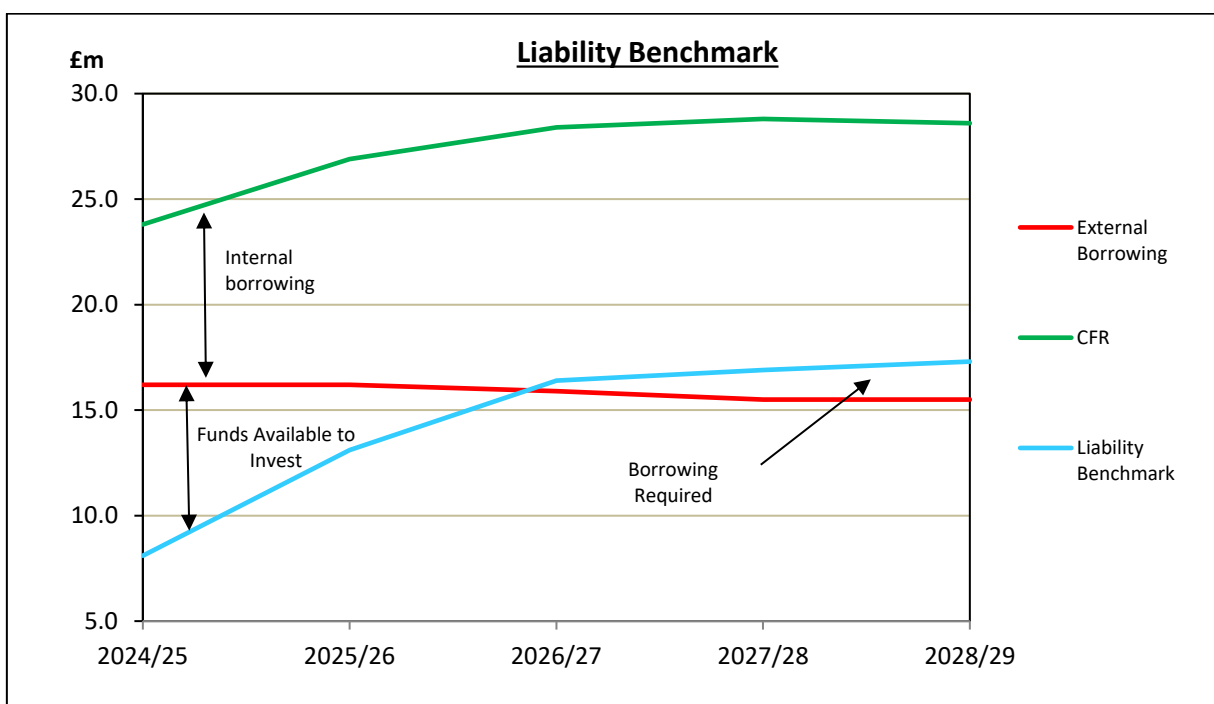
- 5.4 The table above shows that the Authority's Loans CFR is forecast to increase gradually over the years, due to the capital programme being higher than MRP in those years. The Authority's internal borrowing requirements increase in line with the Loans CFR projections and also with the repayments of external borrowing as it matures.
- 5.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total external borrowing should be lower than its highest forecast CFR over the next three years; the information in the previous table shows the Authority will comply with this recommendation.
- 5.6 For investments, the Authority's total resources available are measured by its usable reserves and working capital less any amounts that have been internally borrowed. This is shown in the following table:

	31.03.25 Estimate £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Usable reserves	15.7	13.8	12.0	11.9
Working capital surplus	0.0	0.0	0.0	0.0
Less internal borrowing	(7.6)	(10.7)	(12.5)	(13.3)
Investment / (New borrowing)	8.1	3.1	(0.5)	(1.4)

- 5.7 The table above shows a continuation of the Authority's recent strategy in using internal borrowing to reduce the need for external borrowing and as a result, reduce temporary investment levels. However, this strategy will not be sustainable longer term, as the table indicates that the Authority will not have sufficient internal resources to cover the internal borrowing requirement going forward and therefore will need to borrow from external sources. Depending on the actual reserve levels, capital programme expenditure and cashflow, the Authority may need to borrow from external sources during the latter part of 2026/27.

Liability benchmark

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



- 5.9 The chart above shows that the Authority's Loans CFR (green line) has been financed through a combination of external borrowing (red line) and internal borrowing (the difference between the red line and the green line). The data points on the chart represent the end of the financial year.

- 5.10 The chart indicates that the Authority will have reducing funds available to invest in the latter parts of 2026/27. This is due to the Authority's Loans CFR, and hence its liability benchmark, steadily increasing whilst its level of external loans has been steadily decreasing, with loans being repaid upon maturity.

6. Borrowing Strategy 2025/26

- 6.1 In 2025/26, the Authority will hold £16.2m in external loans as part of its strategy for funding previous years capital programmes. The Authority will need to ensure total amounts borrowed do not exceed the authorised limit of £41.9 million (when excluding other liabilities such as PFI), as disclosed in **Appendix 2**.

Objectives

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

Strategy

- 6.3 Given the ongoing financial pressures on public services and local government funding, the Authority continues to address the key issue of affordability without compromising the long-term stability of its debt portfolio. As short-term interest rates have been lower than long term interest rates for a long period of time, it has been more cost effective for the Authority to use its internal cash resources in lieu of borrowing in the short term.
- 6.4 The liability benchmark analysis at **paragraph 5.8** indicates that the Authority may need to consider external borrowing during the latter parts of 2026/27. In addition, the borrowing strategy also needs to mitigate against changing circumstances, or when external borrowing to replace internal debt becomes more cost effective.
- 6.5 It is important to understand that not all of the borrowing requirement needs to be closed with loans; an important aspect of using some cash in the current financial climate is its risk reduction effects:
- a. Using cash reduces security risk as investment balances are lower. Regulations emphasise the importance of minimising this risk and is discussed later in this report. This action minimises bail-in risk, where certain investors, such as the Authority (as it is classed as a local authority under legislation) will suffer the financial burden of a failing bank rather than the Government, should there be issues in the future;
 - b. There is less exposure to variable interest rate changes; this exposure arises when a fixed term loan is taken out with corresponding variable rate investments. This is avoided when cash is used; and
 - c. Short, medium and long-dated gilts remain elevated and the margin the PWLB add on to onward lend to local authorities means it is cheaper to use cash than to borrow.
- 6.6 The Authority will monitor the benefits of internal borrowing on a regular basis as this strategy must be balanced against the possibility that long-term borrowing costs may increase in future years, leading to additional costs incurred in deferring borrowing. While the BoE Base Rate remains quite high, it is forecast that interest

rates will continue to fall gradually during 2025/26. The Authority will need to determine whether and when, it borrows additional sums at long term fixed rates in 2025/26, or continues to use internal borrowing, as this is more financially beneficial, with a view to only borrow for longer periods when cash balances are nearly exhausted. To this end, the Authority will consult with the Treasury team at SCC.

- 6.7 The proposed borrowing strategy is one that aims to balance the liquidity needs of day-to-day cash management with the low-risk approach that is offered by using cash in lieu of borrowing.

Sources of borrowing

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

Short-term loans

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

Long-term loans

- 6.11 Long-term loans are those for a duration of more than 12 months. The Authority has previously raised most of its long-term borrowing from the PWLB, a statutory body that issues loans to local authorities. Government consent is not required hence the PWLB continues to be the 'lender of first resort' because of the flexibility and ease of access. However, local authorities are required by law to have regard to the Prudential Code and only borrow within relevant legislation and their borrowing powers.
- 6.12 HM Treasury have also put measures in place to prevent public bodies using PWLB funding to finance any commercial investments and there are mechanisms in place to recall such funding if this is found to be the case. In addition, the latest Prudential Code explicitly prevents Local Authorities borrowing to fund commercial ventures.
- 6.13 Where the Authority has a long-term borrowing need, it can consider the alternative sources of borrowing other than the PWLB highlighted in **paragraph 6.8**. Seeking lower interest costs may introduce greater administrative and resource costs as

well as increased risk, and this would need to be balanced against the ease of access to loans from the PWLB.

- 6.14 The exact type of loan to be raised by the Authority and its duration would have to be considered at the time; but with current interest rates and the maturity profile of the existing loan portfolio, loans towards the shorter end of the yield curve offer better value for money.
- 6.15 The optimum timing for borrowing cannot be foreseen and decisions often need to be taken at short notice. In view of this, it is proposed to delegate the decision to borrow up to £3m in long-term loans, to the Director of Finance at the Authority and report retrospectively to the Police, Fire and Crime Panel. In addition, the treasury management outturn and half-year reports will update the position later in the year.
- 6.16 The overall strategy of maximising the use of cash in lieu of borrowing is still considered a relatively low risk strategy, although it is impossible to eliminate all treasury risk. The consequences of using cash are the possibility of increased costs in the future if interest rates rise further; this must be balanced with the extra cost now if loans are raised (the cost of carry).

Loan restructuring

- 6.17 Movements in interest rates over time may provide opportunities to restructure the loan portfolio in one of two ways:
 - a. Replace existing loans with new loans at a lower rate (known as loan rescheduling); and
 - b. Repay loans early without replacing the loans. However, this would increase the use of cash which may not be possible if reserve levels are not adequate.
- 6.18 Market conditions have changed in the last 12 months and gilt yields have risen from the historic lows seen over the last 10 years. This rise in gilt yields means that there is a possibility that PWLB premiums may be low and could be offset by interest savings on extinguished loans, in addition discounts may be offered on some loans. The Director of Finance, in conjunction with the Treasury team at SCC, will continue to monitor the market and identify possible savings arising during 2025/26.
- 6.19 The loans position includes a £1m Lender Option Borrower Option (LOBO) long term loan held with Dexia Bank. The bank has an option propose an increase in the interest rate at set dates, following which the Authority, as the borrower, has the option to either accept the new rate or to repay the loan at no additional cost. As interest rates are currently higher, the bank may be more likely to exercise its options which could lead to an element of refinancing risk. Under the current strategy, if this option is exercised the Authority as a matter of policy will repay the loan.
- 6.20 Market conditions and regulations are not constant and do change and loan restructuring can only be carried out when conditions are favourable. The decision as to when to undertake loan restructuring will be delegated to the Director of Finance at the Authority and reported retrospectively to the Police, Fire and Crime Panel.

Policy on Borrowing in Advance of Need

- 6.21 As the borrowing strategy proposed for 2025/26 involves maximising the use of cash until borrowing is required, the policy is not to borrow in advance this year. This will be revisited annually as part of the overall borrowing strategy.

7. Annual Investment Strategy (AIS) 2025/26

- 7.1 It is the Authority's Borrowing Strategy that determines its Investment Strategy. In the current economic environment, where short term investment rates are at par or lower than borrowing rates, this still favours the use of cash instead of external borrowing, hence balances available for temporary investments are likely to be less.
- 7.2 The Authority may have significant level of funds to invest at different points of the year; this usually represents income received in advance of expenditure plus balances and reserves held. In the previous year, the Authority's investment balance ranged between £14m and £33m.

MiFID II

- 7.3 Following the introduction of the second Markets in Financial Instruments Directive (MiFID II) regulations from January 2018, local authorities will automatically be treated as retail clients by financial services firms, unless they meet the criteria and 'opt up' to be professional clients. As a retail client, the Authority would receive enhanced protections, but this would also mean it may face increased costs and restricted access to certain products including money market funds, pooled funds, treasury bills and treasury advice.
- 7.4 The Authority meets the criteria set out under MiFID II and will continue to be treated as a professional client by regulated financial services firms in 2025/26.

Objectives

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

Strategy

- 7.7 The main characteristics which should determine an investment strategy are:
- the credit risk of the counterparties invested with;
 - the length of the investment; and
 - the type of financial instrument that is used.
- 7.8 The Authority has taken a low-risk approach to investment and the AIS for 2025/26 will continue to do so. Short term unsecured bank investments have generally provided very low returns with additional risk from bail-in regulations. The Authority will continue to concentrate its short-term investments in more secure money market funds (MMFs) and government investments.

- 7.9 MHCLG Guidance on Local Government Investments specifies the types of financial instruments that local authorities can invest with, and the Authority has divided its approved treasury investments into Standard Investments and Non-Standard Investments.

Standard investments

- 7.10 The Authority considers Standard Investments to be those made with approved counterparties that do not require further approval from the Director of Finance at the Authority. These investments tend to be for a period of less than a year and are those most frequently used by the Authority. Standard Investments can be invested with:

- UK Government – central government or local authority, parish council or community council;
- short term MMFs; and
- bank and building society investments.

i) UK Government

- 7.11 The Authority invests with central government by using its Debt Management Account Deposit Facility (DMADF) account. Funds held in the DMADF account are backed by the UK Government, so they are very secure; however, returns tend to be lower than those received elsewhere.

- 7.12 The Authority can invest in term deposits with local authorities which can provide a higher return depending on the availability of, or the need for cash in the local authority lending market. Like central government investments, local government investments are not subject to bail in risk.

- 7.13 Although investments in the local authority lending market have a low risk of insolvency, they are not completely without risk. The financial risks of a few local authorities have been documented in the press; the Authority will continue to monitor such developments and seek information from the Treasury team at SCC where necessary.

ii) Money Market Funds (MMFs)

- 7.14 Money Market Funds have high credit quality and are pooled investment vehicles consisting of money market deposits and similar instruments. Short-term MMFs that offer same day liquidity can be used as an alternative to instant access bank accounts. The Authority has used same day notice MMFs for some time as they have tended to provide greater security and a higher yield than bank accounts.

- 7.15 EU regulation introduced in January 2019, meant most same day notice MMFs have converted from a Constant Net Asset Value (CNAV) to a Low Volatility Net Asset Value (LVNAV) structure. The assets of LVNAV MMFs are marked to market, meaning the dealing NAV (unit price) may fluctuate in extreme circumstances. However, LVNAV MMFs are allowed to maintain a constant dealing NAV provided they meet strict criteria and minimum liquidity requirements. Public debt CNAV MMFs are still available where 99.5% of assets are invested in government debt instruments.

7.16 MMFs are a key tool to manage credit and liquidity risk, and the Authority will continue to use same day notice MMFs that meet the criteria listed below. These are considered to have sufficient high credit quality to be included on the Authority's Approved Lending List:

- Diversified – MMFs invest across many different investments meaning they achieve more diversification than the Authority could achieve on its own account;
- Short liquidity – cash can be accessed daily;
- Ring-fenced assets – the investments are owned by investors and not the fund management company; and
- Custodian – the investments are managed by an independent bank known as a custodian, who operates at arms-length from the fund management company.

7.17 Like all treasury instruments, MMFs do carry an element of risk, such as the failure of one or more of an MMF's investments could lead to a run on MMFs, especially during a financial crisis, although the MMF regulations introduced in recent years do limit this risk to some extent.

iii) Bank and building society accounts

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

iv) Operational bank account

7.19 The Authority's banking provider is Lloyds Bank. Cash is retained with Lloyds Bank each night earning interest at below market rate; the amount retained will be set in line with the diversification policy set out at **paragraph 7.23**.

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

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

Standard Investment diversification

7.22 Risks to investments, such as those discussed for MMFs in **paragraph 7.17**, point towards the fundamental need for diversification across counterparties and investment categories, where possible. Diversification can help to protect the security of investments by limiting the Authority's loss in the event of a counterparty

default. Diversification will not protect the Authority from a systemic failure of the banking sector even if the risk of this has diminished following the bail-in banking regulations.

- 7.23 Diversification can be achieved by setting a maximum amount to be invested with each counterparty, to limit risk and to ensure a spread of investments:
- No limits are proposed for government investments as these may be utilised for all the Authority's investments in certain circumstances;
 - For MMF's a standard limit of £2.5m per MMF is in place to meet liquidity requirements; and
 - For Lloyds Bank a limit is set of the lower of 10% of total balances or £1.0m (subject to a minimum upper level of £500k); this amount will minimise processing costs and provide additional liquidity for the Authority. The Treasury team at SCC will review and reset this limit once a month.
- 7.24 In the last few financial years, the Authority has held additional balances throughout the year leading to higher cash balances. To allow flexibility for investments, the Director of Finance for the Authority agreed to increase the standard limits to temporary limits of £5.0m for MMFs. The Authority will continue to use the higher temporary limits in 2025/26 until the level of cash balances fall sufficiently to allow reverting to using the standard limits.
- 7.25 Where cash balances are low then this may mean that all investments are placed with the MMFs and Lloyds Bank. However, balances will be within the limits stated above.
- 7.26 The application and amendment of this policy are delegated to the Director of Finance at the Authority with the outcome reported in the regular treasury management reports to the Police, Fire and Crime Panel.

Non-Standard Investments

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

Credit Management Strategy for 2025/26

- 7.31 Investments made by the Authority should be of 'high credit quality'. Although this can be difficult to define, credit ratings can be used as published by external credit rating agencies (the three main agencies are Moody's, Standard and Poor and Fitch). Credit ratings can be obtained from the Treasury team at SCC, where available.
- 7.32 For 2025/26, the minimum credit-rating thresholds are set at a long-term rating of A- where applicable. Counterparties that are rated below this level are excluded. However, credit ratings are not the only aspect of how creditworthiness is assessed.
- 7.33 The following elements are also factored in when evaluating creditworthiness:
- 'Watches' and 'outlooks' from credit rating agencies
 - Potential government support;
 - CDS prices (i.e. the cost of insuring against counterparty default);
 - Share prices and bond yields;
 - Balance sheet structure;
 - Macro-economic factors; and
 - A subjective overlay, i.e. a judgement being made about whether the counterparty should be recommended or not.
- 7.34 The Authority remains responsible for all its investment decisions. The Treasury team at SCC will continue to have treasury management meetings with the Authority on a quarterly basis where a review of the Lending List will take place.
- 7.35 Under stressed market conditions, additional meetings with the Treasury team at SCC may take place at very short notice. A decision may be made to adjust the Authority's investment risk profile; the end result may involve moving investments to lower risk counterparties or instruments.

Non-treasury investments

- 7.36 Under the CIPFA Codes and MHCLG Guidance, local authorities may invest in other financial assets and property for financial return, and also make loans and investments for service purposes.
- 7.37 Such non-treasury investments should be assessed as part of a separate investment strategy. They should set out the specific policies and arrangements for non-treasury investments and ensure the same robust procedures for the consideration of risk and return are applied to these, as for treasury investments.
- 7.38 In the absence of any legal powers to do so the Authority does not currently hold any non-treasury investments and, therefore, no additional commercial strategy is required.

Risk

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

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

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

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

8. Review of strategy

8.1 The Authority will prepare a revised strategy when there are significant changes to the following factors:

- the economic environment;
- the financial risk environment;
- the budgetary position; or
- the regulatory environment.

8.2 The responsibility for assessing these circumstances and proposing changes to the strategy is allocated to the Director of Finance at the Authority.

9. Policy on the use of external service providers

9.1 Currently the Authority has no contracted external treasury adviser and this is considered appropriate with the simple arrangements set out.

10. Investment management training

10.1 Treasury management is a specialised area requiring high quality and well-trained staff with an up-to-date knowledge of current issues, legislation and treasury risk management techniques.

10.2 The Treasury team at SCC who provide the treasury service, are experienced and attend regular CIPFA and treasury consultant training seminars throughout the year as well as speaking to brokers and fund managers to further understand the market.

10.3 Training needs for the Authority's staff, who attend quarterly meetings with the Treasury team at SCC, are assessed on an ongoing basis by local managers.

11. Service Level Agreement

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

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Background Documents:

1. Treasury Management in the Public Services: Code of Practice (CIPFA) (2021)
2. The Prudential Code for Capital Finance in Local Authorities (CIPFA) (2021)
3. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
4. Statutory Guidance on Local Government Investments – Issued under Section 15(1) (a) of the Local Government Act 2003 (2018)
5. Statutory Guidance on Minimum Revenue Provision – Issued under section 21 (1A) of the Local Government Act 2003 (2018)
6. Localism Act 2011 – Guidance on the General Power of Competence in sections 1 to 6.

Financial Implications

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

Legal Implications

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

Equality & Diversity Implications

There are no equality and diversity implications.

Risk Implications

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

Consultation and Engagement Undertaken

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

Procurement and Social Value Implications

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

Protective Security Considerations

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

**Police Fire and Crime Panel
Treasury Management Indicators**

Indicator	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
1. External Debt	£m	£m	£m
Authorised Limit	41.9	43.4	43.8
Authorised Limit for other liabilities	55.8	52.7	49.7
TOTAL	97.7	96.1	93.5
Operational Boundary	34.8	36.0	36.2
Operational Boundary for other liabilities	55.8	52.7	49.7
TOTAL	90.6	88.7	85.9
External Loans	23.7	26.1	28.2
Long term liabilities	55.8	52.7	49.7
TOTAL	79.5	78.8	77.9
<p><i>The Authorised Limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the Capital Programme.</i></p> <p><i>The Operational Boundary represents the Director's estimate of the day-to-day limit for Treasury Management activity based on the most likely i.e. prudent but not worst-case scenario</i></p> <p><i>Other liabilities relate to PFI schemes on the balance sheet.</i></p>			
2. Interest Rate Exposures	£m	£m	£m
a. Upper Limit (Fixed)	26.9	28.4	28.8
b. Upper Limit (Variable)	(35)	(25)	(25)
<p><i>Upper limits of fixed and variable borrowing and investments are required to be set. This limits the Authority's exposure to both fixed and variable interest rate movements as part of the overall risk management strategy for treasury management activities. Negative figures are shown in brackets; these relate to investments at a variable rate which are not offset by variable borrowings.</i></p>			
3. Maturity Structure of Borrowing	Upper Limit	Lower Limit	
Under 12 months	10%	0%	0.00%
12 months and within 24 months	10%	0%	1.55%
24 months and within 5 years	30%	0%	2.48%
5 years and within 10 years	50%	0%	13.93%
10 years and above	100%	25%	82.04%
<p><i>This indicator identifies the amount of loans maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time.</i></p> <p><i>The Authority currently applies the prudent practice of ensuring that no more than 10% of its total gross fixed rate loans mature in any one financial year.</i></p>			
4. Total principal sums invested for periods longer than a year	£	£	£
<i>Any investments made for longer than a year will be in accordance with the limits on non-specified investments.</i>	nil	nil	nil

Police Fire and Crime Panel
Risk assessment – Borrowing Strategy

Risk heading	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Security	A third party fails to meet its contractual obligations (i.e. counterparty risk).	Unlikely that there is a failure between the agreement to borrow and sums being received a few days later. However, if we borrow in advance we must invest until this is needed, and this increases exposure to investment risk.	Usually borrow from the Government (PWLB or its successor body) with funds received within 3 working days from the date of agreement to borrow.	LOW	Use of cash to fund borrowing reduces this risk further i.e. less money is held with banks and third parties as a result.
Liquidity	Cash is not readily available when it is needed.	Only borrow for capital – usually borrow from Government (PWLB or its successor body) with a maximum limit of £3m for long-term borrowing set in 2025/26.	Prudential rules on borrowing and consideration of whether Government is secure.	LOW	Use of cash to fund borrowing increases this risk as liquidity is reduced when borrowing is avoided. However, the Authority is able to borrow money temporarily using the money markets should it need to, so the overall risk remains low.
Interest rate	Unexpected <u>reduction</u> in short term Interest rates.	Depends on the mix between fixed rate borrowing and variable rate borrowing. Higher exposure to variable rate borrowing helps the budget.	The control is set out below.	LOW to MEDIUM	Pursuing a strategy of using cash reduces the overall net exposure to sudden interest rate falls.
Interest rate	Unexpected <u>increase</u> in short term interest rates.	Mix of variable and fixed rates – Lower exposure to variable rate borrowing helps the budget.	Limit variable rate borrowing to a relatively small proportion (e.g., 20%).	LOW to MEDIUM	20% limit provides a suitable risk control.

Risk heading	Risk description	Relevance to borrowing	Key control	Assessment	Borrowing strategy
Market	The market value of loans changes substantially (i.e. how much is the borrowing strategy exposed to long term interest rate change).	How much risk is built into the maturity profile of the loans structure. LOBO's (6% of all loans) are the only 'market' instrument in borrowing terms currently used.	This is inversely linked to refinancing risk below.	MEDIUM	Use of cash will shorten the duration of the loan portfolio and reduces this risk. Without the use of cash this risk assessment would probably be high.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Need to avoid a high level of borrowing over a short period where you are exposed to high interest rates.	The Authority has a policy of limiting maturing loans to 10% of the loans portfolio.	MEDIUM	Using cash to fund borrowing potentially increases the refinancing risk. Without the use of cash this risk assessment would probably be low.
Regulatory and legal risk	Rules governing local government borrowing are changed or amended without notice, which has happened in the recent past.	Local government is heavily reliant upon PWLB (or its successor body); cost and ability to reschedule / manage loans are determined by the Government The Government could close the PWLB (or its successor body) and force local authorities to use market loans for all new borrowing.	Market loans will be evaluated and taken if these are good overall value and dilute reliance on the PWLB (or its successor body). The UK Municipal Bonds Agency may provide an alternative in the future. .	MEDIUM	One LOBO loan is held. Use of cash means that PWLB (or its successor body) loans are not being taken. If the PWLB (or its successor body) was closed to new business, then market loans would be the only option.

Police Fire and Crime Panel

Lending List – January 2025	
	Time Limit
Regulation Investments	
UK Government DMADF account	6 months
UK Local Authority	12 months
Banks	
Lloyds Group (£1.0m max)	overnight
MMF (temporary increased limits)	
Federated (£5.0m max)	call only
Morgan Stanley (£5.0m max)	call only
Aberdeen Standard (£5.0m max)	call only
Enhanced MMF	
Royal London Cash Plus (£2.5m max)	3-day notice

**Police Fire and Crime Panel
Risk assessment - Investments**

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

Appendix 5 (continued)

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

Appendix 5 (continued)

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



Item No. on Agenda

Report to the Police Fire and Crime Panel

10 February 2025

Fire Capital Strategy and Capital Programme 2025/26 to 2027/28 (Incl. Minimum Revenue Provision Policy)

Report of the Staffordshire Commissioner

INTRODUCTION

As part of the overall financial strategy for the Staffordshire Commissioner Fire and Rescue Authority a three year Capital Programme has been prepared. This report schedules the proposed investment programme for 2025/26 to 2027/28, and presents the indicators required within the current Prudential Code. This all forms part of the Capital Strategy for the Staffordshire Commissioner Fire and Rescue Authority for the next three years.

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

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

This report also reviews the approach that the Authority has taken during the last few years, successfully managing the capital programme, reducing future capital financing requirements, and through the repayment of long term loans reducing interest payments. However, the capital financing requirement for the Authority is now forecast to increase into the medium term.

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

RECOMMENDATIONS

That the Police Fire and Crime Panel note:

- a) the three year Capital Programme for 2025/26 to 2027/28 as set out in Appendix 1,
- b) the detailed capital programme for 2025/26 as set out within Appendix 2
- c) the Capital Strategy
- d) the Prudential Indicators that are set out within Appendix 3 including the Capital Financing Requirement for the three year period
- e) that the funding of capital expenditure from Reserves for the period 2025/26, 2026/27 and 2027/28 is in line with the Reserves Strategy
- f) the Minimum Revenue Provision (MRP) policy statement incorporated within this report
- g) the capital programme and capital strategy supports the main Budget and MTFS paper

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1. Background

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

2. Objectives

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

3. Governance of the Capital Programme

- 3.1 A governance process is clearly established within the Service and Authority and will continue to be adhered to, will follow standing orders and financial regulations to ensure that available resources are allocated optimally and deliver value for money, and that capital programme planning is determined in parallel with the Service and revenue budget planning process within the framework of the MTFS. These include:
- The Strategic Governance Board (SGB) which is ultimately responsible for approving the Capital Strategy for investment and the Capital Programme for approving changes to the programme within financial regulations and for the approval of business case submissions.
 - The Ethics, Transparency and Audit Panel (ETAP) which is responsible for scrutiny of the MTFS documents and the capital budget monitoring reports and can make recommendations to the Strategic Governance Board (SGB).
 - The Capital Review Group has been established for a number of years and provides detailed scrutiny for all capital spend proposals and monitors delivery of the current year's programme and develops a rolling three year programme. The group consists of key stakeholders from within the Service and holds responsibility for the delivery of the Service's capital programme and has clear Terms of Reference in place. Actions from this group are reviewed by the Service Delivery Board.
 - A new capital framework was introduced by the Authority on 1 October 2023, supported by the Commissioner and Chief Fire Officer. The framework complements the Corporate Governance Framework and gives an overview of the capital authorisation process.
- 3.2 For new major projects and programmes an outline business case will be submitted through the governance arrangements that needs to include the capital investment requirements, repayment mechanisms, revenue impacts of capital spend and also lifetime costing if applicable in line with the requirements of the updated capital framework.
- 3.3 For smaller areas of capital spend (based upon a rolling programme of requirements) the proposals may be submitted through the Capital Review Group and approved by the Staffordshire Commissioner Fire and Rescue Authority through the Strategic Governance Board. This is recognising that the programme consists of smaller spend areas that do not require the production of a full outline business case.
- 3.4 The monthly Finance Report is produced and available to all staff within the Authority, in addition quarterly financial progress and monitoring reports are submitted to the Strategic Governance Board and also scrutinised by the Finance Panel which is a sub group of the Ethics, Transparency and Audit Panel (ETAP).

4. Capital Priorities

- 4.1 The capital strategy must recognise that the financial resources available to meet the requirements of the new Community Risk Management Plan which includes three key priority areas:

- Our People
- Our Communities
- Our Environment

The Community Risk Management Plan (CRMP) is a four-year plan that sets out priorities and approach to ensuring local communities are protected. It outlines the key challenges and risks facing communities and includes strategies to address and reduce these risks over the coming years. The Service will use available resources in prevention, protection, and emergency response to target the most vulnerable and keep Staffordshire's communities safe.

- 4.2 The bringing together of blue light services under a single governance route to the Staffordshire Commissioner provides opportunities to co-locate and share assets to the good of the community, delivering efficiencies and savings.
- 4.3 Staffordshire Fire and Rescue and Staffordshire Police will continue to build upon the collaboration that has resulted in joint response bases in Tamworth Belgrave, Hanley, Chase Terrace, Penkridge, Stone and Kinver. Uttoxeter should follow shortly followed by ongoing proposals for Kidsgrove.
- 4.4 The Staffordshire Commissioner Fire and Rescue Authority will seek to prioritise investment in order to deliver economy and efficiency within the Service. This prioritisation will be achieved through the robust governance arrangements discussed above.
- 4.5 In order to ensure that the Service is focussing on capital priorities beyond the medium term the Staffordshire Commissioner has requested the development of a 10 year capital programme.

5. Funding Approach

- 5.1 The Staffordshire Commissioner Fire and Rescue Authority's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under The Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of The Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.
- 5.2 The main sources of capital funding are summarised below:

- **The use of internal cash balances**
Interest rates on cash balances have historically remained low which has resulted in this being a more efficient use of cash to invest in the capital programme rather than taking additional external debt. Whilst the interest rate environment has

changed significantly during the last 2 years the cost of external borrowing has also increased which continues to support the use of internal cash.

The use of internal cash is an approach that has been undertaken successfully during the last few financial years.

- **The use of earmarked reserves**
The Staffordshire Commissioner has a Reserves Strategy which includes the Earmarking of Reserves to support the capital programme. Some funding into the medium term has been identified through this approach and remains a key funding strategy.
- **The use of capital receipts**
Disposing of surplus assets is a good way to reinvest in the capital programme. Receipts will be targeted at the shortest life assets and then their use considered widely within any flexibility allowed by the appropriate government authority. In accordance with statutory instruments capital receipts may also be used for the repayment of debt.
- **Direct revenue funding**
Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision.
- **Borrowing and leasing**
Under the Prudential Code, the Staffordshire Commissioner has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from the project returns or upon agreement to include within the MTFS estimates.

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

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

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

6. Risk Management

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

7. Capital Programme 2025/26 to 2027/28

- 7.1 The summary Capital Programme for 2025/26 to 2027/28 is contained within **Appendix 1** of this report. The total proposed Capital Programme for 2025/26 is £5.8m, for 2026/27 £4.1m and for 2028/29 £3.4m.
- 7.2 The detailed scheme analysis supporting the programme for 2025/26 is shown within **Appendix 2**.
- 7.3 The Staffordshire Commissioner Fire and Rescue Authority is required to set estimates, impose limits and to report and publish actuals in line with The Prudential Code. The indicators for adoption by the Authority for 2025/26, 2026/27 and 2027/28 are set out in **Appendix 3**.
- 7.4 There are four main areas of spend which feature within the capital programme; Estates and Facilities which includes building and infrastructure work, Operational Equipment, Transport (appliances and vehicles) and finally Information Systems and Technology.

The four areas are discussed in more detail below.

• Building and Infrastructure Work

The budget proposal for 2025/26 includes a total capital requirement of £1.4m, which consists of the following main building and infrastructure projects plus some minor works:

- Brewood - The refurbishment of the station is now anticipated to commence in 2025/26. A full business case had been approved by the Commissioner and is funded from the Authority's earmarked reserves, £0.5m. This project was originally included within the 2023/24 capital programme and the design and feasibility work has been completed however it has stalled due to significant cost escalation
- Staffordshire Fire HQ (Learning and Development), £0.15m. This is phase 3 of the capital improvement work to enhance and remodel the L&D training facilities
- Staffordshire Fire (Environmental Work), £0.3m. Including additional EV charging points for wholetime stations
- Residual Fire Station works, £0.3m. this included work at Stafford, Tutbury, Eccleshall

• **Operational Equipment**

Total investment of £0.9m has been identified and included within the programme for 2025/26, a full list of the detailed projects is included within Appendix 2.

• **Appliances and Vehicles**

A vehicle replacement programme of £2.3m has been included within the proposed budget for 2025/26:

In summary the vehicle replacement programme includes the following:

- The body build payments payments for the next 3 Pump Rescue Ladders (PRL's), £0.8m (note these 5 vehicles identified above are all part an approved tender and decision note issued by the Commissioner)
- The purchase of a further four appliances (PRL's), commercial work to be undertaken and specifications completed, £0.6m (chassis payments)
- The Purchase of 2 water rescue units and 1 water carrier, £0.3
- Light Vehicles, £0.6m, the programme includes the replacement of light vehicles as part of the rolling vehicle replacement programme. The commitment to move to a more sustainable fleet and the procurement of hybrid and electric vehicles as part of the overall environmental strategy is part of this ongoing programme

• **Information Technology**

The ICT programme for 2025/26 of £1.3m includes the following:

- Ongoing ICT rolling replacement programme for desktop and infrastructure and device replacement strategy, £0.350m
- Station end replacement, £0.325
- Mobile Data Terminals (MDT), £0.225m replacement cost
- Other, £0.4m

8. Funding the Programme

- 8.1 **Appendix 1** also details the proposed funding strategy for the 2025/26 programme together with indications for the funding of the next two years. For 2025/26, the programme will be funded by a combination of grant funding, earmarked reserves, direct revenue funding and the use of internal cash. This is also reviewed within the Treasury Management Strategy Report.
- 8.2 The Authority will also seek to fund as much of the programme as possible through direct revenue contribution should additional savings be available in year.

9. Minimum Revenue Provision (MRP) Policy Statement

- 9.1 The Staffordshire Commissioner Fire and Rescue Authority is required each year to set aside some of its revenues as provision for debt repayment. This MRP provision essentially allows the Authority to “pay off” an element of the Capital Financing Requirement annually through a revenue charge known as the Minimum Revenue Provision (MRP).
- 9.2 The MRP was previously defined by statute with regulations providing for MRP as a 4% charge in respect of the amount of the Capital Financing Requirement (CFR). Under current regulations, the rules have been replaced with a general duty for a local authority to make an MRP charge to revenue which it considers prudent. The new regulation does not itself define “prudent provision”. However, guidance has been issued specifying methods for MRP calculation, which the Secretary of State considers prudent thereby effectively determining prudent provision.
- 9.3 Regulations require the Authority to approve an MRP Statement in advance of each year. It is recommended that the Authority continue to apply a MRP to capital expenditure funded by borrowing under the ‘Asset Life Method’: which calculates the MRP charge based on the estimated life of the asset for which the borrowing is undertaken.
- 9.4 The total level of debt for this Authority as at 31 March 2024 was £23.9m, and is forecast to increase to £28.8m by March 2028 based upon the capital investment requirements outlined within this paper.

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Staffordshire Commissioner Fire and Rescue Authority

Summary Proposed Capital Programme 2024/25 to 2026/27

	2025/26 Budget	2026/27 Plan	2027/28 Plan
	£	£	£
Building & Infrastructure Works			
Station Refurbishment	486,677		
Improvement Works	870,000	720,000	830,000
Total	1,356,677	720,000	830,000
Operational Equipment	879,000	469,000	390,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,425,000	1,600,000	850,000
Vans & Cars	880,000	640,000	470,000
Total	2,305,000	2,240,000	1,320,000
Information Technology			
ICT Hardware, Software Systems & Installations	1,260,000	675,000	840,000
Total	1,260,000	675,000	840,000
Total Capital Programme	5,800,677	4,104,000	3,380,000
Funding			
Direct Revenue Funding	535,000	410,000	470,000
Unsupported Borrowing	4,779,000	3,694,000	2,910,000
Earmarked Reserves	486,677		
Total Funding	5,800,677	4,104,000	3,380,000

Appendix 2

Staffordshire Commissioner Fire and Rescue Authority Detailed Capital Programme 2025/26

Scheme Description	Detail	PROPOSED CAPITAL PROGRAMME
<u>Building Works - Improvements</u>		
Brewood Refurbishment	Revised refurbishment options are under development by the Estates Team	486,677
Eccleshall - Gym Area Refurb	Improvements to Gym facilities in order to maintain firefighter wellbeing and fitness	40,000
L&D Remodelling Phase 3	Remodel BA Training Room and Gym	150,000
Stafford Fire Station External Lighting replacement	Replace and install new lighting to rear year and frontage	60,000
Stafford Fire Station Fire Alarm	Replace existing fire alarm system with L1/L2 system	80,000
PV Panel Installation	Installation of PV system to Jets subject to business case	180,000
Tutbury - External Portacabin	Portacabin solution for gym facilities	70,000
EV Rollout	Install EV charging points across the Estate - WOM, LEE, CAN, HAN, NEW, BOT, TAM, LTN	180,000
Lighting replacement with LED	LED Wombourne, Eccleshall, BAM, Barn, Generator room, Plant rooms, Cheadle, Barton	60,000
HQ - FBT clean concept	Design work - Clean concept provisions	50,000
		1,356,677
<u>Operational Equipment</u>		
Operational Equipment Pool	Replacement of all Level 1 WAH equipment	25,000
Working at Height Equipment	Equipment required to complete confined space procurement	45,000
Confined Space Equipment	Equipment required to complete confined space procurement	25,000
Air Tracks / Ice Paths	Replacement due to age	45,000
Appliance Equipment (PRL 3-5)	Equipment for new PRL	180,000
Cylinder Replacement	Phase 1	125,000
BA compressors x 2	Planned replacement of existing compressors	50,000
Boat	Replace spare boat 20 years old	10,000
Body Worn Cameras	Equipment is due for replacement - Cameras will be upgraded	45,000
Animal Rescue	Animal rescue equipment required for training	26,000
Equipment For Marked 4x4 Response Vehicles	Pumps and equipment for 4x4 Response Vehicle 1 and 2	20,000
Asset Tracking	Software and Hardware	80,000
E-PPV	Procure more E-PPV inline with plan	25,000
Robotics / ROV / Cobra / Smoke Curtains	ERT including Purchase of robotic unit for operations/ Cobra System development / Smoke Curtains	178,000
		879,000
<u>Appliances & Vehicles</u>		
Cobra System Vehicle	Vehicle to support ERT Cobra project	50,000
Unmarked and Marked Response Cars x 4	Group and Station Manager Response Vehicles	100,000
Marked 4x4 Response Vehicles x 2	Replacing 63 plate Ford Rangers at 13 years old	70,000
Utility Van x 3	For Estates - Large - £30k per vehicle - replace Full EV vans that were leased	90,000
Utility van - small/medium x2	Station vans - also used by CSO's - £20k per vehicle	40,000
Marked non-response van x 2	Two Van to be replaced	40,000
Hydrant Technician Van	New Hydrant Technician van fitted out	40,000
Mobile Workshop (JETS)	£45k - used by JETS for safety inspections and on station repairs - includes fitting of shelves, benches and electrics. Price based on fit of mobile workshop 2024/25	45,000
Welfare Support Unit x 1	Vehicle will be known as Personal Hygiene Unit (PHE)	60,000
Appliances PRL (Pump Rescue Ladder)	PRL 3 / PRL 4 / PRL 5 - Body Build Payments	825,000
Appliances PRL (Pump Rescue Ladder)	PRL 6 / PRL 7 / PRL 8 / PRL 9 - Chassis Payments	600,000
Water carriers	Chassis Payment	150,000
2 x Water Rescue Units	Mercedes Sprinters	180,000
Appliance Sensors	'Dr Air Brake' - kit to automatically brake appliances before they bump and cause damages. Trial for new aerial ladder platform vehicle before wider rollout	15,000
		2,305,000
<u>Information Technology</u>		
Stations / L&D Teams Room Enablement		50,000
MDT Replacement - Software		225,000
Station End		225,000
ICT Rolling Programme - Desktop	Rolling program for officers and admin laptop replacement plus desktop solutions such as igels.	150,000
ICT Rolling Programme - Infrastructure	Citrix Server 5 year replacement/Station Alerter Equipment (Depending on work carried out in 22/23)	200,000
ICT additional infrastructure		100,000
MS Enablement		50,000
Mobile Phone Replacement		35,000
Wireless Access Points		100,000
Alerter Replacement		25,000
PSN & PSTN Network Refresh		100,000
		1,260,000
Overall Total		5,800,677

Appendix 3

Staffordshire Commissioner Fire and Rescue Authority Prudential Indicators

A. Indicators for Affordability, Prudence and Capital Expenditure

1. Ratio of Financing Costs to Net Revenue Stream

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
%	%	%
5.6	6.2	6.8

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

2. Estimates of Capital Expenditure

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
£m	£m	£m
5.8	4.1	3.4

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

3. Capital Financing Requirement/Gross Debt

Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
£m	£m	£m
26.9	28.4	28.8

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

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

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

B. Indicators for Treasury Management

1. Treasury Management Code of Practice

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

2. External Debt

	Estimate 2025/26 £m	Estimate 2026/27 £m	Estimate 2027/28 £m
Authorised Limit	41.9	43.4	43.8
Operational Boundary	34.8	36.0	36.2

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

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

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

The above excludes the PFI Balance Sheet debt position.

Glossary of Risk Management Categories

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

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

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

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

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

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

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

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



Item No. on Agenda

Report to the Police Fire and Crime Panel

10th February 2025

Reserve Strategy Update

Report of the Staffordshire Commissioner

Introduction

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

This paper gives due consideration to the overall level of reserves held by the Authority as at 31 March 2024, and the Police Fire and Panel are asked to comment and review the overall position as scheduled within **Appendix 1** and **2** and the overall impact on Reserves as incorporated within the approved Medium Term Financial Strategy (MFTS).

The Reserves Strategy was last approved in February 2024 by the Commissioner following presentation to the Police Fire and Crime Panel has now been updated to incorporate and reflect:

- The revised MFTS for 2025/26 to 2029/30
- The actual Reserves position as per the Statement of Accounts for 2023/24
- The forecast revenue and capital spend position for 2024/25
- The impact of approved reserve utilisation and the updated MFTS position

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

- A **General Reserve**, to allow for unexpected / emergency events – balance as at 31 March 2024, £1.9m (see **Appendix 1**), this position is retained and no changes are proposed.
- A **Earmarked (Specific) Reserve** – to meet future known or predicted requirements – balance as at 31 March 2024, £7.1m (see **Appendix 2**), forecast 31 March 2025, £6.5m

RECOMMENDATIONS

The Police, Fire and Crime Panel is asked to:

- a) Note the overall reserves position for both General and Earmarked Reserves as contained within this report,
- b) consider the adequacy and categorisation of the Earmarked Reserve that will be incorporated into the Revenue Budget and MTFS for 2025/26, and utilisation of reserves as incorporated within the approved MTFS
- c) Note the updated Reserves Strategy

Ben Adams
Staffordshire Commissioner

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BACKGROUND AND ADDITIONAL INFORMATION

Prudential Code and Capital Spend

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

Types of Reserve

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

Reporting of Reserves

5. The IFRS-based Code of Practice on Local Authority Accounting in the United Kingdom (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of the Authority analysed into **usable** reserves, (e.g. General and earmarked reserves) and

unusable reserves. The Movement in Usable Reserves Statement can be found within the Statutory Accounts for 2023/24, and is shown below:

31-Mar-23		31-Mar-24
£,000		£,000
1,906	General Fund (1)	1,906
1	Capital grants unapplied	1
1,726	Earmarked reserves - grants	1,661
5,786	Earmarked reserves - PFI grant	6,330
606	CCU Reserve	594
7,516	Other Reserves (2)	7,057
15,634	Earmarked Reserves	15,642
17,541	Total Usable Reserves	17,549

6. The total Usable Reserves as per the statement of accounts is £17.5 million, however only the General Fund £1.9m and Other Reserves £7.1m are considered within this report. The other grant areas are not for general use as they have already been identified for a particular use or business area. For example, the £6.3m Earmarked PFI Grant will unwind at the end of the two PFI concessionary periods, however the cash can be used to avoid borrowing during this time.
7. Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements (i.e. reconciliation of reporting standards to statutory requirements).
8. Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for local authorities. However, the Government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty.
9. Whilst it remains the responsibility of the Director of Finance/S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority to advise on the overall level of reserves that are held; the Staffordshire Commissioner should assist by providing clear protocols for the establishment and use of reserves, as reserves should not be held without a clear purpose.

Reserves Strategy and Future Outlook

10. This paper gives due consideration to the overall level of reserves held as at 31 March 2024, and the Panel are asked to comment and review the overall position as scheduled within **Appendices 1 and 2**.
 - The Financial Strategy when considering the overall level of reserves held, should importantly take into account:
 - That there are no future capital grants proposed by the Government, which means that all capital spend will increase debt and borrowing unless internally funded by either ongoing savings or the use of reserves

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

General Reserve

11. The General Reserve scheduled within **Appendix 1** has remained unchanged for a number of years and at £1.9m represents around 3.7% of the 2025/26 annual revenue budget. It is recommended by the Home Office that General Reserves held by Fire Authorities do not exceed 5% of overall funding level. The National Framework Document requests that the Reserves Strategy should clearly justify the reasons for holding a general reserve above five percent of budget.

Earmarked / Specific Reserve

12. The forecast balance on this reserve as at 31 March 2024 was £7.1m, is scheduled below and is based upon the categorisation approved by the Staffordshire Commissioner in February 2024:

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

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

- to support the recurring revenue budget up to 2026 as incorporated within the medium term financial strategy,
- to provide a provision for future capital investment to avoid additional long term borrowing need,

- to provide for costs that may be required to support future change and business transformation
- to provide for any funding uncertainty as discussed within this paper (e.g. pay awards and Pensions)
- to provide for future contingent liabilities that have been identified within the statutory accounts

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

- a. The approved revenue budget set for 2025/26
- b. The revised use of reserves incorporated with the approved MTFS
- c. Planning for future transformation workstreams
- d. Any contingent liabilities that needs to be provided for as incorporated within the Statutory Accounts
- e. Any amounts where budget holders have been authorised to earmark a specific expenditure item
- f. Any upward pressures that are anticipated to be placed upon budgets e.g. higher than expected pay awards or pension costs

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

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

General Reserves Balance for 2025/26

Risk Assessment of General Reserves for 2025/26

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

A risk assessment for general reserves was undertaken as part of the budget setting process for 2025/26 and the overall provision of £1.9m has remained unchanged for a number of years and represents 3.6% of the revenue budget set for the year.

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

Area of Expenditure	Level of Risk *	Explanation of risk/justification of reserves	2025/26 Provision £000
Loss of Employees / additional pay costs	High	Spate conditions caused by for example; prolonged severe weather conditions (e.g. hot weather or flooding), unexpected loss of staff through COVID-19, Avian Flu / Ebola etc.	650
Insurance loss / impact of data breach	Medium	Risk of incurring uninsured losses Risk of breach due to inappropriate information sharing / failure to implement EU GDPR	550
Ill health retirement costs	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce	300
Other unforeseen costs	Medium	Risk of unforeseen event: emergency incident, waste fires / tipping	300
Other costs	Medium	Risk of failure of strategic partnership / collaboration initiatives	100
TOTAL			1,900

**Total Reserves including
Earmarked Reserves Balance for 2025/26**

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

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

	2023/24 Actual £m	2024/25 Est. £m	2025/26 Est. £m	2026/27 Est. £m	2027/28 Est. £m	2028/29 Est. £m	2029/30 Est. £m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<u>Earmarked Reserves</u>							
PFI Reserve (Project Reserve Deductions)	0.7	0.8	0.8	0.8	0.8	0.3	0.3
Reserve - Brewood Refurbishment	0.5	0.5					
Operational Budget Holder Reserves	0.7	0.8	0.9	0.6	0.5	0.4	0.4
Insurance Reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Budget and MTFS Support Reserve	0.8						
Business Rates reserve	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Capital Reserves	0.3						
Pension Reserve	1.5	1.5	1.2	1.2	1.2	1.2	1.2
Collaboration Reserve	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Future Funding reserve	1.7	2.0	0.9	0.4	0.2	0.4	0.8
Total Earmarked Reserve	7.1	6.5	4.7	3.9	3.6	3.2	3.6
Total Reserves Available (Useable)	9.0	8.4	6.6	5.8	5.5	5.1	5.5
Percentage of Revenue Budget							
General Reserve	4.0%	3.8%	3.7%	3.5%	3.5%	3.4%	3.3%
Earmarked Reserve	14.7%	13.0%	9.0%	7.3%	6.5%	5.7%	6.2%
Total	18.7%	16.8%	12.7%	10.8%	10.0%	9.0%	9.5%

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

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

Refurbishment Reserve Brewood – The refurbishment work Brewood is now scheduled to commence in 2025. The original feasibility and scope for this project resulted in significant cost escalation. The project will now be completed in separate stages.

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

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

Budget and MTFS Reserve – this reserve was included within the previous MTFS and has now been moved into the future funding reserve.

Business Rates Reserve – This reserve is intended to smooth out movement in the actual 1% share of local business rates and S31 grant taken from the NNDR1 forms, as submitted by the nine billing authorities, compared to the budget which is based upon the Provisional Local Government Finance Settlement.

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

Pension Reserve – provides provision around the additional employer pension contribution required into the Firefighters' Pension Scheme. A government grant was received in 2024/25 to cover the additional £1.5m in 2024/25 but it is only guaranteed for a single year. This reserve provides funding for an additional year should this be required. The actual grant in receipt is £1.24m and is reflected in the reduction above.

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

Future Funding and Investment Reserve – held to support the Authority should settlement funding see unexpected reductions in future years. This reserves is being utilised in 2025/26 and 2026/27 based upon the reduction in grant funding included within the 2025/26 settlement. This reserve will also support any key investment areas approved by the Commissioner outside of the approved MTFS.



Police, Fire and Crime Panel – 10 February 2025

Staffordshire Fire & Rescue Service

Safety Plan 2025 - 2028 Update Report

Report of the Police, Fire & Crime Commissioner

1. Purpose of Report

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

2 Recommendation

- 2.1 That the Panel note the update on the delivery of the SP 2025 – 2028 and make comment as appropriate.

3 Background - Community Risk Management Plan 2025-2028 update

- 3.1 The National Framework requires each Fire and Rescue Service produce a Community Risk Management Plan (CRMP) which must:
 - reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the fire authority, and demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities.
 - cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in the National Framework.
- 3.2 The extension of the period of the Service's previous CRMP (Safety Plan 2020-2024) until the end of 2024 was approved on 24 April 2023 on instruction from the Staffordshire Police, Fire & Crime Commissioner. The Service is required to have a new CRMP in place once the previous one ends. The new CRMP 2025-2028 has undergone a comprehensive process of development and consultation throughout 2024 in readiness for launch and publication.

- 3.3 The new CRMP 2025-2028 was approved for publication by Service Management Board on 9 December 2024 and a Decision Note was taken to Strategic Governance Board on 22 January 2025 acknowledging and affirming that decision on behalf of the Commissioner's office.

Please click [here](#) to read the CRMP 2025-2028 in full.

- 3.4 The CRMP has a fresh Welcome message from the Chief Fire Officer and an explanation to inform staff, partners and our communities about the reasons for having a CRMP and how our progress is monitored and scrutinised via our governance arrangements.
- 3.5 The new plan clearly sets out our Vision of *making Staffordshire the safest place to be*, underpinned by our Values and commitment to the Core Code of Ethics to help us encourage a supportive and inclusive culture.
- 3.6 Through consultation we have transformed the current Priorities of the Safety Plan into three new priority areas – **Our People, our Communities** and **Our Environment**, which will guide the Service and help us build on the success of previous activities, providing a focused, proactive and inclusive approach to delivering change and ensuring the Service continues to provide the highest level of services to communities across Staffordshire.
- 3.7 The work the Risk Planning team undertook to inform the extension of the Safety Plan formed the basis of the horizon scanning and risk analysis required to support the development and direction of the new CRMP.
- 3.8 The CRMP describes our Community Risk Profile and details those known community risks e.g. Domestic dwelling fires, Tall building fires, Road traffic collisions, Flooding and water rescue. Importantly, we highlight new and emerging risks that we may face and which may impact on the Service's strategic direction or operational delivery during the term of the CRMP, e.g. Battery energy storage systems (BESS sites), cyber security and the threat of terrorism.
- 3.9 We have included maps of the County and infographics which reflect the diversity of and varying levels of deprivation amongst our communities and the location of our resources. We talk in depth about our resources and how we use them. We highlight the work of our Prevention and Protection teams in strengthening relationships with and how they support our local communities to be healthy, resilient and sustainable.
- 3.10 The plan details our Response priorities with the aim of enabling our operational crews to safely deploy to incidents, supported by the right training, equipment, and vehicles. We talk about innovations in Response and how the Operational assurance team focus on ensuring that well-defined processes are established to capture and share key practices and lessons learned from incidents, exercises, and training.

- 3.11 Service transformation is essential for ensuring that the Service can continue delivering a modern, efficient, and sustainable service to the public, while prioritising the safety of both its staff and the communities it serves. We talk about our commitment to continuous improvement through our use of new technology and innovation. The plan outlines the work of the Transformation Board and include examples of some of our recent Achievements aligned against our Priorities.
- 3.12 The plan highlights the work of our non-operational fire staff and our shared service arrangements that help us deliver against our priorities, e.g. ICT, HR, Performance & Assurance, Communications, JETS, Fire Control and details of how we have continued to explore the best use of our estate through collaboration.
- 3.13 The inclusion of our collaborative and partnership arrangements demonstrate how we achieve positive outcomes through these relationships, such as our unique association with the Civil Contingencies Unit which supports the effective multi-agency co-ordination of incidents and management of local and national risk through the community risk register.
- 3.14 We include details of His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in light of increased inspection activity and requirements to provide updates to HMICFRS around the Service's progress against recommendations in national reports, e.g. Values and Culture in Fire and Rescue Services.
- 3.15 The formal public consultation for the CRMP ran from 16 August to 5 November 2024. Feedback from staff and the public helped inform the final version of the CRMP.
- 3.16 For ease of reference and by way of consolidation we have updated the plan to include a summary of our response to the public consultation. This is extremely high-level and reflective of the feedback we received in order that the statements do not outdate. Any actions arising from subsequent decisions, e.g. that regarding three riders will be communicated separately as required to ensure messages are clear and comprehensive.
- 3.17 To extend the consultation's reach, particularly among harder-to-reach groups, SMSR Limited, an external market research firm, conducted focus groups with independently recruited Staffordshire residents.
- 3.18 We take the opportunity in our plan to highlight career opportunities within the Service and encourage people to get involved in developing our future plans and consultation.
- 3.19 An annual review will be undertaken to identify the Service's progress against the objectives set and monitor progression. This is underpinned by the requirement from Central Government for the production of an annual Statement of Assurance (SoA).

- 3.20 The SoA takes the form of an annual report encompassing a retrospective view of performance against the CRMP and a forward-looking plan in terms of 'firming up' decisions and activities as details emerge to inform the direction of travel. This will ensure agility within the CRMP and enable the Service to continually consult and inform partners and stakeholders during what is acknowledged to be a period of significant challenge over the next few years.
- 3.21 The new CRMP recognises the strategic priorities set out in the Commissioner's Fire and Rescue Plan 2024-2028 which in turn acknowledges the operational risks we have identified in the draft CRMP.
- 3.22 This report is based on the priorities set out in the Fire and Rescue Plan 2024-2028:
- An outstanding Fire & Rescue Service
 - Preventing
 - Protecting

4 An outstanding Fire & Rescue Service

- 4.1 **HMICFRS Report: 'Standards of Behaviour - The Handling of Misconduct in Fire and Rescue Services'**. This report, published in August 2024, highlighted that while many fire and rescue services have made strides to improve behaviour and address misconduct, issues persist.
- 4.2 The inspectorate found that:
- Abhorrent behaviour, including sexist, racist, and homophobic language, was most common within watches.
 - There is a widespread lack of confidence in misconduct processes, particularly among women, preventing them from speaking out.
 - Supervisors and managers lack sufficient training to manage performance, behaviour, and welfare issues, and those handling misconduct cases require better training.
 - Fire services need to learn from past misconduct cases to prevent future occurrences.
- 4.3 The report also included **15 Recommendations** for improvement, which the senior leadership team have reviewed and continue to monitor regularly to ensure any changes required across our Service are implemented successfully. To view the report in full please click [here](#).
- 4.4 **HMICFRS Round 3 inspection: Effectiveness, Efficiency and People**. This was completed in the early part of 2024, with its final report published in September. HMICFRS assessed the Service's progress since our last inspection, and the report details its findings as follows:












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

Efficiency – the way the Service uses its resources to manage its current risks and how well it is securing an affordable way of managing its risks in the future.

People – how well the Service looks after its people.

- 4.5 HMICFRS now assesses each service against the ‘**characteristics of good**’ and gives each service graded judgments against 11 diagnostic elements. The grading system in Round 3 has moved to a 5-tier grading system with an additional grade of ‘**adequate**’. This brings fire in line with the way police forces are graded and better serves the aims of promoting improvements in fire and rescue, highlighting where a service is doing well and where it needs to improve. Click [here](#) for further details of how HMICFRS inspect fire and rescue services.
- 4.6 Out of the 11 areas inspected we received 4 adequate gradings, 6 good gradings, and 1 outstanding grading. In addition, it has been stated within the report that we provide good value for money which again is a very positive position to be in. This report demonstrates the hard work that everyone within the Service has delivered over the last three years. Also, the report shows that we have been graded as good for promoting the right values and culture, which has been the focus of a great deal of national media attention over the past couple of years.

Our HMICFRS 2024 Gradings

Outstanding	Good	Adequate
 Responding to major incidents	 Understanding fire and risk	 Preventing fire and risk
	 Responding to fires and emergencies	 Public safety through fire regulation
	 Best use of resources	 Promoting fairness and diversity
	 Future affordability	 Managing performance and developing leaders
	 Promoting values and culture	
	 Right people, right skills	

- 4.7 **5 Areas for Improvement** were identified, which the senior leadership team have reviewed and continue to monitor regularly to ensure any changes required across our Service are implemented successfully. To view the report in full please click [here](#).

HMICFRS Inspection, Staffordshire Fire and Rescue Service 2023-25 Effectiveness, Efficiency and People (5 Areas for Improvement)

Ref	Area for Improvement / Recommendation	Status	Delivery Date
01	The service should make sure all staff understand how to identify vulnerability and safeguard vulnerable people.	On Track	17/09/2025
02	The service should make sure it has an effective quality assurance process, so staff carry out audits to a consistent standard.	On Track	17/09/2025
03	The service should make sure all staff understand the benefits of equality, diversity, inclusion and positive action and their role in promoting them.	On Track	17/09/2025
04	The service should make sure it has robust processes in place to carry out equality impact assessments and review any actions agreed as a result.	On Track	17/09/2025
05	The service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders.	On Track	17/09/2025

HMICFRS Standards of Behaviour: The handling of misconduct in fire and rescue services (15 National Recommendations)

Ref	Area for Improvement / Recommendation	Status	Delivery Date
01	By February 2025, chief fire officers should, as a priority, make sure their staff are aware of, and follow the Core Code of Ethics. FRSs should build the code into all relevant policies and practices.	Completed and signed off	01/02/2025
02	By 1 February 2025, chief fire officers should make sure a policy for probationary staff is in place. This policy should make clear that FRSs can immediately dismiss probationers who fail to meet the required standards of behaviour set out in the Core Code of Ethics and the Code of Ethics fire standard.	On Track	01/02/2025
03	By 1 May 2025, chief fire officers should make sure their workforce plans allow staff to be moved from a wholetime watch to a different watch or station, within their	On Track	01/05/2025

	<p>contractual requirements, proactively and reactively as required.</p> <p>By 1 May 2025, chief fire officers should also make sure firefighters who are promoted are posted to a different watch or station, including when the promotion is temporary for two months or more. If this isn't possible, chief fire officers should show how the risks of reinforcing a negative culture have been addressed.</p>		
04	<p>Recommendation 4:</p> <p>By 1 February 2025, chief fire officers should make sure their FRS create or have access to a dedicated professional standards function to oversee the investigation of concerns raised within a FRS or from an external source. This should oversee cases to make sure they are investigated in a fair and transparent way, manage complex cases directly and act as a point of contact for all staff involved.</p>	On Track	01/02/2025
05	<p>By 1 November 2024, chief fire officers should make sure all staff understand how to raise a concern and use grievance and whistle-blowing processes. Chief fire officers should:</p> <ul style="list-style-type: none"> •make sure staff know how FRSs will handle responses and maintain confidentiality and anonymity; and •explain how staff can access FRSs' whistle-blowing capability and the difference between whistle-blowing and other processes for raising concerns. 	Completed and signed off	01/11/2024
06	<p>By 1 February 2025, chief fire officers should make sure a programme of training is in place for all supervisors and managers on how to manage staff performance and welfare and how to raise an issue. It should be supported by relevant policies and procedures. Training should include:</p> <ul style="list-style-type: none"> •staff welfare and absence management; •the process for managing individual staff performance, addressing poor performance and potential misconduct issues; •how to handle difficult conversations and resolve issues informally, if appropriate, when a concern is identified; and •clarifying the role of HR services in helping managers to deal with staff concerns and misconduct issues. <p>Chief fire officers should make sure all managers and supervisors attend the training programme.</p>	Completed Awaiting Sign Off	01/02/2025

07	<p>By 1 May 2025, chief fire officers should make sure the policies and processes for misconduct are consistent for all staff and are fairly applied within their respective conditions of employment.</p> <p>By 1 August 2025, the National Joint Council for Local Authority Fire and Rescue Services and the National Joint Council for Local Government Services, supported by NFCC, should make misconduct processes consistent for all staff irrespective of the terms and conditions of their employment.</p>	Completed Awaiting Sign Off	01/05/2025
08	<p>By 1 November 2024, chief fire officers should make sure all allegations of misconduct are handled in a consistent way and staff have confidence in misconduct processes. Chief fire officers should carry out a full review of the processes, from initial identification of a misconduct issue through to the resolution or outcome. This should include a review of how FRSs:</p> <ul style="list-style-type: none"> •monitor and manage investigations; •maintain accurate records; and •adhere to required timescales. 	Completed and signed off	01/11/2024
09	<p>Recommendation 9:</p> <p>By 1 August 2025, chief fire officers should introduce a case management system if they don't already have one. The case management system should allow data to be produced that will help them to better understand and oversee misconduct cases in their services.</p>	On Track	01/08/2025
10	<p>Recommendation 10:</p> <p>By 1 May 2025, chief fire officers should make sure their FRSs have enough capacity to carry out their misconduct investigations. They should consider using external investigators or a similar independent resource to support the process if required.</p>	Completed Awaiting Sign Off	10/05/2025
11	<p>Recommendation 11:</p> <p>By 1 May 2025, chief fire officers should review the training their FRSs provide for supervisors and managers who investigate misconduct issues at all levels. Chief fire officers should make sure:</p> <ul style="list-style-type: none"> •all staff who carry out investigations receive adequate training to carry out the task; •a programme of refresher training and ongoing support is available so that staff can maintain a level of competence; 	On Track	01/05/2025

	<p>and</p> <ul style="list-style-type: none"> • it is clear how services' HR provision, staff associations and any trade union representative or fellow employee will support the investigation process. 		
12	<p>Recommendation 12:</p> <p>With immediate effect, chief fire officers should make sure all staff are aware of the welfare support, including occupational health support, that is available to staff involved in misconduct processes. Chief fire officers should encourage all staff involved in misconduct processes to access this support, whether they are an alleged perpetrator, complainant, witness, investigator or decision-maker.</p> <p>Welfare personnel should be independent of the investigation and have been appropriately trained for this role.</p>	Completed and signed off	01/11/2024
13	<p>Recommendation 13:</p> <p>By 1 November 2024, fire and rescue authorities and chief fire officers should consider varying the approach to hearing appeals so that appeals for complex or serious cases are heard by a panel rather than one person.</p> <p>By 1 February 2025, fire and rescue authorities and chief fire officers should make sure all FRS managers and members of fire and rescue authorities who hear appeals receive appropriate training.</p> <p>Chief fire officers should make sure FRSs have a consistent approach to hearing appeals.</p>	Completed and signed off	01/11/2024
14	<p>Recommendation 14:</p> <p>By 1 November 2025, chief fire officers should implement a process that makes sure they can oversee and scrutinise their FRS's performance relating to misconduct issues. This process should provide:</p> <ul style="list-style-type: none"> • a strategic overview of performance and analysis of trends, including disproportionality; • regular reporting of issues, outcomes and trends to the fire and rescue authority; and • identification of learning outcomes and how they will be shared with FRS staff, to prevent repeat behaviours. 	Completed and signed off	01/11/2025
15	<p>Recommendation 15:</p> <p>By 1 February 2025, chief fire officers should put in place a process for sharing learning from misconduct cases that have been resolved while preserving the confidentiality of</p>	On Track	01/02/2025

<p>all parties involved. Any learning should feed into the national system, when established.</p> <p>By 1 May 2025, NFCC should establish a system for sharing learning from more serious cases of misconduct with fire and rescue service staff. The information shared should preserve the anonymity and confidentiality of all parties involved. The College of Fire and Rescue, once it is established, should take responsibility for maintaining this system.</p>	
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- 4.8 Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.
- 4.9 The Fire and Rescue National Framework for England 2012 (updated May 2018) (the Framework) requires fire and rescue authorities to produce an annual **Statement of Assurance**. Fire and rescue authorities can choose when to publish their reports, depending on their specific reporting arrangements.
- 4.10 The primary purpose of a Statement of Assurance is to offer an accessible means for communities, government, local authorities, and other partners to make a valid assessment of their local fire and rescue authority's performance.
- 4.11 Fire and rescue authorities are required to evaluate their performance in various key areas. The specific areas and assessment methods are determined locally, but authorities must ensure that the measures and methods used are suitable and fit for their intended purpose.
- 4.12 Under the Accounts and Audit (England) Regulations 2015, fire and rescue authorities must publish their financial results for the year. This 'Statement of Accounts' reflects the annual costs of their services and adheres to a Code of Practice to present a "true and fair" view of their financial position and transactions. The Statement of Assurance may briefly outline the assessment procedures in place for the authorities' statements of account.
- 4.13 Fire and rescue authorities consult on and publish their Community Risk Management Plans (CRMP) (which we currently call our Safety Plan), outlining local strategies, including cross-border, multi-authority, and national arrangements where relevant. The Statement of Assurance should include information about consultation on these plans and confirm that adequate information was provided to facilitate active and informed participation.
- 4.14 The Statement of Assurance may indicate Fire and Rescue Authorities' agreements and/or mutual aid arrangements with other relevant bodies. The level of detail provided will vary for each authority and may be linked to their CRMP.

- 4.15 We attach the Statement of Assurance 2023-2024 for the Panel's information before its release and publication (see Appendix 1). The figures reported in the Statement of Assurance are based on the most up to date information available. Due to factors such as subsequent outcomes of fire investigations, Coroner's reports, and other external influences, these performance figures may vary slightly from previous statements and may be subject to change.
- 4.16 **Wholetime recruits' course 1/24 concluded in June 2024** with 16 new Firefighters successfully passing out and being posted to Stations around the County – The course was extremely successful with all trainees performing to a consistently high standard.
- 4.17 The 15-week intensive programme developed and upskilled individuals from initial raw recruits to trained, practical, safe to ride firefighters. The course encompassed a continual assessment process in order to meet key performance indicators. Progress was tracked throughout with performance, capability, and disciplinary tracking, along with bi-weekly performance meetings held with Learning and Development Station Managers.
- 4.18 A new element of last year's course involved the recruits participating in practical exercise simulations at the Fire Service College. This provided them with the best possible scenario-based practical learning prior to being posted to Station. It both maximised experiential learning and embedded dynamic health and safety practices in live fire/operational based scenarios. The practical training was extremely successful and has been planned for future courses.
- 4.19 At the conclusion of the course the new firefighters were posted to Stations around the County and have been inducted onto the Firefighter Apprenticeship Programme. They will continue to learn and develop over the next 20 months before being assessed by an external sector competent assessor, in line with Skills for Justice standards.
- 4.20 The L&D team continually strive to improve and develop working practices for the Service. Following the course, a full de-brief and action plan was implemented to build on the team's experiences to enable improvements to content.
- 4.21 Sixteen recruits have been selected for the 2025 course, offered positions and are currently progressing through the on-boarding process. The course will accommodate new starters and some with existing on-call experience who were successful on application and selection.
- 4.22 **Grenfell phase 2 update** -The Service has reviewed the actions and recommendations which have come through the Grenfell phase 2 report. Following a gap analysis, we have identified 18 actions in total for the Service, covering many areas of response. These areas include Operational Assurance, Training, Planning and Equipment improvements. We currently have five completed actions with 8 others on track. There also 5 areas identified for Fire Control. The Service will monitor these 5 recommendations with our colleagues

in West Midlands FRS, once their gap analysis is completed. All the actions now have a dedicated tracker and will be updated through the Response board. One of the recommendations is to evaluate our actions completed through the Grenfell phase 1 report. This work has been planned in for Jan / Feb 2025.

- 4.23 **Improvements in Complaint Handling** - Since Staffordshire Fire and Rescue Service introduced the House on the Hill complaints management system in 2024, the handling of complaints has significantly improved.
- 4.24 The new system has streamlined the process, allowing for more efficient tracking and resolution of complaints. It provides a consistent method for recording data, which enhances root cause analysis and trend identification. This has led to quicker response times and more effective resolutions, boosting public confidence and transparency. Additionally, the system's ability to generate detailed reports has helped the service identify recurring issues and implement necessary improvements, ensuring a higher standard of service for the community.
- 4.25 The system has enabled us to effectively manage complaints about an employee's conduct with a structured and fair process to ensure all parties are heard and respected. When a complaint is received, it is documented thoroughly and an initial investigation is carried out by the Complaints Team. The initial step is to gather all relevant information and evidence, including statements from witnesses. If the complaint is substantiated, it is referred to Human Resources (HR) for further action. HR will then assess the situation, considering the severity of the conduct and any previous incidents. They will determine appropriate disciplinary measures or corrective actions, which may include additional training, mediation, or, in severe cases, termination. Throughout the process, maintaining confidentiality and impartiality is crucial to ensure a fair and just resolution.
- 4.26 Reassuringly, the Service continues to get a low number of complaints on an annual basis.
- 4.27 **Fire and Health Partnership Team (Falls Response and Home from Hospital)** - SFRS has been delivering a Falls Response Service and Home from Hospital Service to the communities of Staffordshire since December 2022 and December 2023 respectively. The Service has worked closely with Staffordshire and Stoke on Trent Integrated Care Board (SSOTICB) and Midlands Partnership Foundation Trust (MPFT) to achieve this and continues to do so.
- 4.28 Falls Response - The falls response service went live on 7 December 2022 and has provided live service every day since, now over 2 years on and is currently funded until end of March 2025.
- 4.29 The team are mobilised by the 'Integrated Care Coordination' (ICC), which is now operated by MPFT. The ICC picks suitable calls from the West Midlands Ambulance Service (WMAS) 'Stack' or other sources and triages them. If the

call is classed as a 'green (Non Injury) call', they will dispatch a suitable Falls Response Team, one of which is provided by SFRS.

- 4.30 There have been 2017 mobilisations (Up to 31/12/24), which averages 2.67 calls per day, however in the last month this was running at 3.9 calls per day, showing an increasing trend. The team responds to the whole county of Staffordshire and has an average attendance time of under 38 mins. Overall each job takes an average of 66 minutes to complete. As expected the majority of patients are elderly with 94% being over 60, which is of course a risk factor associated with fire and enables us to carry out a Safe & Well check.
- 4.31 There was an initial concern whether calls assigned to us would be suitable for our team. The data shows that the triage process works well and on the vast majority of occasions we are assigned to calls that are suitable for our team: -
- 84% of the time the patient is picked up and has no injuries
 - 6% of the time the patient has been picked up or managed to get up prior to our arrival
 - 8% of the time the patient is picked up but requires a referral back to ICC for a suspected minor injury or infection
 - The remaining 2% of the time we are unable to pick the patient up because of a suspected injury and therefore refer back to the ICC or directly to WMAS depending on the circumstances.
- 4.32 Home from Hospital (HfH) - The HfH service went live on 4th December 2023 and has provided live service every day since, now for more than 1 year and is currently funded until end of March 2025.
- 4.33 For the pilot period (Dec 23 – Mar 24) the service was initially provided by 4 personnel employed on green book terms and conditions, supported by the Falls Response Team, however since the pilot completed and service was extended for a longer period, the team has been increased to 6.
- 4.34 The team are mobilised by the 'Integrated Discharge Hub' (IDH) at the Royal Stoke Hospital. The IDH identifies suitable patients, who would benefit from our service. Primarily the team are utilised to take patients home and 'settle them in' once discharged from hospital, but since July 2024 the team have also been undertaking other tasks, such as fitting key safes, property inspections and furniture moves.
- 4.35 There have been 1939 mobilisations, of which 1675 were for discharges since the Service went live (Up to 31/12/24). The overall average is 4.25 discharges per day. Since July 2024 the team have taken on additional duties as outlined above. The total number of all 'activities' incl. discharges is 2018 (NB Some mobilisations can result in multiple activities being completed). The current average of all activities per day is 6.61. As expected the majority of patients are elderly with 94% being over 60, which is of course a risk factor associated with fire and enables us to carry out a Safe and Well check. Over 98% of the time the 'Discharge and Settle In' is conducted with no issues. On 1% of occasions there may be some minor issues. Only on 2 occasions has a patient had to be

returned to the hospital. To date there has only been 1 recorded readmission within 24 hours.

- 4.36 **Wellbeing Inclusion Culture - HIVE** - This is the second HIVE Employee Engagement survey undertaken to establish the thoughts and feelings of our current workforce. The survey provides valuable feedback to help shape strategic plans to build a positive and inclusive culture.
- 4.37 The Survey ran from September to November 2024 and provided valuable insights into our workforce's current sentiment. The survey results indicate a positive trend in overall employee engagement, with our Engagement Index rising to 7.6, an increase of 0.4%, reflecting improvements in pride, advocacy, and loyalty among employees. Notably, 'Realising Potential' has increased to 6.5, an increase of 0.6 showcasing a growing sense of employee recognition. These metrics highlight the effectiveness of our ongoing initiatives aimed at enhancing workplace culture and employee wellbeing. However, there are areas that require attention, such as 'Meaningful Work', which has seen a slight decline in engagement to 7.5, a decrease of 0.3, although this still remains in the positive range. The response rate fell into the negative range and was down by 0.8 since last year, however this may be due to factors such as shared service partners being added to the system, not providing feedback on results and lack of trust in the confidentiality of the survey. Communications are developing a Hive engagement communication strategy to be implemented in this quarter. Addressing these challenges will be crucial in maintaining and further improving our overall engagement levels. Moving forward, we will continue to prioritise employee feedback and implement targeted strategies to foster a supportive and engaging work environment. We are currently working on an improvement Action and Communications Plan.
- 4.38 We have also introduced Hive Fives and Open-Door, two key features designed to enhance employee engagement and communication.
- 4.39 High Fives is a peer-to-peer recognition tool that allows employees to celebrate each other's achievements and positive behaviours. This feature helps build a culture of recognition, boosts morale, and promotes positive interactions among team members. By making it easy for employees to acknowledge and appreciate their colleagues, High Fives fosters a supportive and collaborative work environment.
- 4.40 Open Door is a confidential feedback tool that empowers employees to share their ideas, concerns, and feedback at any time. This feature ensures that employees feel heard and valued, as they can voice their thoughts without fear of retribution. Open Door helps organisations stay connected to their workforce's sentiments and address issues promptly, driving positive change from the ground up. It also allows for filtering messages by date, keyword, topic, and department, making it easier for management to respond to urgent matters efficiently.
- 4.41 The hope is that together, these features create a more engaged and transparent workplace, where employees feel appreciated and empowered to

contribute to the organisation's success. Since inception the organisation has sent 315 High Fives and staff have sent 93 Open Door comments or suggestions.

- 4.42 **Wellbeing Champions and Mental Health First Aiders** - To provide more direction and clarity, Wellbeing Champions are an additional resource to support our employees. This initiative has taken time to establish and is still embedding within Staffordshire Fire. To progress and draw on people's strengths and interests, some individuals have been assigned to specific areas:
- Health, Fitness and Wellbeing
 - Mental Health
 - Dyslexia/ ND
 - EDI and Positive Action
 - Environment and Community
- 4.43 Currently, we have a list of 21 volunteers who support wellbeing initiatives, such as employee wellbeing and related communications. Their role ensures that messages are received, understood, and embraced as intended across the county. Part of their remit is to support training and community days as Service Ambassadors, shaping the internal culture and offering tailored support to drive improvement.
- 4.44 **Mental Health First Aiders (MHFA's)** - The Mental Health First Aiders meet via Teams every five weeks, with the support of a Wellbeing Counsellor, ensuring that MHFA's feel supported and not overwhelmed. This meeting provides all MHFA's with the opportunity to provide peer support and discuss any issues they may have encountered. The Wellbeing Counsellor also offers professional guidance and support, continually developing those individuals who provide a crucial service to our employees.
- 4.45 All the MHFA's were delighted to receive lanyards and pins that clearly identify them as Mental Health First Aiders, promoting their role throughout the Service without the need for verbal communication. This has proven successful as employees now reach out, knowing that sometimes the support can be as simple as having a cup of tea with an individual.
- 4.46 The Wellbeing, Inclusion and Culture Meeting continues to take place every six weeks, held on rotation across Service Delivery Groups to ensure operational crews are in attendance, aware of developments, and can contribute valuable ideas. They have also been involved in creating the content for a Wellbeing Day which is scheduled to take place on 30 January 2025 at the County Showground. The theme for this year is Resilience and will feature several external speakers offering their services on a voluntary basis.
- 4.47 We also plan to train all our wholetime recruits to be Mental Health First Aiders to maintain their wellbeing and momentum in this worthwhile role.
- 4.48 **Networks** - The Networks continue to strengthen, with the EDI Team now actively leading. A Task and Finish group has been established to provide guidance for promotions and recruitment, particularly regarding reasonable

adjustments for those with neurodivergent needs. This group was formed following employee feedback and the need for clear guidance on supporting our employees and driving a consistent approach. The Networks have developed based on employee feedback, addressing employees' needs, and providing support and solutions where necessary.

5 Preventing

5.1 The updated **Education Delivery Plan** (EDP) relaunched in September 2024. The 2-year offer includes the following opportunities;

- Key Stage 1
 - Year 1 children offered Road Safety Package to schools identified by Staffordshire Safer Roads Partnership (SSRP). This offer is to schools within the turnout area of whole time or day crewed stations
 - Year 2 children offered Fire Safety Package. This offer is to schools within the turnout area of whole time or day crewed stations
 - StayWise (www.staywise.co.uk)
 - Welephant for 4-8-year olds
- Key Stage 2
 - Year 5 children from mainstream schools invited to attend a half day Safe+Sound event
 - StayWise (www.staywise.co.uk)
 - Safe+Sound weekly on-line programme available for all Key Stage 2 children at 10am every Wednesday and on demand www.learnliveuk.com/safesound
- Key Stage 3 and 4
 - Water Safety, Fire Safety and Deliberate Fire Packages available to be delivered where there is an identified need and capacity allows
 - StayWise (www.staywise.co.uk)
- Key Stage 5
 - Colleges delivering Uniformed Public Services (UPS) are offered
 - A visit to their local station for UPS students to undertake a table top exercise and a station tour
 - A visit to the college by a Station Manager (or representative) to deliver a presentation to UPS students
 - An annual event at SFRS HQ for any new UPS students
- After School Groups
 - Package available for groups such as Cubs. Brownies and Guides covering Fire Safety – designed to cover elements of Safety Badge delivered by some groups

5.2 Between September and December 2024 Operational Crews delivered the following Educational Activities:

	Yr 1 Road Safety sessions delivered	No of children	Yr 2 Fire Safety sessions delivered	No of children	KS3 and 4 sessions delivered	No of children	After school groups, sessions delivered	No of children	Total no of children
NSDG	15	363	23	594	1	200	1	20	1177
ESDG	12	345	26	864	1	30	8	153	1392
WSDG	14	407	15	443	0	0	6	113	963
Total	41	1115	64	1901	2	230	15	286	3532

5.3 Between September and December 2024, the **Safe+Sound** programme was delivered to Year 5 (Key Stage 2 children) as follows;

Station	Dates	No of children	% of schools	Partners/Workshops delivered
Stone	11-13 Sept	346	71	SFRS (POD), Police, Canal & River Trust (C&RT), RNLI, Network Rail, HSBC Bank
Lichfield	18-25 Sept	415	69	SFRS (POD), Police, C&RT, RNLI, Network Rail, HSBC Bank
Tamworth	3-15 Oct	617	60	SFRS (Pod), Police, C&RT, HSBC, RNLI, Mercia EMS
Chase Terrace	18-22 Oct	305	73	SFRS (Pod), Police, C&RT, HSBC, Network Rail, RNLI
Burton	4-12 Nov	672	57	SFRS (POD), Police, C&RT, RNLI, St John Ambulance, British Transport Police, HSBC Bank
Leek	14-22 Nov	533	57	SFRS (POD), Police, C&RT, HSBC Bank, St. John Ambulance,
Biddulph	3-5 Dec	211	50	SFRS (Pod), HSCB Bank. Police, C&RT
Rugeley	10-12 Dec	252	64	SFRS (Pod), Police, HSBC Bank, Network Rail, RNLI, C&RT
TOTAL		3351	60%	78 out of 129 schools attended

5.4 Online delivery of Safe+Sound on the Learn Live Channel is still going very well with a weekly programme every Wednesday (term time only).

September to December							
2022		2023			2024		
Staffs Devices watching	Total devices watching (Staffs and National)	Staffs Devices watching	Total devices watching (Staffs and National)	Total compared to 2022	Staffs Devices watching	Total devices watching (Staffs and National)	Total compared to 2023
40,266	No national broadcasts	62,643	147,931	+22,377 (Staffs Devices)	92,021	199,590	+29,378 (Staffs devices)

Feedback from participants and partners remains positive. 22/23 highlights produced by Learn Live can be found here: <https://vimeo.com/851654446>

5.5 **Volunteering.** There are currently 34 volunteers in the service which is a reduction on the previous year. Examples of volunteer engagement between September and December 2024 include:

- Support with hosting and delivering at Safe+Sound events across the County
- Continued support for all operational and support staff by our Chaplains.
- Educational visits to stations for local Beavers, Cubs and Brownies groups.
- Supporting CSO's at local events and delivering fire safety leaflets to businesses.
- Supporting our Community Engagement Officer with local events and open days across the county.
- Helping to maintain and upkeep the Memorial Garden
- Local community events with Crews
- Supporting SFRS Welephant club with Admin
- Contacting residents who have experienced an accidental dwelling fire as part of the Post Incident Questionnaire process
- A total of 1008.5 volunteer hours were given between September and December 2024

6 Protecting

- 6.1 A previous **Community Sprinkler Project** partnership has been renewed with Bromford Housing, a social housing provider in the south of the county. Work has been tendered for a water-misting system for Edgeworth House, a 5 storey building housing people who have been referred for temporary housing in an extension of the remit of the Community Sprinkler Project. Embracing alternative technologies for bespoke solutions in specialised housing enables the limited funding available in the current climate to be allocated in the most value driven way whilst still maintaining the protection sought. However, Bromford have incurred a number of unanticipated costs throughout this financial year and are seeking to push this project back in to the financial year 2025-2026. This is currently under review.
- 6.2 The Service's **Risk Based Inspection Programme (RBIP)** was updated in early 2024, with associated systems and processes being updated at the same time, which gave greater visibility and direction to Protection Teams. The RBIP requires Protection Teams to visit and audit fire safety at all premises defined as Very High and High on a routine basis of 2-5 years (The exact timescale is defined by the level of risk in tandem with the level of fire safety compliance found at the previous audit). There are ~700 premises within Staffordshire defined as Very High and High as per NFCC Guidance on 'Other Building Fires'. The change of premises that the RBIP focused on meant the Service had a period of time whereby effort was required to complete audits at premises which were new to the RBIP. This has seen a significant increase in the audits that have been carried out over the period that followed. At the point of go live of the new RBIP, the Service was effectively 38% complete. Over the subsequent months this has now risen to 82% (1/1/25), with 100% completion anticipated by March 2025. So far during the fiscal year 24/25 Protection Teams have completed 403 Audits, as opposed to 219 in the same period of 23/24.
- 6.3 Clearly the RBIP focuses on the highest risk, however there are significant numbers of premises categorised as Medium, Low and Very Low. The intention

is to sample check some of these premises utilising the wholetime operational crews. A training programme has been ongoing to upskill all Watch and Crew Managers across the workforce which is now 63% complete (105/166). Personnel gain the Level 2 award in Fire Safety, which is an accredited qualification. This enable crews to carry out 'Compliance Checks', whereby they can identify fire safety deficiencies, which can then be referred to the Protection Team for further action. Systems and processes are currently being introduced, to ensure the practice becomes embedded for the long term. Crews carried out the first compliance checks during December 2024.

7 Conclusion

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

Ben Adams
Staffordshire Police, Fire and Crime Commissioner

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**Staffordshire Fire
and Rescue Service**

Statement of Assurance 2023/24



www.staffordshirefire.gov.uk

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Staffordshire
Fire and Rescue Service
preventing • protecting • responding

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Polish

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Romanian

Dacă aveți nevoie de o versiune a acestui document într-un format sau într-o limbă alternativă, vă rugăm să ne contactați pentru a vă putea analiza solicitarea.

Urdu

اگر آپ کو اس دستاویز کی کسی متبادل شکل یا زبان میں ترجمہ کی ضرورت ہے، تو براہ کرم ہم سے رابطہ کریں تاکہ ہم آپ کی درخواست پر غور کر سکیں۔

Punjabi

جے تہانوں ایس لکھت دی سہی ہو ر شکل یا زبان وچ لوڈاے تے مہربانی کر کے ساڈے نال رابطہ کرو تاں جے اسی تہاڈی درخواست تے غور کر سکئے۔

Hungarian

Amennyiben a dokumentum más formátumú vagy nyelvű változatára van szüksége, kérjük, vegye fel velünk a kapcsolatot, hogy megbeszéljük a kérését.

Arabic

إذا كنت بحاجة إلى نسخة من هذا المستند بتنسيق أو لغة بديلة ، فيرجى الاتصال بنا حتى نتمكن من النظر في طلبك.

Kurdish

ئەگەر پێویستت بە وەشانێکی ئەم بەلگنامەیە هەیە بە فورمات یان زمانێکی جیاواز تەکایە پەیوەندیمان پێوە بکە بۆ ئەوەی بتوانین داواکارییهکەت ڕەچاو بکەین.

Bulgarian

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Malayalam

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0300 330 1000

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Welcome

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Welcome to our annual Statement of Assurance for 2023/24, where we will review the progress made toward the priorities outlined in our Community Risk Management Plan (referred to as our Safety Plan between 2020-2024).

Through our service transformation programme, we are dedicated to delivering the highest quality service. We have been working closely with the Staffordshire Commissioner for Police, Fire & Rescue and Crime Ben Adams to explore options for enhancing the efficiency and effectiveness of our fire and rescue service.

While managing the medium-term financial strategy remains challenging due to budget reductions, we remain committed to continued investment in both the Service and our staff. Industrial action was prevented through successful negotiations with the Fire Brigades Union, leading to an agreed pay increase. I would like to extend my thanks for the collaborative effort in resolving the matter.

Reflecting on a challenging year, the Service has delivered exceptional service to our communities across Staffordshire. Key achievements include the development of the falls response team and the home from hospital service, both providing support to vulnerable individuals and helping alleviate the pressures on the NHS and social care.

Despite a restructure, the prevention and protection teams have continued to work towards keeping people safe in their homes and businesses. New methodologies have been introduced to identify community risks and help us target our activities where they are needed most. Changes in fire safety legislation have increased demand, and the team has worked hard to adapt.

During the summer, we hosted community open days at our fire stations across the county, allowing the public to meet local firefighters, tour the breathing apparatus training house, watch live

demonstrations, and learn more about the services we provide. Positive feedback has been received from both the public and our crews, who have enjoyed engaging with the community through these and other activities like school visits, fetes, and community meals and meetings. These events aim to strengthen relationships, raise awareness of career opportunities within the Service and showcase the positive impact of the work we do.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' (HMICFRS) spotlight report on culture and values within the fire sector has sparked conversations about respecting one another and the importance of addressing inappropriate behaviour. It highlights the significance of cultivating a positive organisational culture and supporting challenge when behaviours fall short of what is expected.

This year the Service has once again demonstrated remarkable resilience and dedication. Looking ahead, next year promises new challenges, but I am confident that together we are ready and able to face them. I would like to extend my thanks to everyone at Staffordshire Fire and Rescue Service for their ongoing hard work and commitment in safeguarding our communities across the county.

We cannot hope to capture every single thing we do in one document, but I hope this report will give you a flavour of the fantastic and innovative work we do across the Service with the aim of making Staffordshire the safest place to be.



Rob Barber
Chief Fire Officer



Governance and Assurance

Scope of Responsibility

Since 1 August 2018, Staffordshire Commissioner Ben Adams has governed both Staffordshire Fire and Rescue Service and Staffordshire Police. Elected by the public, Staffordshire Commissioner Ben Adams holds the chief fire officer and chief constable to account, ensuring services are delivered effectively and efficiently.

Commissioners do not manage police and fire and rescue services operationally, but ensure leaders perform effectively. Staffordshire Commissioner Ben Adams is also responsible for managing complaints and conduct matters involving the chief fire officer and chief constable.

As the Fire Authority, Staffordshire Commissioner Ben Adams holds Staffordshire Fire and Rescue Service accountable, sets their priorities through the Fire and Rescue Plan, and establishes budgets. They collaborate with local partners to enhance community safety and represent local concerns.

2023-24

What is a Statement of Assurance?

We are required by the Fire and Rescue National Framework for England to produce an annual statement of assurance, demonstrating our financial, governance, and operational performance to ensure transparency and accountability to our stakeholders.

This Statement of Assurance outlines Staffordshire Commissioner Ben Adams' financial, governance, and response arrangements from 1 April 2023 to 31 March 2024. It reviews the Service's progress against our priorities over the year and aims to reassure our staff, partners, and local communities of our commitment to safeguarding the public, reducing risks from fires and other emergencies, and enhancing firefighter safety.

This statement aims to provide clear, accessible information to our people and communities, including relevant extracts and links to key documents as guided by the Department for Communities and Local Government's Guidance on Statements of Assurance for fire and rescue authorities in England.

We also use the Statement of Assurance as an opportunity to address the impact of factors such as changing climate extreme weather, pressures on public sector resources, and share our plans for the future with you.

Scrutiny and Performance Management Public Performance meetings

Robust governance arrangements allow Staffordshire Commissioner Ben Adams to monitor, scrutinise, support, and challenge the Service's performance, ensuring objectives are met and services are delivered efficiently and cost effectively.

Our performance management framework is overseen by senior management, using key performance indicators to track progress. Achievements are reported at the service delivery board, and the Staffordshire Commissioner's Office for Police, Fire & Rescue and Crime reviews monitoring reports at the strategic governance board (SGB). Quarterly, the SGB also reviews detailed financial reports on budget performance, savings, and efficiencies.

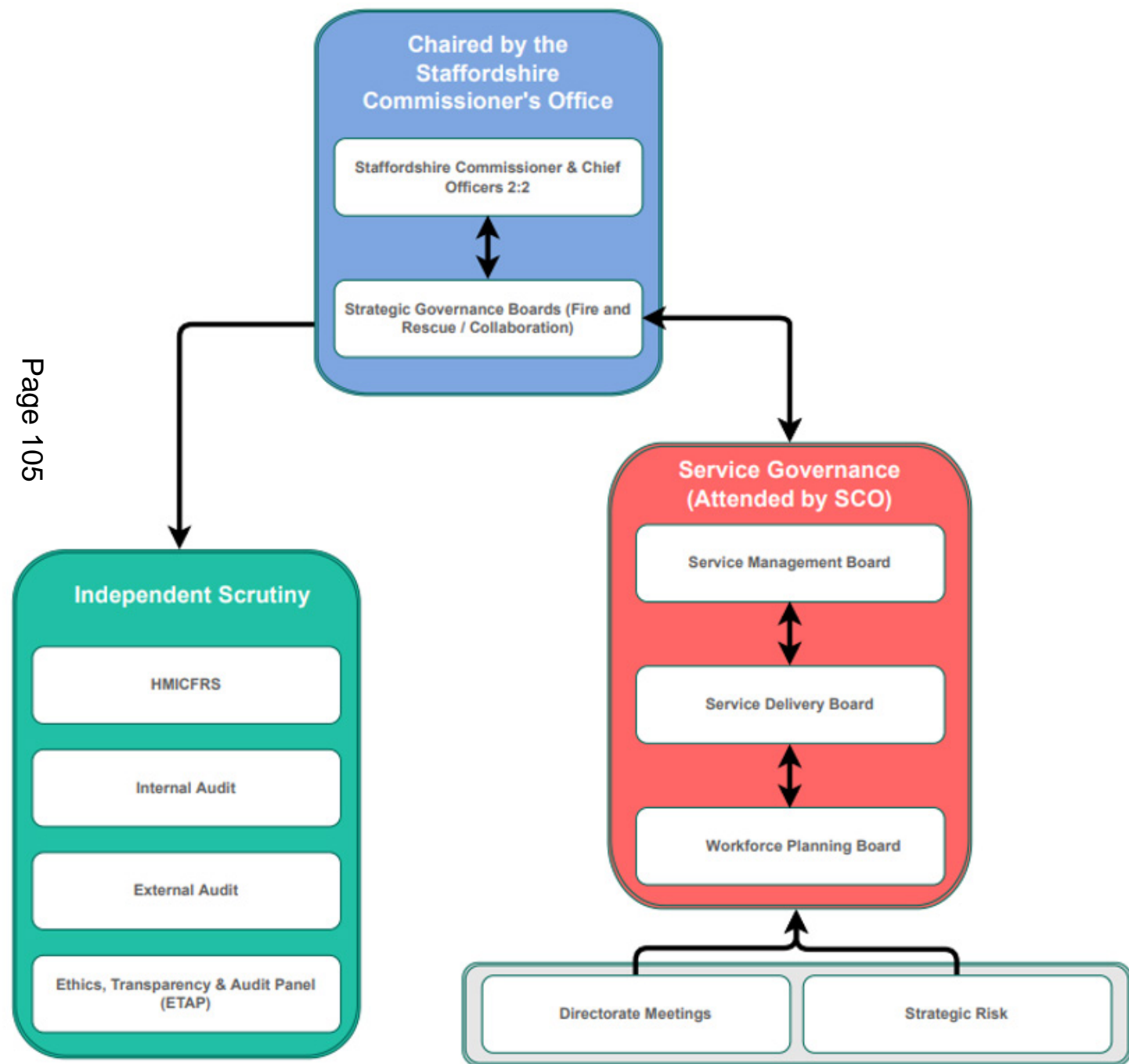
The Ethics, Transparency, and Audit Panel (ETAP), and separate finance panel, functions as the audit committee in the governance structure. The finance panel provides professional advice to ETAP members, facilitating detailed scrutiny and challenge.

These biannual meetings allow Staffordshire Commissioner Ben Adams to review the Service's response, prevention, and protection activities, assessing progress against our Safety Plan 2020-2024 priorities. The areas of focus this year have included:

- Values and culture
- HMICFRS thematic inspection (the handling of misconduct in fire and rescue services)
- Extending the term of the Safety Plan 2020-24.



The Governance Structure in place under the Staffordshire Commissioner Ben Adams during 2023/24 is detailed below:



Operational assurance

Staffordshire Fire and Rescue Authority has fulfilled its functions in line with the required statutory and policy framework:

- **Safety Plan 2020-2024**
- **Fire and Rescue Services Act 2004**
- **Civil Contingencies Act 2004**
- **Regulatory Reform (Fire Safety) Order 2005**
- **Fire and Rescue Services (Emergencies) (England) Order 2007**
- **Localism Act 2011**
- **Fire and Rescue National Framework for England**
- **Health and Safety Act at Work etc. Act 1974**

Mutual aid agreements with neighbouring fire and rescue services have been set up to handle cross-border, large-scale, or complex incidents needing extra resources. Additionally, the Service collaborates with the Staffordshire Civil Contingencies Unit to coordinate multi-agency training, planning, and responses for major incidents like pandemics, flooding, or terrorism, ensuring a coordinated and effective community response.

The Service is an active participant in the national resilience program, providing assets and resources for major incidents across the country. This ensures timely and effective support in situations where local resources are insufficient to meet the demands.

The Service has strong business continuity plans in place to manage corporate risks and maintain uninterrupted fire and rescue services in Staffordshire during major disruptions.

Staffordshire Commissioner Ben Adams has met the requirements of the Local Government Act 1999 by implementing measures for continuous improvement in service delivery, focusing on economy, efficiency, and effectiveness. This includes maintaining robust governance arrangements to manage the Service's operations and ensure effective risk management.

Annual Governance Statement

Staffordshire Commissioner Ben Adams receives all funding for fire and rescue services, including government grants. However, Staffordshire Fire and Rescue Service and Staffordshire Police operate as separate entities with their own budgets, staff, and governance structures.

The Annual Governance Statement for April 2023 to March 2024, published on the website with the Annual Statement of Accounts, details the Service’s governance and internal control measures. The accompanying narrative statement reviews the financial performance, covering funding, expenditure, and resource allocation aligned with the Safety Plan 2020-2024, highlighting the Service’s commitment to strong financial management and internal control.

We are satisfied that during 2023/24, the Fire Authority’s financial, governance, and operational assurance arrangements were effective, with business conducted in accordance with proper standards and laws to ensure efficient and effective use of public funds.

Furthermore, we have taken all necessary steps to adhere to the requirements of the requirements of the Fire and Rescue National Framework for England.



Ben Adams
Staffordshire
Commissioner



Our Priorities

Under the Fire and Rescue National Framework for England, each service must have a Community Risk Management Plan (CRMP) which contains an assessment of local community risks and outlines the Service’s strategies to mitigate these risks.

Our current CRMP is referred to as our Safety Plan 2020-2024. When our new plan is launched in 2025, it will be renamed as our CRMP in accordance with National Fire Chiefs Council (NFCC) guidance. This report includes references to both the current safety plan and the new CRMP 2025-2028.

Staffordshire Commissioner Ben Adams has the responsibility of approving the Service’s CRMP. The current Safety Plan 2020-2024 was approved by the Staffordshire Commissioner Ben Adams in 2020. This plan outlines the Service’s strategic vision, priorities, objectives, and strategies to enhance and respond effectively to the needs of our communities across Staffordshire.

Extension of the Safety Plan 2020-2024

Legally, the Service must have a new CRMP in place when the previous plan ends. We would normally have planned to develop the next CRMP for launch on 1 April 2024 in line with our financial, planning and performance cycles to cover the next four-year period, i.e. 2024- 2028. However, the elections for the Staffordshire Commissioner’s Office for Police, Fire & Rescue and Crime take place in May 2024. The Staffordshire Commissioner’s Office is required to produce its own Fire and Rescue Service Plan and approve the Service’s CRMP and as such, the Commissioner needs time to develop and deliver its own plan and understand how the Service’s plan and priorities support this.

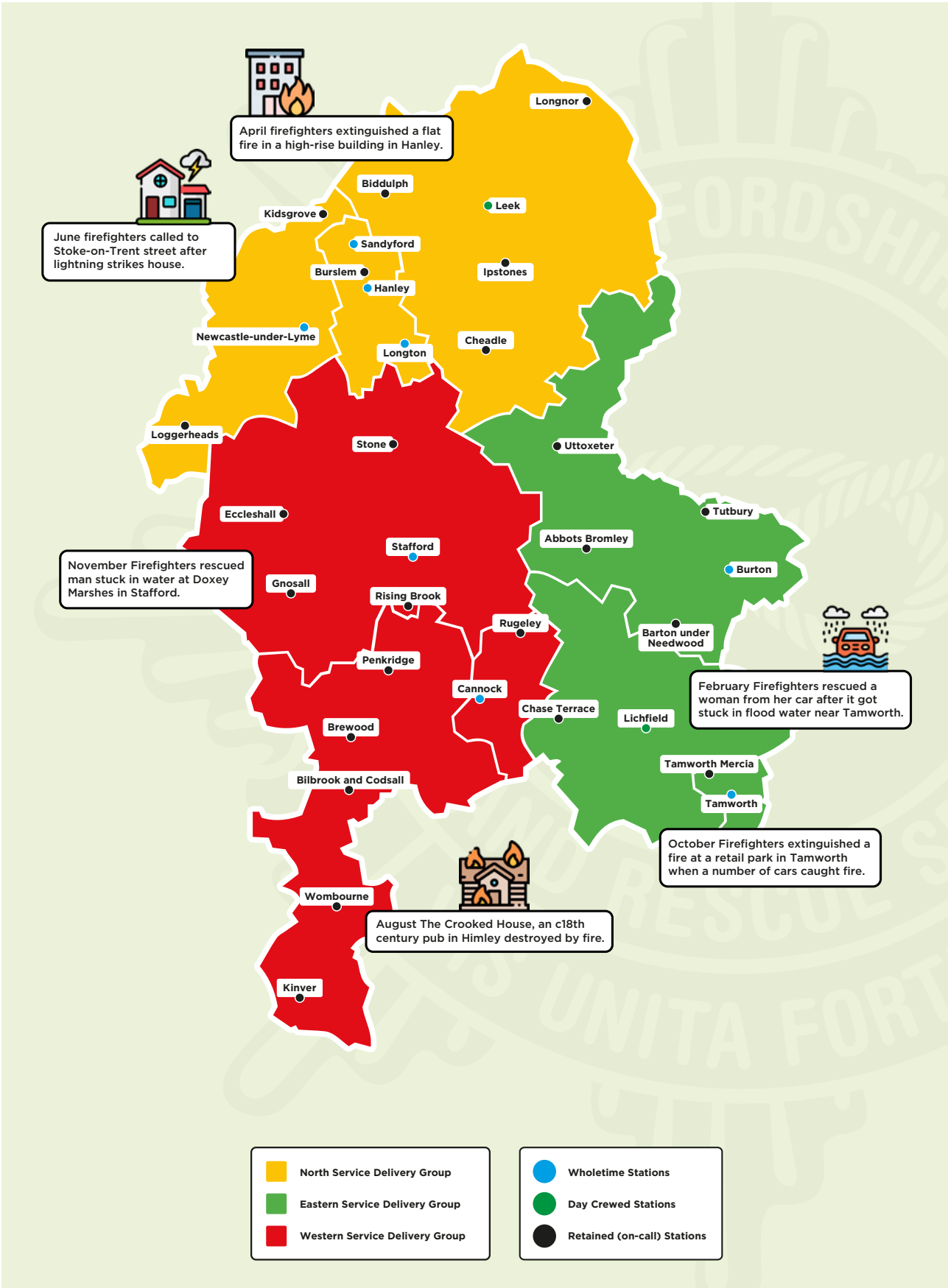
The Strategic Governance Board agreed that the term of the current Safety Plan 2020-2024 be extended until the end of 2024 to allow time for the Commissioner to take office and to ensure that the governance arrangements for the Commissioner’s office, police and fire are more closely aligned.

A review of strategic risks facing the Service is taken to ensure there are no significant changes or areas of concern and we consult with our workforce and our communities as part of our planning process for our new CRMP.

This report highlights the progress we have made against each of our four priorities set out in our Safety Plan 2020-2024 and meets the requirements of an Annual Statement of Assurance, confirming the adequacy of arrangements for effective management of financial, governance and operational matters for the period.

The priorities in our Safety Plan 2020-2024 align with and support the objectives of the Commissioner’s Fire and Rescue Plan 2021-2024.

Our priorities	Commissioner’s objectives
Prevention and early intervention	Help people most at risk stay safe
We aim to develop a detailed community risk profile of Staffordshire, so that we can use our resources in the most efficient and effective way.	Deliver effective and targeted prevention work that provides early help to individuals, families and communities so that we keep people safe from fires and other incidents, they feel safer and there is less pressure on fire response services.
Protecting Staffordshire and its people	Protect people and places
We aim to reduce and remove risks in our communities using a combination of prevention, protection and response activities and help make Staffordshire a safer place to live, work and visit.	Protect people, premises and the environment through the right balance of education, advice and support and the use of regulatory and enforcement powers to keep people safe.
Public confidence	A flexible and responsive service
We aim to report regularly on our progress and communicate openly about our plans so that, they are clearly understood, meet our legal duties and provide assurance to the public in a way which is transparent and easy to scrutinize.	Ensure your local fire and rescue service continues to be accessible and responsive so that risk is appropriately and proportionally managed, community and firefighter safety remain paramount and high levels of public confidence and trust in the service are maintained.
Service reform	A fire and rescue service for tomorrow
We aim to develop and support a diverse, healthy and highly professional workforce who are motivated and empowered to improve our service.	Ensure that Staffordshire Fire and Rescue is fit for a changing future and is a leading example for other services to follow so that the people of Staffordshire can be reassured that their money is being used efficiently and effectively and the workforce better reflects the communities it serves.



Our Progress

1 Priority 1: Prevention and early intervention

To prevent fires and respond promptly and effectively to fires and other emergencies we said we would:



Work together with our partners across the county to share information and create a more detailed understanding of the risks to our communities and identify the people and properties most at risk

Our safe and well visits are focused on individuals most at risk of home fires, providing timely interventions to prevent fires and address underlying issues contributing to fire risk. In 2023/24, 13,973 safe and well visits were made to those most at risk, including people over 80 living alone or with others, up 7 per cent on the previous year.

Referrals are managed through partner networks and our contact centre. Extended safe and well visits address complex needs, providing significant support for issues like hoarding, mobility, mental health, drug and housing problems.

Monthly questionnaires are sent to residents who received safe and well checks to gather

feedback for improvement. Follow-up conversations occur with those who did not qualify for visits to check if their circumstances have changed.

Fatal fire conferences are held to review any interactions we have and share learning with partners, including housing, social care and health, to help prevent future incidents. Vulnerable residents are revisited by our prevention teams for further interventions, with cases monitored by community safety officers. We are also engaging with the NFCC's workstream on competencies for those carrying out home fire safety visits and will adopt necessary processes after evaluation.



Prioritise these risks to ensure our activities have the most positive impact on community safety

The NFCC, in conjunction with Operational Research in Health (ORH), have developed a new domestic dwelling fire risk model. This methodology assesses both the likelihood and potential consequence of fire incidents for every dwelling in the county.

We have adopted and applied this methodology locally and revised risk profiles for domestic dwellings were introduced in February 2024 to identify high-risk homes and individuals, allowing us to target the county's most vulnerable households in a smarter way.



Develop targeted activities to make the most efficient use of our resources and minimise our impact on the environment

Safe+Sound live events take place across the county and places are offered to all Year 5 children in mainstream schools. The aim of these activities is to offer consistent, high-quality fire and road safety education, empowering children and young people to make informed and safe choices.

In 2023/24 over 7,000 children attended events which are supported by partners such as Staffordshire Police, HSBC Bank, the Canal & River Trust, Network Rail, the Royal National Lifeboat Institution, DHL (Truck and Child Safety) and many others. It is also delivered online weekly via the Learn Live Channel.

Safe+Sound online, launched in May 2020, has grown significantly since its inception. The programme airs weekly on Wednesdays at 10am during term time, with all previous episodes available on demand. It is designed for Key Stage 2 students, featuring content from the Service and our partners, offering safety advice and guidance. It enables schools who would not be able to attend our events

on stations to participate and reduces the environmental impact caused by increased travel.

In the 2023/24 academic year, 201,898 Staffordshire devices tuned in to watch the live broadcasts, with each device potentially representing an individual or an entire school. The program can be accessed at www.learnliveuk.com/safesound

Our updated Education Policy and Delivery Plan, launched in December 2023, focuses on delivering fire and road safety to Key Stage 1, deliberate fire education to Key Stages 3 and 4, and supporting uniformed public services students at colleges.

One-hundred-and-seventeen young people, aged between 16 and 30, participated in The Prince's Trust programmes, supported by our staff, leading to positive outcomes, with participants progressing to further education, work, or being referred to appropriate partners.



Work with partners to educate our communities and share goals to reduce duplication and inefficiencies in the public sector

Staffordshire Fire and Rescue Service actively collaborates on various projects, activities, and services to benefit communities. The aim is to strengthen partnerships and improve service delivery. Staff are encouraged to share ideas or discuss potential areas for collaboration to further enhance community support and engagement.

Our falls response team has strengthened during its pilot in partnership with the NHS,

Staffordshire and Stoke-on-Trent Integrated Care Board, and Midlands Partnership University NHS Foundation Trust, leading to the extension of the scheme until at least 31 March 2024.

Our specially-recruited fire and health technicians are trained in using various lifting equipment so that they can safely respond to falls where people are uninjured but need help in getting up. Operating on a rota basis

Our Progress

from 8am to 7pm, seven days a week including Bank Holidays, the team provides essential support to vulnerable community members in need.

Between April 2023 and March 2024, the falls response team were mobilised 939 times to falls in the community. The average attendance time is 38 minutes, and on 86 per cent of occasions no further assistance from NHS urgent care services was required

We can use these opportunities to also carry out safe and well visits for the individuals and referring them to additional support, such as the community falls team if required. This service helps support the NHS, potentially preventing unnecessary hospital admissions, and has received positive feedback from families.

Building on the success of our falls response team, the Service launched the home from hospital initiative in December 2023. This new service helps patients transition from hospital to home using two wheelchair-accessible vehicles for comfortable transport.

Specially-recruited fire and health partnership technicians now provide both falls response and home from hospital services, which include:

- Conducting safe and well visits
- Checking heating, water, and home safety

- Providing refreshments
- Testing lifeline systems
- Conducting basic security checks
- Addressing trip hazards to reduce fall risks.

Commissioned until at least March 2024, the service operates from the Royal Stoke University Hospital, covering Stoke-on-Trent and surrounding areas. Patients are referred via the Integrated Discharge Hub, ensuring seamless support upon discharge.

Both the falls response and home from hospital teams are funded through partnership with health and social care.

We continue to collaborate with Staffordshire Police on shared services, including finance, HR, occupational health, corporate communications, estates, stores and transport. A unified team now supports both organisations on equality, diversity and inclusion. Additionally, further areas of collaboration are being explored to enhance efficiency and leverage new technologies.

We continue to explore opportunities to make better use of our buildings by enabling fire and police staff to share accommodation, for example sharing facilities at some of our on-call stations, e.g. Chase Terrace, Uttoxeter, Kidsgrove, Stone, Kinver and Penkridge fire stations.



Our Progress

2 Priority 2: Protecting Staffordshire and its people

To protect our people, buildings, the environment and reduce local risk we said we would:



Continue to modify and develop our activities to embrace the changing needs of the county and use advances in technology and techniques to ensure our response to emergencies is efficient and effective

The Service is enhancing its communications and data connectivity to support operational crews. Recent initiatives include issuing Samsung Galaxy tablets and phones to frontline appliances, enabling 4G/5G access to critical data, live streaming, video calling, and apps like what3words.

These devices complement existing mobile data terminals (MDTs) offering resilience and productivity tools such as Microsoft SharePoint for policies, risk data, and hydrant management. Future plans involve developing additional tools like electronic forms and crash recovery licensing. Feedback is encouraged to refine these systems.

We are planning a significant upgrade to our MDTs, with new software and hardware scheduled for implementation during the 2024/25 financial year. This joint initiative with West Midlands Fire and Rescue Service aims to improve MDT connectivity, operational response, and integration with fire control systems.

In the interim, efforts are being made to stabilise the current system, including fixes to cellular connectivity and software updates scheduled for early 2024. Samsung tablets are being used as a secondary solution, enhancing resilience until the new system is deployed. Staff are encouraged to report faults to ensure continued support and improvements.

The Service is trialling the JAAMA 'My Vehicle' App with local policing teams at Longton Community Fire Station, aiming for a wider

rollout in the new year. The app allows fire and police personnel to complete daily vehicle checks digitally, log mileage, and report defects in real time.

Data is directly submitted to the Joint Emergency Services (JETS) system, improving accuracy and efficiency in vehicle maintenance and scheduling. The app streamlines vehicle servicing, ensuring minimal disruption by keeping as many vehicles as possible in service. It also enhances safety by enabling quick defect reporting and vehicle lockout if necessary.

The Service has introduced two advanced drones to enhance emergency response, providing real-time aerial intelligence to improve safety and efficiency. Equipped with thermal imaging, night vision, and zoom capabilities, the drones assist in assessing structural integrity, monitoring fire spread, and identifying safe areas. Based in Hanley and Lichfield, they represent a £20,000 investment and have been deployed in incidents like a large industrial estate fire in Stafford.

The drones are particularly valuable for large building fires, wildfires, hazardous materials, water rescues, and missing person investigations. Their use helps prevent incident escalation, ensures earlier resolutions, and reduces environmental impact. Training is underway for firefighters, aiming to certify 12 pilots with general visual certificates (GVC) through online and practical assessments.



Contribute to building communities which are fit for the future – resilient, healthy and sustainable

The Service has a safeguarding board and a robust process for identifying and reporting safeguarding concerns within the community and workplace.

In the six months preceding 31 March 2024, 48 safeguarding concerns were raised, the majority following an operational incident or arising during a Safe and Well visit. Prevention teams continue to support affected families and individuals, collaborating with environmental health and social care partners to secure additional assistance where needed.

We have an ongoing programme of safeguarding training for our operational crews and non-operational fire staff to raise awareness of safeguarding issues and how to raise concerns. A new in-house safeguarding module has been introduced and delivered to trainee firefighters as part of their two-day prevention and protection input. Feedback will be collected from recruits to evaluate the effectiveness and informativeness of the training.

Our safe and well technicians continue to deliver Covid-19 anti-viral medication and support Staffordshire County Council's 'Winter Warmth' project, helping individuals manage utility bills. During visits, they also refer vulnerable people for household support grants to assist with energy costs. Vaccination clinics are hosted at our community fire stations allowing ease of access for more vulnerable residents, especially in rural areas.

Since launching our Environmental and Sustainability Strategy in January 2022, the Service has made significant progress in its

green initiatives. These include monitoring our carbon footprint through an annual report, working on waste and utility usage measures.

In January 2023, a new sustainability lead was appointed for both Staffordshire Fire and Rescue and Staffordshire Police with the aim of guiding both organisations towards net zero compliance and to promote sustainable practices benefitting both the organisations and the environment.

Over the next five years, key areas of focus will include energy reduction, waste reduction, fleet management, estates, and green space generation. These efforts will aim to reduce usage and costs, improve working environments, and minimise operational incidents.

Already, several initiatives have been implemented, including embedding environmental key performance indicators into contracts, introducing a zero-to-landfill waste removal contract, implementing energy monitoring at stations, promoting sustainability campaigns, such as reducing single-use plastics.

The Service has leased three electric vehicles for a two-year trial and installed four electric vehicle charging points at key locations. The trial will be monitored in conjunction with the performance and assurance team to assess progress and benefits. Additionally, the Service has earned ISO 14064:1 certification, allowing it to report carbon emissions to national standards.



Contribute to ensuring that buildings in Staffordshire are safe for residents and visitors for generations to come

The Service conducts regular inspections of business premises to ensure compliance with fire safety laws and take action when lives are at risk. Key activities include:

- Fire safety audits: Inspecting premises and documents for compliance with fire safety regulations, focusing on high-risk premises
- Licensing consultations: Reviewing fire safety as part of licensing applications under the Licensing Act 2003
- Building regulation consultations: Ensuring new or modified buildings comply with fire safety standards, especially regarding escape routes and fire appliance access.
- Post-fire inspections: Investigating the cause of fires, ensuring business continuity plans, and implementing corrective actions where necessary.

The Service’s revised risk-based inspection programme, launched in February 2024, is now fully integrated within our protection teams. Audit numbers remain steady, with increased activity in building regulations consultations alongside licensing and post-fire inspections.

The Service has undertaken a review of its protection function, with revised staffing structures and the formation of a new central protection team to oversee audit activities across all service delivery groups. Additionally, seven protection staff members are undergoing training for their Level 4 Diploma in fire safety, with one having started a degree in fire engineering.

Our protection teams work to reduce repeated demand and false alarms by monitoring high-demand locations, addressing vulnerabilities, and ensuring fire appliances are available for critical needs.

Several retrofits were completed as part of our community sprinkler project. Midland Heart buildings sprinkler installation was completed in April 2023 and water misting technology was installed in a Bromford Housing property. Stoke-on-Trent City Council continued with retrofitting sprinklers in nine of its high and medium-rise blocks.



Ensure that we have the capability to meet new and emerging risks from incidents that may involve flooding, wildfire, terrorism or supporting other emergency services

As part of the Staffordshire Local Resilience Forum (LRF), the Service actively participates in planning and preparing responses to disruptive events, including adverse weather, public health crises, industrial incidents, transport accidents and terrorist attacks.

Staffordshire Fire and Rescue Service collaborates extensively with police, emergency services, local authorities, and the voluntary sector in both formal and informal multi-agency settings. These include responding to major incidents, civil contingency planning, protecting vulnerable individuals, strategic crime and disorder meetings, joint training exercises, emergency planning, public safety, and supporting businesses. Such partnerships enhance public safety and operational effectiveness.

The Service played a key role in implementing recommendations from the Manchester Arena Inquiry through the LRF. There are 35 actions in progress, focusing on improving major incident plans, record-keeping, site-specific tactical plans, and emergency service interoperability.

The Service provided leadership in the LRF’s planning for major events and emergency responses, leading multi-agency efforts to prepare for service disruptions and mitigate incidents with significant community impact. We also conducted joint training and exercises to ensure a coordinated and timely local resilience approach.

The threat of terrorism requires fire and rescue services to maintain specialised preparedness,

operational readiness, and interagency collaboration. Responders face complex risks during terrorist incidents, prioritising their safety while safeguarding lives and securing scenes.

Rigorous training, joint operations with police and intelligence agencies, and regular drills enhance coordination and effectiveness. Fire and rescue services also provide mass casualty and decontamination support through trained teams and liaison officers. Adapting to evolving threats involves continuous vigilance, intelligence updates, and resource investment, ensuring communities are protected and supported during and after incidents.

The Covid-19 pandemic highlighted the importance of fire and rescue services being prepared for health emergencies. Responders faced challenges in balancing emergency response with staff safety, necessitating enhanced infection control and collaboration with health authorities.

Fire and rescue teams played a key role during the pandemic by supporting healthcare services, assisting with vaccine delivery, and aiding vulnerable individuals. Community outreach initiatives included delivering essential supplies to isolated residents, particularly the elderly and those shielding. Their adaptability and commitment to public service were crucial in alleviating pressure on the healthcare system and supporting our communities effectively.

Our Progress

3 Priority 3: Public confidence

To maintain public confidence and trust in the service we said we would:

 **Ensure plans and resources are in place to provide a flexible efficient and resilient response to emergency incidents**

Service availability measures the percentage of time fire appliances are ready to respond to incidents, based on the availability of appliances at whole-time, on-call and day-duty fire stations. Whole-time stations are staffed 24/7, while on-call stations rely on on-call firefighters who may also have their main job elsewhere. Day-duty stations combine on-call and whole-time staffing during day shifts.

- Whole-time appliances are available for deployment 98 per cent of the time
- On-call appliances are available for deployment 60 per cent of the time.

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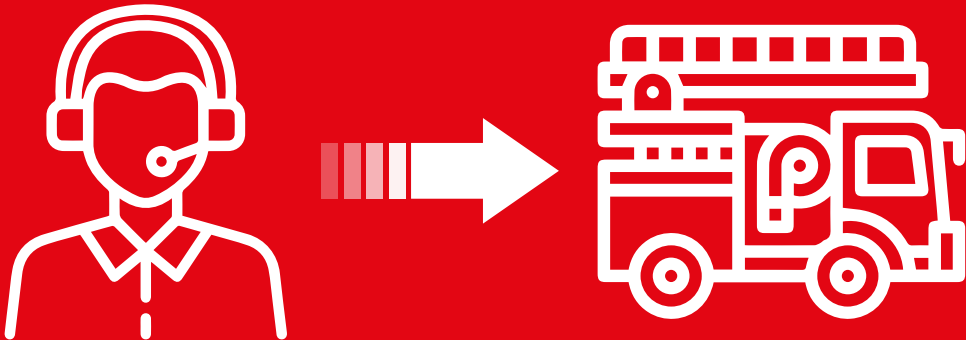
The main factor affecting availability at on-call stations is the number of staff available combined with the necessary skill set and qualifications to allow deployment to certain incidents.

Response times are measured monthly, reflecting the time taken for the first fire appliance to arrive at an incident. The average attendance time was 9.34 minutes, an improvement from 9.6 minutes the previous year.

The service attendance standard was met for 80.9 per cent of incidents (target 80 per cent), compared with 81.4 per cent in 2022/23.

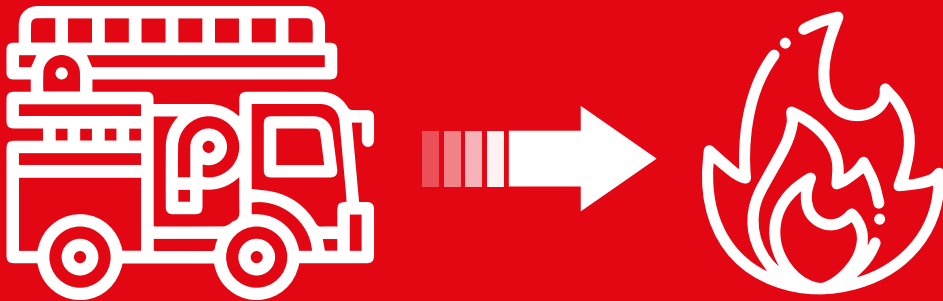


Our response time is made up of the following sections and has specific measures:



Target of 80-85 seconds for category 1 incidents

Phone call answered time to fire engine mobilised time measured by Fire Control



An achievement target of 80%

Based on the standard of high risk: 8 minutes, medium risk: 10 minutes and low risk: 18 minutes.



Consult with our communities and listen to our people when developing our plans and services

Three rider trial The transformation board has been working on mobilising reduced crews of on-call firefighters to respond to specific incidents more quickly and improve community safety. This initiative aims to prevent incidents from escalating and reduce risks to the public by deploying a crew of three, who can make faster interventions.

Since June 2023, a three-person crewing model for on-call staff has been piloted to improve appliance availability and response times, enhancing public safety while maintaining firefighter safety. This has resulted in an 11 per cent increase in on-call appliance availability, with a three-person crew arriving nine minutes and 45 seconds quicker than the next fully-crewed appliance. The Service continues to aim for four or more crew members on on-call appliances and is actively recruiting on-call staff.

The initiative is not about cost reduction, but about enhancing community outcomes and using staff effectively. Crews will respond to a broader range of incidents, with a focus on firefighter safety and maintaining proper crew standards, including trained personnel

and specific roles like breathing apparatus wearers and commanders. Feedback from stakeholders and operational crews will continue throughout the trial.

The roving resource concept is a pilot initiative aimed at improving appliance availability across south Staffordshire. It involves funding on-call crews over weekends as an alternative to relying on cross-border mobilisations from neighbouring services.

The aim is to develop an operating model based on evidence that ensures the right people with the appropriate skills are in the right place at the right time. This will enhance the response to fires and incidents and improve prevention and protection services, further reducing risk.

Robust evaluation processes are in place for pilots and crews, with no safety concerns reported during the period. On-call station availability has increased by an average of 12 per cent, and response times have improved, with On-call crews arriving nine minutes and 45 seconds faster than the next fully-crewed appliance.

offering a comprehensive overview of the fire sector’s performance in England.

Our performance and assurance team collect data and prepares an annual return to the Home Office. This information is sourced from the online incident recording system.



Provide evidence that our activities are based on a recognised need and are targeted where they are needed most

Home Office fire statistics The Home Office oversees fire services in England and publishes detailed incident data on its fire statistics webpage: www.gov.uk/government/collections/fire-statistics-monitor.

These publications provide detailed insights into fire incidents, fatalities, casualties, fire causes, non-fire incidents, and response times,



Adopt a transparent and easily understood approach to planning and reporting throughout the Service

Our plans for 2023-2024 are driven by priorities in the Safety Plan 2020-2024, the Staffordshire Commissioner Ben Adams’ Fire and Rescue Plan 2021-2024, government reports, and national sector issues. The Home Office, which oversees fire services in England, publishes fire statistics based on incident data.

Departments set objectives aligned with strategic priorities, with managers held accountable through performance meetings and governance boards. All plans are accessible on the intranet for staff to review and contribute to achieving the objectives.

His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published its report Fire & Rescue Service 2021/22 Effectiveness, Efficiency and People - an Inspection of Staffordshire Fire and Rescue Service in July 2022. The inspectorate found the Service effective in identifying and addressing community fire risks, with strong financial management and collaboration arrangements in place. As at 31 March 2024, of 20 recommendations made by the inspectorate, 19 had been addressed by the Service based on self-assessment.

Reflections from the Staffordshire Commissioner Ben Adams:

“I monitor the Service’s performance and progress on improvement plans through governance meetings and improvement boards. The HMICFRS inspections, and subsequent findings, help compare local services to others nationwide, validate self-assessments and performance reviews, and ensure no unexpected issues arise. The alignment between internal findings and inspectorate evaluations is reassuring.

“The challenges faced by a modern fire and rescue service are complex and need comprehensive solutions and strong leadership. Efforts by the Chief Fire Officer and senior leadership team to address these

issues and achieve lasting improvements are reassuring.”

In the latest report, State of Fire and Rescue – The Annual Assessment of Fire and Rescue Services in England 2023, published in January 2023, Andy Cooke, His Majesty’s Chief Inspector of Fire & Rescue Services, called for more powers to ensure the sector acts on recommendations. He said that:

- the inspectorate needs more powers to ensure the fire and rescue sector act on its recommendations. This includes making it a legal requirement for fire authorities to publish a response to inspection reports
- the Government should prioritise reform with clear achievable timescales for making its proposed changes
- Services must work harder to improve their values and culture to eliminate persistent issues of bullying, harassment, and discrimination
- Fire and rescue service leaders need to be more strategic in making improvements, as lack of strategy can lead to ineffective decisions that compromise public safety.

It was acknowledged that since inspections had started in 2018, whilst progress has been made, it has been too slow. The inspectorate’s three remaining national recommendations which could be addressed through effective reform are:

- clarifying the role of fire and rescue services, to remove any ambiguity
- reviewing how effectively pay and conditions are determined
- granting chief fire officers operational independence through legislation or other means.

All reports are publicly available on the HMICFRS website: www.hmicfrs.justiceinspectors.gov.uk

Our Progress

4 Priority 4: Service reform

To ensure we are effective, efficient and able to transform the Service to meet the challenges we face we said we would:



Invest in our people by providing them with the right equipment, training and skills to keep them safe, encourage innovation and inspire our future leaders

Our aim is to ensure the availability of appropriate resources to respond to incidents and carry out prevention and protection work, balancing whole-time and on-call firefighters, generalist and specialist roles, shift patterns, and working locations. This process should also include reviewing the vehicle fleet mix and associated crewing arrangements. To support this objective:

- Two new aerial ladder platforms (ALPs) were purchased to replace older vehicles at Longton and Burton, enhancing safety for tackling hard-to-reach fires. This is a circa £1.3 million investment in our fleet and equipment which will deliver improved firefighter safety and functionality.

Benefiting from new hydraulic technology they have greater outreach capability than our current vehicles and come with an upgraded cage with increased capacity, meaning the vehicles are much more capable for rescues and can now accommodate wheelchair users and bariatric casualties using newly-provided stretchers and support brackets.

- Members of the Service worked closely with manufacturers to optimise vehicle design for functionality and efficiency, incorporating priorities like the 'clean concept'. A dedicated kit locker has been added at the rear of the ALP, separate from the cab and internal areas, to reduce contamination risks to the crew.
- Additionally, two new appliances with enhanced rescue capabilities were deployed at Longton and Stafford.

- Efforts continue to develop cabs and lockers to support the 'clean concept', focusing on exposure to post-fire contaminants for all staff, not just operational personnel, by reducing contamination of individuals, equipment, vehicles, and premises. Supported by both the organisation and representative bodies, it emphasises the importance of preventing contaminants from being transported from incident sites to workplaces.



- The approach involves three phases of cleaning, containing, and controlling contaminants, with actions ranging from low-cost, quick solutions to more complex, longer-term measures. A dedicated working group, active for over a year, has driven these efforts, resulting in noticeable changes such as the shower within the hour practice for smoke exposure, provision of hand and equipment wipes, and protective bags for appliances and officers' vehicles.



Continue to strive to improve the services we provide

The Service has completed an internal review of its prevention and protection teams and implemented a new structure as of February 2024. This includes a revised management model for a centralised overview and support of activities.

Current workloads and priorities are being adjusted to accommodate a reduced staffing model. Additionally, a new data management system is being introduced to improve access

to and analysis of prevention and protection activity data.

In February 2024, a new risk-based inspection programme was launched and integrated into Service protection teams. A staffing review led to the creation of a central protection team at Service headquarters to enhance audit activities across all service delivery groups.



Be honest and open, encouraging people to be themselves and treat each other with kindness and respect

The NFCC developed a Cultural Action Plan in response to the HMICFRS Report on Values and Culture in Fire & Rescue Services, with 35 recommendations aimed at improving culture and addressing discrimination, bullying, and harassment. Key completed actions for the Service include:

- Establishing accessible whistleblowing processes
- Reviewing support for individuals raising concerns
- Strengthening background checks
- Reporting potential gross misconduct to HMICFRS
- Gathering regular staff feedback on values, culture, fairness, and diversity
- Implementing systems to analyse team cultures and address identified issues
- Ensuring adherence to the Core Code of Ethics.

In February 2023, following the BBC Radio 4 programme File on 4 – Firefighters on Trial, the leadership team requested open discussions about reports of misogyny,

bullying, and harassment in the fire service. The feedback provided valuable insights, confirming that many employees felt confident to raise issues and challenge inappropriate behaviour, but also highlighted concerns about historical experiences. The principal officer team followed up with individuals and teams to further understand these issues.

Some staff shared personal, difficult experiences, and the leadership team is committed to acting on the information provided. Actions have been taken to address common themes, informed by the HMIFCRS Spotlight report on Culture and Values, as well as the NFCC culture action plan. These efforts are part of a broader ambition to ensure a safe, inclusive work environment where everyone can be their authentic self.

There are a number of key areas of work underway:

- 1. Independent and impartial investigation:**
An external company appointed to investigate reports of inappropriate behaviour and to handle serious allegations in the future.

Our Progress

2. **Staff engagement:** The introduction of a staff engagement platform called Hive to allow anonymous feedback and help identify trends and serious concerns.
3. **Confidential reporting tool:** The Service offers Say So, an independent, confidential reporting line, where staff can report any concerns with the reassurance that it will be investigated, if appropriate, and they have the option to remain anonymous. Staffordshire Fire and Rescue Service have no means of tracking who has raised the concern.
4. **Communication of outcomes and lessons learned:** Efforts are being made to share the outcomes of complaints, disciplinarys, and grievances to ensure learning from these processes.
5. **Welfare arrangements on the incident ground:** Concerns raised about welfare and hygiene arrangements are being addressed by the emergency response team, with proposals for improvements.
6. **Equality, diversity and inclusion (EDI) awareness:** EDI awareness sessions have been reintroduced for all staff.
7. **Statement of Intent and Core Code of Ethics:** Chief Fire Officer Rob Barber has reinforced the Service's Statement of Intent, which emphasises expected standards, while efforts continue to embed the Core Code of Ethics within the Service to guide ethical behaviour.



HMICFRS' report on Values and Culture in Fire and Rescue Services was published in March 2023. This report was issued with a series of recommendations for the sector, government and services. The report highlighted the need for urgent improvements in equality, inclusion, diversity, and misconduct management in the fire sector, citing instances of inappropriate behaviour in some services.

There are 35 national recommendations which aim to improve culture and address discrimination, bullying and harassment across UK Fire & Rescue services. Nineteen are directed for chief fire officers to progress. Staffordshire has addressed all 19 national recommendations through self-assessment. Improvements include enhanced staff training, grievance handling, whistleblowing procedures, and recruitment practices.

Based on findings from the values and culture report and other reports of unacceptable behaviour, the Home Secretary commissioned HMICFRS to carry out a thematic inspection into the handling of misconduct in fire and rescue services across England. Staffordshire was among 10 selected services, representing a mix of sizes, governance models, and urban-rural areas.

This thematic inspection examined how fire services identify and investigate misconduct, the effectiveness and consistency of misconduct processes, staff confidence in these processes, and the role of authorities and organisations in handling misconduct. Inspections took place towards the end of 2023 and involved remote and on-site engagement over three weeks, including file reviews, interviews, focus groups and reality testing.

HMICFRS provided a general debrief to each service after their inspection, but the findings will apply to all services. There were no specific areas of concern specific to Staffordshire raised during this inspection. The associated report is published in August 2024.



Promote a positive and supportive culture committed to improving the health, fitness and wellbeing of our people

Occupational health provides support to both Staffordshire Police and Fire and Rescue Service employees through a triage process, offering in-person or remote appointments. Services include counselling for work-related issues, bereavement, trauma, and mental health concerns, as well as health advice, sickness reviews, and pre-employment screenings. An Occupational health physician supports medical reviews, while external physiotherapists assist with injury management and recovery. The wellbeing nurse organises events and initiatives to promote health and wellbeing, fostering open conversations and supporting a healthy workforce.

Volunteer chaplains provide 24-hour pastoral care and support, offering a non-religious service focused on staff wellbeing. They assist with any personal or work-related issues and can discuss faith if needed.

The service has an active retired network and cohort of volunteers who assist in events, operational training, charity initiatives, and maintain the memorial garden.

A wellbeing bus tour took place during September, with the team visiting various fire and police locations across the county.

The tour focused on topics such as welfare, health, and wellbeing, financial wellbeing, sustainability, and musculoskeletal complaints. Principal officers, station managers, human resources, representative bodies, chaplains, trauma risk incident management practitioners, and newly-appointed mental health first aiders joined the tour to offer advice and support.

A cohort of staff have volunteered and taken part in training to qualify as mental health first aiders as an additional means of support to people who may be struggling with their mental health. They are not counsellors, but can offer a safe space, confidential conversations and signpost to appropriate sources of help and assistance.

The Thrive wellbeing app has been partnered with the Service for about a year, with 10 per cent of the workforce signed up. It aims to reduce the stigma around mental health and provide support when needed. The app is separate from organisational support and is fully confidential. It offers therapy services from professional psychologists, providing unlimited support, as well as tools to help individuals manage their mental wellbeing and understand their emotions.



Our Progress



Work with our communities and partners to improve the diversity of our workforce

The Service is participating in a pilot direct entry scheme, launched by the NFCC, to encourage applications for station manager operational firefighter roles from individuals without fire service experience. The scheme, is designed for those with proven leadership skills from other sectors. The aim is to diversify senior management in fire and rescue services, offering new perspectives and experiences.

The scheme will complement traditional progression routes and help attract talent from a wider pool. Our first direct entry station manager, joined the Service in September 2023 bringing with her the benefit of 20 years in the private sector – primarily in recruitment.

Positive action is a set of lawful measures under the Equality Act 2010 designed to overcome historic and current disadvantages in employment opportunities. It encourages individuals from diverse groups to apply but does not involve positive discrimination, such as setting quotas or preferential treatment.

Applicants are still considered based on merit, with selection criteria strictly followed.

The Service’s commitment to positive action is driven by the need for a diverse workforce to address a wide range of incidents, better understand community needs, and reduce disadvantages that increase community risk. It helps improve recruitment and enhances the Service’s ability to respond effectively to diverse community expectations.

For the Service, positive action is necessary due to an under-representation of women (18 per cent of staff, 8 per cent in operational roles) and ethnic minorities (5 per cent of staff, compared to 6.4 per cent in Staffordshire and 16.5 per cent in Stoke-on-Trent). The Service aims to better reflect the communities we serve by encouraging diverse applications. Positive action can also involve reasonable adjustments for individuals with disabilities.



Response



- 8873 total incidents **DOWN 8.9%** from last year
- 869 road traffic collisions **UP 4.26%** from last year
- 416 accidental house fires **UP 1.96%** from last year
- 1604 small outdoor fires **DOWN 29.21%** from last year
- 4 accidental house fire deaths **NO CHANGE** from last year
- 14 accidental house fire injuries **DOWN 17.65%** from last year
- 132 accidental business fires **DOWN 12.58%** from last year
- 47 deliberate business fires **UP 34.29%** from last year



Protection

- 12 Enforcement Notices and 10 Prohibition Notices issued
- 280 Total fire safety audits

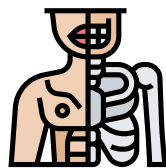


Health and Safety

Injuries up to **33**, in comparison to **30** the previous year.

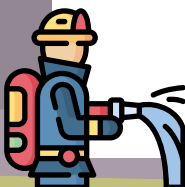
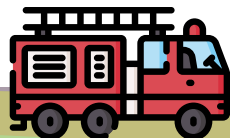
Breakdown:

- 9 struck against object
- 6 manual handling
- 5 slip, trip or fall
- 4 struck by object
- 3 burns
- 2 musculoskeletal
- 2 entrapment
- 1 hazardous material
- 1 distress to wearer



Prevention

- 13973 Safe and Well visits **UP 7.02%** from last year



Human Resources

- Recruited:
- 70 on-call firefighters
 - 34 wholetime firefighters
 - 10 support staff



Finance

Budget set at **£46.5m**,
Capital spend **£3.8m**
against a forecast of £4.2m.



*The figures reported in this report are based on the most up to date information available. Due to factors such as subsequent outcomes of fire investigations, Coroner's reports, and other external influences, these performance figures may vary slightly from previous reports and may be subject to change.

Emerging Issues

The Service faces ongoing challenges in identifying vulnerabilities and emerging risks, requiring constant adaptation. New risks, including advancements in technology, battery storage facilities, climate change, and financial pressures on communities, demand increased attention.

To address these emerging issues, the Service will use national research, data models, and guidance from sources like academia and the NFCC. This approach will help tailor our emergency response, prevention, and protection strategies to safeguard both our firefighters and the communities they serve.

Firefighters are enhancing their understanding of emerging risks associated with new technologies, such as batteries in vehicles, homes, and businesses. Operational plans are being adapted to address these risks, with guidance shared through engagements with councils, planning authorities and MPs.

Alternatively fuelled vehicles (AFVs) are those powered by fuels other than petrol or diesel. When two or more fuel sources are used, the vehicle is called a hybrid. The most common type is a hybrid electric vehicle, which combines an internal combustion engine with one or more electric motors, though the term also covers other methods of capturing and using energy.

AFVs can be powered by high-voltage fuel cells, compressed natural gas, liquid natural gas, bio-fuels, hydrogen fuel cells, or rechargeable batteries. Identifying the presence of an AFV is crucial, and specialised skills and tools can be required for dealing with incidents involving these types of vehicles.

Battery Energy Storage Systems (BESS) pose significant risks to fire and rescue services, including fire, explosion, and complex electrical hazards due to their high energy density and chemical composition. These incidents require specialised firefighting techniques and equipment, as conventional methods are often ineffective. The high

voltages involved increase the risk of electrical shock, making safe isolation critical.

Effective management of BESS incidents requires coordination with system operators, manufacturers, and hazardous materials teams. Environmental risks, such as toxic fumes and chemical contamination, also need to be addressed. Ongoing training, national guidance, and adaptation to new technologies are essential to enhance safety and resilience in handling BESS emergencies.

Cyber security significantly impacts fire and rescue services by affecting both operational efficiency and data protection. Reliance on digital technologies makes these services vulnerable to cyber threats, which can disrupt communication and incident management, delaying emergency response. Cyber-attacks may compromise sensitive data, including personnel information and incident reports, undermining public trust. Financial and reputational damage can also result from such breaches.

To address these risks, robust cyber security measures, such as encryption and regular audits, are essential. Investing in staff training, implementing strong security policies, and staying updated on emerging threats help enhance the Service's resilience and protect its operational capabilities.

Lithium-ion batteries the growing number of electric vehicles (EVs) on UK roads, including e-scooters and e-bikes, poses challenges for fire and rescue services, primarily due to the safety risks associated with lithium-ion batteries. These batteries can undergo thermal runaway if damaged, leading to intense fires that are difficult to extinguish and may re-ignite, requiring continuous monitoring. High-voltage systems also pose electrocution risks during rescues.

Firefighters need specialised skills for safe extrication and incident management. The rapid evolution of EV technology demands ongoing learning and adaptation, with collaboration between fire services, EV

manufacturers, and industry experts being essential to update best practices and enhance emergency response capabilities.

Major changes to road and rail infrastructure present unique emergency response challenges, especially in complex environments like tunnels, bridges, and depots. New major road and rail routes could increase the risks of accidents, derailments, or collisions, requiring advanced response capabilities.

During construction, there is a need for specialised resources, training, and equipment to ensure effective fire suppression and rescue operations tailored to these settings. The scale of these projects may affect local fire service availability, necessitating strategic planning and resource management. Collaboration with stakeholders, thorough risk assessments, and ongoing training are essential to mitigate risks and ensure the safety of infrastructure, personnel, and our communities.

Reinforced autoclaved aerated concrete (RAAC) is a lightweight, reinforced material widely used in Europe since the 1950s as a cost-effective alternative to traditional concrete. Found in many UK public buildings, including schools and hospitals, RAAC is prone

to sudden, undetectable structural failures, with concerns intensifying after a 2018 school roof collapse.

The Department for Education has closed some schools with RAAC to ensure safety, while the NFCC works with the government to identify affected buildings. RAACs vulnerability to collapse, especially under added weight during fires, highlights the need for targeted safety measures and emergency response plans.

Rising living costs have led to an increase in fuel-poor households, particularly in Stoke-on-Trent, which ranks among the highest nationally. Financial constraints may elevate fire risks, potentially increasing the number of dwelling fires. Households may resort to unsafe heating methods, such as using candles, which have caused a decade-high number of fires. Additionally, financial pressures can lead to unsafe cooking practices, neglect of appliance maintenance, improper storage of flammable materials and lack of smoke alarms.

To mitigate these risks, the Service uses targeted interventions, fire safety education, and support referrals for vulnerable households.



The Staffordshire Commissioner Ben Adams manages the authority's finances, ensuring value for money and financial stability while promoting operational efficiency and effectiveness.

The 2023/24 revenue budget of £46.5 million, approved on 13 February 2023, included a Band D council tax of £84.25, reflecting a 4.85 per cent increase for the year (£3.90).

The total revenue spend for the year was £46.3m, £0.2m under budget and in line with forecasts. This allowed a £0.7m additional contribution to capital projects and reduced reliance on reserves.

Pay spending for the year was £30m, £0.8m (2.8 per cent) below budget, due to held vacancies in on-call and non-operational fire staff roles:

- On-call full-time equivalent (FTE) increased by 23.1 (over 9 per cent), improving availability (up 12 per cent) and response times, despite recruitment challenges.
- Non-operational fire staff FTE ended 23.6 per cent below budget pending the Prevention and Protection review, with outcomes now incorporated into next year's budget and transformation plans.

Non-pay costs ended the year £0.2m over budget, driven by higher vehicle repair, fuel, oil, and tyre costs, as well as overspends on contracted services like external audits and over-the-border charges. These trends are accounted for in the 2024/25 budget.

The capital programme spent £3.8m, £0.4m below the forecast of £4.2m, with 53 per cent funded by earmarked reserves and revenue contributions, reducing the Authority's debt. The closing cash position was £16.3m, £4.9m better than budget, due to lower capital spend. Long-term loan borrowing totalled £16.7m, and earmarked reserves remained steady at £7.5m as of 31 March 2024.

The Statutory Accounts for 2022/23 were signed by Grant Thornton and the Staffordshire Commissioner Ben Adams on 8 April 2024. This Authority was ahead of most, as fewer than 10 per cent of 2022/23 Local Government Accounts were signed at the start of the year. The external auditor for 2023/24 changed from Grant Thornton to Azets for the next four years.

Accounting Statements

The Annual Statement of Accounts provides a transparent overview of the financial position and activities of the Fire and Rescue Authority, following guidelines set by the Chartered Institute of Public Finance and Accountancy (CIPFA). Key sections include:

Statement of Responsibilities: Outlines the duties of the authority and treasurer

Annual Governance Statement: Evaluates governance arrangements and highlights areas for improvement

Statement of Accounting Policies: Details how financial transactions are recorded and disclosed

Comprehensive Income and Expenditure Statement: Summarises the authority's income, expenditure, and financial outcomes for 2023-2024

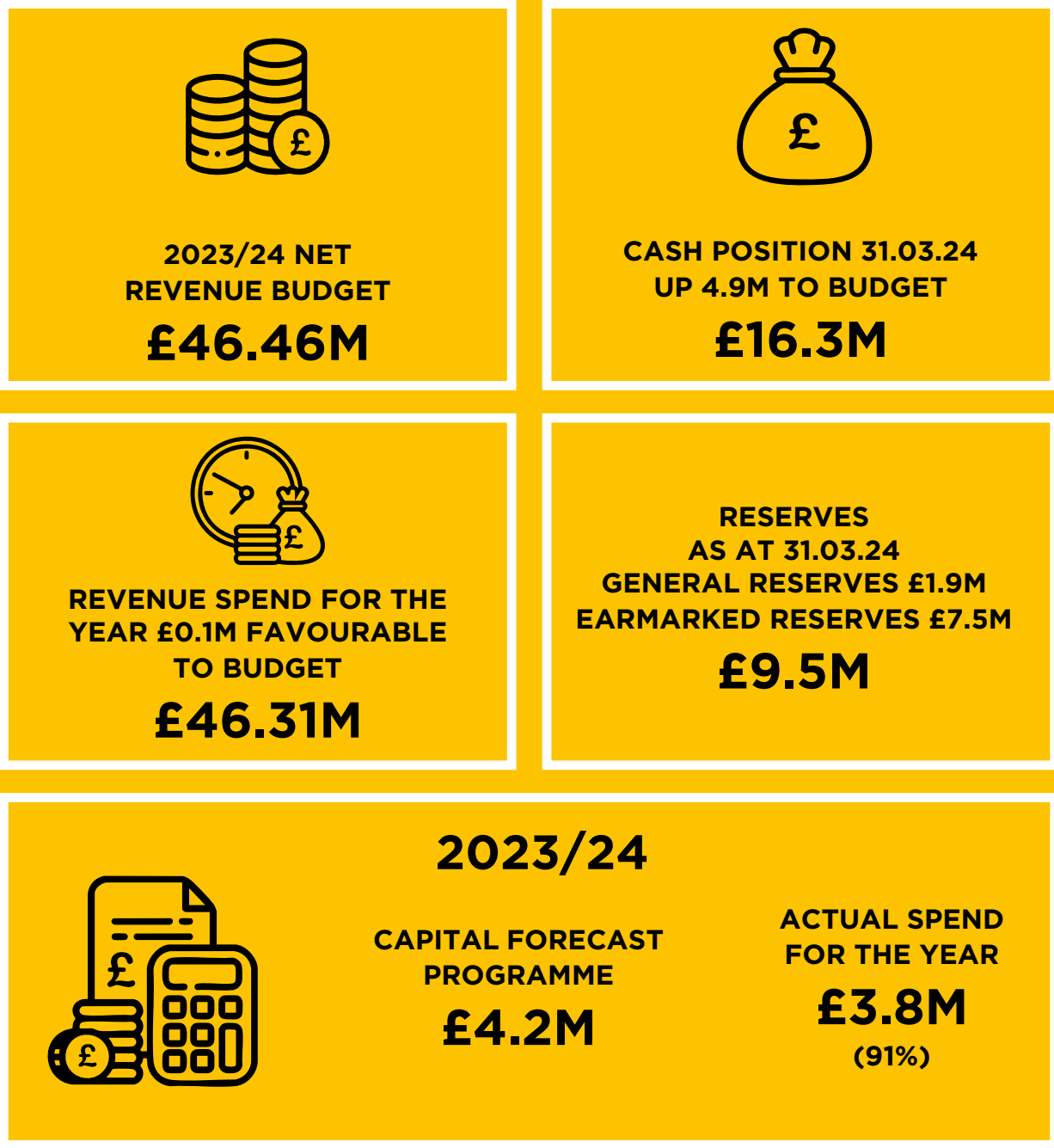
Movement in Reserves Statement: Links the Income and Expenditure Account with reserve balances for future spending

Balance Sheet: Displays the financial position as of 31 March 2024

Cash Flow Statement: Shows cash movements throughout the year.

Once approved, the full statement will be available on our website. Printed copies can be requested by contacting our finance team at **0300 330 1000**.

STAFFORDSHIRE FIRE & RESCUE SERVICE
FINANCE UPDATE





Interested in working for us?

Firefighters make up the majority of our workforce, taking on diverse roles that include responding to emergencies such as fires, road traffic collisions, water rescues, entrapments, and more. Equally important is their focus on prevention and protection, working closely with local communities and businesses to reduce fire risks before they occur.

On-call firefighters are paid, part-time responders who handle emergencies like full-time firefighters, fitting this role around their main jobs. They respond from home or work and play a key role in providing emergency services and promoting fire safety in Staffordshire.



Alarmer goes off
If an emergency is called in during their on-call period, they will be notified by their alarmer.



Go to fire station
They will then make their way to their local fire station, whether this is from their home or work.



Respond to emergency
When at the station, they will then kit up, get in the fire engine and respond to the emergency.

There are lots of non-operational fire staff across the Service who support our frontline operational crews and who bring a range of expertise and skills in professional, technical, planning, and administrative services.

The Service’s non-operational fire staff work across various teams and departments, including:

- Our Contact Centre**
Fire & health partnership
- Learning & Development**
ICT
Performance & Assurance
- Prevention & Protection**
Risk Planning

Additional services, such as human resources, finance, estates, transport, occupational health, stores, procurement and corporate communications, are shared with Staffordshire Police.

Join us and help make Staffordshire the safest place to be

If you are interested in working for us you can find more information about the various career opportunities on our website: www.staffordshirefire.gov.uk/careers



Tell us what you think

We value your feedback on the content of this Statement of Assurance. If you have any thoughts, suggestions, or feedback, please feel free to share them with us.

You can email us at **consultation@staffordshirefire.gov.uk** or visit our website **www.staffordshirefire.gov.uk/contact-us**

You will also find additional information about all our services and activities on our website.

Contact

Staffordshire Fire and Rescue Service Headquarters
Pirehill
Stone
Staffordshire
ST15 0BS



www.staffordshirefire.gov.uk

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Staffordshire
Fire and Rescue Service
preventing • protecting • responding



Police, Fire and Crime Panel – 10 February 2025

Annual Update on Complaint Reviews

Report of the Staffordshire Commissioner

1. Purpose of Report

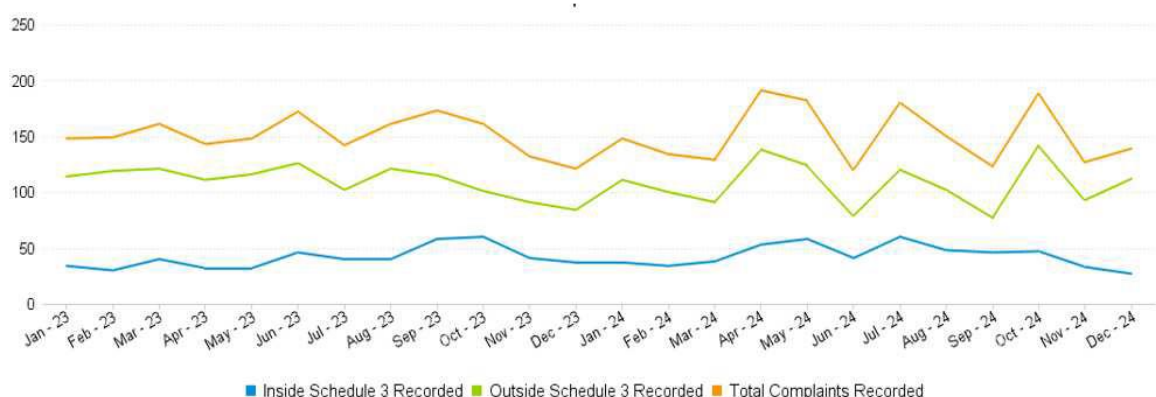
- 1.1 The report updates the panel on the Staffordshire Commissioner's statutory function of reviews following the implementation in February 2020, of the police misconduct and complaint reforms.
- 1.2 A reminder to the panel that the specific role was introduced for Police and Crime Commissioners to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

2. Recommendation

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

3. Complaints

- 3.1 The below graphs show the number of complaints being received by Staffordshire Police for the period of 2023 and 2024. It is noted that in 2023, 1811 complaints were received by Staffordshire Police. For 2024, a total of 1813 complaints were received and dealt with by the Professional Standards Department.



3.2 The above graph for 2024 will show a stable flow of complaints being received over the year, with the difference being just two addition complaint compared to figures in 2023.

3.2 Staffordshire Police's Professional Standards Department whilst handling complaints received will deal with them by two means, inside or outside schedule 3. When complaints are dealt with outside schedule 3, this means that any dissatisfaction is resolved via the Professional Standards Department Triage team. Where a complainant still remains dissatisfied or the allegation would require it, the complaint is dealt with under schedule 3, this then gives the complainant a right of review should they remain dissatisfied with the outcome. Depending on the allegation this will either by the Staffordshire Commissioners Office or the IOPC.

3.3 To further breakdown the figures in 3.1 and in particular the second graph.

In 2024, of the 1813 complaints received 1271 were dealt with outside Schedule 3, so locally resolved by the Professional Standards Triage Team. In comparison to 2023 this shows a slight decrease where 1321 complaints were dealt with in this manner.

Of the remaining 542 complaints recorded under schedule 3 for 2024, the Staffordshire Commissioners Office was the review body for 449 (83%), with the IOPC being the review body for the remaining complaints.

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

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

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

3.5 As noted in the chart/graph outlined in 3.1, as expected there are peaks and troughs with demand, some of these can be attributed to a specific event/occurrence that

have happened locally, regionally or nationally. For example, going into lockdown, coming out of lockdown, restrictions being lifted, protests. Policing is under more scrutiny now than ever before and members of the public are more likely to complain about the level of service they have received, by either an officer(s) or the force in general. National headlines for other forces will also drive an increase in complaints being reported in Staffordshire and all other forces throughout the UK. It is noted that there is currently a number of documentaries with police forces or police focused that will drive the number of complaints being received, which focuses on the areas in the programmes.

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

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

- 3.7 Staffordshire Police's Professional Standards Department Triage Team continues to have a positive impact on dealing with complaints at the first point of contact with 70% of the overall complaints received being resolved at the initial stage. The continued benefit of the triage team is minimal complaints are sent out for resolution by the neighbourhood policing team which allows more time for proactive policing/working with the community. It also allows for a quicker resolution of the dissatisfaction raised and reduces repeat demand.

- 3.8 Work continues with the Prevent Officer who successfully engages with officers and staff to identify training with the view to ultimately improving the service provided to the communities of Stoke on Trent and Staffordshire. Communication campaigns are delivered throughout the force giving examples of what the top categories of complaints are. Work is also done with Officers who are subject to a high number of complaints. There are many factors to consider when looking at this element, to determine whether it is a learning issue, potentially a misconduct issue or in most cases where an Officer is just being proactive. This work then allows for the relevant support and training, where required to be implemented. The success of a number of team's channels continues where examples of good and bad policing are shared, with examples being used to LPT briefings to Officers of all ranks. The Prevent Officer continues to do an input on day one of every new recruit about the standards of professional behaviour expected, this is followed up by either a half or full day input

3-6 months into their service that focuses on complaints that have been received by the service.

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

- The PSD Bulletin supplemented with real-time emerging trends and patterns.
- Findings from reviews fed into the Appropriate Authority for the department and the Prevent Officer
- Delivery of preventative briefings.
- Any individual learnings identified being disseminated real time.
- Identifying reoccurring themes & proactive action taken to resolve.
- Input with student officers by the Prevent Officer.
- Continued input into the Teams channels led by the Prevent Officer that raises issues within policing that are local, regional and national.
- Weekly & monthly feedback from the Independent Review Manager (SCO) on findings from reviews and any trends identified through complaints.
- Regular meetings with the Head of Professional Standards.
- Monthly meetings to analysis performance.
- Quarterly meetings with the Independent Office of Police Conduct (IOPC).
- Working with Professional Standards around the analysis of their performance data.

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

4.0 Complaint Reviews

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

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

- 4.3 For 2024, of the 449 reviews where the Staffordshire Commissioner's Office is the relevant review body, a total of 104 reviews have been received. This is an increase based on 2023 where 85 reviews were received. However, it is important to note that given the number for where the Staffordshire Commissioner's Office is the review body has increased from 349 to 449 then it is expected that in turn the number of reviews received would increase.
- 4.4 The following provides the number of reviews received in 2023 and 2024 detailing how the reviews are recording and resulted.

	2024	2023
Number of Reviews	104	85
Still Live	3	5
Out of Time	3	2
Not Valid	0	1
Upheld	13 (13%) *	12 (14%)
Not Upheld	88	66

* This figure may alter depending on the outcome of the outstanding 3 live complaints

- 4.5 Of the 101 reviews considered so far there have been recommendations for either individual or organisational learning on 15 reviews which have not been upheld

Those recommendations include:

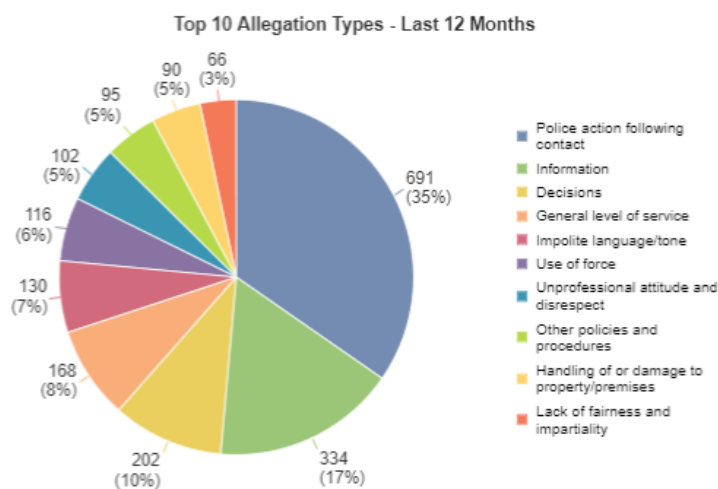
- Ensuring all allegations raised by the complainant are addressed
- Taking the opportunity to signpost complainants to other organisations for support.
- Engagement with the public and understanding what impacts public confidence.
- To ensure that complainants are aware of what powers have been used and how this fits with local and national policies.
- Decision making.
- Ensuring reports/letters are plain English, jargon free and reasonable and proportionate explanations are provided.
- Making complainants aware of any learnings that have been identified through the initial complaints process.
- Ensuring sufficient engagement with the complainant to ensure allegations are understood.
- Ensuring that the right outcome is attributed to complaints i.e. service level acceptable, unacceptable or undetermined

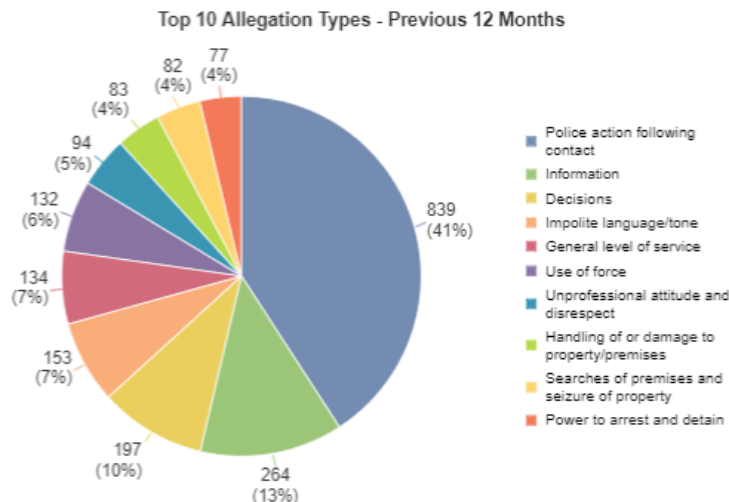
- Systems used to administer the complaints is up to date with accurate information at all time.
- Ensuring all of those subject to the complaint are identified.
- Ensuring complainants are aware of the complaint rights, so should they still remain dissatisfied once the complaint has been triaged that they can still request that it is recorded inside schedule 3 which would then give a right of review.

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

The charts below give the comparison between 2023 and 2024 and will show the same top 3 for both years.

- Police action following contact
- Information
- Decisions





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

4.7 To ensure oversight and scrutiny of the complaints system, on any cases of over 12 month's duration, Staffordshire Police must write to the Commissioner and the IOPC to inform them of the reasons and actions being taken to progress the complaint. Further communication is required every 6 months thereafter until the complaint is finalised.

4.8 Work continues on a quarterly basis with the Independent Office of Police Conduct (IOPC) where performance is scrutinised for both Staffordshire Police and the Commissioner's Office. The most recent quarterly data in relation to Staffordshire Police and the annual statistics report are published by the Independent Office for Police Conduct. These links are also contained with the Commissioner's website.

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

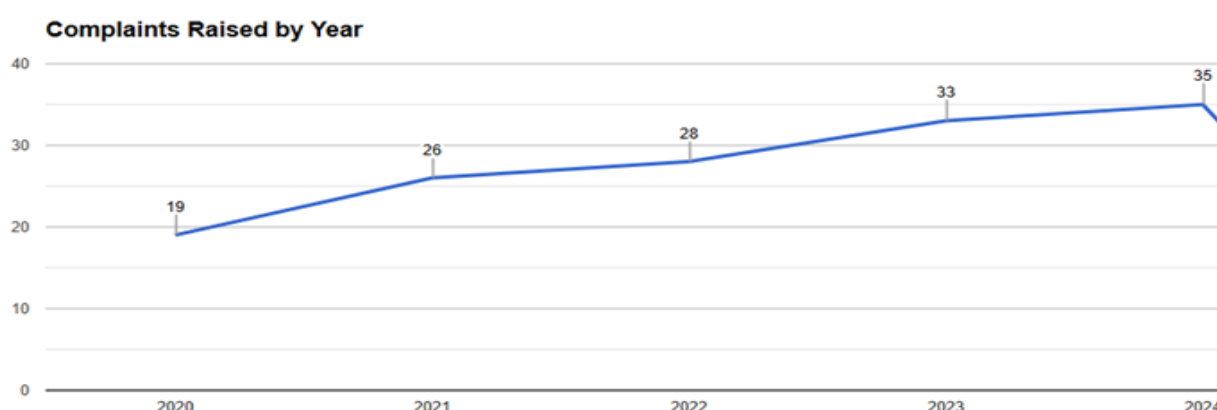
5.0 Complaint Data for Staffordshire Fire and Rescue Service

5.1 As this is the first time reporting on fire complaint data, this report looks to show data from 2020 to give the panel a comparison to view.

5.2 As part of the complaint process for Staffordshire Fire and Rescue Service (SFRS) the Staffordshire Commissioner's Office (SCO) is the review body. So, should a

complainant remain dissatisfied with the outcome then there right of review is to the SCO.

- 5.2 To ensure consistency the SCO has adopted the same approach for fire reviews as it has with force complaints.
- 5.3 The process for complaints and reviews is documented on Staffordshire Fire and Rescue’s website, this also includes policy documents which were last reviewed in the last quarter of last year.
<https://www.staffordshirefire.gov.uk/contact-us/complaints/>
- 5.4 SFRS have recently procured a system which houses complaints in one central point. This has also allowed for my detailed performance data to be provided. The graph will show below the volume of complaints received from 2021. Whilst it is noted that this shows an increase year on year, the numbers recorded are extremely low. If the figures were 2024 were to be used then it equates to 3 complaints per month.



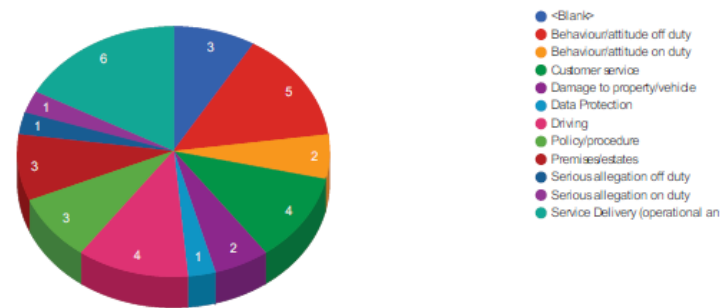
- 5.5 To give further insight into the complaints received, the table below breaks down the outcomes to the complaints received.

Outcome	2021	2022	2023	2024
Handled by other processes	3	1	10	4
Not Upheld	9	3	6	12
Part Upheld	6	7	5	4
Settled with apology	8	14	8	10
Upheld	0	2	2	2
Other	0	1	2	0

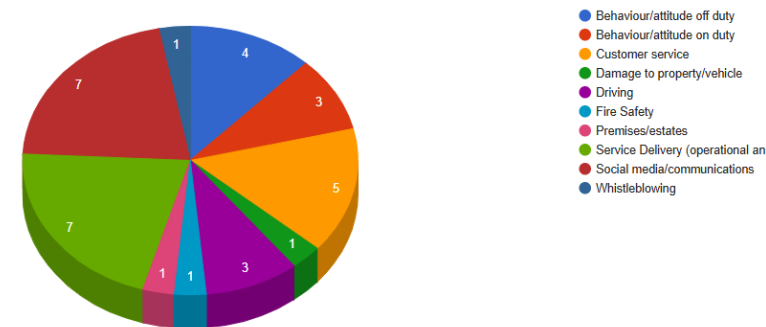
- 5.6 The below charts break down the complaints received into specific categories. Work is continually ongoing to address the issues raised with a view of reducing repeat

complaints into the service. It is noted that the top 3 categories remain consistent in why a complaint is raised with the service.

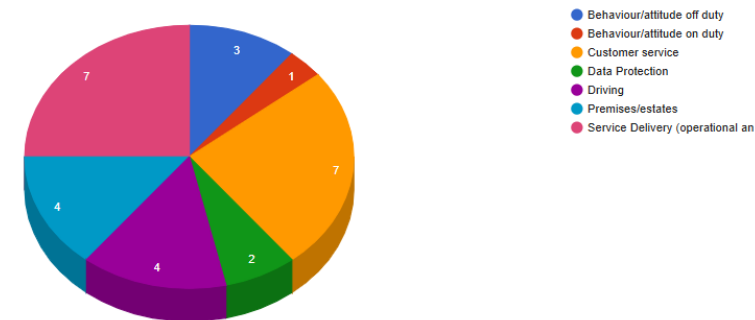
2024



2023



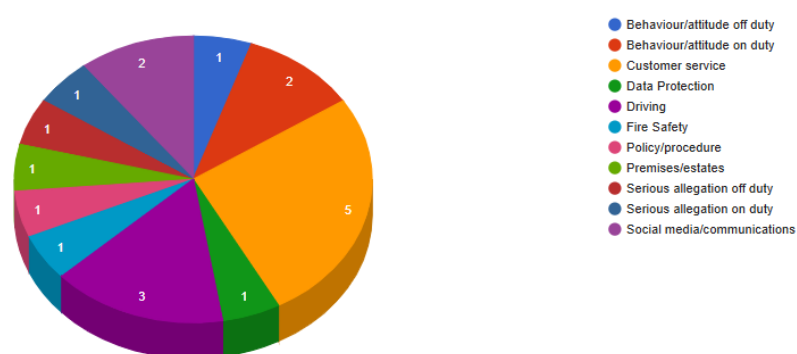
2022



2021



2020



5.7 Since the introduction of the Staffordshire Commissioner's Office as the review body there has been 1 review in 2022 which was not upheld. No reviews were received for 2023 and a total of 3 reviews received in 2024, 1 which was upheld and 2 not upheld. Given the volume of reviews received this would seem proportionate given the overall number of complaints received is low.

5.8 The SFRS continues to review its processes to ensure that they are fit for purpose ensuring that any trends identified can be addressed through specific campaigns and/or learning and training. The SCO continues to work with the service through the review process to ensure that any areas identified are implemented that ultimately ensures that our communities receive a better service.

6.0 What next?

6.1 The Independent Review Manager will continue to work with Staffordshire Police's Professional Standards Department to ensure any reform/transformational work is in line with the implementation of the regulations. It will also continue to work with the Staffordshire Fire and Rescue Services complaint team through its review process, to ensure any recommendations are implemented that ultimately ensure a better service is provided to its communities.

Ben Adams
Staffordshire Commissioner Police | Fire and Rescue | Crime

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Staffordshire Police, Fire and Crime Panel

10 February 2025

Re-appointment of Co-opted Independent Member

Report of the Secretary

1. Purpose of the report

- 1.1 To seek members views on the re appointment of Co-opted member with effect from June 2025.

2. Recommendation

- 2.1 That the Panel reappoint Mr A Bowen for a further four years from June 2025 as permitted under the Police Reform and Social Responsibility Act 2011 and provided for in the Panel's Procedure Rules.

3. Background

- 3.1 The Police Reform and Social Responsibility Act 2011 requires that the Panel appoint two independent co-opted members. In doing so the Panel must take account of the need for its membership to meet the balanced objective in skills, knowledge and experience necessary to discharge its functions effectively.
- 3.2. In line with legislation the Panel's Procedure Rules provide for the re-appointment of a Co-opted member for one further term of four years if two-thirds of the members present at the meeting vote in favour. This provides the opportunity to benefit from the co-optee's experience and knowledge by enabling them to serve an additional term.
- 3.3. Mr Bowen has served as a co-opted member of the Panel since June 2021. He has indicated a willingness to serve for a further four year term if the Panel so wishes. The alternative option available to members is to authorise a full, open recruitment exercise similar to that carried out during Autumn 2024.

Contact Officer

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STAFFORDSHIRE POLICE, FIRE AND CRIME PANEL

10 February 2025

WORK PROGRAMME PLANNING 2024/25 and draft 2025/26

Report of the Secretary

Recommendation

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

Background

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

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

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

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

Panel Meeting date	Agenda Items
11 June 2024	Panel training
24 June 2024 10am	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2023/24 • Consideration of the Commissioners Annual Report 2023/24 moved to sept. 2024 • Public question • Decisions made by the Commissioner. • Fire Misconduct and Complaints – annual report • HMICFRS inspections of Police Force and Fire
24 June 2024 12noon	<ul style="list-style-type: none"> • Confirmation hearing – Deputy Commissioner

30 September 2024 10am (was 23 rd)	<ul style="list-style-type: none"> • Police and Crime Plan / Fire and Rescue Plan Update • Consideration of the Commissioners Annual Report • Fire Safety Plan update • Public question
18 November 2024 10am	<ul style="list-style-type: none"> • MTFS/Budget Update – Policing Service • MTFS/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement moved to February 2025
18 November 2024 12 noon	<ul style="list-style-type: none"> • Confirmation Hearing – Section 151 Officer
3 February 2025 10am (was 10th)	<ul style="list-style-type: none"> • PFCC's proposed Police Budget and Precept 2025/26 • Police Misconduct and Complaint Regulations 2020 – annual report • Appointment of Co-optee member • Annual Conference for PFCP's – report Conference not held this year
10 February 2025 10am (was 17th)	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2025/26 • Fire and Rescue Service Safety Plan - Update Report • Fire and Rescue Annual Assurance Statement
17 February 2025 2pm (was 25th)	<ul style="list-style-type: none"> • If required, further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2025/26
14 April 2025 10am	<ul style="list-style-type: none"> • Business TBC
2025/26 Draft	
19 June 2025 10am	<ul style="list-style-type: none"> • Panel training- private meeting
23 June 2025 10am	<ul style="list-style-type: none"> • Panel members - meet the Commissioner and tour Pirehill Fire service facilities
28 July 2025 10am	<ul style="list-style-type: none"> • Appointment of Chairman • Appointment of Vice-Chairman • Annual Report on the Management of Complaints and Conduct Matters against the Police, Fire and Crime Commissioner and Deputy Police, Fire and Crime Commissioner • Home Officer Grant 2024/25 • Consideration of the Commissioners Annual Report 2024/25 • Decisions made by the Commissioner. • Fire Misconduct and Complaints – annual report • HMICFRS inspections of Police Force and Fire
22 September 2025 10am	<ul style="list-style-type: none"> • Police and Crime Plan / Fire and Rescue Plan Update • Consideration of the Commissioners Annual Report • Fire Safety Plan update • Public question

17 November 2025 10am	<ul style="list-style-type: none"> • MTFs/Budget Update – Policing Service • MTFs/Budget Update - Fire and Rescue Service • Fire and Rescue Annual Assurance Statement
2 February 2026 10am	<ul style="list-style-type: none"> • PFCC's proposed Police Budget and Precept 2026/27 • Police Misconduct and Complaint Regulations 2020 – annual report • Annual Conference for PFCC's (if held) - report
9 February 2026 10am	<ul style="list-style-type: none"> • Consideration of the PFCCs proposed Fire and Rescue Budget and Precept 2026/27 • Fire and Rescue Service Safety Plan - Update Report
16 February 2026 10am	If required , further consideration of proposed Police and/or Fire and Rescue Budget and Precept 2026/27
13 April 2026 10am	<ul style="list-style-type: none"> • Business TBC

J Tradewell (Secretary to the Panel)
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