



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Monday, 19 February 2024 at 11:00

**To be held at Fire Service HQ and digitally via
Microsoft Teams**

Distribution of Councillors	
<u>Birmingham</u>	D Barrie B Mahmood G Atwal S Spence
<u>Coventry</u>	C Miks G Lloyd
<u>Dudley</u>	I Kettle W Little
<u>Sandwell</u>	P Kaur R Jalil
<u>Solihull</u>	P Hogarth MBE
<u>Walsall</u>	V Waters S Cheema
<u>Wolverhampton</u>	G Brackenridge J Dehar
<u>Police & Crime Commissioner</u>	S Foster
<u>Representative - Assistant PCC</u>	Wasim Ali
<u>Co-opted Members</u>	Professor S Brake ABCA – Dave Brown
<u>Independent Member</u>	Mr M Ager
<u>Observers</u>	P Gwynn, UNISON
	D Gough, Fire Officer's Association
	S Hitchins, Fire Brigades Union

Please note: Meetings of the political groups will be held at 10.00 am.

Fire Authority

You are summoned to attend the meeting of Fire Authority to be held on
Monday, 19 February 2024 at 11:00

At Fire Service Headquarters, 99 Vauxhall Road, Nechells,
Birmingham B7 4HW

and digitally via Microsoft Teams

for the purpose of transacting the following business:

Agenda – Public Session

1	<u>To receive apologies for absence (if any)</u>	
2	<u>Declarations of interests</u>	
3	<u>Chair's announcements</u>	
4	<u>Chief Fire Announcements</u>	
5	<u>Minutes of the previous Fire and Rescue Authority held on 11 December 2023</u>	5 - 14
6	<u>Revenue Budget & Precept 2024-25</u>	15 - 78
7	<u>Community Risk Management Plan - Content</u>	79 - 120
8	<u>WMFS Strategy 2024-2027 Our Plan</u>	121 - 136
9	<u>Statement of Assurance 2022-23</u>	137 - 160
10	<u>WMFRA Code of Corporate Governance</u>	161 - 172
11	<u>Contract Award Report</u>	173 - 176
12	<u>Proposed Sale of CDC</u>	177 - 182

13 Date of next meeting

[To note the date of the next Fire Authority meeting scheduled to take place on Monday 15 April 2024]

Agenda (not open to public and press)

14 Planned Procurement Exercise for 2024-25

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

15 Personnel Matters

Agenda prepared by Chandni Patel

Portfolio, West Midlands Fire Service

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This agenda and supporting documents are also available electronically on the [West Midlands Fire Service Committee Management Information System](#)

This meeting of the West Midlands Fire and Rescue Authority will be held at Fire Service Headquarters.

The meeting will also be held digitally via Microsoft Teams allowing observers to access remotely. To access the meeting, please contact a member of the Portfolio Team, West Midlands Fire Service, who will be able to provide login details (please note that Microsoft Teams is not required to join a meeting) or provide guidance if you wish to attend in person at HQ.

Clerk Name:	Karen Gowreesunker
Clerk Telephone:	0121 380 6678
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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 5

11 DECEMBER 2023 AT 11.00 HOURS**CONDUCTED AS A PUBLIC MEETING AT HEADQUARTERS AND
DIGITALLY VIA MICROSOFT TEAMS**

Present: Councillor Brackenridge (Chair),
Councillor Miks (Vice Chair),
Councillor Atwal, Councillor Barrie, Councillor Dehar,
Councillor Hogarth, Councillor Kettle, Councillor Jalil,
Councillor Lloyd, Councillor Mahmood, Councillor Little,
Councillor Waters, Councillor Ward, Councillor Spence,
Sasha Hitchins - Fire Brigade's Union.

43/23 To receive Apologies for Absence

Apologies were received from Councillor Kaur and Professor S Brake.

44/23 Declarations of Interest

The Chair, Councillor Brackenridge, and Councillor Little declared a personal non-pecuniary interest in anything that mentions the Fire Fighters Pensions scheme as a recipient.

45/23 Chair's Announcements

The Chair congratulated all winners and nominees from the Rewards and Recognition event and praised all those involved in setting up the event.

Members were informed that the Chair was asked to provide feedback on behalf of the Fire Authority to the HMICFRS Chief Inspector, Andy Cooke, for his Annual State of Fire Report. This letter has also been shared with the members for their information.

It was also an opportunity to highlight the excellent work that the service has been doing in the area of culture and values, and in building on the most recent HMICFRS report. This rated the service as "outstanding" for effectiveness and emergency response.

Cllr Hogarth also provided thanks to those who organised the Rewards and Recognition event.

46/23 **Chief Fire Officer's Announcements**

Wayne Brown, Chief Fire Officer thanked Fire Authority members for attending the Rewards and Recognition event.

Wayne Brown highlighted we have won the most inclusive employee award for 2nd year in a row, and he is very proud of this achievement.

The provisions for maternity and adoption leave are now being implemented with a focus on removing the pay gap.

For the members awareness, groups within the Service will be interviewed as part of the HMIFRS inspection. This will include Councillor Lloyd.

The Chair recognised the positive changes occurring within the organisation and is pleased with the organisation for being recognised as the most inclusive employer of the year.

47/23 **Minutes of the Fire and Rescue Authority held on 13 February 2023**

Resolved

1. To amend the attendance list to include Councillor Spence and Councillor Ward and amend apologies to include Cllr Kaur.
2. Following amendments, the minutes of the Fire Authority meeting held on 11th December 2023 be approved as a correct record.

48/23 **Treasury Management Mid-Year Review Report 2023-24**

Sofia Mahmood provided an update on the report and advised this is the mid-year performance of the Treasury Management function, following the presentation to Audit & Risk Committee on 27 November 2023.

Section 4.2 highlights the key changes to note. There are no changes to the Prudential Indicators from that approved in February 2023 as part of the Annual Budget.

There is no borrowing budgeted or expected for 2023/24. The current level of borrowing is £32m. The current level of investment is £36m, with forecast investment income in 2023/24 of £1m.

The changes are about the forecast turn of the capital program. We had an approved budget in 23/24 of £9m and we are forecasted to spend £6m of that. This is due to the deferral of some vehicles because of the trial run of the BRVs. No real impact is suggested.

Interest rates are due to reduce which will change within our budget forecasts going forward.

Resolved

1. That the recommendations are agreed.

49/23 **Refreshed Member Code of Conduct**

Karen Gowreesunker, Clerk to the authority, provided an update on the report and that members approve the updated Member Code of Conduct included in Appendix A.

The Appointments, Standards and Appeals Committee (ASA), in its role as the Standards Committee for WMFRA, met on 16 October and approved the proposed Code to be brought forward to the full Fire Authority. The ASA committee also propose that a specific training session for all members will be developed to follow this meeting of the Fire Authority. Such training will also form a part of a refreshed Member Development Strategy to be implemented in the 2024/25 municipal year and will take the form of annual refresher training for all members delivered in July each year.

Resolved.

1. All recommendations are agreed.

50/23 **An Analysis of Progress of Quarterly Performance Against Our Plan Qtr 2 2023-24**

Jo Bowcock, Deputy Chief Fire Officer, presented the report and recommended that the Authority note the status of the Service's key performance indicators in the second quarter of 2023/24 (Appendix 1).

As per the report in Response, PI-1, average attendance times for Category 1 incidents (the most critical of the four categories) were 4 minutes 48 seconds in quarter two 2023/24.

PI-5/6 regarding Safe and Wells, the percentage of Safe and Well visits completed in quarter 2 because of a referral from a partner was 58.3%. This is 8.3% less than the target and slightly higher than the 58% achieved in quarter 1.

During quarter 2, 52,508 Safe & Well points were achieved, with a total of 101,513 points recorded year to date.

Regarding PI 12, as per the report In Q2 of 2023/24 there were 61 Deliberate Derelict Building Fires, which is 27 above target and the upper tolerance level for the quarter. There have been 22 more incidents this year compared to the same period last year. This is a Service-wide issue; however, we are ensuring that all hot spots are being targeted.

Regarding PI 13, In Q2 of 2023/24 there were 97 Accidental Fires in Non-Domestic premises, which is lower than the target by 66 for the quarter. Compared to the same period last year, incidents have reduced by 63. Since the beginning of the financial year there have been 173 Accidental Non-Domestic Fires, 15 (-8.9%) below the target for this period.

Regarding 14a/14b In Q2 of 2023/24 there were 1,560 False alarms due to equipment (FAE) in dwellings, this is 228 (19.6%) above target for the quarter and exceeds the tolerance. Compared to the same period last year, there have been 181 more alarms this year. Overall there has been a reduction in false alarms.

PI-16 The number of female uniformed staff, we are reporting 183 against a target of 199. Since April 2023, WMFS has

recruited 39 new entrant firefighters of which 4 (11%) are female. Positive action continues with increased emphasis and focus on initial attraction.

PI 18/19/20 is underperforming against our tolerance levels. We have found that mental health is one of the reasons we are seeing more absences. This is being addressed and are looking to be more proactive on the matter.

Following queries regarding Safe & Wells, Jo Bowcock advised we can share statistics of how many visits are done in each area. We have access to data that breaks it down on a specific street level of the risk presented and allows us to understand how we make our communities safer.

Resolved.

1. To share Statistics in a report for the next Members Engagement Forum on how many Safe & Well visits are done in each area/district.

The report that will go through to Scrutiny will remain the same, however a breakdown can be included.

Councillor Lloyd thanked all those who are making the changes within the Service and implementing it.

The Chair recognised the challenges and thanked all those who continue to work to improve the service.

All recommendations are agreed.

51/23 **Portfolio Management (3PT)- Q3**

Wayne Brown advised this report is a summary of the progression of the delivery of Portfolio Management towards delivering 'Our Plan'. The updates provided are based on the continual assessment of investment and business benefits of projects being delivered through the three Programmes of Community Risk Reduction, Enabling Services and People

Jo Bowcock provided an update on Community Risk Reduction Programme.

As per the report Protection has been leading on the CRMP Automatic Fire Alarms (AFAs) mobilising project and has

already made changes to ensure we mobilise a proportionate level of response to Hospitals. This has now been extended to ensure Fire Control send a proportionate level of response to AFAs at Care Homes.

WMFS is leading the regional building safety regulator team and is working in collaboration with the Health and Safety executive as the new regulator under the building safety act to ensure all our new and existing buildings are safe.

Regarding Prevention, an update was provided on the arson conviction in Stoke on Trent. Staffordshire Police have thanked us for our assistance in this case and the CFO of Staffordshire FRS has passed on his thanks for the "great work from everyone involved in this tragic incident".

Jo Bowcock advised following recent incidents regarding Lithium-Ion Batteries, both in the West Midlands and across the country, updated guidance has been published on the risks linked to the use of Lithium-Ion batteries.

In Response, 5 of our teams took part at UKRO Festival of Rescue 2023. Hosted this year by Lincolnshire Fire and Rescue, this national rescue and trauma competition saw many UK fire services competing in a range of challenges.

The Chair thanked Jo Bowcock for the update.

Simon Barry, Assistant Chief Fire Officer, presented an update on Enabling Services Programme.

Section 6.1, as per the report Simon Barry advised that we have moved forward with our business-led approach to Oracle, this will put the needs of our service users in helping them through the change at the forefront of any further developments. As the new element will have to go through a governance process, any further development has now been paused.

Our time attendance replacement system has progressed successfully into the testing phase. We now need to confirm details of the levels of automation the new system will bring and continue the testing journey into the creation and delivery

of a robust training plan. This will be live in Spring and will help our staff manage teams more effectively.

Section 6.2, as per the report provides an update on the Emergency Services Show. In September 2023 WMFS had 2 stands at the Emergency Services Show where we exhibited a number of services. Corporate Communications took a key role in making it a positive experience.

Section 6.3 refers to Finance and Procurement. Several training sessions have been held with managers across the organisation to share key information and actions in finance and procurement. Preparations are underway for budget setting 2024/25 following meetings with budget holders and senior managers. Future budget requirements have been reviewed, identifying pressures and efficiencies.

The Chair thanked Simon Barry for his update.

Richard Stanton, Assistant Chief Fire Officer provided an update on People Programme.

Section 7.1, as per the report, refers to the thematic inspection. WMFS are now in the 2nd week of inspection and are due to be completed on the 22nd December 2023. HMICFRS will initially provide a hot debrief to the Service in January 2024, before publishing an overall report capturing the collective findings of all 10 sample services in June 2024.

Section 7.2.3; refers to DBS checks and has now been implemented across the Service with all employees. At the time of writing this report, 79% of employees either have DBS checks in place or are in the process of completing their checks.

Regarding Section 7.3.1.2, Career Development Pathways is due to be launched in early 2024 and will be further developed during 2024/25, to ensure an inclusive employee lifecycle.

Cllr Dehar highlighted how well WMFS demonstrates diversity and suggested an online newsletter which is available to the community.

Regarding Lithium-Ion batteries, Cllr Miks welcomes the fact more information is provided via the website, however, there is a concern about the relevant training firefighters are receiving.

Regarding Safeside, Cllr Miks suggested extending the visits to those outside of West Midlands.

Resolved

1. To arrange a visit to Safeside for members.

Following queries, Jo Bowcock advised there is a significant amount of research being done nationally on Lithium-Ion batteries and how best to deal with them. From a preventative perspective, safety advice is being provided.

Richard Stanton advised we use social media accounts to help promote what we do as a Service to promote key events such as Black History Month.

Regarding Apprenticeships, it is an area within People Programme that is researched and discussed.

Following concerns regarding 5.4.2, AI in Fire control, Jo Bowcock advised safety and security are a top priority when it comes to AI. The relevant research is being carried out and will be shared in due course.

Councillor Hogarth suggested having some form of communication to send out to communities, advising them of the risks of keeping Lithium-Ion batteries on charge.

Resolved

1. To send communications regarding Lithium-Ion advising communities on how to best use items with these batteries. To then have a dashboard to signpost people for further information.

52/23 **Minutes of Previous Public Committee Meetings**

Resolved

1. That the minutes of the Previous Public Committee Meetings be approved as an accurate record.

53/23 **Date of next meeting**

To note the next Fire Authority meeting is to be amended from the 5 February to the 19 February 2024

The meeting ended at 12.20pm

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 6

19 FEBRUARY 2024

1. REVENUE BUDGET AND PRECEPT 2024-25, REVENUE BUDGET FORECAST 2025-27 AND CAPITAL PROGRAMME 2024-28

Report of the Treasurer and Deputy Chief Fire Officer

RECOMMENDED

1.1 THAT the following be approved by Authority:

- a) The Net Revenue Budget Requirement for 2024-25 be set at £133.634 million, which includes an efficiency target of £1.905 million and use of reserves of £1.100 million.
- b) The indicative Revenue Budgets be set at £136.103 million for 2025-26 and £140.617 million for 2026-27.
- c) General Reserves be set at a minimum of £3.862 million.
- d) The capital programme for 2024-25 to 2027-28 be set at £27.333 million (Appendix D), including an in-year borrowing requirement of £5.1 million.
- e) Council Tax precept for 2024-25 be increased by 2.99% to £75.20 for a Band D property (Appendix A).
- f) The Treasury Management Strategy Statement 2024-25 including the Minimum Revenue Provision Policy Statement (Appendix E) and Prudential and Treasury Indicators (Appendix F).

2. PURPOSE OF REPORT

- 2.1 To approve the Net Revenue Budget for 2024-25, the updated Capital Programme 2024-28, indicative revenue budgets for 2025-26 to 2026-27 and the Treasury Management Strategy Statement 2024-25.

3. **BACKGROUND**

- 3.1 The preparation and proposal of an annual budget for Authority consideration and approval is a key requirement of the Constitution to enable effective and efficient delivery of the approved Strategy.
- 3.2 On 18 December 2023, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) set out the one-year provisional settlement for 2024-25 at £65.614 million, resulting in a funding increase of 4.85% (2023-24: £56.867 million). Pensions Grant of £5.713 million (2023-24: £5.713 million) has been rolled into the settlement this year, to cover the cost of Firefighters Pensions Employers' Contributions. The Services Grant reduced to £0.215 million, a reduction of 85% (2023-24: £1.364 million). The Government also proposed a general Council Tax referendum threshold of 3% for Fire and Rescue Authorities (2023-24: £5 / 7.3%). The funding guarantee ensures that the Authority receives a minimum 3% increase before local council tax decisions. This was enacted for the 2024-25 settlement and came in at £0.152 million (2023-24: nil). Core spending power was £128.943 million, an increase of £5.174m or 4.2% (2023-24: £123.769 million).
- 3.3 The Fire Authority's provisional budget position was presented at the West Midlands Local Authorities Leaders' Group meeting on 31 January 2024. The Leaders were supportive of the proposal to increase precept tax for B and D properties by 2.99% in line with the referendum limit that applies to the Authority.
- 3.4 On 5 February 2024, DLUHC confirmed the Authority's 2024-25 Financial Settlement. The funding guarantee increased from £0.152 million to £1.312 million as the Government increased the minimum funding guarantee threshold from 3% to 4%. Total funding including council tax surplus/deficit, increased by £5.808 million or 4.7% to £130.629 million (2023-24: £124.822 million).

- 3.5 West Midlands Fire Service receives a 1% share of Business Rates via the seven Constituent West Midlands Councils. This equated to funding of approximately £10.863 million due to the Authority, as part of the Settlement Funding. Following completion of NNDR1 returns the actual income was £9.828 million, plus grant to cover business rates relief of £1.668 million. There are substantial uncertainties regarding Central Government policy for future local government finance with regards to the business rates reset. This, as well the fair funding review have the potential to significantly impact the funding level for future years. This has not been reflected when considering the indicative budgets for 2025-26 and 2026-27.
- 3.6 Business Rates increase each year in line with the prevailing CPI of the preceding September. The freezing of the NNDR multiplier has only been applied to small businesses. This will result in a loss of income to the Authority, offset by compensation for this loss via the NNDR Multiplier Section 31 grant. Section 31 Grant of £6.605 million will cover the whole loss.
- 3.7 On 6 April 2023 and 8 September 2023 DLUHC published their responses to the 'McCloud/Sargeant remedy' consultations. The consultations proposed changes to address the discrimination found in the McCloud judgment, in relation to Firefighters' Pensions transitional protections. Eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the 2015 reformed scheme for service during the remedy period. The regulations to enact the retrospective remedy came into effect from 1 October 2023.

4. WMFS Strategy 2024-27: Our Plan

- 4.1 The Authority produces an annual Community Risk Management Plan (CRMP) which assesses current and future risks faced by our communities. Public consultation for the CRMP was undertaken during 2023. The work required to reduce those risks identified is driven by the CRMP and alongside the 3-year WMFS Strategy, helps to set Authority priorities.

- 4.2 The revenue budget and the capital programme have been based on the Authority's priorities.

5. REPORT DETAIL

Expenditure:

- 5.1 The budgets for 2024-25 reflects the £1,925 local government pay award for 2023-24 and the 5% increase for fire and rescue staff. A provision of 3% has been included for 2024-25; then 2% for 2025-26 and 2% for 2026-27.
- 5.2 Individual calculations have been carried out in respect of the budgets most affected by inflation. This will include contracts which are now up for renewal, for example with insurance, systems, licenses, and uniforms. Estimates have been made based on available information.
- 5.3 The latest November 2023 inflation rate as measured by the Consumer Price Index is 3.9%. This is a reduction from earlier levels, which was 8.7% in April 2023.
- 5.4 Key recurring pressures on the 2024-25 budget are highlighted below:
- a) The pay award for 2023-24 came in higher than had been estimated. This has a knock-on effect for future years and has been reflected in the base budget. The 3% provision for 2024-25 will cost £2.300 million.
 - b) The ridership factor is a calculation used to monitor the availability of operational staff to respond to incidents and ensure appliances remain available. Due to several reasons, including sickness absence, the Service's ridership factor has increased from the expected 13.5. A budget of 17.0 was originally included in 2023-24 and it is expected that this will increase for 2024-25 to 18.0, at an additional cost of £0.360 million.
 - c) Increased costs of the improved family leave provision following the decision to become the first fire service within the UK to offer 52 weeks paid leave for those taking

maternity or adoption leave. A budget of £0.200 million has been set aside which is based on historic trends.

- d) A proposal for internal resilience contracts will be considered for implementation during 2024-25. This will cost up to £0.400 million dependent on the number of contracts issued.
- e) £0.300 million increased investment will be required in support services, to include People Support, Digital & Data and Finance to meet the needs of the Service. Further discussion will take place to determine the specific investment required.
- f) Improvements are required to align to the Cyber Assessment Framework which will require investment of up to £0.350 million.
- g) Increased business rates for the Authority's estate creates a pressure of £0.200 million.
- h) Revenue financing of the capital programme, a total of £11.939 million over 4 years.

Efficiencies:

5.5 2023-24 required efficiency savings of £1.855 million. This increased from the £1.100 million reported in the 2023-24 budget report due to the above budget pay award. This was achieved through the phased implementation of risk-based crewing; an innovative approach of staffing emergency response vehicles, balancing resource to risk and making use of the blended fleet available.

5.6 Through the budget setting review exercise, further budget reductions have been identified totalling £3.100 million. These have been used to fund demand, growth, and capital pressures in 2024-25. This includes:

- a) Staffing reviews to remove £0.400 million of vacant or temporary posts.
- b) Increasing income targets by £0.400 million to match expected receipts.
- c) A reduction in fuel and utility costs of £0.450 million from previous year highs.
- d) Increased investment income of £0.460 million due to higher interest rates.

e) Various contract savings totalling £0.210 million.

- 5.7 To create a balanced budget for 2024-25, further efficiencies are required of £1.905 million. It is expected that this will be met through zero-based budgeting and a review of all over-established and temporary posts. Individual budget lines will be reviewed during 2024-25 to ensure that budget provisions are in line with spend and service priorities. This will include a comprehensive review of temporary posts over the budgeted staffing establishment. Any recommendations will follow the appropriate governance framework.

Funding:

- 5.8 The Local Government Finance Settlement for 2024-25 was received by the Authority in February. It confirmed it is possible to increase the Council Tax precept by 2.99% without holding a referendum (2023-24: £5 / 7.3%). It did not include statements on the Fair Funding Review, or a Business Rates reset.
- 5.9 The 2024-25 Settlement included £1.312 million for funding guarantee grant. This is a one-off grant designed to maintain a minimum level of core spending power.
- 5.10 As a precepting authority, the Authority must issue precepts to the appropriate charging authorities to provide for its general expenses. The seven Constituent West Midlands Councils have set their Council Tax Base and notified the Authority accordingly. The total relevant Council Tax base for the Authority is 747,591.74, an increase of 1.3%. (2023-24: 737,707.31). This increase reflects the net increase in new properties, offset by the cost of Local Council Tax Reduction schemes.
- 5.11 The Councils have reviewed their Collection Fund as part of the budget setting process and confirmed their Council Tax surplus / deficits for 2023-24. This has resulted in an overall surplus for the Authority for 2024-25 funding arrangements of £0.032 million (2023-24: £1.053 million surplus).
- 5.12 In determining the level of Council Tax precept for 2024-25, Authority will need to consider the medium-term financial position and the Council Tax Referendum thresholds.

- 5.13 The proposed increase of 2.99% is within the guidelines for fire and rescue services as contained in Government policy. Each additional 1% increase in Council Tax precept would generate approximately £0.539 million per year.
- 5.14 The Authority's proposed Council Tax precept for 2024-25 is £75.20 for a Band D property, an annual increase of £2.18. (2023-24: £73.02).
- 5.15 The Council Tax Requirement is set at £56.219 million (2023-24: £53.864 million). The appropriate precept has been calculated for each Council and is set out in Appendix A. This is the Authority's element of total Council Tax. Spending decisions made by the seven Constituent Councils, the Office of the Police and Crime Commissioner and any parish councils are also added to the overall bill.
- 5.16 The funding sources are shown in Table 1:

Table 1: 2024-25 Funding

Funding	£'000
Settlement Funding	64,579
NNDR multiplier S31 grant	6,604
S31 NNDR relief grant	1,668
Services Grant	215
Funding Guarantee	1,312
Share of Collection Fund Surplus/(Deficit)	32
Council Tax Requirement	56,219
Net Revenue Budget	130,629

- 5.17 In addition, it is estimated that the Authority will generate income of £3.881 million (2023-24: £3.819 million). The budget also assumes that £1.100 million of reserves will be used to fund one-off expenditure.

2023-24 Forecast Outturn:

- 5.18 The budget for 2023-24 is monitored against the revised budget. The latest forecast position as at December-23 reflects the inflationary increases in costs, known changes in

the forecast and the impact of the savings achieved. The estimated outturn, as shown in Table 2 is an underspend of £0.509 million.

Table 2: 2023-24 Forecast Revenue Position as at Dec-23

	Original Budget 2023/24 £000	Revised Budget 2023/24 £000	Forecast Position £000	Revised Forecast Variance £000
Corporate Management	1,260	1,241	1,271	29
Portfolio & Org Intel	2,499	2,278	2,214	(65)
Operations	5,446	7,359	7,386	27
Prevention	2,497	2,655	2,575	(80)
Protection	5,306	5,843	5,836	(7)
Response, FC & Emergency	5,768	8,576	8,425	(151)
Finance & Procurement	1,577	1,738	1,732	(6)
Digital & Data	6,368	9,222	9,222	1
Corporate Communications	1,033	1,042	1,042	-
People Support	2,946	3,133	3,165	32
Development & Inclusion	5,283	5,500	5,468	(32)
Corporate Spend	83,867	83,346	83,088	(258)
Other-Income & Expenditure	972	469	469	-
Funding	-	(1,898)	(1,898)	-
Total	124,822	130,504	129,995	(509)

5.19 The budget was revised in November-23 to reflect a net £5.682 million use of earmarked reserves. £6.678 million earmarked reserves are planned to be used, additional income of £1.898 million had been received as part of the 2023-24 settlement, namely Section 31 NNDR relief grant and £0.996 million of additional pressures have been funded.

5.20 A key pressure is the increased ridership factor over the original budget of 17.0. The ridership factor is a calculation used to monitor the availability of operational staff to respond to incidents and ensure appliances remain available. This was increased to 18.0 as part of revised budgets. Current forecasts are now estimating an underspend of £0.180 million due to the implementation of risk-based crewing and an improving forecast position on staff availability. This is shown in Corporate Spend.

- 5.21 There are a number of vacant posts and delayed recruitment to posts, which has led to underspends within Response and Prevention

Revenue Budget Summary 2024-25:

- 5.22 Table 3 reflects the forecast outturn position for 2023-24, the proposed budget for 2024-25 and indicative budgets for 2025-26 and 2026-27. More detailed budgets will be provided to relevant budget holders.

Table 3: Revenue Budget Recommended to Authority

	Forecast Outturn 2023-24 £000	Budget 2024-25 £000	Indicative Budget 2025-26 £000	Indicative Budget 2026-27 £000
Net Revenue Expenditure				
Corporate Management	1,271	1,262		
Portfolio & Org Intell	2,214	2,215		
Operations	7,386	5,335		
Prevention	2,575	2,469		
Protection	5,836	5,373		
Response, FC & Emergency	8,425	5,754		
Finance & Procurement	1,732	1,698		
Digital & Data	9,222	7,159		
Corporate Communications	1,042	915		
People Support	3,165	3,275		
Development & Inclusion	5,468	5,376		
Corporate Spend	83,088	90,354		
Other-Income & Expenditure	469	449		
Total Expenditure	131,893	133,634	136,103	140,617
Financing				
Settlement Funding	56,925	64,579	66,516	67,581
NNDR multiplier S31 grant	5,961	6,604	6,802	6,911
S31 NNDR relief grant	1,838	1,668	1,718	1,745
Services Grant	1,364	215	215	215
Funding Guarantee	-	1,312	152	152
Share of Collection Fund Surplus/(Deficit)	1,054	32	-	-
Grants Rolled In	5,713			
Council Tax Requirement	53,864	56,219	57,912	59,655
Total Financing	126,719	130,629	133,315	136,259
Transfer from/(to) Balances	5,174	1,100	-	-
Funding Gap	-	1,905	2,788	4,358

5.23 The £0.509 million forecast underspend for 2023-24 has been transferred to reserves, making the net transfer from reserves £5.174 million.

5.24 Key future funding assumptions include:

- Settlement Funding and business rates S31 grant increases by inflation; estimated at 3% for 2025-26 and 1.6% for 2026-27.

- Minimum funding guarantee at 3% levels for 2025-26 and 2026-27
 - Services grant remains at 2024-25 level.
 - Council Tax rates increase by 1.99% per year with the Council Tax Base increasing by 1% per year.
- 5.25 Additional pensions grant is expected to cover the cost of the 2020 actuarial valuation of firefighters' pension scheme. It is expected that this will cover 98% of the additional pressure. The estimated pressure has been recognised, but neither the additional income nor costs have been included as these were not confirmed until 6th February 2024.
- 5.26 The budgets are based in general upon the maintenance of existing service provision and delivery of priorities set out in the WMFS Strategy 2024-27: Our Plan. Key future expenditure assumptions include:
- Pay uplifts for both local government and fire and rescue staff are assumed at 2% for 2025-26 and 2% for 2026-27, estimated at £1.600 million per annum.
 - Implementation of the new Command and Control system will lead to additional annual revenue costs.
 - Additional MRP and interest payable as a result of the forecast borrowing in the capital programme, at £0.510 million from 2025-26 and an additional £0.410 million from 2026-27.
 - Known increases in inflationary pressures, contracts renewals and service demands are also included, estimated at 0.7% for 2025-26 and 1.5% for 2026-27.
 - One-off revenue contributions to the capital programme as detailed in Table 5.
- 5.27 Funding details are only currently available for the 2024-25 financial year. Limited amendments have been made to assumptions in relation to the new funding regime for 2025-26 onwards. The Business Rates Scheme in particular carries the greatest uncertainty, along with any outcome from the Fair Funding Review. Due to the uncertainty, it is difficult to project the true overall position over the medium term.
- 5.28 The current medium term financial plan shows a forecast funding gap of £2.788 million in 2025-26, increasing to £4.358

million in 2026-27. This assumes no further borrowing is undertaken over the level detailed in the proposed capital programme in Table 5. Further work will be undertaken during 2024-25 to look to maximise efficiencies through the zero-based budgeting exercise. A full review will also be commenced of earmarked reserves to understand those that are not ring-fenced and can be re-allocated to meet service priorities.

6. RESERVES AND BALANCES

- 6.1 Reserves and balances comprise general reserves, the working balance, and earmarked reserves. They help the Authority to cope with unpredictable financial pressures and plan for future spending commitments. They are an essential part of good financial management and assist the Section 151 Officer in providing reassurance to Authority on the robustness of the estimates and the adequacy of reserves.
- 6.2 The report of the Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Authority's Reserves are included in Appendix B.
- 6.3 The Authority holds a number of earmarked reserves for specific purposes. Amendments have been made throughout 2023-24 to reflect changing needs and some reserves have been transferred. Earmarked reserve balances are itemised in Appendix C.
- 6.4 The 2024-25 budget proposes a £1.100 million use of reserves to fund one-off expenditure. To work towards reducing the medium-term funding gap detailed in Table 3, all earmarked reserves will be reviewed again to ensure their allocations are in line with the delivery of the priorities set out in the WMFS Strategy 2024-27: Our Plan. A number are grant-funded and so will not be available for general use.
- 6.5 The working balance helps to cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It forms part of general reserves. The current policy has for several years been to maintain the level of general reserves at a minimum of £3.862 million. This is equivalent to 2.9% of the

2024-25 net budget and the amount is maintained over the planning period.

7. CAPITAL PROGRAMME 2023-24 TO 2027-28

- 7.1 The forecast capital expenditure for 2023-24 is £4.341 million against a revised budget of £9.103 million, as shown in Table 4. £4.762 million of 2023-24 schemes are forecast to be slipped into 2024-25.

Table 4: 2023-24 Forecast Capital Position as at Dec-23

	Original Budget 2023-24 £000	Revised Budget 2023-24 £000	Forecast Position £000	Revised Forecast Variance £000
Capital Expenditure				
Vehicle Replacement Programme	6,678	7,001	2,647	4,354
Boiler Replacement Programme	148	218	218	-
Rewires	167	-	-	-
Roof Replacement	325	505	505	-
Windows & Doors Replacement	677	677	400	277
Drill Tower & Burns Facility Upgrade	432	588	457	131
HQ Car Park	44	71	71	-
Fire Ground Radio Replacement	290	-	-	-
MDT Replacement	430	-	-	-
C&C - Vision 4	-	43	43	-
Total	9,191	9,103	4,341	4,762
Financing				
Capital Receipts	2,749	2,749	2,749	-
Capital Grants	-	43	43	-
Earmarked Reserves / Revenue	6,442	6,311	1,549	4,762
Borrowing	-	-	-	-
Total	9,191	9,103	4,341	4,762

- 7.2 The Capital Programme 2024-25 to 2027-28, totalling £27.333 million is detailed in Appendix D. Three new schemes have been presented for approval, including the purchase of service provided vehicles, replacement of the Command & Control system and the relocation and sale of the Command Development Centre (CDC). Other schemes are in line with the previously approved programme.
- 7.3 The Authority does not receive any specific allocations for capital funding as part of the Central Government settlement. The programme will be funded by earmarked reserves, in year revenue funding and new borrowing. There is a borrowing

requirement of £5.100 million in 2024-25. This is summarised in Table 5.

- 7.4 Any additional prudential borrowing to fund capital spending must be prudent, sustainable, and affordable. Increasing interest rates will result in additional annual revenue costs which also creates an opportunity cost due to the forgone investment returns. There is also a need to set aside an annual minimum revenue provision (MRP) to repay the borrowing when it becomes due. External borrowing will only be undertaken once the need arises. Internal borrowing will also be considered for short-term funding gaps. The Treasury Management Strategy Statement 2024-25 (Appendix E) provides more detail.
- 7.5 A review of the Authority's vehicles and estate will begin to be undertaken over the coming year to determine if there is any rationalisation that can be considered. The review will look to identify long-term reductions in replacement and improvement costs and to generate capital receipts. Any capital receipts generated can be used to fund future capital spending and reduce the need for future borrowing.
- 7.6 Future years' capital expenditure currently has a significant proportion funded by revenue. This is contributing to the revenue funding gap detailed in Table 3.

Table 5: 2023-24 to 2027-28 Capital Programme

	2023-24 Forecast £000	2023-24 Slippage £000		2024-25 £000	2025-26 £000	2026-27 £000	2027- 28 £000
Programme	4,341	4,762		12,996	7,904	2,339	4,094
Funding	4,341	4,762		12,996	7,904	2,339	4,094
Borrowing	-	-		5,100	4,100	1,000	4,094
Revenue / Reserves	1,549	4,762		7,896	2,704	1,339	-
Capital Receipts/ Grants	2,792	-		-	1,100	-	-
Funding Surplus / (Deficit)	-	-		-	-	-	-

Service Provided Vehicles:

- 7.7 Authority approved the provision of 56 service provided vehicles on 26 June 2023, with an estimated capital cost of £2.100 million. Stakeholder consultation took place during November 2023 and the planned procurement report will be presented to Authority in February 2024.
- 7.8 The updated capital requirement is £2.600 million for the purchase of 57 vehicles. There are expected revenue savings of £0.130 million per year, due to the reduction of allowances and mileage claims. There will be additional ongoing revenue costs for tax and insurance.

Command and Control System:

- 7.9 Fire and Rescue Services have statutory responsibilities to ensure that emergency calls for assistance can be dealt with effectively and attend a variety of incidents. To enable this, Control Operators rely on mobilising systems that are designed to enhance their efficiency in carrying out their role. This involves presenting them with a current view of where

resources are, enabling them to process critical information and make informed decisions to mobilise resources within seconds, maximise inter-operability between agencies and maintain situational awareness as incidents escalate.

- 7.10 Approval is required for the purchase and implementation of a new mobilising system and associated components including an Integrated Communication Control System (ICCS).
- 7.11 £1.770 million capital budget is required in 2024-25 and 2025-26 as implementation and project costs. There will also be additional annual revenue costs which have been incorporated into the medium-term revenue plan.

Relocation and Sale of the Command Development Centre (CDC):

- 7.12 The Command Learning element of CDC is due to move to WMFS Headquarters (HQ) to create a centre of excellence for all learning and development, following the successful transfer of the Trainee Firefighter Development Programme.
- 7.13 CDC also houses Secondary Fire Control (SFC), which provides resilience if the primary HQ Fire Control is unavailable, Detection, Identification and Monitoring (DIM) vehicles and equipment, which provides the ability to make an assessment on the presence of chemical, biological and radiological agents, Haz Mats equipment, to enable attendance at incidents that involve hazardous materials and Water Rescue equipment, with dedicated areas for kit during and storage.
- 7.14 It is recommended to relocate all departments and functions currently operating from CDC and release the building for sale.
- 7.15 Further investigation and stakeholder engagement is required to identify the most effective relocation sites, but it is anticipated that the move out of CDC will provide service benefits and

assist in the rationalisation of WMFS assets and reduction in ongoing maintenance costs of CDC.

- 7.16 The project is expected to take two years and cost £1.100 million, with a capital receipt expected following asset disposal.

8. TREASURY MANAGEMENT AND THE PRUDENTIAL CODE

- 8.1 In line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code, the Authority is required to have in place a Treasury Management Strategy.
- 8.2 The Treasury Management demonstrates how the Authority's treasury function will support capital decisions made as part of a four-year capital programme and the funding of the day-to-day treasury management activities and the limitations on borrowing activity through prudential and treasury indicators and limits.
- 8.3 The Minimum Revenue Provision (MRP) policy statement and key prudential indicators relating to the costs and affordability of the Authority's capital plans are reported as part of the Treasury Management Strategy Statement from Appendices E to J.
- 8.4 The report requests Authority approval for:
- a) The Borrowing and Investment Strategy for 2024-25.
 - b) The Minimum Revenue Provision Policy Statement for 2024-25.
 - c) The Prudential and Treasury Indicators for 2024-25 to 2027-28 summarised at Appendix F.
 - d) Expected new net borrowing of £5.100 million in 2024-25.

9. EQUALITY IMPACT ASSESSMENT

- 9.1 In preparing this report an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report will not lead to and/or do not relate to a policy change.

10. LEGAL IMPLICATIONS

- 10.1 In accordance with the Local Government Act 1992, local authorities in England and Wales are required to set a balanced budget for each financial year, following a specific process (as set out above). The Fire Authority is required to set its budget before 1st March each year and in advance of the start of the new financial year on 1st April. The recommendations set out at paragraph 1.1 of this report align with the Fire Authority's Constitution, the budget and precept setting processes.

11. FINANCIAL IMPLICATIONS

- 11.1 These are contained within the body of the report.

12. ENVIRONMENTAL IMPLICATIONS

- 12.1 There are no environmental implications.

13. BACKGROUND PAPERS

- Budget and Precept 2023-24 and Budget Forecast 2024-25 to 2025-26 – Authority: 13 February 2023
- Service Provided Vehicles – Authority: 26 June 2023
- Business Continuity Corporate Risk; Resilience Contracts – Audit and Risk Committee: 27 November 2023
- Portfolio Management (3PT) Q3 – Authority: 11 December 2023

14. APPENDICES

Appendix A: Council Precept 2024-25

Appendix B: Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Authority's Reserves

Appendix C: Earmarked Reserves

Appendix D: Capital Programme 2024-25 to 2027-28

Appendix E: Treasury Management Strategy Statement 2024-25

Appendix F: Prudential and Treasury Indicators

Appendix G: Economic Background

Appendix H: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Appendix I: Approved Countries for Investment

Appendix J: The Treasury Management role of the Section 151 Officer

The contact for this report is Sofia Mahmood, Section 151 Officer.

SOFIA MAHMOOD
TREASURER

Appendix A: Council Precept 2024-25

1. THAT it be noted that the Constituent West Midlands Councils have formally set their Council Tax bases for the year 2024-25 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992 as follows:

Authority	Council Tax Base 2023-24 £	Council Tax Base 2024-25 £
Birmingham	263,262.00	267,940.00
Coventry	86,075.20	87,734.00
Dudley	93,834.60	94,480.09
Sandwell	76,764.73	78,217.27
Solihull	79,168.00	79,642.00
Walsall	72,608.66	72,932.78
Wolverhampton	65,994.12	66,645.60
	737,707.31	747,591.74

2. Valuation Bands:

Band	Precept (6 dp) £	Precept (2 dp) £
A	50.132305	50.13
B	58.487689	58.49
C	66.843073	66.84
D	75.198457	75.20
E	91.909225	91.91
F	108.619993	108.62
G	125.330761	125.33
H	150.396914	150.40

3. Resultant Precepts:

Authority	Council Tax Requirement 2024-25 £
Birmingham	20,149,088
Coventry	6,597,597
Dudley	7,104,903
Sandwell	5,881,939
Solihull	5,989,078
Walsall	5,484,545
Wolverhampton	5,011,749
	56,218,899

Appendix B: Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Authority's Reserves

Introduction

Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer (or Section 151 Officer, the Head of Finance) to make a report to the Authority on the robustness of budget estimates and the adequacy of the Authority's reserves. The Authority must have regard to this report when making its decisions about budgets and council tax precepts for the forthcoming year. This is because the Authority is setting the precept before the commencement of the year and cannot increase it during the year. An understanding of the risks of increased expenditure during the year in terms of likelihood and impact is therefore important.

Robustness of Budget Estimates

The Authority's budget estimates for 2024-25, including the forecast outturn for 2023-24, have been prepared by appropriately qualified and experienced staff in consultation with budget holders. Budgets have been discussed and fully managed by the Strategic Executive Team.

The budget for 2024-25 has been constructed based upon the maintenance of an existing level of service, adjusted for known changes in 2023-24. It is considered to accurately reflect likely expenditure in 2024-25, being based on historic information, experience of expenditure in previous years and latest projections where appropriate.

The indicative budgets for 2025-26 and 2026-27 are similarly based upon the best information available at this moment in time.

The impact of the National Living Wage has been incorporated into the budget. Allowance has also been made for staff incremental progression. Inflation has been allowed based on the projected consumer price index increases and on energy budgets based on anticipated tariff increases as well as specific reviews of particularly high value spend items. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Authority as far as possible.

Net investment income of £1.000 million has been included within 2024-25 budgets. This has been based on current projections of the bank rate which are anticipated to start to reduce towards the end of 2024-25 as the Bank of England actions have started to reduce the rate of inflation. Prudent assumptions about cash flow have been made and the advice of the Authority's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2024-25 as it is considered that the Authority's overall revenue balances are sufficient to act as an overall contingency. However, robust budget monitoring arrangements will take place throughout the year and regular reporting presented to Authority.

Significant expenditure and income budgets will be monitored closely during the year. Any projected variances will be addressed in a timely manner.

I can therefore confirm that the budget estimates as presented are robust.

Adequacy of the Authority's Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances. It sets out three main purposes for which reserves are held:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities, known as earmarked reserves.

The Authority is projected to hold total reserves of £20.101 million at 31 March 2024 and £14.239 million at 31 March 2025.

The Authority also has a planned four-year capital programme which is financially sustainable based on current capital resources and a prudent assessment of future capital resources. The financial strategy includes the use of allocated reserves and revenue contributions to supplement capital resources and mitigate any borrowing

requirement; nevertheless, Prudential Borrowing to finance the Authority's capital programme will be used where there is a robust business case.

With the uncertainty of a fundamental Government review of local government finance, the medium-term outlook is very challenging and so a need to identify significant future efficiencies.

The Authority has set a policy of a minimum level of general reserves of £3.862 million. The Budget for 2024-25 has been constructed on the basis that there will be a level of general reserves to meet this requirement.

I can therefore confirm that the Authority's reserves are adequate.

Sofia Mahmood, Head of Finance and Procurement (Section 151 Officer)

Appendix C: Earmarked Reserves

Reserve	31-Mar 2023 £000	31-Mar- 2024 £000	31-Mar- 2025 £000	31-Mar- 2026 £000	31-Mar- 2027 £000	31-Mar- 2028 £000
Community Risk Reduction						
Operations						
Station/HQ Facilities	500	344	344	344	344	344
Property Maintenance	479	-	-	-	-	-
Tech Rescue	581	429	429	429	429	429
Project Management/Support	40	11	11	11	11	11
Sustainability	145	100	100	100	100	100
UK ISAR	80	50	50	50	50	50
Vehicle Chargers	26	19	19	19	19	19
Partnerships	27	23	23	23	23	23
Prevention						
Community Safety	314	389	389	389	389	389
Safeguarding Arrangements	75	-	-	-	-	-
Community Partnerships	136	129	129	129	129	129
Education Materials/Facilities	23	23	23	23	23	23
Protection						
Protection Fund Grant	202	36	36	36	36	36
Building Risk Review Programme	129	10	10	10	10	10
Project Management/Support	205	131	131	131	131	131
Fire Safety	5	-	-	-	-	-
Response, FC & Emergency						
Procurement of Operational Equip	2,475	1,394	1,394	1,394	1,394	1,394
Command Delivery	264	140	140	140	140	140
CBRN	190	110	110	110	110	110
Tech Rescue	49	53	53	53	53	53
Project Management/Support	77	-	-	-	-	-
SSRI/RIDGE	51	38	38	38	38	38
Enabling Services						
Resourcing						
Agile Working	49	36	36	36	36	36
Loss of Use Recovery	10	10	10	10	10	10
Digital & Data						
Project Management/Support	165	-	-	-	-	-
ESMCP	1,132	1,068	1,068	1,068	1,068	1,068
Enterprise Resource Planning (ERP)	512	390	390	390	390	390
Incident Reporting System (IRS)/Command	139	-	-	-	-	-
Staffing	153	47	47	47	47	47
Other Digital Transformations/Upgrades	150	742	742	742	742	742
Communications & Engagement						
Comms/Media Events	77	27	27	27	27	27
Community Engagement	6	50	50	50	50	50
People Support Services						
People Support						
Pension Admin Grant	228	190	190	190	190	190
Project Management/Support	242	86	86	86	86	86
Development & Inclusion						
Staff Training & Development	176	26	26	26	26	26
Health, Safety & Wellbeing	114	10	10	10	10	10

Reserve			31-Mar 2023 £000	31-Mar- 2024 £000	31-Mar- 2025 £000	31-Mar- 2026 £000	31-Mar- 2027 £000	31-Mar- 2028 £000
Corporate								
	Corporate Funding							
		Forecast Capital Programme Shortfall	7,406	4,762	-	-	-	-
		Inflationary Pressures	-	1,100	-	-	-	-
		Insurance Reserve	2,781	2,781	2,781	2,781	2,781	2,781
		Detriments	2,000	1,485	1,485	1,485	1,485	1,485
Total Earmarked Reserves			21,413	16,239	10,377	10,377	10,377	10,377
Total General Reserves			3,862	3,862	3,862	3,862	3,862	3,862
% Net Revenue Budget				2.9%	2.9%	2.8%	2.7%	

Appendix D: Capital Programme 2024-25 to 2027-28

	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Vehicle Replacement Programme	6,964	5,929	1,525	2,846
Boiler Replacement Programme	460	275	100	740
Rewires	177	715	624	508
Roof Replacement	237	120	90	-
Windows & Doors Replacement	327	95	-	-
Drill Tower & Burns Facility Upgrade	131	-	-	-
Service Provided Vehicles	2,600	-	-	-
Command & Control	1,600	170	-	-
CDC Relocation	500	600	-	-
Total Capital Expenditure	12,996	7,904	2,339	4,094
Capital Receipts	-	1,100	-	-
Earmarked Reserves	4,762	-	-	-
Revenue Funding	3,134	2,704	1,339	-
Borrowing	5,100	4,100	1,000	4,094
Total Financing	12,996	7,904	2,339	4,094
Funding Surplus / (Deficit)	-	-	-	-

Appendix E: Treasury Management Strategy Statement 2024-25

TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2024-25

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2. RECOMMENDATIONS

THAT the following are approved by Authority:

- a) The Borrowing and Investment Strategy for 2024-25.
- b) The Minimum Revenue Provision Policy Statement for 2024-25.
- c) The Prudential and Treasury Indicators for 2024-25 to 2027-28 summarised at Appendix F.
- d) Expected new net borrowing of £5.100 million in 2024-25.

3. INTRODUCTION

The Treasury Management Strategy Statement provides a comprehensive view of the Authority's treasury position and its projected Prudential and Treasury Indicators having taken into consideration the proposed capital programme.

3.1 Background

The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for

larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

3.2 Reporting Requirements

3.2.1 Treasury Management Reporting

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a) Prudential and treasury indicators and treasury strategy (this report).
The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators),
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time),
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators, and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed).

- b) A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

- c) An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Quarterly reports – In addition to the three major reports detailed above, from 2023-24 quarterly reporting is also required. However, these additional reports do not have to be reported to Authority but do require to be adequately scrutinised. This role will be undertaken by the Audit and Risk Committee.

3.3. Treasury Management Strategy 2024-25

The strategy for 2024-25 covers two main areas:

Capital issues:

- the capital expenditure plans and the associated prudential indicators,
- the minimum revenue provision (MRP) policy.

Treasury management issues:

- the current treasury position,
- treasury indicators which limit the treasury risk and activities of the Authority,
- prospects for interest rates,
- the borrowing strategy,
- policy on borrowing in advance of need,
- debt rescheduling,
- the investment strategy,
- creditworthiness policy, and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

3.4. Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny as part of the Audit and Risk Committee.

Furthermore, pages 47 and 48 of the Code state that they *expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance, and decision making.*

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and Authority members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- *Record attendance at training and ensure action is taken where poor attendance is identified.*
- *Prepare tailored learning plans for treasury management officers and Authority members.*
- *Require treasury management officers and Authority members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).*
- *Have regular communication with officers and Authority members, encouraging them to highlight training needs on an ongoing basis.”*

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

The required training will be scheduled for members throughout 2024-25.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained.

3.5 Treasury Management Consultants

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors and Sandwell Council for its treasury investment function.

The Authority recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

4. THE CAPITAL PRUDENTIAL INDICATORS 2024-25 – 2027-28

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

4.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts in Table 6. This also summarises how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Table 6: Capital Expenditure Forecast & Financing

	2023-24 Forecast £000	2023-24 Slippage £000		2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Expenditure	4,341	4,762		12,996	7,904	2,339	4,094
Financing:							
Capital Receipts	2,749	-		-	1,100	-	
Capital Grants	43	-		-		-	
Reserves / Revenue	1,549	4,762		7,896	2,704	1,339	-
Net financing need for the year	-	-		5,100	4,100	1,000	4,094

4.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The Authority is asked to approve the CFR projections in Table 7:

Table 7: Capital Financing Requirement

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
CFR	32,593	36,988	40,374	40,437	43,524

Movement	(677)	4,395	3,386	63	3,087
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Movement in CFR represented by					
Net financing need for the year	-	5,100	4,100	1,000	4,094
Less MRP/VRP	(677)	(705)	(714)	(937)	(1,007)
Movement in CFR	(677)	4,395	3,386	63	3,087

4.3. Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed in Table 8 are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 8: Expected Investment Balances

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Reserves	16,239	10,377	10,377	10,377	10,377
Working Capital	3,862	3,862	3,862	3,862	3,862
Expected Investments	20,101	14,239	14,239	14,239	14,239

4.4 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires Authority approval in advance of each financial year.

The Authority is recommended to approve the following MRP Statement.

For all capital expenditure the MRP policy will be:

- Asset Life Method (Option 3) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations.

This option provides for a reduction in the borrowing need over the asset's approximate life.

The Authority can set aside amounts in excess of the minimum required. A full review of the current and future MRP position will be carried out in the coming year to ensure it represents the most prudent position.

Borrowing incurred on capital expenditure in 2024-25 will not be subject to an MRP charge until 2024-25, or in the year after the asset becomes operational. The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

MRP in respect of assets acquired under Finance Leases will be charged at an amount equal to the principal element of the annual repayment.

The implementation of IFRS 16 Leases has been deferred until 2024-25. This is likely to result in operating (off-balance sheet) leases, being reclassified as finance (on-balance sheet) leases, thus increasing several prudential indicators, including MRP. These will be amended mid-year once the detailed impact is known.

5. **BORROWING**

The capital expenditure plans set out in Section 3 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital programme. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

5.1. **Current Portfolio Position**

The overall treasury management portfolio as at 31 December 2023 is shown in Table 9 for both borrowing and investments.

Table 9: Treasury Portfolio

	31 Dec-2023 £000	31-Dec-2023 %
Treasury Investments		
Money Market Funds	27,439	5.34
Bank Current Account	6,099	3.25
Fixed Term Deposits (short term)	1,946	5.62

	35,484	5.00
Treasury External Borrowing		
PWLB	28,809	5.12
Ex-WMCC Debt	456	4.18
	29,264	5.11
Net Treasury Investments / (Borrowing)	6,220	4.48

The Authority's investments are managed by Sandwell Council. These are consolidated and apportioned across the various funds alongside the Councils' investments.

The comparable benchmark for investments (overnight SONIA) was 4.89% as at 31 December 2023 and therefore the performance achieved by Sandwell Council Treasury Services are above benchmark with returns being 5.05% for the first 9 months of the year on average investment balances of £41.900 million.

The Authority's forward projections for borrowing are summarised in Table 10. £95k relates to the increase in the principal of the ex-WMCC debt, which is due to be repaid in 2025-26. Internal borrowing will always be considered before external borrowing is undertaken. Table 10 shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 10: Forecast Borrowing

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Debt at 1 April	29,677	28,541	33,690	36,702	36,942
Debt Repayment	(1,181)	-	(1,088)	(760)	(801)
New Borrowing	45	5,149	4,100	1,000	4,094
Debt at 31 March	28,541	33,690	36,702	36,942	40,235
CFR	32,593	36,988	40,374	40,437	43,524
Under / (Over) Borrowing	4,052	3,298	3,672	3,495	3,289

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its total debt does not, except in the short-term, exceed the total of the CFR in the current year plus the estimates of any additional CFR for 2024-25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Head of Finance and Procurement (Section 151 Officer) reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

5.2. Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary:

Table 11 shows the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 11: Operational Boundary

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Operational Boundary	36,000	41,000	45,000	45,000	48,000

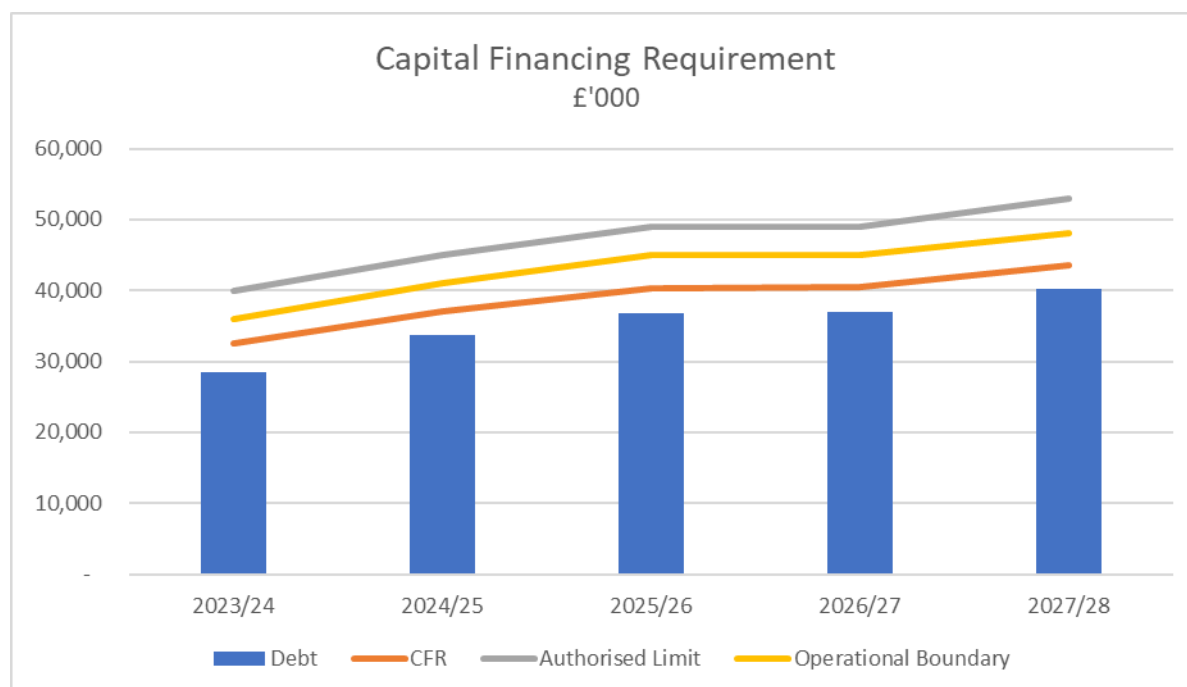
The Authorised Limit for external debt: This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Authority. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the Authorised Limit in Table 12.

Table 12: Authorised Limit

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Authorised Limit	40,000	45,000	49,000	49,000	53,000

The indicators referred to in Table 10, 11 and 12 are summarised in Graph 13.

Graph 13: Capital Financing Requirement

5.3. Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the forecasts in Table 14 on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 basis points (bps).

Table 14: Interest Rate Forecasts as at 08 January 2024

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

A summary overview of the future path of bank rate:

- Our central forecast for interest rates was previously updated on 7 November and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024 (July onwards). We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring

at least a slowdown or mild recession over the coming months (although most recent gross domestic products (GDP) releases have surprised with their on-going robustness).

- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB rates:

- The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is even.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and quantitative tightening (QT), could be too much for the markets to comfortably digest without higher yields compensating.

LINK Group forecasts:

We expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. We do not think that the MPC will increase Bank Rate above 5.25%.

Gilt yields and PWLB rates:

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Our target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out in Table 15.

Table 15: Target Borrowing Rates

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice:

Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests artificial intelligence (AI) and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed local authority (LA) to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out in Table 16.

Table 16: Suggested Budgeted Investment Rates

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

5.4. Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024-25 treasury operations. The Head of Finance and Procurement (Section 151 Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. Any decisions will be reported to Authority as required.

It is highly likely that there will be a requirement to take loan debt during 2024-25 to cover capital financing needs and cash flow requirements. Internal borrowing will always be considered in the first instance before external borrowing is undertaken, dependent on the Authority's cash position. The strategy once the external borrowing need is determined would be to acquire short-term borrowing due to the borrowing rates expected to be temporarily elevated in the short term. As borrowing rates

decrease, and as these loans mature, they would be replaced with longer dated debt at more affordable levels.

5.5 Policy on Borrowing in Advance of Need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Borrowing in advance will be made within the constraints that it will be limited to no more than 20% of the expected increase in borrowing need (CFR) over a three-year planning period.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered if premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

If rescheduling is to be undertaken, it will be reported to the Audit and Risk Committee at the earliest meeting following its action.

5.7 New Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

6. ANNUAL INVESTMENT STRATEGY

6.1. Investment Policy – Management of Risk

The Authority’s investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

The guidance from DLUHC and CIPFA places a high priority on the management of risk. The Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets.
3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. The Authority has defined the list of types of investment instruments that Sandwell Council's Treasury Management team are authorised to use. There are two lists in Appendix H under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. Non-specified and loan investment limits. The Authority has determined that it will set a limit to the maximum exposure of the total treasury management

investment portfolio to non-specified treasury management investments of 30%.

6. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in section 6.2.
7. Transaction limits are set for each type of investment in section 6.2.
8. The Authority will set a limit for its investments which are invested for longer than 365 days, (see section 6.4).
9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see section 6.3).
10. The Authority has engaged external consultants, (see paragraph 3.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in sterling.
12. As a result of the change in accounting standards for 2023-24 under IFRS 9, the Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.
13. If considering 'Property Funds' or other 'Diversified Income Funds' in the future, the Authority may look to use externally appointed fund managers.

The Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see section 6.5). Regular monitoring of investment performance will be carried out during the year.

6.2. Creditworthiness Policy

The Authority applies the creditworthiness service provided by the Link Group via Sandwell Council. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

1. “watches” and “outlooks” from credit rating agencies,
2. CDS spreads that may give early warning of changes in credit ratings,
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands:

Yellow	5 years*
Dark pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
Light pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency’s ratings.

Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings are monitored weekly as a minimum. However, Sandwell Council, acting on behalf of the Authority are alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service as and when they occur so adjustments to the counterparty list would be made at each event.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority’s minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings Sandwell Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme

market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, Sandwell Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Institution Financial Limit	Time Limit
Banks/ Building Societies *	Yellow	£20m	5 yrs
Banks/ Building Societies	Purple	£20m	2 yrs
Banks/ Building Societies	Orange	£20m	1 yr
Banks – part nationalised	Blue	£20m	1 yr
Banks/ Building Societies	Red	£15m	6 mths
Banks/ Building Societies	Green	£10m	100 days
Banks/ Building Societies	No Colour	Not to be used	
Limit 3 category – Authority's banker (where "No Colour")	n/a	£5m	1 day
DMADF	UK sovereign rating	unlimited	6 months
Local authorities	n/a	£10m	5 yrs
Housing associations	Colour bands	£5m	As per colour band
	Fund rating**	Institution Financial Limit	Time Limit
Money Market Funds CNAV	AAA	£20m	liquid
Money Market Funds LVNAV	AAA	£20m	liquid
Money Market Funds VNAV	AAA	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	£10m	liquid

* The yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.

** "Fund ratings" are different to individual counterparty ratings, coming under either specific "MMF" or "Band Fund" rating criteria.

In addition to the above counterparty selection criteria where credit ratings have been issued, the Sandwell Council will also include a number of other non-rated organisations where investments may be placed for service or strategic purposes. These will be classified as Non-Specified investments and details of those counterparties are included in Appendix H to this report.

Creditworthiness

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

CDS prices

Although bank credit default swaps (CDS) prices, (these are market indicators of credit risk), spiked upwards during the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

6.3. Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) Non-specified treasury management investment limit. The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 30% of the total treasury management investment portfolio.
- b) Country limit. The Authority has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix I. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition:

- no more than 25% will be placed with any non-UK country at any time,
- limits in place above will apply to a group of companies,
- sector limits will be monitored regularly for appropriateness.

6.4. Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while cash balances are required in order to manage daily cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations

The current forecast shown in paragraph 5.3, includes a forecast for Bank Rate to have peaked at 5.25% in Q4 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as detailed in Table 16.

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Authority is asked to approve the following treasury indicator and limits in Table 17:

Table 17: Investment Treasury Indicator

	2024-25	2025-26	2026-27
Principal sums invested for longer than 365 days	£15m	£15m	£15m

As of 31 December 2023 no treasury investments were for periods greater than 365 days.

6.5. Investment Risk Benchmarking

The Authority will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA.

6.6. End of Year Investment Report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

Money Market Funds

A large proportion of the Authority's funds are currently managed on a discretionary / pooled basis by the following institutions:

- Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund (Class 1)
- Aviva Investors Sterling Liquidity Fund (Class 3)
- BlackRock Institutional Sterling Liquidity Fund (Heritage)
- BNP Paribas Insticash Sterling (Institutional)
- CCLA – The Public Sector Deposit Fund (Class 4)
- Federated Short-Term Sterling Prime Fund (Class 3)
- Fidelity Institutional Liquidity Sterling Fund (Class A)
- Invesco Sterling Liquidity Portfolio (Institutional)
- Goldman Sachs Sterling Liquid Reserves (Institutional)

The Authority fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund managers. In order to aid this assessment, Sandwell Council are provided with a suite of regular reporting from its managers via both the Institutional Cash Distributions (ICD) Portal and the fund managers themselves.

6.7. External Fund Managers

The Authority's funds are externally managed by Sandwell Council.

The Authority's external fund manager will comply with the Annual Investment Strategy. The agreement between the Authority and the fund manager additionally stipulate guidelines on duration and other limits in order to contain and control risk.

The Authority fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager. In order to aid this assessment, the Authority is provided with regular reporting from its manager and will meet with representatives as required.

7. APPENDICES

- F. Prudential and Treasury Indicators
- G. Economic Background
- H. Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management
- I. Approved Countries for Investment
- J. The Treasury Management role of the Section 151 Officer

Appendix F: Prudential and Treasury Indicators

The Authority's capital expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1. The forecast capital expenditure for 2023-24 and estimates for future years recommended for approval are:

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Expenditure	4,341	12,996	7,904	2,339	4,094

Prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators:

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Ratio	2.14%	2.04%	2.21%	2.08%	2.32%

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs) against the net revenue stream.

3. The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
CFR	32,593	36,988	40,374	40,437	43,524

4. The Operational Boundary is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Operational Boundary	36,000	41,000	45,000	45,000	48,000

5. The Authorised Limit for external debt represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Authority. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

	2023-24 Forecast £000	2024-25 Estimate £000	2025-26 Estimate £000	2026-27 Estimate £000	2027-28 Estimate £000
Authorised Limit	40,000	45,000	49,000	49,000	53,000

6. Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Authority is asked to approve the following treasury indicators and limits.

Maturity structure of fixed interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	25%
5 years to 10 years	0%	50%
10 years and above	0%	90%
Maturity structure of variable interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	25%
5 years to 10 years	0%	50%
10 years and above	0%	90%

The limits for under 12 months and up to 2 years have been increased from 2023/24 limits to allow for short term fixed rate debt to be taken during this current period of high interest borrowing rates. This will allow the Authority to refinance for longer periods (subject to interest rates having fallen to acceptable levels) at the time of maturity.

Appendix G: Economic Background

The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).

The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.

The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017 million in July to 0.989 million in August suggests that the labour market

has loosened a bit further since July. That is the first time it has fallen below 1 million since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.

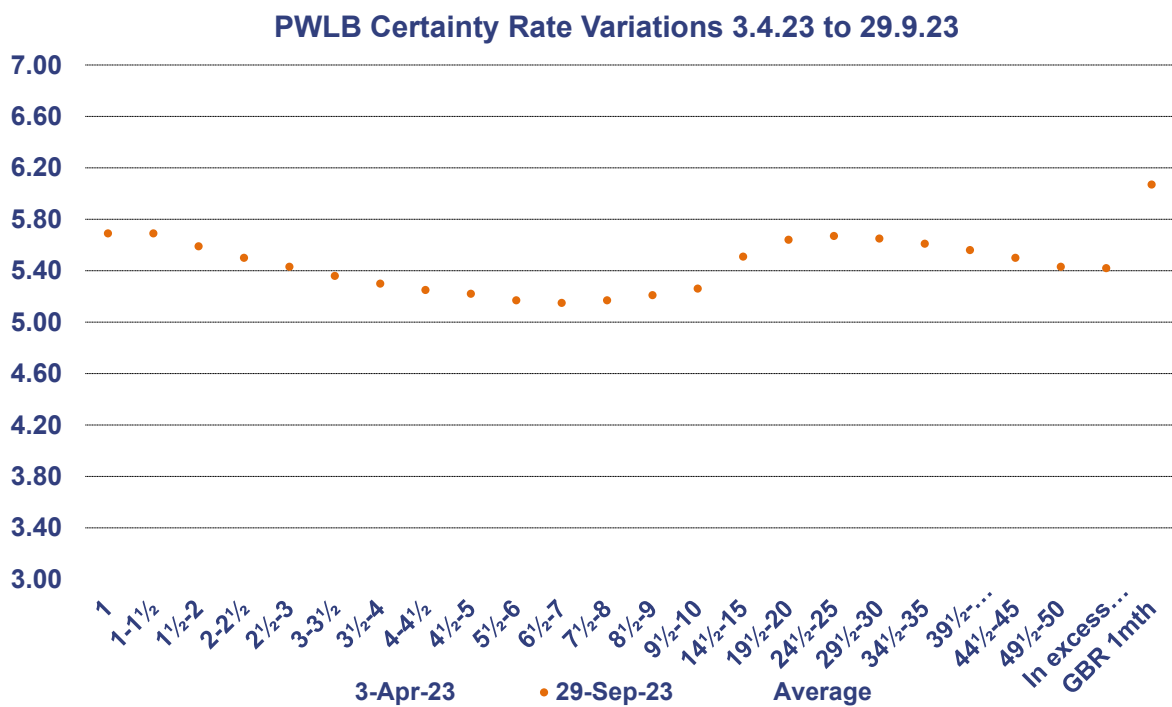
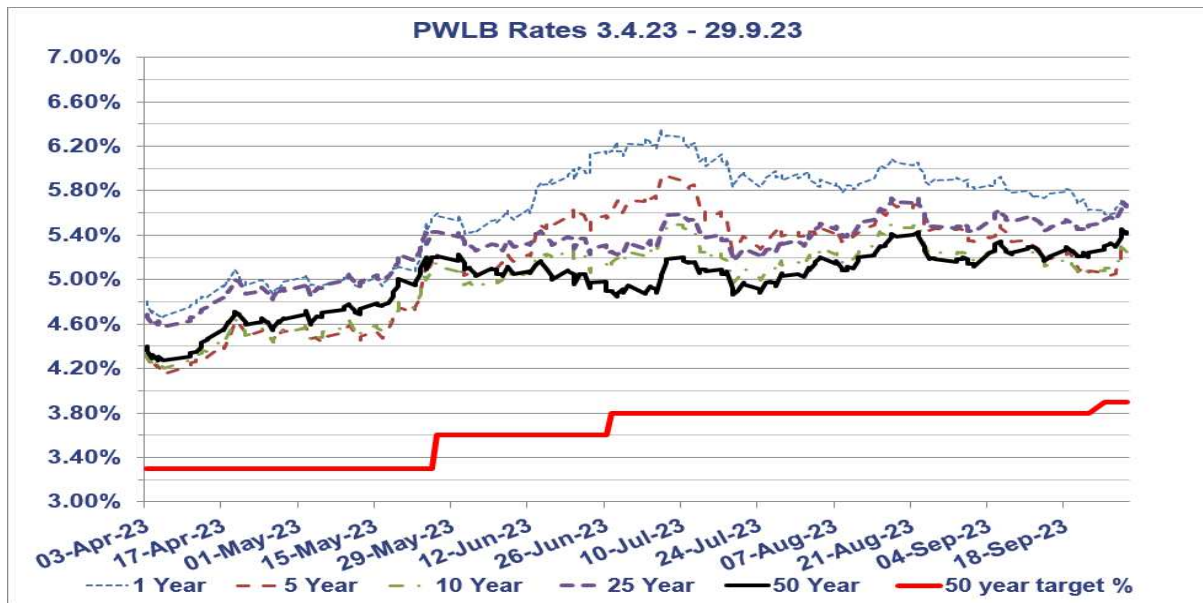
In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.

Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Appendix H: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Specified Investments: All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum ‘high’ quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

Non-Specified Investments: These are any investments which do not meet the specified investment criteria. A maximum of 30% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to ‘high’ rated institutions or investment vehicles that could be classified as either Specified Investments or Non-Specified Investments (i.e. where maturities are more than 12 month) are detailed in the table below:

	Minimum credit criteria / colour band	Max % of total investments / £ limit per institution	Max. maturity period **
DMADF – UK Government	Yellow	100%	6 months (max. is set by the DMO *)
UK Gilts	Yellow	£10m	5 years
UK Treasury Bills	Yellow	£10m	364 days (max. is set by the DMO*)
Bonds issued by multilateral development banks	Yellow	20% / £10m	5 years
Money Market Funds CNAV	AAA	100%/ £20m	Liquid
Money Market Funds LNAV	AAA	100%/ £20m	Liquid
Money Market Funds VNAV	AAA	50%/ £10m	Liquid

	Minimum credit criteria / colour band	Max % of total investments / £ limit per institution	Max. maturity period **
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	50% / £10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	50% / £10m	Liquid
Local Authorities	Yellow	100% / £10m	5 years
Term Deposits with Housing Associations	Blue Orange Red Green No Colour	75% / £10m	12 months 12 months 6 months 100 days Not for use
Term Deposits with Banks and Building Societies	Blue Orange Red Green No Colour	75% / £20m	12 months 12 months 6 months 100 days Not for use
CDs or Corporate Bonds with Banks and Building Societies	Blue Orange Red Green No Colour	75% / £10m	12 months 12 months 6 months 100 days Not for use
Gilt Funds	UK sovereign rating	£10m	

* DMO is the Debt Management Office of HM Treasury

** maturities within 12 months would be deemed Specified Investments. All other periods would be classified as Non-Specified Investments.

The table below lists counterparties and limits for non-rated institutions that would be deemed Non-Specified Investments regardless of time until maturity.

Non-Specified Investment Category	Limit
Sandwell Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimized as far as is possible.	£15m
Building Schools for the Future Local Education Partnership. Whilst this is not a usual investment counterparty, Sandwell Council is likely to invest a small amount as part of the wider Building Schools for the Future project.	£1m
Sandwell Inspired Partnership Services. Whilst this is not a usual investment counterparty, Sandwell Council is likely to invest a small amount for the organisation to be use as working capital in its infancy.	£1.5m
Bond funds. Sandwell Council will seek further advice on the appropriateness and associated risks with investments in these categories.	£10m
Property funds the use of these instruments can be deemed to be capital expenditure and as such will be an application (spending) of capital resources. Sandwell Council will seek guidance on the status of any fund it may consider using.	£10m

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by Sandwell Council on behalf of the Authority. To ensure that the Authority is protected from any adverse revenue implications, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Appendix I: Approved Countries for Investment

This list is based on those countries which have sovereign ratings of AA- or higher as at 19 December 2023, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

Although this list includes all countries that have a credit rating above the approved minimum rating, ethical considerations will also be taken into account before a country is included in the final approved list.

Appendix J: The Treasury Management role of the Section 151 Officer

The Section 151 officer is responsible for:

- recommending clauses, Treasury Management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 7

19TH FEBRUARY 2024

1. **COMMUNITY RISK MANAGEMENT PLAN - CONTENT**

Report of the Deputy Chief Fire Officer

RECOMMENDED

THAT Fire Authority members approve the content of the Community Risk Management Plan (CRMP) as outlines in Appendix 1 of this report.

2. **PURPOSE OF REPORT**

- 2.1. To inform members of the upcoming CRMP publication in April 2024.
- 2.2. To inform members of the suggested content for the CRMP document and enable opportunity for feedback.

3. **BACKGROUND**

- 3.1. In line with the National Fire and Rescue Framework for England, each fire and rescue authority are required to produce a Community Risk Management Plan (previously called an Integrated Risk Management Plan). West Midlands Fire and Rescue Authority (WMFRA) must therefore produce a 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 authority;
 - 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, through authorities working either individually or collectively, in a way that makes best use of available resources;
 - outline required service delivery outcomes including the allocation of resources for the mitigation of risks;

- set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;
- 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 this Framework;
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
- be easily accessible and publicly available.

3.2. The CRMP content (Appendix 1) meets these requirements by detailing:

- What Community Risk Management is and our approach
- An overview of the West Midlands Conurbation to provide context for the document
- An overview of our understanding of risk, including;
 - demonstrating our understanding our communities and the links between health, vulnerability and increased risk to fire and other emergencies
 - how we use data and business intelligence to ensure an evidence based and intelligence driven approach throughout our community risk management planning process
 - how we identify trends, use research and use our Organisational Intelligence function to support our understanding of risk and identify future development opportunities in how we allocate resources and target risk mitigation interventions
 - our use of international, national and local risk registers to help identify key risks and proportionally plan to mitigate risks within our community
 - our analysis of the external environment and how this may impact the delivery of our services. This includes horizon scanning and looking beyond the 3-year CRMP cycle.
- An overview of new and emerging risk themes identified through our continual analysis of risk, including business continuity and resilience, emerging technologies, cost of living crisis and the drive for sustainability.

- The document then focuses on how we use our resources to effectively manage risk, with sections on Prevention, Protection, Response and People which cover what we currently do to manage risk effectively, how we are continually improving in each area and also consultation results and our commitments as a result.
- 3.3. The CRMP must reflect effective consultation, therefore, consultation results across the five themes of Prevention, Protection, Response, People and Sustainability will be included throughout, with associated commitments we will be making as a result.
- 3.4. The CRMP document will be published in April 2024 and will be available and accessible via our website. Corporate Communications will be developing the content to ensure it is easily understandable and engaging for our staff and communities.
- 3.5. It is important to note that although our CRMP will be a public facing document, it is a technical document and the content will reflect this. The target audience being the Fire Authority, our partners, other Fire and Rescue Services, and informed members of the public.

4. **EQUALITY IMPACT ASSESSMENT**

A full Equality Impact Assessment will be completed to ensure the CRMP document is accessible. Each associated project or intervention will go through the Equality Impact Assessment process separately in line with WMFS policy.

5. **LEGAL IMPLICATIONS**

The CRMP document within Appendix 1, meets the Authority's requirements under the National Fire and Rescue Framework for England 2012.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications to the approval of recommendations in this report, however the risks identified do determine how Authority funding is allocated.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no direct environmental implications to the approval of recommendations in this report.

BACKGROUND PAPERS

- [Fire and Rescue National Framework for England, 2018](#)
- [Community Risk Management Planning Fire Standard](#)
- [NFCC Community Risk Programme](#)

The contact for this report is Hannah Spencer, CRMP Co-Ordinator – Hannah.Spencer@wmfs.net

JO BOWCOCK
DEPUTY CHIEF FIRE OFFICER

APPENDIX 1

Community Risk Management Plan

Introduction

What is a Community Risk Management Plan?

Our Community Risk Management Plan (CRMP) sets out how we plan to mitigate foreseeable fire-and-rescue-related risk using available, but finite, resources. Resources include people, skills, money, buildings, infrastructure, equipment and data.

The National Fire and Rescue Framework 2018 requires all Fire and Rescue Services (FRS) to produce a Community Risk Management Plan (CRMP) that:

- Reflects up to date risk analyses of all foreseeable fire and rescue related risks
- Demonstrates how response, prevention and protection activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, in a way that makes best use of available resources;
- Outline required service delivery outcomes including the allocation of resources for the mitigation of risks;
- Set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005.
- Cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority can deliver the requirements set out in the framework
- Reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners;
- Is easily accessible and publicly available.

In addition to this, we also know that the best way to keep our communities safe is to ensure that our decision making is based on sound evidence base and effective risk analysis as well as feedback from our communities through our rigorous and inclusive consultation process. Our CRMP is the process through which we review our understanding of risk and identify opportunities to continually evolve and adapt our approach to meet the everchanging needs of our communities. This understanding of risk is the foundation of our strategy and it informs everything we do.

As outlined in the duties placed on us under the National Fire and Rescue Framework, a key element of our CRMP journey is effective consultation with our communities, workforce, and our partners. In July to September 2023, we launched our CRMP consultation campaign, this saw over 5,600 people share their views on key themes across prevention, protection, response, sustainability and our people. Within this document you will find an overview of the outcomes from our consultation and our commitments to you as a result.

Our Approach

Our research and data help us understand who's most at risk from fire and other incidents, and when and where they happen. This data also helps us to identify opportunities to improve, use our resources more effectively and efficiently to help those who need it most.

But there's a lot more to consider- things like climate change, building and infrastructure developments, technology, world events, changes in health, social or economic issues. These all shape the risks our communities face now and are likely to face in the future.

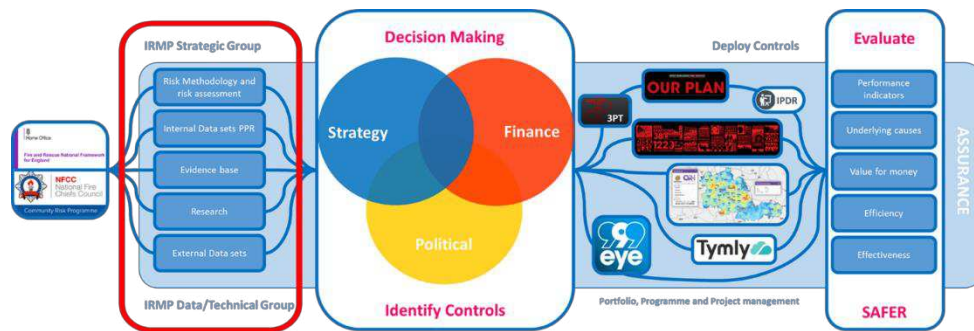
We use the [NFCC Community Risk Management Planning strategic framework](#) to shape and inform our approach. This includes:

- Defining scope - we are seeking to identify, assess and effectively manage foreseeable risks facing our communities.
- Hazard identification – we use risk registers, incident data and horizon scanning to build a picture of foreseeable hazards that may impact our communities.
- Risk analysis – we determine the level of risk an identified hazard may have, this is done by considering the likelihood and the consequences of the hazard occurring.
- Decision making – CRMP based decisions are made to ensure control measures are in place to prevent or mitigate identified risks.
- Evaluation – we must then understand if the CRMP is achieving the desired outcome, we therefore carry out monitoring and evaluation of all risk management decisions to determine their effectiveness.
- Data and business intelligence – we use data to support all elements of the CRMP process, to support evidenced based and intelligence driven decisions.
- Stakeholder and public engagement – how we manage risk directly impacts our community and stakeholders, it is therefore key to be transparent and seek feedback and raise awareness of our CRMP process with our communities. We carry out extensive public, partner and staff consultations at least every 3 years.
- Equality impact assessments – how we manage risk within the community must be fair, support equality and not discriminate. We therefore complete equality impact assessments throughout all relevant steps of the CRMP process, from public consultation to risk management decisions and control measures.

Building on this and other best practice to shape our own methodology, we have developed the following CRMP principles:

1. To continue to evolve our delivery of risk-based services aligned to the needs of local communities
2. To create opportunities and make the best use of our resources to effectively manage changing risk
3. To sustain our delivery of risk-based services to local communities
4. Maintain and enhance our 'outstanding' response services
5. To enable sustainable and resilient services for now and the future
6. Maintain and expand our offer to partners and communities, delivering services which are in the communities interest.
7. Manage Health and Safety considerations within existing arrangements, ensuring safe systems of work
8. Deliver the most effective CRMP working with our staff

The CRMP 'Jet engine', this captures and summaries the process we follow, placing a key emphasis on the review of risk that informs everything we do:



Throughout this process we:

- Use **data** going back several years to understand and model which sections of our communities are most at risk from fire and other incidents.
- work out where certain types of incidents happen most across the west midlands, to **map** out where we locate our resources and where to focus our prevention and protection activities.
- monitor trends in the types of incidents we attend, and when and where they happen. This data helps us to spot potential opportunities to adapt our services, to allocate resources differently and to focus our interventions.
- keep up to date with studies and **research** taking place around the world and commission our own. We apply our professional judgement and incorporate relevant findings into our own planning.
- keep a close eye on many **external factors** which might affect or influence how we deliver our strategy. These include social issues, technology, politics, the economy and environmental issues, as well as legal and ethical considerations.
- undertake **future forecasting**, this helps us to look beyond our three-year planning cycle. For example, how might the population grow and change? What are the emerging social or health issues? And what can we learn from global risks, such as climate change or pandemics, or from unprecedented events and international emergencies?
- use tried and tested industry standard **risk management tools** to inform our decision making throughout
- **constantly assess** whether the measures we have in place match events and incidents to which we're likely to respond. Are we targeting our prevention activities where we need to? And, if the worst does happen, are our response arrangements and resources appropriate? This process allows us to identify any potential gaps and future development opportunities.

This document, our CRMP, will outline our approach to community risk management planning, provide an overview of the key evidence and data sets that we have considered when assessing risk, how this informs our approach, and the commitments we will make to continual improvement in the delivery of our strategy based upon our ever-evolving understanding of risk.

West Midlands Fire Service

West Midlands Fire Service is the second largest fire and rescue service in England, serving an area of 902km² and a population of over 2.9 million people.

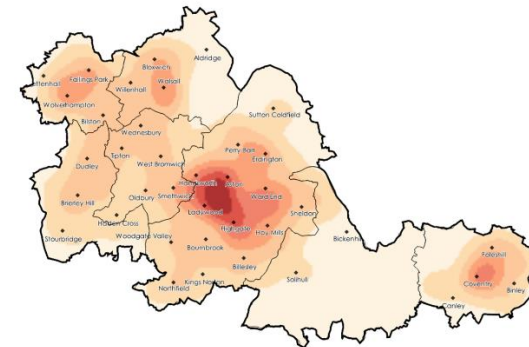
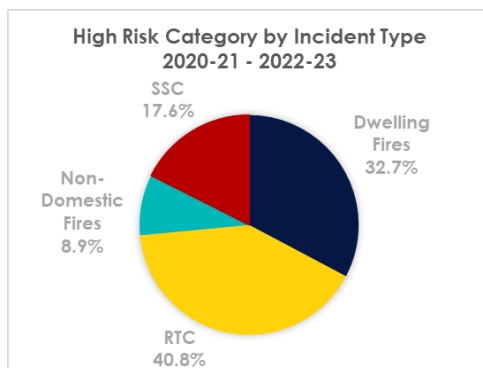
We have 38 fire stations situated strategically across the West Midlands, as well as our Headquarters based in Birmingham. These are staffed by over 1,350 firefighters and officers, supported by over 60 fire control staff and around 400 specialist support staff.

We make use of a range of different vehicles and specialist equipment to ensure we are able to respond to emergencies, including 41 Fire Engines (PRLs), 19 Brigade Response Vehicles and several specialist vehicles such as Hydraulic Platforms.

We respond to much more than just fires, with rescues, road traffic collisions and other emergencies now making up a bigger proportion of our responses than fires.

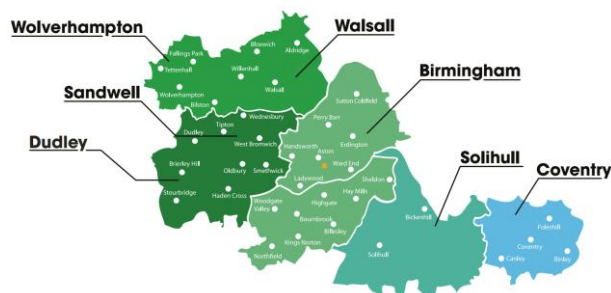
Summary infographic to contain:

- 38 fire stations
- Over 1,800 staff (1380 operational, 416 support staff, 62 Fire control)
- Incident data breakdown (pie chart below)
- Safe and well & Safe and strong
- Highrise buildings (18m)
- Average response time
- Strategic hotspot (map below)



About the West Midlands Conurbation

We serve one of the most diverse and multi-cultural communities in the country, spread across seven local authorities – Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.



Our region contains some of the most deprived communities anywhere in the country, where socio-economic and health factors mean the risk of fire and other emergencies is particularly high. At the same time our major urban centres and industrial areas contain some of the highest risk infrastructure in the UK. There are over 1,190,900 homes and 101,000 non-domestic properties within the West Midlands, these could be workplaces or commercial buildings.

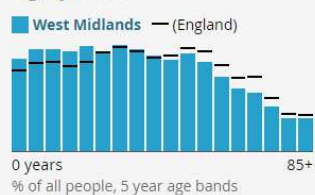
Infographic to contain:

- [ONS](#) images below
- 7 local authority areas – Birmingham, Wolverhampton, Sandwell, Dudley, Coventry, Walsall, Solihull
- Over 2.9 million people
- Neighbouring brigades - Hereford and Worcester FRS, Staffordshire FRS, Warwickshire FRS and Shropshire
- Birmingham has the highest population density in the West Midlands and Solihull has the lowest
- The West Midlands population is more ethnically diverse than that of England
- The West Midlands is the fastest-growing tech economy in the UK
- Six higher education institutions - four ranked among the best in the world
- 132,000 students studying core subjects at West Midlands universities,
- 1 international airport
- 1,478,700 vehicles registered in the West Midlands
- Health
 - Most areas in the West Midlands have a greater level of socioeconomic deprivation than the national average
 - Almost 1 in 5 people in the West Midlands Metropolitan area has a limiting or long-term illness or disability. This is higher than England overall.
 - People in the West Midlands are more likely to smoke, drink too much alcohol, be overweight or obese, and be physically inactive.
 - Inequalities are particularly high among urban and industrial communities
 - COVID-19 pandemic has exacerbated existing inequalities in both risk factors and outcomes.
 - Overall smoking prevalence in the West Midlands continues to decline.

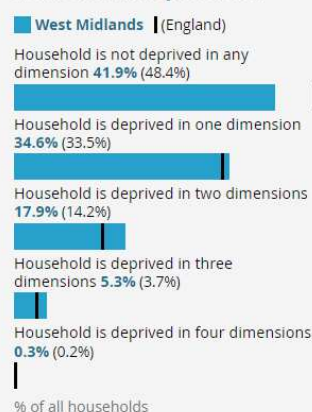
Area map



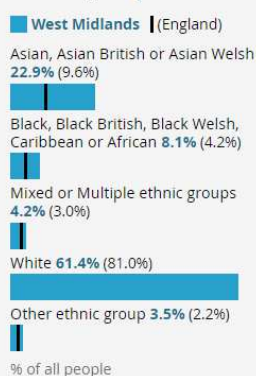
Age profile



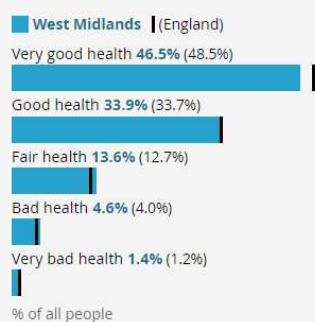
Household deprivation



Ethnic group



General health



Economic activity status



Our understanding of risk

We need to consistently evolve and adapt to meet the ever-changing needs of our communities, therefore the most important element of our CRMP process is the reviewing and understanding the risk. Our risk analysis process is fully integrated within our strategic and resource planning to ensure key priorities are informed and driven by evidence. This understanding allows the Service to adopt suitable methodologies to identify, assess and profile risk and vulnerability against the population. Following this we address the risk within different sections of society by employing a range of risk reduction measures which are proportionate and tailored to the needs of the individuals and groups targeted. The level of support we offer to individuals and businesses is driven by the presence of known factors which increase vulnerability, with greater prevention and protection measures being offered to those who we can evidence are at a greater risk of fire and other emergencies. All of this will help to create a West Midlands that is Safer, Stronger and Healthier.

There are a number of methods and tools we use within this stage of our CRMP process to continually increase our knowledge of risk and build an evidence base, some of which are detailed below.

Understanding our communities

To help understand risk within the West Midlands and identify those who are most vulnerable from fire and other risks we need to understand our communities. The conditions in which we were born, grow, live, work and age impact our physical and mental health ([WMCA, 2020](#)). It is important to understand the underlying causes of poor health and inequalities (the 'causes of the causes'). These could include getting a good start in life, educational attainment, our jobs and incomes, our homes and where we live, our friendships and sense of purpose and belonging. These wider determinants of health have been shown to be the main drivers of health inequalities which in turn have led to some communities being more badly affected by risks, such as Covid-19.

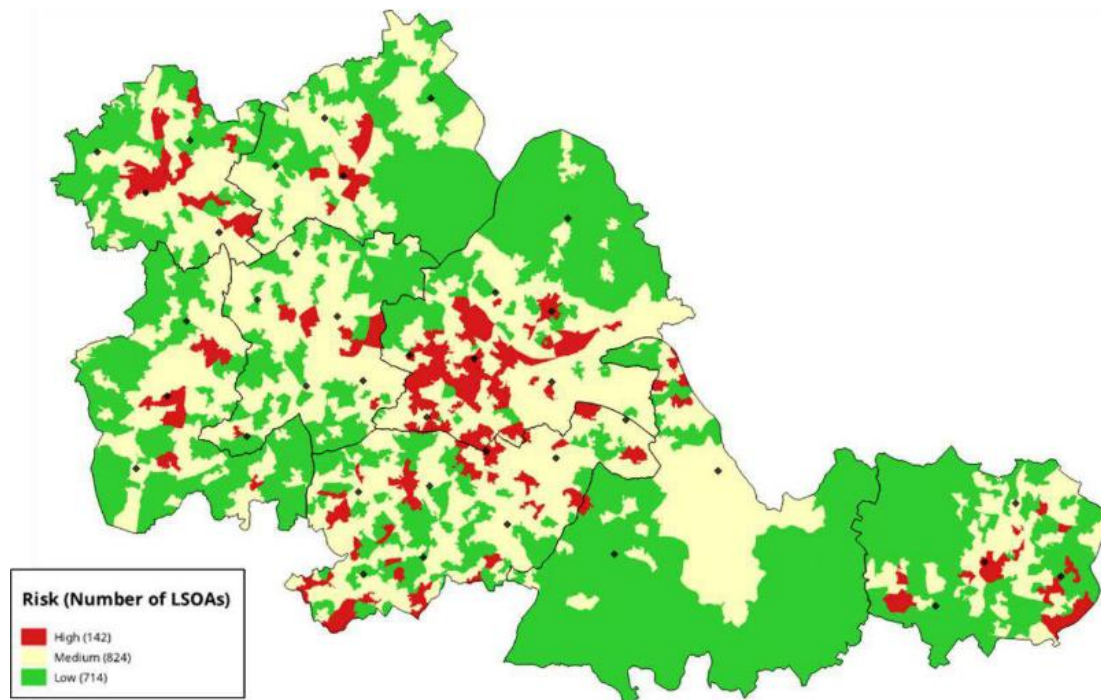
Understanding vulnerability and the 'causes of the cause' can therefore help to determine the level of risk which exists. This includes looking at historic incident data alongside a range of other people and place datasets to identify characteristics present within our communities that have the strongest relationship with an incident occurring.

We know there is a significant overlap between the health inequalities and social determinants that reduce life expectancy and those that increase risk and vulnerability to fires and other emergencies. We consider key factors including age, income, employment status, health deprivation and education in line with the [indices of multiple deprivation](#), which measures relative levels of deprivation of small areas or neighbourhoods. We can then map this to predict where our highest through to the lowest risk areas in our communities exist. This helps us to understand whether our resources are in the right place and where to target our prevention, protection and response activities.

Greater prevention measures are then offered to those who we can evidence are at a greater risk of fire and other emergencies. This approach enables risk control measures to be effectively targeted at the right people and will have the maximum effect in reducing the vulnerability and risk present.

We determine high, medium and low risk areas of the West Midlands through Area Risk Mapping (ARM) based on the Indices of Multiple Deprivation and census variables which we can evidence contribute to the level of vulnerability and risk. This forms part of our planning

assumptions when determining the highest risk communities in certain areas of the West Midlands which allows us to put in place suitable prevention and protection measures in these areas to reduce the risk. We also use incident data alongside this to ensure the ARM is validated through using real incident data such as fire deaths and injuries.



Data and business intelligence

Data and business intelligence is utilised to ensure decision making throughout the community risk management planning process is evidence based and intelligence driven. Our data team provide data analysis, modelling, mapping and research. We use extensive data sets, both internal and external to help continually assess and inform our understanding of risk and use our resources effectively. Our [Risk Explorer](#) tool let you interact with some of the key data we use to develop our CRMP. Users simply need to enter a West Midlands postcode to access several of the data sets we use to analyse and manage risks where they live or work.

We have adopted risk analysis methodologies and learning from the NFCC definition of risk project which formulated evidence based and consistent national risk methodologies for assessing and understanding community risk, including [domestic dwelling fires](#) and [road traffic collisions](#).

1/2 page infographic summaries of our key risks and analysis - what is the risk/who is at risk/significant changes. In development with Corporate Comms from the below data analyst reports (links included)]



Identify trends

Through our strategic risk analyses, incident reports and performance dashboards [consider link to public performance dashboard] we are able to identify annual and temporal trends in all incidents reported to WMFS. This enables us to identify potential opportunities within the data which may suggest future development opportunities in how we allocate resources and well as target interventions that will assist in risk mitigation.

Our strategic risk analysis helps us to identify annual and temporal trends in all incidents reported to West Midlands Fire Service as well as trends across different incident types, including peaks in activity. Strategic risk analysis summary infographic to be included.

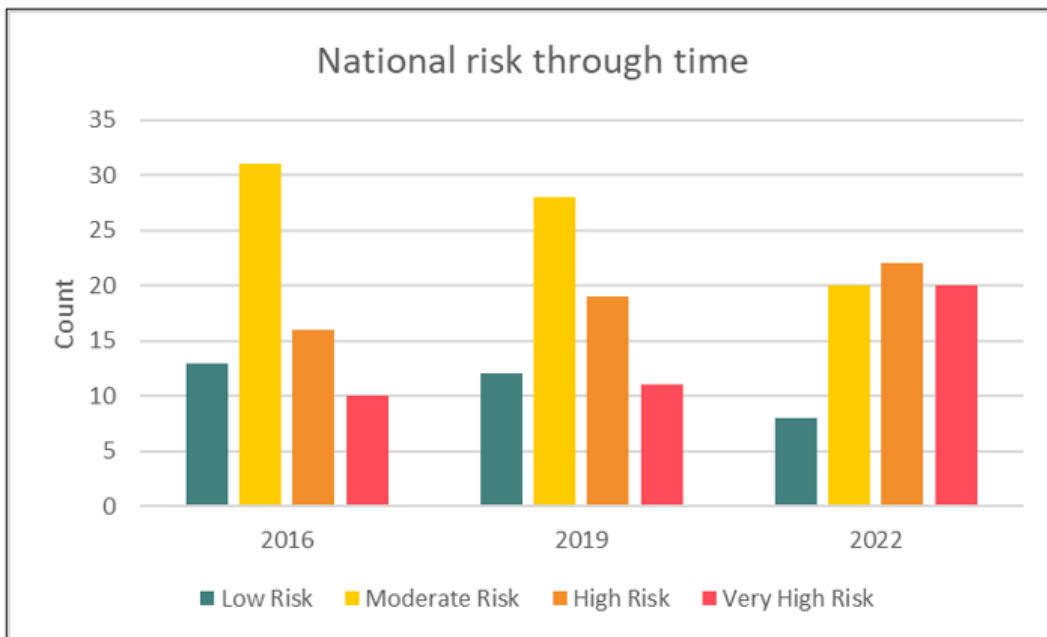
Risk Registers

We use local, national and international risk registers and reports to help identify key emerging risks, assess capability, identify emerging themes and prioritise resources, risk preparation and mitigation. These documents include the local [West Midlands Local Risk Assessment](#), The [National Risk Register](#) and the [Global Risk Report](#).

The National Risk Register is a key component of the UK's emergency preparedness framework. By identifying, assessing, and prioritising risk over time, the NSRA highlights potential hazards ranging from natural hazards, such as wildfires and floods, to man-made incidents like industrial fires or terror-related events.

Drawing from historical incidents, expert opinions, and predictive simulations, the risk register provides insights to enhance strategic planning, resource allocation, and operational readiness. This ensures that we are proactive in our training, equipment, and preparedness efforts to address the most likely and impactful threats identified in the assessment. Risks are often represented using a colour-coded system, indicating their severity based on a

combination of likelihood and impact. A risk's likelihood identifies the probability of its occurrence, while its impact describes the potential consequences. The severity of national risk is intensifying, transitioning from Low and Medium levels to High and Very High categories, as shown in the bar chart below.



The purpose of the risk assessment process is to identify, analyse and evaluate risk in order to inform how we need to plan and prepare. A crucial element of the risk management process is to carry out a capability assessment to understand if there any capability gaps in preparing for or responding to the identified risks. We do this with multi-agency partners as part of the Local Resilience Forum risk assessment group, as well as internally for more fire specific risks.

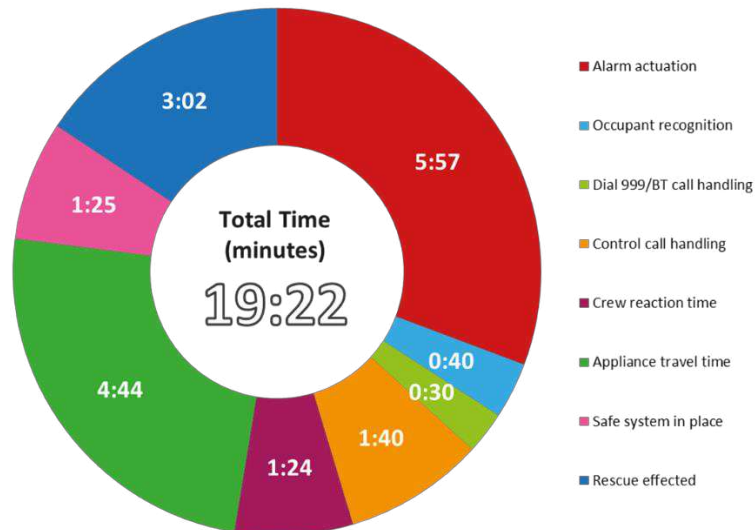
Research

We seek to compliment findings from our analysis with credible research. This includes conducting a literature review of academic work to understand the research which exists globally across the world in relation to community risk. This, along with professional judgement, will be applied to research findings which will be incorporated into CRMP where appropriate.

Research on survivability has highlighted the importance of responding to high-risk incidents in a timely manner. We have been able to put this research alongside our own data to determine that a 5-minute attendance time is critical to the likelihood of survival in a fire, or any incident where significant trauma has been incurred. This is reflected in our service delivery model and 5-minute risk-based attendance standard for high-risk incidents.

The 'Fire and Rescue Timeline' is detailed below and explains the different elements of an incident, and on average, the timeframe for each, from fire alarms actuating to dialling 999 and crews being mobilised and travelling to the incident.

[Corporate comms 4 - Insert simple visual explanation of the fire and rescue timeframe based on the below]



5min text

External environment

In developing our CRMP it is important we have a good understanding of the external environment and how this may influence our impact on WMFS and the delivery of our strategy. Within this element we consider the social, technological, economic, environmental, political, legal and ethical factors that may impact on, or present opportunities within the CRMP process. [Corporate Comms 5]

Area	Detail
Political	<ul style="list-style-type: none"> Local and National Elections Fire Reform White Paper WMCA/PCC WMCA Trailblazer Devolution Deal Grenfell Inquiry Phase 2 Recommendations Manchester Arena Bombings Inquiry Recommendations
Environmental	<ul style="list-style-type: none"> Climate Change (Including CCC Risk Assessments) Environment Act 2021 (and Office for Environmental Protection) WMCA Net Zero Five Year Plan and 2041 Target WMCA Air Quality Framework and Implementation Plan National Flood and Coastal Erosion Risk Management Strategy for England
Social	<ul style="list-style-type: none"> Ageing Population Health Inequalities Cost of Living Crisis HMICFRS Spotlight Report on Culture and Values
Technological	<ul style="list-style-type: none"> AI National Data Strategy Electric vehicles/Lithium-Ion Batteries Modern Methods of Construction
Legal	<ul style="list-style-type: none"> Fire Safety Act Levelling Up and Regeneration Act Procurement Act

	<ul style="list-style-type: none"> • Serious Violence Duty • Minimum Service Level Act • Independent Public Advocate (Victims and Prisoners Bill) • Social Housing (Regulation) Act and Renters (Reform) Bill
Economic	<ul style="list-style-type: none"> • Future Local Government Financial Settlements • Inflation and recession/slow economic growth • Overall Public Spending Impacts • Birmingham City Council S114

Organisational Intelligence

We make sure we capture and share learning, both internally, and nationally to enable continuous improvement in service delivery. We continually debrief incidents and policies and identify organisational themes at the earliest opportunity and adapt proactively to ensure we act on learning identified. This helps us to effectively manage emerging risks and keep our staff safe.

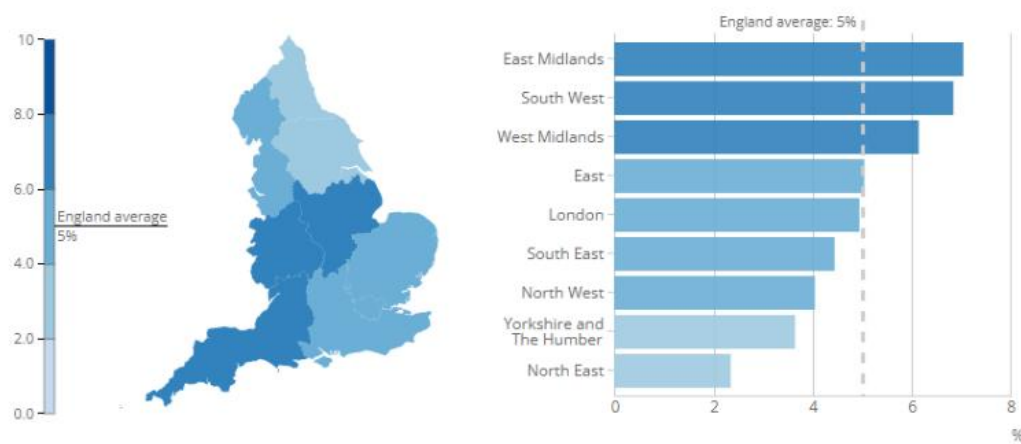
A recent example of this is intelligence gathered in relation to an increase in lithium-ion battery incidents. This information was gathered from our staff, as well as from national learning and meant we were able to gain a better understanding of the risk and develop training for our staff and educational resources for the public to help mitigate this risk.

Horizon Scanning and Forecasting

In this section we look beyond our three-year planning cycle to understand the potential future requirements of our CRMP. This includes understanding the population demographics, social, economic and health conditions along with analysis of attendance. In addition, we consider longer term risks where we may experience increasing impacts in the future, such as climate change.

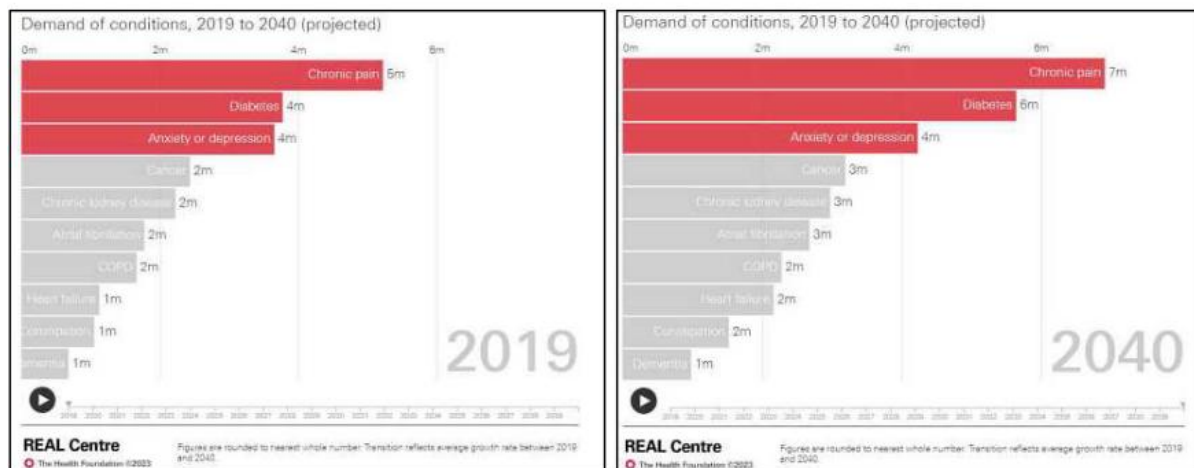
[climate change – weather report]

For example, ONS projections show the populations of all regions within England are projected to grow by mid-2028. All regions are projected to have a greater proportion of people aged 65 years and over by mid-2028. The West Midlands region is in the top 3 highest projected population changes, with a 6.1% change over a 10 year period. Statisticians have commented that *"Over the next decade, the population of most areas is set to continue growing, particularly in the south and Midlands. Our projections also show the share of people aged 65 years and over will increase almost everywhere. This information is particularly important for anyone planning local services – for example, opportunities and services for older people."*



Source: Office for National Statistics – [Subnational population projections](#).

In England, 9.1 million people are projected to be living with major illness by 2040, 2.5 million more than in 2019. This is an increase from almost 1 in 6 to nearly 1 in 5 of the adult population. This will be particularly significant knowing the strong link between the health inequalities and social determinants that reduce life expectancy and those that increase risk and vulnerability to fires and other emergencies.



The Health Foundation; 2023.

New and Emerging Risks

Our understanding of risk continues to evolve, we continually assess risk as a service to inform our decision making and throughout our CRMP process our risk analysis phase is integral. Our latest risk analysis has identified the following key themes:

- Business continuity and resilience
- Emerging technologies
- Cost of living crisis
- Sustainability and Net Zero

The majority of people who responded to our consultation agreed with our assessment of emerging risk.

Business Continuity and Resilience

We have seen an increase in disruptive events which may impact the West Midlands in a range of ways. These could be local, national or international events including protests, international disputes, social disruption, supply chain issues, loss of utilities, climate change and cyber-attacks.

The UK Government Resilience Framework highlights the changing risk landscape, stating *“We live in an increasingly volatile world, defined by geopolitical and geoeconomic shifts, rapid technological change and a changing climate. This context means that crises will have far reaching consequences and are likely to be greater in frequency and scale in the next decade than we have been used to. We have a responsibility to prepare for this future.”*

The UK report of the Committee on Risk Assessment and Risk Planning depicts a similar outlook, stating *“The UK’s risk management system must adapt to ensure that we are prepared for the evolving extreme and systemic risks on the horizon to protect us today and into the future and concludes that the UK must be better at anticipating, preparing for and responding to a range of challenging risk scenarios, including those which it has never experienced before.”*

In line with the Fire and Rescue National Framework, we must put in place arrangements to prevent and mitigate these risks as well as having effective business continuity arrangements in place to ensure these risks do not impact our ability to deliver our key services. Locally, we have strategic business continuity plans in place to minimise risk and manage the impact of disruptive events, many of which we have used extensively over the last 5 years including:

- April 2018 Industrial Action Planning (local re contracts)
- March 2019 EU Exit Planning
- Jan 2020 COVID-19 Pandemic
- April 2021 Op Forth Bridge
- July 2022 Heatwave and Drought
- Sept 2022 Op London Bridge
- Nov 2022 Industrial Action planning (national re pay)
- June 2023 National 999 outage

Our strategic risk analysis has also shown how climate change is bringing about greater uncertainty and creating more volatile and unpredictable weather, with resulting fluctuations in demand for emergency response. The increase in secondary fires in 2022/23 was likely due to the prolonged heatwave during the summer months.

In addition to an increased likelihood of disruptive events, National and global risk registers also appear to show the severity of existing risk intensifying. We can therefore expect the risk landscape to continually evolve, with disruptive events continuing to increase in frequency, scale and impact within the West Midlands. To effectively assess the risk of emergencies occurring and use this to inform contingency planning, we need to assess our existing capability and identify any gaps as part of the risk management planning process. This is something we continually do, however we will now be completing a comprehensive review of all of our resilience arrangements to ensure we can meet the resilience landscape of the future.

Emerging Technologies

The drive for sustainability to negate climate change is creating emerging technologies such as Lithium-Ion Batteries, hydrogen, Large Energy Storage Systems and new building construction methodologies in the built environment.

We know lithium-ion (Li-ion) batteries are becoming an increasing risk, an NFCC report in 2021 stated lithium-ion (Li-ion) batteries are responsible for around 48% of all waste fires occurring in the UK each year, costing the UK economy £158 million annually.

Lithium-ion batteries in electric and hybrid vehicles, can present a challenge to Fire and Rescue Services (FRS) if they are involved in road traffic collisions (RTC) or catch fire due to the collision/faults etc. The NFCC is supporting FRS across the UK, to identify a suitable solution to deal with the issues associated with lithium-ion batteries, which is anticipated will become a significant risk in the future.

The RAC estimates that there are currently around 980 zero-emission Battery Electric Vehicles (EV) on the UK's roads, along with over 600,000 plug-in hybrids totalling 804,000 vehicles.

The growth of the EV and alternate fuel market is expected to accelerate in the coming years as the UK prepares itself for the 2030 ban on new petrol and diesel vehicle sales.

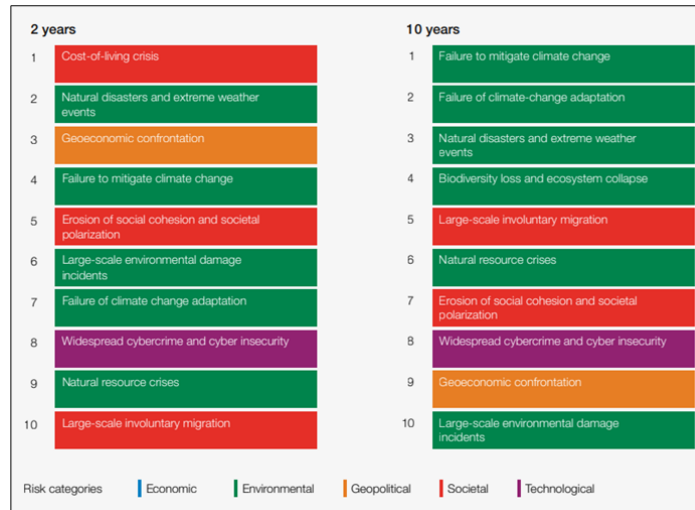
Projected UK figures are 23.2 million by 2032 (55% of all vehicles), and by 2050 increasing to 49.0 million (100%).

Cost of Living Crisis

The cost-of-living crisis is exacerbating underlying social inequalities that we know increase our communities risk to fire and other emergencies. This will see vulnerability continue to rise leading to increased community risk and a potential increase in frequency and severity of incidents incident we attend.

The global risk report serves as a crucial tool for identifying and understanding significant threats on a worldwide scale, vital for both national stakeholders and emergency services. It outlines the most severe risk anticipated in the immediate two-year period as well as over a longer ten-year timeframe, encompassing challenges from natural events to complex man-made situations.

Most of the severe risks identified globally from the 2023 GRR impact upon WMFS. Specifically, the cost-of-living crisis and extreme weather identified on the two-year time span are of concern, along with the climate change related risks in the ten-year timespan.



Global Risk Report, 2023.

Sustainability and Net Zero

WMFS recognises that not only do our activities impact on the environment, but changes in the environment may impact on the type, frequency and severity of incidents we attend. Sustainability is not solely focused on the environment but is a service wide eco system where opportunities are founded by working together, streamlining processes and ways of working, leading to a more effective and efficient service. As role models within our communities and to meet external targets, we see sustainability becoming an overarching theme across all elements of our Strategy, enabling all areas of the Service to adapt or adopt new approaches to safer communities.

[Summary, key themes from sustainability strategy]

Assessing our current capability

In this step we aim to review our existing capabilities in terms of the control and mitigation measures we have in place, and whether they are proportionate to the foreseeable hazardous scenarios we are likely to respond to. A key tool we use in making this assessment is the bow tie risk assessment. This allows us to place the hazardous scenario at the centre, and at one side assess whether our prevention activities are targeted to the underlying causes that may contribute to a hazardous scenario being realised, and on the other side, make an assessment as to whether our response capabilities are appropriate to effectively mitigate the risk should the hazardous scenarios occur. This process allows us to identify any potential gaps and highlight future development opportunities.

Effectively Managing Risk

We manage and reduce the risks and vulnerabilities posed to communities and businesses, from fire and non-fire emergencies, through delivery of prevention, protection and response activities and services. We apply an integrated and evidence-based approach to community safety (prevention), fire safety inspection and enforcement (protection), and emergency response arrangements (response) to support our vision. In delivering our services, we take into account the diverse needs of the community.

The outcomes of our Community Risk Management Plan delivered through our PPR activities are designed to;

- reduce loss of life in fires and other emergency incidents;
- reduce the number and severity of injuries in fires and other emergency incidents;
- reduce the number of fires and other emergency incidents occurring;
- reduce the commercial, economic and social impact of fires and other emergency incidents;
- Give the greatest opportunity for people and the region to prosper.

This will be through:

- Managing the level of risk and vulnerability in our communities;
- ensure compliance with Health and Safety Laws;
- safeguarding the environment and heritage (both built and natural);
- providing value for money;
- Identifying opportunities to work collaboratively or in partnership with other agencies to reduce demand on wider public services.

And achieved by:

- Identifying and assessing existing and potential risks to the community within the West Midlands area;
- Identifying the most vulnerable and at-risk individuals within the West Midlands;
- Ensuring that appropriate risk control measures are in place;
- Evaluating the effectiveness of Prevention, Protection and Response arrangements;
- Identifying and assessing existing and potential risks to our employees to ensure they have the resources to perform their roles;
- Identifying opportunities for improvement and determining policies and standards for Prevention, Protection and Response
- Determining resource requirements to meet these policies and standards;
- Dealing with incidents in an assertive, safe and effective way.

The following sections will detail how we use our Prevention, Protection and Response functions to effectively manage risk.

Prevention

What is Prevention?

Prevention is about preventing fires, road traffic collisions and other emergencies, by providing targeted education and interventions to reducing vulnerability and support safer and healthier communities.

How do we identify risk?

We know there is a significant overlap between the health inequalities and social determinants that reduce life expectancy and those that increase risk and vulnerability to fires and other emergencies. These overlapping issues include:

- Smoking
- Mental health
- Physical health
- Hoarding Behaviour
- Alcohol / substance dependency
- Mobility
- Dementia
- Obesity
- Degenerative or long term medical condition
- Sensory impairment
- Living in an area of deprivation
- Access to community services
- Poor housing
- Poverty
- Worklessness
- Fuel poverty
- Isolation

Every contact that WMFS has with the community is an opportunity to reduce health inequalities. In 2010 Professor Sir Michael Marmot published his [Fair Society Health Lives](#) report. The report highlighted that underlying health inequalities, social determinants, poverty, and deprivation has a significant impact on life expectancy. The review concluded that reducing health inequalities would require action on 6 policy objectives:

- Give every child the best start in life
- Enable all children, young people and adults to maximise their capabilities and have control over their lives
- Create fair employment and good work for all
- Ensure healthy standard of living for all
- Create and develop healthy and sustainable places and communities
- Strengthen the role and impact of ill-health prevention.

During 2012-14 there was a growing understanding within WMFS that the same social determinants have an impact on risk of fire and other emergency incidents. Therefore, tackling the underlying environmental, social and life-style choices i.e. the “cause of the cause” will contribute to reducing the risk and vulnerability to fire and other emergencies.

In 2014 WMFS published the report "[Improving Lives to Save Lives](#)" that detailed the contribution the service makes to reduce health inequalities. The report was launched alongside an [accompanying short film](#) at a conference where Professor Sir Michael Marmot was the keynote speaker. This work was recognised by Professor Sir Michael Marmot when he gave "Marmot Status" to WMFS in 2016. Our work was also recognised by Royal Society for Public Health who awarded WMFS in 2016 for our wider health inequalities work.

During 2020 The Health Foundation published the 10 year update to the Marmot Review. Titled [Health Equity in England: The Marmot Review 10 Years On](#) The report provides updated figures and analysis of the progress against the measures used in the 2010 report. It concludes that:

"England is faltering. From the beginning of the 20th Century, England experienced continuous improvements in life expectancy but from 2011 these improvements slowed dramatically, almost grinding to a halt. For part of the decade 2010-2020 life expectancy actually fell in the most deprived communities outside London for women and in some regions for men. For men and women everywhere, the time spent in poor health is increasing."

The service has the following strategic prevention objectives:-

We will:

- Prevent fires, road traffic collisions and other emergencies.
- Focus on reducing health inequalities for our most vulnerable as a means of reducing risk and vulnerability to fires and other emergencies.
- Educate the community to reduce their risk and vulnerability to fire and other emergencies.
- Collaborate and work in partnership with other organisations to reduce the risk and vulnerability to fires and other emergencies.

We use a collaborative partnership approach to engage with a wide range of individuals, groups, and professionals to support, guide and educate our communities. It will use a targeted and evidence-based approach in the delivery of prevention activities to enable the organisation to achieve its aim of making the West Midlands safer, healthier, and stronger.

We take a 'life course' approach to targeted and universal services that seek to reduce risk and vulnerability to fires and other emergencies which we attend and improve health, wellbeing, and quality of life.

How we manage the risk through our Prevention activities?

The prevention activities we deliver set out the way we apply universal, targeted and evidenced based approach to reduce people's vulnerability to the types of emergencies we attend.

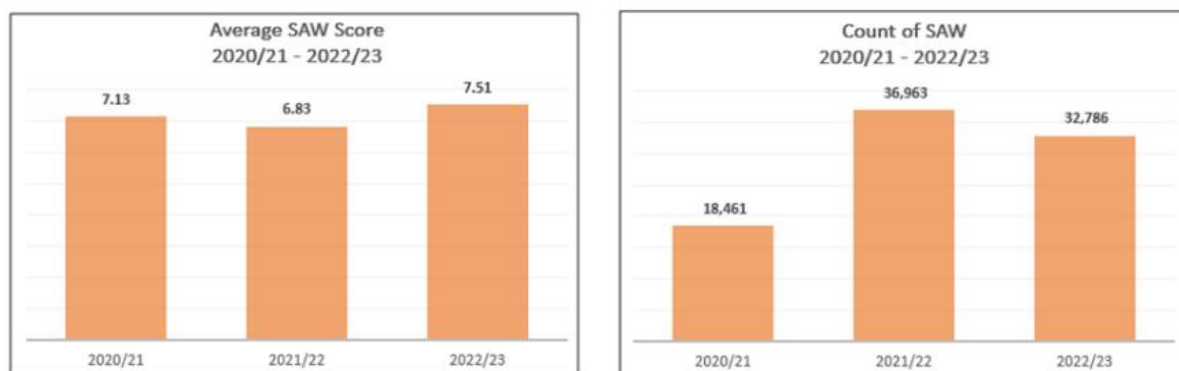
Our Prevention Activities	Overview
Safe and Well (Universal and targeted)	Online, telephone and face to face visits providing vital fire safety information, general safety and health or well-being advice
Fire Safety Tutoring (targeted)	Qualified Fire Safety Tutors who work with children and young people who show an unhealthy interest in fire
Foundation Stage Education - The Big Fire Engine Activity Box (universal)	An activity box is designed to provide teachers with a range of resources to help them deliver their own fire safety sessions
Key Stage 2 Education – SPARKS (universal)	SPARKS presentation is delivered by firefighters to Year 4 pupils, covering smoke detectors, escape plans, emergency calls, fire hazards, pedestrian and car safety and more.
Key Stage 2 Education - Smart Choices (universal)	A programme that teaches children about life skills, personal safety, travel safety, good citizenship, water safety, road and car safety and staying safe in the home.
Key Stage S3/4 Education Your Choice: Feel The Heat (universal and targeted)	Training aims to explore deliberate fire setting and the consequences to the environment and to society
Key Stage S3/4 Education Your Choice: On The Road (universal and targeted)	Training aims to consider the consequences of anti-social driving behaviours and features discussions around driving under the influence, recognising peer pressure and more.
Key Stage 4 Every Choice Counts (universal and targeted)	This session is to empower young drivers/passengers to develop their own coping strategies to handle risky situations as well as becoming a responsible driver/passenger
SEND Education (targeted)	Tailored sessions for children and adults with Special Educational Needs (SEND) and disabilities
Fire Cadets (universal)	This group aims to provide young people with the opportunity to develop their skills and coordination through training and discipline. Covering a range of practical skills.
Safeguarding (universal)	It is out policy to protect, safeguard and promote the welfare of the children, young people, and adults with whom we come into contact
WMFS Website (universal)	Our website has a comprehensive range of information and guidance available to support citizens, organisations and

	professionals, formal and informal carers in reducing risk and vulnerability
Fire Safety E Learning for Professionals and Carers and Fire Safety Guidance for Professionals and Carers (universal)	This is predominantly for those working with adults with care and support needs, to provide professionals that work outside of the fire sector with the knowledge and understanding of risk and vulnerability to fire, how to assess and mitigate this, including making referrals to WMFS for professional support.

Prevention – Continual improvement

In 2022, to more effectively manage risk through Safe and Well visits, we started to monitor 'risk points' identified during a safety visit rather than the total number of visits completed - the higher the risk points the higher the risk that household may be from fire or other emergencies. This approach means we are targeting higher risk households and have a greater opportunity to reduce risk and health inequalities.

By targeting households with greater potential risks and tailoring interventions to their specific need we maximise the effectiveness of our Prevention work, as evidenced by the rising average risk score over the last 3-years.



Consultation

We continue to develop to use our resources and manage risk more effectively, this includes listening to your feedback to help shape what we deliver. We found from our consultation that the most common reasons for not using our Prevention services included not knowing what is available followed by not knowing how to access services.

As part of the consultation, we also asked what risks you thought we should consider as well as how we could make you safer. You highlighted increased community engagement, climate and environmental advice, the cost-of-living crisis, electric/battery safety, and water safety. We are doing the following to address your feedback;

- We have reviewed our Safe and Well content, to include additional information and advice in relation to heatwave, battery safety, flooding and wildfire risks. This will be published in April 2024.
- We have already launched new battery charging safety advice on our website, which can be found [here](#)

- We are developing a 'Proactive Prevention Policy' which will mean we will be able to use the latest data to target those we think would benefit the most from our services – without the need for everyone to know about the services we offer.
- We are reviewing and developing our community engagement plan. We know this has been impacted by Covid-19 so we will now re-build our local community relationships and networks to deliver more valuable community engagement.
- Cost of living crisis – potentially made vulnerable people more vulnerable, advice, guidance, tailored based on what we've found – heating etc.

Protection

What is Protection?

Our protection work is all about protecting life and property (including heritage sites), making businesses and the economy stronger, and communities safer. We also advise companies on fire safety legislation, to keep their staff and customers safe and help their businesses to grow. Where necessary we can go further and take enforcement action, including prosecution where we feel the risk is significant.

How do we identify risk?

West Midlands Fire Authority is one of the Enforcing Authorities for the Regulatory Reform (Fire Safety) Order 2005 and other associated fire safety legislation within the West Midlands. We proactively audit higher risk premises and apply enforcement principles to reduce risk. These include tall buildings, residential flats, hospitals, schools and high-risk businesses. We also consider historical fire statistics and the likelihood of a fire occurring in specific types of premises/occupancies.

There are many factors that may influence risk in these premises, these are identified and evaluated during visits. We consider any past enforcement action and intelligence/concerns from internal and external agencies and use our regulatory powers to reduce risk. Enforcement from intelligence led audits considers Prevention and Response to manage the risk through an integrated approach. This includes community objectives e.g., safeguarding.

How we manage risk through our Protection activities?

To manage risk effectively, we use targeted risk-based protection activities and interventions, these are summarised below.

Our Educational Protection Activities	
Safe and Strong	We assist businesses to reduce the risk from fire, support them to keep their businesses in business and support strengthening the economy whilst providing public reassurance and confidence. S&S Web page
West Midlands Fire Safety Training	We provide training for businesses to support and enhance awareness of their requirements under the Regulatory Reform (Fire Safety) Order 2005.
Website	Our website provides a suite of information to educate businesses on their responsibilities under the Regulatory Reform (Fire Safety) Order 2005, and practical advice on how to reduce risk from fire.
Primary Authority Partnerships	We develop effective partnerships with businesses to improve fire safety enforcement advice https://primary-authority.beis.gov.uk .
Campaigns	We undertake prevention campaigns in line with the NFCC Campaign schedule and using local intelligence
Sprinklers	We encourage the installation of Automatic Fire Suppression Systems (AFSS) where persons or premises are identified as being 'high risk'.
Safety Advisory Groups (Events)	We advise on fire safety at public events to support both firefighter and public safety.
Water	We inspect, test, and repair hydrants, so that water provision is available for use in event of a fire.

Heritage	We engage in reducing vulnerability to fire by supporting the protection of heritage risk. We advise on risk-based solutions to balance fire safety and heritage conditions in buildings.
Our Enforcement Protection Activities	
Fire Safety Audit	This is the primary activity we undertaken to reduce risk in the built environment. Audits will be identified through a proactive <u>risk-based inspection programme</u> or reactive via Fire Safety Concerns.
Campaigns (Audit Sampling)	Intelligence is used to target audits, e.g. information that a particular type of premises/occupancies is at risk from fire.
Licensing	We work to reduce risk through managing all aspects of licence applications and ensuring compliance with relevant legislation
Planning and Buildings Regulations	We reduce risk through carrying out consultation activity aligned to the responsibilities of a statutory consultee.
Fire Engineering	We are responsible for supporting the work of the Planning and Building Regulations Team where applications consist of complex developments and fire engineered solutions
Case Management	We are responsible for the effective management of all fire safety investigations and preparing legal cases
Out of Hours	We provide an a 24/7 capability to deliver our statutory obligations under the Regulatory Reform (Fire Safety) Order 2005

Protection – Continual Improvement

We use a digital system to evaluate the service being delivered through the Safe and Strong visit and audits. This collects quantitative and qualitative information to support the improvement of delivery and ensure the service are being delivered in the most appropriate way. Where necessary and appropriate thematic reviews of risk-based intervention delivered by Protection will take place to ensure the desired outcome is being achieved and risk in the built environment is being reduced.

Automatic Fire Alarms (AFA) Project

Automatic Fire Alarms (AFA) are required to be installed in certain premises to give early warning of a fire to the occupants so they can evacuate. We know the majority of AFAs are false alarms and have taken steps to ensure we respond proportionately to such calls to reduce wasted time and keep resources available to respond to real emergencies. Where we do respond to an AFA, we want to utilise the flexibilities offered by our blended fleet to send a smaller vehicle with fewer staff.

We have re-categorised our AFA incident types based on risk, Fire Control have been able to use our existing dynamic mobilisation process to send a proportionate response to AFA incidents, not sending a fire engine where possible.

AFA next steps

We will develop our approach based on continual analysis. We have found there were over 1,000 AFA calls for incidents at care homes between April 2019 and March 2023, 99.1% of which were false alarms and none of the fires resulted in casualties or in people being rescued. Therefore, our approach to AFAs will now extend to Residential Care Homes, where we will dynamically mobilise to AFAs 24/7, maintaining a proportional level of response. All changes take place with extensive engagement and training with all relevant stakeholders.

[Construction methodologies]

Consultation

We found that the majority of those who have used our Protection services have rated them as either excellent or good.

During our consultation, we asked members of the public living in high-rise buildings if they were aware of the new Fire Safety (England) Regulations 2022. We found that most residents living in high-rise buildings haven't heard of these new regulations. Of those who have heard of the regulations, the majority thought they made them safer. Our staff also felt the new regulations have made high-rise communities safer.

When asked how we can keep high-rise communities safer from fire, the most common answers were community engagement, advice leaflets, new legislation and sprinkler systems.

As a result of this feedback, we will;

- Educate and inform residents of High-Rise Buildings of the fire safety measures in their building through a targeted campaign.
- Prioritise education of vulnerable residents in High-Rise Buildings through our Safe and Well visits.
- Prioritise fire safety in High-Rise Buildings through auditing and regulation, reflected in our Protection auditing strategy.
- Engage with the Housing Association Forum and Local Authorities to make them aware of the outcomes of our public consultation, in particular the thoughts of their residents.
- Regularly inspect Residential High-Rise Buildings to gain operational information and check basic fire safety measures through our site-specific risk information inspection strategy.

Response

What is Response?

Our Response function aims to continuously improve and meet the expectation of our community by delivering a highly skilled, competent response, that enables incidents to be resolved assertively, effectively and safely.

Our Service Delivery Model (SDM) ensures we can meet the performance requirement to get the right resources to the right place at the right time. It is also flexible enough to adapt to changing risk overtime whilst being resilient to consider foreseen and un-foreseen events which may limit our available resources.

Our response to fires and other emergencies continued to be graded 'outstanding' by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services. We were delighted that our understanding of risk of fire and other emergencies, and overall effectiveness, were also rated 'outstanding' for the first time.

This result highlights how our professional, highly skilled, and highly trained firefighters respond assertively, effectively and safely to a wide variety of incidents, 24/7. They protect lives and properties, keep businesses in business and help keep the West Midlands' transport networks flowing.

Our consultation showed that the majority of those who have used our Response services rated them as excellent or good and did not highlight any barriers to accessing our Response services.

To determine our resource requirements to meet the needs of the community and reduce risk and vulnerability, we consider several factors which are discussed in this section.

How do we identify risk?

Risk Categories and Attendance Times

Using our survivability research, we know the importance of getting to high-risk incidents within 5 minutes. This helps to inform our attendance standards for a range of incidents we attended based on risk. These are detailed in the table below.

[corporate comms 6]

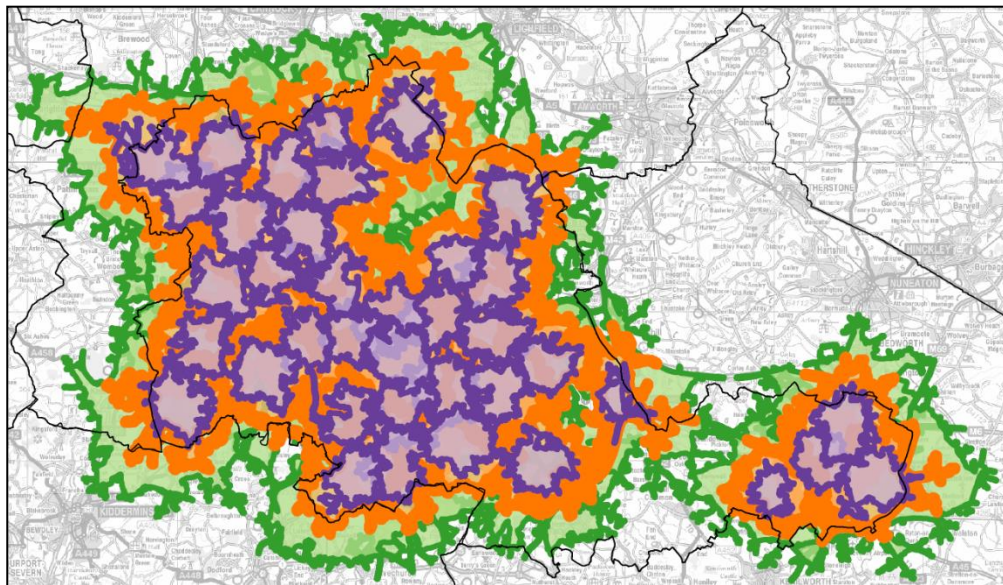
Incident Risk Category	Description	Fire Appliance Attendance Standard
Category 1 High Risk	This category is composed of those incidents that present the most significant risk to life, for example house fires, road traffic collisions and water rescue incidents.	5 minutes
Category 2 Medium Risk	The Medium Risk category comprises those incidents where there is a potential life risk (either through incident severity or the type of property affected), but there is a reduced likelihood of this risk being realised	7 minutes
Category 3 Low Risk	The Low-Risk category is made up of those incidents where there is a significantly reduced	10 minutes

	risk to life for example the provision of advice only or animal rescues.	
Category 4 Secondary Fires	These include fires in the open or fires where houses are not involved e.g. fires in fields, gardens, woods, grass, rubbish and skip fires.	20 minutes
Category 5	False Alarms	

Resource Locations

Now we know how quickly we need to respond to incidents in order to increase the chance of survival, we can make sure our fire stations are located in the right places, to enable us to manage risk effectively. The map below shows our 38 fire stations across the West Midlands, the colours around the stations show different travel times based on historical vehicle data to show projected coverage that can be achieved from these locations.

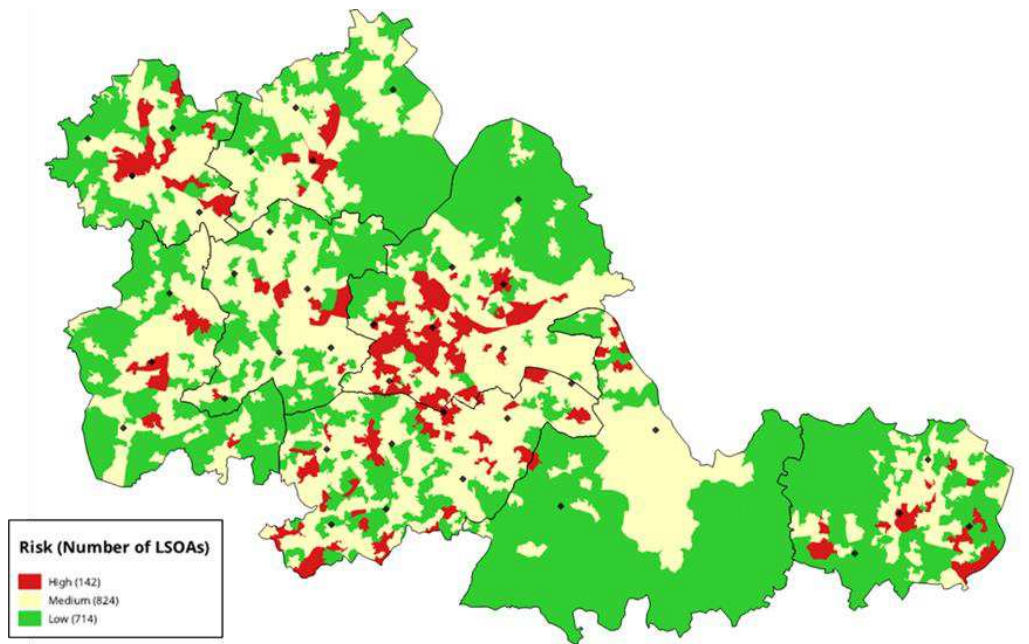
[Map below currently being updated with latest vehicle data and WMFS corporate branding colours]



- Purple isochrones denote 5-minute response times
- Orange Isochrones denote 7-minute response times
- Green Isochrones denote 10-minute response times
- Pink Isochrones denotes 20-minute response times

We know where our most vulnerable communities are based on our risk analysis. The map below shows how our highest risk areas are covered by our 5-minute attendance times.

[Comparison with risk map to show our 5-min response times are aligned to risk]



How we manage risk through our Response activities?

Our Resources

- 38 fire stations
- 41 fire engines
- 19 4x4 brigade response vehicles
- 3 business support vehicles which attend automatic fire alarm activations, providing advice and support to businesses to make them safer.

Based on local and national risk and capability assessments, we host a number of specialist capabilities including:

- High Volume Pumping Unit – this enables us to move large volumes of water in a short space of time, this could be to support incidents such as major fires or flooding.
- Detection Identification and Monitoring teams – at some incidents, it is vital to know if hazardous materials present, where they are, and which materials are involved. This information will enable early, accurate decisions to be taken about the decontamination and/or treatment of involved people, as well as levels of Personal Protective/Respiratory Equipment for responders.
- Mass decontamination - the Mass Decontamination (MD) Capability provides the ability to decontaminate members of the Public that may have been contaminated following the release of a hazardous substance. Each decontamination sector can decontaminate up to 300 people per hour.
- Hydraulic Platform (HP) [Response to insert summary]
- Drones – unmanned aerial systems that improves situation awareness at incidents.

Some of our staff have additional skills including;

- Hazardous Material Advisers (HMA) provide specialist advice in relation to any incident involving a hazardous material, such as chemicals.

- National Inter-Agency Liaison Officers (NILO) are specially trained to provide advice and support to multi-agency partners on our capability and capacity to safely resolve incidents.
- Scientific Advisor provide additional specialist advice in relation to incidents that involve chemical, biological, radiological or nuclear materials.

Technical Rescue Unit

Our Technical Rescue unit deals with local, regional and national incidents that require additional equipment, training and knowledge. There are three Technical Rescue stations strategically located across the West Midlands to ensure that we have the right staff with the required skills and competencies available to respond 24/7. Many of the skills that the technical rescue teams provide are delivered to recognised standards which require constant maintenance.

This includes:

- Technical Rescue Advisors
- Rope Rescue
- Water rescue and flooding
- Terrorist attacks
- Animal rescue
- Bariatric rescue
- Urban Search and Rescue (USAR)

Fire Control

WMFS provides a Control Centre with a reliable mobilising system. Resources will be mobilised using Geographic Information Systems (GIS) to support the mobilisation of the nearest appropriate resources. Resources will be mobilised dynamically to ensure a correct level of response.

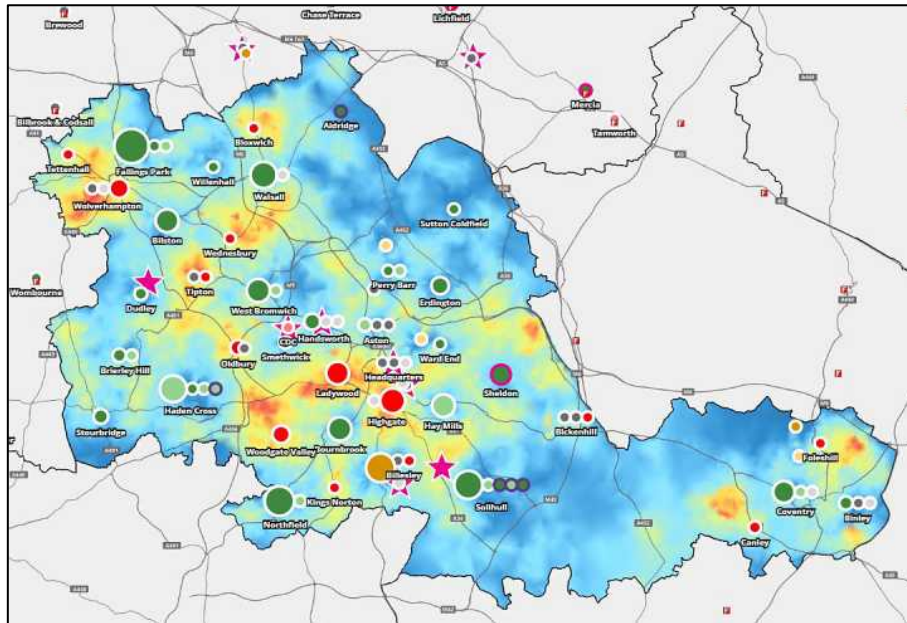
We work collaboratively with other responders and partners to achieve interoperability and intra-operability to effectively respond and assist at incidents. Appropriate resources will be mobilised depending on the incident type, National Resilience Assets and specialist advice will be available via [National Coordination Advisory Framework](#) (NCAF) protocols and Fire Control Action Plans. Arrangements are in place for Emergency Call Management (ECM) and communicating with responding resources.

Dynamic Cover Tool (DCT)

The Dynamic Cover Tool helps us to manage risk on a daily basis by providing a real-time visual aid for Fire Control resource managers to support their decision making around deciding on appropriate positioning of resources to improve emergency cover dynamically. The DCT uses thousands of historical incidents and other data to determine a base layer of risk.

By effectively distributing our resources in relation to risk we can achieve an average median attendance time of under 5 minutes for high-risk incidents. The tool allows us to assess the potential impact of moving a resource before making the decision to move it. The tool

therefore helps us minimise risk, monitor coverage, maintain or improve response times and make efficient and effective use of available resources.



Dynamic Mobilising

Resource requirements to deal with a range of incidents are set out in mobilising policy or national guidance. We recognise that not all incidents will be the same and therefore allow flexibility in what resources we send. Fire Control can dynamically mobilise to increase or reduce the resources attending based on the level of risk following intelligence from the caller or other sources, this supports a proportionate level of response for all incidents.

Last year, we used 999eye 1268 times to help support increased situation awareness and a proportionate response. Fire Control dynamically reduced attendance to incidents on 1252 occasions last year, meaning those resources could remain available for other high-risk incidents or prevention activity. Fire Control also dynamically increased attendance to 659 incidents last year, meaning more resources could get to the incident more quickly. This is important as we know there is a correlation between not only attendance time and survivability, but also damage sustained. In addition to the importance of attendance time, we also know the importance of the sending the right volume of resources to effectively manage the incident and reduce damage sustained.

999eye

999eye enables 999 callers, with compatible mobile devices, to securely send video footage or images of incidents to WMFS Fire Control. The 999eye live footage offers instant 'on-scene eyes' to our operators, helping us assess the situation and to send the appropriate resources.

It works by sending, with the 999 caller's permission, a text message to their smartphone containing a link. Once clicked, a one-use-only live stream is established that allows footage or images to be sent directly to the control room. Last year, 999eye was used over 6,800 times to

Site Specific Risk Information (SSRI)

Our inspection process allows for crews to provide local risk assessments around the hazards, response requirements, safety considerations and operational information. SSRI is one process we adopt to manage operational risk. The SSRI does not manage the prevention or likelihood of an incident but helps us to understand the risks and hazards a site may present and in turn, puts mitigation plans in place to reduce the consequences should an emergency incident occur.

We use intelligence, data analysis, horizon planning and process operational risk information effectively to evidence that we have the ability to, intelligently mobilise dynamically, mobilise a level of response that is relevant to the risk and mitigate consequence.

Provision of Operational Risk Information System (PORIS) is the process we have adopted to generate a Risk Rating during SSRI. This risk rating is an indication of the level of risk a site will present to us in the event of an emergency incident. PORIS splits the risk into six main categories:

- Firefighter.
- Individual/societal.
- Environment.
- Community.
- Heritage.
- Economic/other.

Dependant on how each of these categories is graded during PORIS, an overall Risk Rating is then generated. The risk rating will determine how frequently the site is re-visited.

Technology

We are always seeking to provide intelligent services to our communities through our digitally empowered workforce. We continually enhance and transform services to our communities, underpinning them with innovative and digital solutions, enabling the delivery of our strategy.

Simulated incidents through exercising

WMFS schedule regular exercises to provide an opportunity to test the capability of the organisation, teams and individuals in a controlled environment to achieve Operational Excellence. Simulated incidents ensure that the policies and procedures employed mirror a real incident and provide staff with the opportunity to respond safely, assertively and effectively to emergencies. These exercises range in scale and could include single or multiagency partners.

Our exercises are informed by a number of factors to ensure they are intelligence and risk led, factors include;

- organisational intelligence
- learning from post event analysis;
- community and Site Specific Risk information (SSRI);
- joint work with the Local Resilience Forum (LRF);
- joint working with other Emergency Service partners;
- emerging opportunities;

- new or significant revisions to operational policies and procedures;
- local and/or individual development needs; and
- national, regional and cross border.

Following all exercises, a debrief will take place to highlight learning opportunities to enable us to continually improve.

Transport Engineering Workshops

Transport Engineering Workshops provide daily maintenance and repairs to all Fire Service vehicles and equipment. The is available 24hrs a day, 365 days of the year enabling maximum operational fleet availability to keep our communities safe.

Collaboration

We know that working collaboratively can help effectively manage risk, build resilience and provide an efficient and effective service to our communities. We work with multi-agency partners within the West Midlands Local Resilience Forum, as well as regional and national fire and rescue services. Some examples of our collaborative working include:

- Fire Control 'Buddy' resilience arrangements are in place with a number of UK fire and rescue service control rooms. These arrangements mean that we can redirect calls to another control room if call volume exceed our own call handling capacity.
- 'Operation Willowbeck' is the name for a national call redistribution process that enables an affected fire control to receive support from other control rooms when call volumes exceed their own call handling capacity.
- Section 13 and 16 arrangements are in place with our neighbouring fire and rescue services, which means we will support each other in the event of large-scale incidents.
- The West Midlands Local Resilience Forum (LRF) is a multi-agency partnership that plans and prepares for incidents and emergencies. We are an integral part of the LRF and support all workstreams and sub-groups.
- National Resilience arrangements are in place across fire and rescue services to provide specialist capabilities, personnel and resources which enhance the ability of the sector to respond effectively to large-scale or critical incidents across the UK.

Response – Continual Improvement

Risk Based Crewing

As part of our last community risk management planning cycle, we identified that a large proportion of the incidents we respond to were low risk - for example, relatively minor traffic collisions or outdoor fires. This enabled us to explore a new, more proportionate way of responding and a more flexible way of mobilising to incidents. Innovatively, this enabled staff to select right number of crew and vehicle to send to low-risk incidents based on their knowledge and experience. We call this risk-based crewing (RBC), as it means the incident is resourced appropriately and proportionately, based on risk.

Our new approach was rolled out as part of our business-as-usual operations. As well as allowing us to better match our resources to risk, RBC reduces disruption for our staff, keeps more of our appliances available to respond to high-risk incidents and frees-up time for vital training, prevention activity and protection interventions. Since RBC was introduced, there has been a significant increase in the total number of appliances that are available to respond to incidents across the West Midlands.

Road Traffic Collisions

We identified that Road Traffic Collisions (RTC) have increased over a 3-year period, however, our response to extricating casualties has reduced by approximately 20%. Whilst road incidents are increasing, the majority of RTC incidents that we responded to did not require a rescue. Based on extensive data analysis, we updated the risk category and the resources that are sent to lower risk RTC incidents where we are confident no-one is injured or trapped.

The resources sent to lower risk RTC incidents was changed to support a proportionate level of response. Evaluation of these changes over a 12-month period shows that we are now using our resources more effectively. For almost 70% of low risk RTC incidents, we now effectively dealing with them with one vehicle, whereas previously, we would send at least two vehicles for 65% of RTC incident.

Consultation

It was reassuring to find that in our most recent consultation, you agreed with our assessment of emerging risks. In particular you highlighted the below as risks we should consider;

- Electric Vehicles and charging
- Climate and environmental concerns
- Li-ion battery and storage

As part of our consultation, we also asked you to prioritise a number of sustainability factors. Based on the average ranking, how we prepare for the future scale and frequency of climate related emergencies ranked in the top position. We also found that, the public generally felt unprepared for disruptive events such as energy shortages, mobile network disruption and power outages.

We are doing the following to address your feedback;

- We have completed analysis of 10 years' of weather-related incidents to identify trends and impacts on the brigade and provide a more in depth understanding of climate and environmental change. This will help us to understand long term trends and adapt accordingly.
- To ensure we manage emerging risks and future risks effectively, we are establishing an Emerging Risk Stakeholder group. This group will be formed of key functions from across the organisation and draw on external expertise where required. The group will monitor and respond to emerging risks to ensure we are coordinated and proactive in anticipating, assessing, preparing, and responding to these new risks.
- We have developed operational procedure guidance, risk assessments and training material for batteries, electric vehicles, battery energy storage systems (BESS) and hydrogen. We now have an electric vehicle containment unit which will be used to safely manage road traffic collisions (RTC) involving electric vehicles with damage and potential to enter thermal runaway. This resource will be used within the West Midlands as well as supporting our regional fire and rescue services.
- We will work with our Local Resilience Forum partners to understand how we can support community preparedness and increase resilience to disruptive events.

People – Staffing our Service Delivery Model

Having the right people, with the right skills and behaviours is a vital part in maintaining our Service Delivery Model (SDM). At the core of our work, we aim to deliver the best possible level of service to the people of the West Midlands in order to make them safer. Our staff receive specialist training, personal protective equipment and resources to keep them safe and deliver the best service to the community.

Our strategic approach not only prioritises physical health and safety, but it also nurtures mental and emotional wellbeing. To create a happier and more supportive workplace culture the promotion of health and wellbeing is embedded throughout everything we do. We aim to foster a resilient and positive work environment.

Firefighters face a unique set of challenges and pressures. From demanding physical tasks to witnessing traumatic events, the nature of their work and colleagues that support them, can take a toll on their overall wellbeing. It is crucial we support our staff in maintaining positive mental health, which will effectively enhance their ability to effectively serve and protect our communities.

West Midlands Fire Service is fully committed to meeting the diverse needs of the communities we serve, and we recognise that having an inclusive and diverse workplace is a vital part of achieving this. The business case for a diverse work force at all levels has been long established. Research has shown that teams and organisations with a good level of diversity are more creative, flexible and effective.

We are committed to making sure that equality and diversity is integrated into all areas of the service and risk reduction strategies within our communities. We will ensure that we provide suitable, accessible and effective services and facilities free from unlawful discrimination, prejudice or stereotyping.

People – Continual Improvement

Trainee Firefighter Development Programme

To ensure we are setting our staff up to succeed, and after an internal review, we have extended our Trainee Firefighter Development Programme from 8 weeks to 12 weeks to ensure our firefighters are equipped to meet the needs of society. The increase in duration of the course allows us to spend longer with trainee firefighters understanding and honing the skills required to begin their journey in our communities.

Inclusive Recruitment

Organisations can take steps to encourage applications from underrepresented groups and can undertake activities to prepare potential candidates for selection if a group has been underrepresented in the organisation for at least 2 years – this is called positive action. We have introduced two posts within our People function to ensure a sustained, diverse recruitment pipeline now and into the future. These staff members are responsible for positive action and community outreach, which involves:

- Initiating and managing positive action interventions and identifying new recruitment opportunities.

- Developing targeted recruitment activity to raise awareness of employment opportunities and support potential applicants, providing advice and guidance.
- Building networks of both internal and external partners to support firefighter recruitment.
- Working alongside station personnel to manage and drive attendance at taster days and meet and greet sessions.

Consultation

As part of our consultation, we asked you to prioritise a number of sustainability factors. Honesty, integrity and ethical behaviour was the ranked first most frequently (and finished second on average overall). We are pleased that over 90% of the public either completely or largely trust us.

We know that having a workforce that is representative of the community we serve helps us manage risk and deliver our services more effectively. Having a diverse workforce gives us an opportunity to offer a wide range of skills, ideas, knowledge, and abilities, that will benefit the communities within the West Midlands. When we asked you how we could attract more people from groups that are currently under-represented in our workforce. The top three options you suggested were;

- 'Have a go' taster sessions
- Improved information on the role of a firefighter
- Attendance at job fairs

Alongside this, we also asked you if you thought there were any perceived barriers for people wanting to join the fire service. Most respondents did not think there were any barriers, however of those who did, the most common barrier was the perception of the role of a firefighter. We are doing the following to address your feedback;

- Running 'Firefighter Insight' workshops for women to find out more about the role of a firefighter, fitness requirements and get chance to hear from existing female firefighters.
- We will continue to deliver 'taster sessions' to provide an opportunity to find out more about the role and requirements of a firefighter.
- Increasing our attendance at careers and jobs fairs and will trial hosting our own careers fair.
- We have developed meet and greet sessions for those who are considering the role which will provide an opportunity to find out more about the role of a firefighter.
- We will further develop our relationships with colleges across the West Midlands that run public service courses.
- We are updating the information on our website and 'Become a Firefighter' portal with more information about the role of a firefighter.
- We have created a West Midlands Fire Service Recruitment Facebook page – so we can regularly share updates about the role of a firefighter and recruitment.
- We are developing a Firefighter apprenticeship scheme.
- We are trailing female only fitness sessions.

Other

- **Economic and Social Value**
- **EIA**
- **Legislation**
- **Linked documents/references**

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 8

19 FEBRUARY 2024**1. WMFS STRATEGY 2024-2027: OUR PLAN TO MAKE THE WEST MIDLANDS SAFER, STRONGER AND HEALTHIER**

Report of the Deputy Chief Fire Officer

RECOMMENDED

- 1.1. THAT Members approve the content WMFS Strategy for 2024-2027.
- 1.2. THAT Members note the new range of Key Performance Indicators included within the strategy, which will be reported to the Authority on a six-monthly basis.

2. PURPOSE OF REPORT

- 2.1. To provide members with detail of the WMFS Strategy for 2024-2027, including the changes from the previous “Our Plan” for approval.
- 2.2. To outline the changes to the suite of Key Performance Indicators (KPIs) within the strategy to be reported to Authority at future meetings.
- 2.3. To provide further information on the public facing dashboard and new Annual Report planned as part of the implementation of new KPIs.

3. BACKGROUND

- 3.1. WMFS has previously operated with a three-year rolling strategy, called “Our Plan”, which is updated annually. It is now proposed that the Authority move to a more explicit strategy document across a three-year period, complimented by a separate Community Risk Management Plan. Instead of being re-written annually, the Strategy will remain substantially the same, although targets will be revised annually and minor changes to reflect changing priorities or financial circumstances will be made as required (with Authority approval).

- 3.2. This new strategy is more clearly forward-looking, with a number of “strategic goals” with specific KPIs associated with them. The draft strategy document can be read in **Appendix A**.
- 3.3. The proposed measures are wider ranging than the existing set of KPIs that are reported to Fire Authority, forming what is known as a “balanced scorecard”. Although a number of familiar KPIs remain, such as response times, staff sickness and prevention statistics, new measures covering the other areas of the service not previously reported on, such as digital and data and staff training, have been added. Work will continue to expand and improve this KPI set over the next year to ensure Fire Authority have a more complete picture of service performance.
- 3.4. The new document also sets out more clearly WMFS vision, mission statement and strategic commitments to help the public understand the Service’s purpose and future direction.
- 3.5. As well as introducing a more balanced set of KPIs, the service will be introducing a public-facing performance dashboard for the website and making the current year-end performance report provided to Authority in June each year into a more accessible and public-facing Annual Report, where we will highlight our successes and explain in more detail where we need to continue to improve.
- 3.6. Target setting for the new KPIs will be undertaken following Fire Authority approval of the strategy document – subject to any changes – with final targets brought to the April 2024 Fire Authority meeting for approval.
- 3.7. Members should note that the document outlined within Appendix A will undergo a design process to make it more engaging and accessible following approval. It will also feature a foreword from the CFO and Chair.

4. **EQUALITY IMPACT ASSESSMENT**

Once approved, a full Equality Impact Assessment will be completed to ensure the strategy document is accessible, and that the proposed measures are appropriate. Similarly, the linked work plans will be subject to EIAs as required.

5. **LEGAL IMPLICATIONS**

There are no legal implications of the strategy document that require the input of the Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

This strategy does not have any direct financial implications, although it does include strategic goals around maintaining a balanced budget, achieving efficiencies, and increasing productivity. Many of the associated work plans will have financial implications which will be included within annual budget planning.

7. **ENVIRONMENTAL IMPLICATIONS**

The strategy document contains a specific strategic goal and measures linked to the services sustainability strategy and commitment to Net-Zero. However, more specifically, there are no direct environmental implications from the production of this strategy document, which will be produced electronically.

BACKGROUND PAPERS

- [Our Plan 2023-2026](#)

The contact for this report is Tom Embury, Portfolio Policy Advisor (tom.embury@wmfs.net)

JO BOWCOCK
DEPUTY CHIEF FIRE OFFICER

APPENDIX A

West Midlands Fire Service Strategy 2024-27

Our Plan to make the West Midlands Safer,
Stronger and Healthier

Introduction

We are your fire and rescue service, and we are here when you need us. We are hugely proud of what we do and what we have done to get here. This strategy document sets out what we are going to do next to keep improving.

This strategy builds on and replaces our previous three-year rolling strategy, which we called “Our Plan” and which was published every year. This new approach is designed to be more clearly forward looking, and to show you not just what we aim to achieve, but how we will deliver it and how we will measure if we have been successful.

Starting from our vision of a West Midlands that is Safer, Stronger and Healthier, we have set 17 strategic goals for the next three years, each with at least one Key Performance Indicator which will help us determine whether we are achieving that goal. We will report on our progress every year through a refreshed Annual Report, where we will highlight our successes and explain where we need to do more.

We have organised our strategic goals into four areas, aligned to the way we organise our service. However, while these are a convenient way to arrange our goals, everyone in our service has a responsibility to deliver against them and contribute to our intended outcomes.

All our strategic goals and their performance measures then come together to form a “balanced scorecard” which will be a simple, visual representation of our strategy for the next three years, all in one place. We’ll keep this live on our website, where you’ll be able to track our progress, as well as access wider performance data.

How we are going to deliver against each of our strategic goals is explained in more detail in our service delivery plans, and there are links to each provided within the relevant sections of this document. These are more detailed plans covering a specific area of our business, such as our Inclusion Action Plan or our Efficiency and Productivity Plan. Each will also have its own goals and measures but will always be contributing to the delivery of the overall strategic goals of the service.

The strategic goals we have set ourselves, and this strategy as a whole, inform and are informed by our Community Risk Management Plan (CRMP), which is in turn informed by your views and opinions as shared through our 2023 public consultation. The CRMP is an assessment of the foreseeable challenges and risks facing our communities and what needs to be done to meet them. We use this analysis to inform the strategic goals, as well as to determine the specific projects we will undertake to achieve those goals and address the risks.

You can read our CRMP document on our website and explore the data and information that informs it. You can find out about the outcome of our consultation, and how that informed our planning on our website as well.

About West Midlands Fire Service

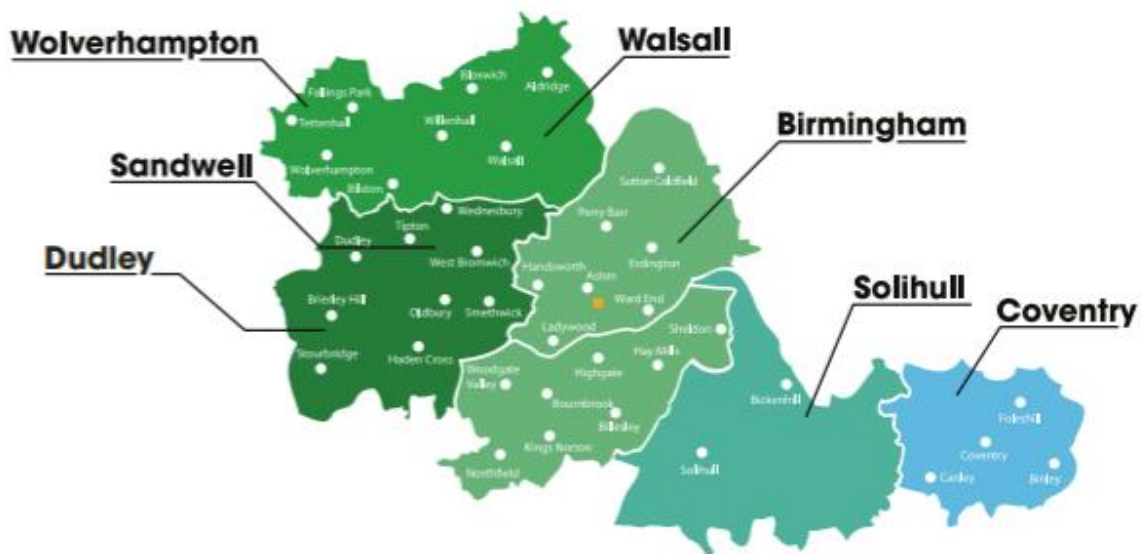
West Midlands Fire Service is the second largest fire and rescue service in England, serving an area of 902km² and a population of over 2.9 million people. We serve one of the most diverse and multi-cultural communities in the country, spread across seven local authorities – Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

Our region contains some of the most deprived communities anywhere in the country, where socio-economic and health factors mean the risk of fire and other emergencies is particularly high. At the same time our major urban centres and industrial areas contain some of the highest risk infrastructure in the UK.

We have 38 fire stations situated strategically across the West Midlands, as well as Headquarters based in central Birmingham. These are staffed by over 1,350 firefighters and officers, supported by over 50 fire control staff in our joint control room with Staffordshire FRS, and 450 specialist support staff.

We make use of a blended fleet of over 70 different vehicles to ensure we are able to respond to emergencies, including Fire Engines (PRLs), Brigade Response Vehicles and specialist vehicles such as Hydraulic Platforms.

We respond to much more than just fires, with rescues, road traffic collisions and other emergencies now making up a bigger proportion of our responses than fires.



You can find out more about our stations, equipment and the services we deliver on our website [\[Link\]](#) and explore the risk picture and recent incident data from across the conurbation using our Risk Explorer Tool [\[Link\]](#).

Our vision

Everything we do is connected to our vision, the reason we exist and what we always strive for:

Making the West Midlands Safer, Stronger and Healthier

Our Mission Statement

If our vision is where we want to be, our mission statement summarises how we will shape our organisation to ensure we can get there:

We set up our people to succeed so we can serve our communities with professionalism and pride.

Our Strategic Commitments

The goals that we set as a service may change from year to year, or even week to week as we adapt to the challenges and risks that we face. However, as a fire and rescue service and a public body we have several strategic commitments we will always deliver for the people of the West Midlands. These derive from our statutory duties and the public's expectation of the service.

Our communities always know that;

- We are working with our communities and partners to make them safer and healthier through **prevention** of fires and other emergencies.
- We are working to **protect** life and property to make communities safer and businesses stronger.
- We are delivering an assertive, safe, and effective emergency **response** to fires and other emergencies.
- We are safeguarding our people, planet, and future by delivering a **sustainable** service.
- We are promoting positive **culture and values** to maintain the trust of our communities and ensure the West Midlands Fire Service is a safe and welcoming place for everyone to work.
- We are providing **value for money** by delivering our services efficiently and driving improved productivity in everything we do.

Our Four Areas

We divide our work into four areas through which we will align our strategic goals for the service and measure our success:

- Community Risk Reduction
- People
- Enabling Services
- Value

Although we choose to split our goals amongst these perspectives, every part of the service has a responsibility for delivering against all our strategic goals. Ultimately, everything we do should contribute towards delivering our vision, either directly or indirectly.

Community Risk Reduction

We refer to some of our services and the individuals who provide them as "community risk reduction" because they directly reduce the likelihood (risk) of a fire or other emergency occurring in our communities. These services are grouped into the following categories:

- **Prevention-** *Delivering activities which support safer and healthier communities.*
By focusing on those most at risk, our prevention work improves our community's quality of life through, reducing their risk of fire, supporting them to lead healthier lives and educating them on how to be safer on our roads.
- **Protection-** *Protecting life and property to make businesses stronger and communities safer.*
We inspect high-risk and tall buildings, including residential flats, hospitals, schools and businesses, to keep safe the people who live and work there. We also advise companies on fire safety legislation, to keep their staff and customers safe and help their businesses to grow. Where necessary we can go further and take enforcement action, including prosecution, where we feel the risk is significant.
- **Response-** *Dealing excellently with incidents.*
Our response to fires and other emergencies continues to be graded 'outstanding' by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services. Locally, nationally, and internationally, we respond. saving lives, preventing harm, and safeguarding homes and businesses with the resources you need, when you need them.

There are several teams that deliver our response function:

- **Operations** - The largest number of people employed by the service, each have a critical role on the front-line delivering prevention, protection, and response services to our communities through our network of community fire stations across the West Midlands.
- **Fire Control-** From assisting with Safeguarding our most vulnerable community members to co-ordinating our response to our largest incidents, Fire Control sits at the heart of our Fire Service.
- **Emergency Planning-** meet the organisations statutory duties under the Civil Contingencies Act (2004), as a Category 1 Responder we have six duties, including carrying out risk assessments, business continuity and putting in place emergency plans, as well as leading our multi-agency work.

To find out more any of the areas mentioned above please visit our website [\[link\]](#).

Goals and Measures

We will protect you by inspecting businesses and residential dwellings, and by educating building owners and responsible persons, to minimise harm and disruption to our communities.	<p>PI-13 The Number of Accidental Fires in Non-Domestic Premises</p> <p>PI-14 (a&b) The Number of False Alarm Calls due to Fire Alarm Equipment in Dwellings and Non-Domestic Premises</p> <p>PI-12 The Number of deliberate fires in derelict buildings</p>
We will target our prevention activities to those in our communities most vulnerable to fire and other emergencies; whilst supporting all our communities to lead longer, safer, and healthier lives.	<p>PI-6 The Number of Safe and Well Points Achieved by the Brigade (with average point score PI-6a as sub-PI)</p> <p>PI-2 Number of Accidental Dwelling Fires</p>
We will be ready to respond to fire and rescue related incidents locally, nationally, and internationally by leading rescue operations to save lives and reduce the impact.	PI-1 Risk-based attendance standard. (Call handling PI-1a as sub-PI)
We will collaborate with other emergency services and organisations to enhance the service we provide.	<p>PI-5 The Percentage of Safe and Well Visits Referred by Our Partners</p> <p><i>%age of operational staff trained JESIP</i></p>
We will build resilience into our service to minimise the impact of disruptive events in the face of dynamic challenges and uncertainties.	<p><i>Business Continuity Plans, including Assessments, that are compliant with CCA requirements as a Category 1 responder.</i></p> <p><i>Compliance with Relevant Fire Standards</i></p>

Explaining our measures

Safe and Well Points are a measure that the service uses to determine the relative risk of a home that we visit where we undertake. The highest the point score, the more risk factors that are present and therefore the higher the risk the home.

How will be achieve this?

Read more about our plans to deliver against these strategic goals, and our more detailed plans for Prevention, Protection and Response in our Community Risk Reduction Plan [\[link\]](#)

People

Our People are our greatest asset and a thriving engaged workforce is crucial to our success. We put great focus on our employee experience, creating a positive work environment that promotes well-being and work-life balance. We continue to be an employer of choice for our communities, through our commitment to building a diverse workforce reflective of the rich fabric of our society.

We are committed to fostering an inclusive and supportive culture where all our staff understand and live by our values, and where poor behaviour is robustly challenged and effectively dealt with.

We take pride in the support and development we invest in our people. Ensuring our staff are healthy and highly skilled allows them to provide the best possible services to each other and our communities.

Goals, Measures and Targets

We will ensure our workforce reflects the diverse communities it serves at all levels	(PI 17&17a) %age Black and Minority Ethnic operational staff/all staff (modified PI 16) %age Female operational staff/all staff
We will create an environment which enables everyone to thrive at work.	% <i>Staff Trust in the service</i> % of <i>completed IPDRs</i>
We will ensure everyone knows how they contribute to the delivery of excellent services.	% <i>Staff reported understanding of the core values.</i>
We will prioritise wellbeing to make WMFS a safe and healthy place to work for all.	PI-21 and PI-22 - Total Number of Injuries/Total Number of RIDDOR Injuries PI-18 The Average Number of Working Days/Shifts Lost due to Sickness – All Staff (with PI-19 and PI-20 as sub PIs)
We will champion and continually develop the skills, competencies and behaviours of our workforce.	%age <i>staff CRA Compliance</i>

Explaining our measures

RIDDOR Injuries are the most serious injuries that have to be reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

Staff will be asked to report their degree of trust in the organisation – reflecting how comfortable they are at work and their faith in service leadership and our various policies and processes.

An *IPDR (Individual Performance and Development Review)* should be undertaken at least annually with all staff, to help ensure their continuing development and provide evidence of core skills and competence.

We will also measure *staff understanding of core values* through regular staff surveys, with staff tested to ensure they can demonstrate knowledge of the values and how they apply to their work.

Competency Risk Assessment (CRA) is how the service determines that each member of staff has the required knowledge and skills to undertake their job, be they a firefighter, member of fire control, or one of our support staff.

How will we achieve this?

You can read more about our plans to deliver against these strategic goals and our specific plans in areas such as inclusion, data reporting and staff engagement in our Inclusion Action Plan [\[link\]](#).

Enabling Services

Designed to facilitate and accelerate delivery of key business goals, Enabling Services play a pivotal role in supporting WMFS to deliver its strategy and make West Midlands Safer, Stronger and Healthier.

Finance, Procurement and Sustainability drive efficiency & value for money alongside supporting resource allocation to enable the delivery of key priorities and transformation.

Communications and engagement lead on engagement both within the service and with our communities, enhancing public awareness of the service, what we can offer and our key safety messages.

The Digital, Data & Technology team leverage technology to enable streamlined operations, data-driven decision making and enhanced service delivery.

Collectively, Enabling Services provide additional expertise to achieve the service's vision by partnering with our community-facing teams to help them be more effective in their roles.

Goals and Measures

We will deliver the best outcomes for our communities by ensuring we maximise technology, data & insight to enhance and futureproof our services	<i>% services available on any modern device</i> <i>% data completeness, accuracy & visualisation</i>
We will keep your data safe by enhancing security and gaining accreditation for our systems	<i>Attainment of Cyber Essentials Plus</i> <i>% staff completion of Cyber Awareness Training</i>
We will provide our staff, communities and partners with informed communications and engagement that can be trusted.	<i>Communications Trust Survey results</i>

Explaining our measures

Cyber Essentials Plus is a government-backed, industry-supported scheme which helps organisations protect themselves against online threats. By aiming for the "Plus" standard, WMFS will be subject to a hands-on technical verification, providing extra assurance of our cyber security.

Our *Communications Trust Survey* is a six-monthly survey carried out with our staff, partners and communities to assess the trust they have in our communications and engagement, including areas such as our community safety campaigns and social media content.

How will we achieve this?

You can find out more about how we will deliver our goals for technology, data and cyber security by reading our Digital and Data Strategy [\[Link\]](#).

Our Corporate Communications Strategy [\[Link\]](#) provides more information on our approach to effective communications and engagement.

Value

As a publicly funded service, we are committed to ensuring our services are not only effective, but efficient too, delivering value for money and providing the best return on your investment in us.

Like all local authorities, we are subject to a Duty of Best Value to “*make arrangements to secure continuous improvement in the way in which [our] functions are exercised, having regard to a combination of economy, efficiency and effectiveness.*”

Improving efficiency helps us to invest in the people and service we provide to you and helps us to drive continuous improvement.

We must also meet expectations set by central government of the fire and rescue sector as a whole to improve productivity. We need to ensure that our crews and our support staff are making optimal use of their time and achieving the maximum benefit from the resources and money we invest in various activities such as prevention and training.

Of course, we must deliver value in a way that is sustainable for our people, communities and the planet – be that in the products we purchase, the vehicles we use or the way we heat and maintain our buildings – with the ultimate aim of achieving the West Midlands wide ambition of net-zero by 2041.

Goals and Measures

We will be financially sustainable, effectively planning how we use our resources and maintaining affordable levels of spending.	Balanced Budget
We will deliver efficiencies to improve value for money and maintain services.	Delivery of savings target
We will continue to improve the productivity of all our staff to deliver more positive outcomes with our investment.	<i>Productivity measure (e.g., total volume of productive output divided by workforce WTE).</i> <i>Economic and Social Cost of Fire Measures</i>
We will enhance sustainability and operate our service ethically as we continue our journey towards net zero.	<i>PI-23 Total Service Carbon Footprint/Output</i> PI 24&25 Gas/Electric/Fuel are currently measured so could be used. Further down insight is based on high levels of assumptions.

Explaining our measures

Total Carbon Footprint is measured in terms of tonnes of “CO₂ equivalent” emissions either produced directly by the organisation from things like heating and fuelling vehicles (called Scope 1), and indirectly from the energy we buy (Scope 2). CO₂ equivalent is a measure designed to take account of all types of greenhouse gases, but provide a consistent measure in terms of the environmental impact they have equivalent to a standard measure of CO₂, the most common greenhouse gas.

How will we achieve this?

You can read more about our approach to meeting our efficiency and productivity targets in our annual Efficiency and Productivity Plan [\[LINK\]](#), which is updated every March. This report is produced at the request of the Home Office and sets out how we will meet the targets set for us by Government and reflected in our goals above.

Our Budget and Medium Term Financial Plan [\[Link\]](#) are agreed and published every February and will provide further detail on how we will deliver our efficiency goal and achieve a balanced budget.

You can also read more about how we will deliver on our commitment to achieving Net Zero within our Sustainability Strategy [\[Link\]](#).

Our Balanced Scorecard

Our balanced scorecard brings together the goals from each of our perspectives and our Key Performance Indicators in one place. We publish a live version of this on our website so that we can be held to account for how we are delivering against our goals. [\[LINK\]](#)

Our Fire Authority receive and scrutinise six-monthly reports on our Key Performance Indicators and agree the targets that are set for all of them. You can read those reports and the minutes of those meetings on our WMFRA CMIS pages [\[LINK\]](#).

Alongside the live dashboard and the quarterly authority reports, the service publishes an Annual Report to look in more depth at our performance and the reasons why we met, missed or exceeded our targets. [\[LINK\]](#)

[\[Diagram\]](#)

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 9

19 FEBRUARY 2024

1. STATEMENT OF ASSURANCE 2022-2023

Joint report of the Deputy Chief Fire Officer, the Clerk to the Authority, and the Monitoring Officer.

RECOMMENDED

THAT the Authority approves the Statement of Assurance 2022-23.

2. PURPOSE OF REPORT

This report is submitted to seek approval for the Statement of Assurance 2022-23 which the Authority are legally obliged to produce and review on an annual basis under the Fire and Rescue National Framework.

3. BACKGROUND

- 3.1 The Fire and Rescue National Framework for England published in May 2018 sets out a requirement for Fire and Rescue Authorities to review and publish a 'Statement of Assurance' on an annual basis. The requirement is contained within Chapter 4 of the Framework which focuses on governance.
- 3.2 In line with this expectation, the Authority's Statement of Assurance (attached as Appendix 1) has been reviewed for the year 2022-23 and is submitted for approval.
- 3.3 The 'Guidance on Statements of Assurance for Fire and Rescue Authorities in England' issued by the Government in May 2013 remains current. The guidance stipulates the content of a Statement of Assurance.

The following three key areas must form part of any Statement of Assurance:

- Financial
- Governance
- Operational

3.4 Additionally, the guidance states that Fire and Rescue Authorities may wish to include a section on any potential improvements they have identified across their accounting, governance, or operational responsibilities to communities. These have been included in the three main areas above to assist the contextual flow of the statement; Reflecting the work of the Service in delivering continuous improvement and transformation, to deliver our vision of 'Making the West Midlands Safer, Stronger, and Healthier.

3.5 With regard to our arrangements the following are all part of West Midlands Fire and Rescue Authority's (WMFRA) assurance process.

3.5.1 **Financial**

The Authority publishes its Statement of Accounts, pay policy, transparency data, internal and external audit information. Each year the auditors discharge pre-agreed audit plans and are invited to the Fire Authority and Audit and Risk Committee to give their findings. Additionally, the outcomes are published via Fire Authority meetings, the internet and contained within the Annual Report.

3.5.2 **Governance**

Each year the Authority produces its Annual Governance Statement in support of its accounts. This statement expresses the measures undertaken to ensure propriety. In addition, the Fire Authority maintains a level of scrutiny of the Service through its governance framework, the reports of which are all publicly available.

3.5.3 **Operational**

The Fire Authority has committed to consult on its Community Risk Management Plan (CRMP) every three years, or where there is a material change to it. This process of consultation is robust and is in line with the Fire Authority's own consultation strategy, which is based on government guidance, and ensures statutory requirements are met regarding the requirement to publicly consult on the CRMP.

- 3.6 It is reassuring to note the majority of the information required as part of the Statement of Assurance is established within the organisation and the vast majority of the documents are already within the public domain. We do acknowledge the benefits of bringing our key financial, governance and operational assurances together within a single document in terms of providing transparency and assurance to our staff, communities, partners and the Government. The Statement of Assurance also ensures compliance with our specific data transparency requirements, for example the Local Government Transparency Code.
- 3.7 The Authority is required to review this document annually to reflect the previous year's activity.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The preparation of the Statement of Assurance document is a legal requirement as part of the Fire and Rescue National Framework for England.

There are no matters arising out of this report that are required to be brought to the attention of the Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications.

BACKGROUND PAPERS

[Fire and Rescue National Framework for England, \(Home Office, 2018\).](#)

[Guidance on statements of assurance for Fire and Rescue Authorities in England, \(DCLG, May 2013\).](#)

[Report by the Home Secretary on Fire and Rescue Authorities' compliance with the Fire and Rescue National Framework for England \(Home Office, July 2023\).](#)

[Three Year Rolling Strategy 2022-2025 and Annual Plan \(WMFS, 2022\).](#)

The contact name for this report is Area Manager Marc Hudson, Head of Portfolio - telephone number 07973 810139.

JO BOWCOCK
DEPUTY CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

SATINDER SAHOTA
MONITORING OFFICER

Statement of Assurance 2022/23

Introduction

Fire and Rescue Authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their Community Risk Management Plan (CRMP).

The West Midlands Fire and Rescue Authority (WMFRA, also titled the Authority) is required to publish an annual Statement of Assurance as part of the Fire and Rescue National Framework for England. The Statement of Assurance for West Midlands Fire Service (WMFS) is published annually, to provide an easy and accessible way for communities, government, local authorities, and partners to assess the Authority's performance and governance arrangements.

National guidance on the content of Statements of Assurance published in May 2013 suggests that where Authorities have already set out relevant information that is clear, accessible and user friendly within existing documents, they may wish to include extracts or links to these documents within their Statement of Assurance. This Statement includes extracts or links to key documents where relevant. This document sets out the approach taken to ensure that appropriate arrangements are in place in terms of governance and operational delivery. It is intended to provide transparent information about its financial, governance and operational affairs.

Foreword

Welcome to the annual Statement of Assurance from Councillor Greg Brackenridge, Chair of WMFRA, and Jo Bowcock, Deputy Chief Fire Officer of WMFS.

This Statement of Assurance provides the reassurance that in 2022/23 your Fire and Rescue Service contributed to our vision of 'Making the West Midlands, Safer, Stronger and Healthier'.

Having been incredibly proud of how everyone at WMFS responded to meet the challenges of Covid 19, 2022/23 was a year of transition to living with Covid 19, one which saw us determined to build on the valuable learning from the last two years, transforming many of the ways we work and operate.

Technology, delivered via our Digital and Data Strategy, has meant that we could carry out 'virtual' Safe and Well visits to people's homes or safety audits of tall buildings.

We have formed new partnerships and strengthened existing ones. These valuable collaborations with councils, our blue light colleagues and other organisations are the bedrock of the support we offer to the more vulnerable members of our communities.

In 2022/23 we have continued to take great strides in developing our Community Risk Management Plan (CRMP), exploring how we can deliver our services in the best possible way and maximise the effectiveness of how we use our staff and

resources, increasing our capacity and capability to respond to existing and emerging risks.

Developments have enabled a range of positive outcomes including:

- Our Risk-Based Crewing (RBC) approach to how we respond to incidents means that our crews have been able to carry out more prevention and protection activities. This approach and mix of vehicle types means that we can use our people and resources more flexibly. During the extreme heat of Summer 2022, it enabled us to deal effectively with a large number of fires and other incidents over a short period of time much more efficiently.
- Our revised approach to Automatic Fire Alarms, reducing the number of occasions a full-size fire engine is sent to what turns out to be a false alarm, with smaller vehicles sent instead, ensures other resources are available to respond to actual emergencies,
- The opening of our third Technical Rescue Station, in Sutton Coldfield, providing our communities with an enhanced capability and capacity to deal with identified emerging risks in an agile and flexible manner, as well as further increasing levels of assurance and resilience in the delivery of WMFS specialist response capability and National Resilience requirements.

The Round Two inspection saw HMICFRS undertake their third assessment of WMFS and it is with great pride that we can report that our performance was judged as outstanding for how effective the Service is at keeping people safe and secure, maintaining our grade of outstanding for response to fire and other emergencies and being one of only two FRS to be graded as outstanding in understanding fires and other risks. We were graded as outstanding for our overall effectiveness, and graded as good for how efficient we are at keeping people safe and secure, and for how well we look after our people.

It is clear from news reporting and independent reviews that the fire and rescue sector as a whole continues to face problems with culture and behaviours. There are still people working in our sector who do not represent the values of the fire and rescue service, and some staff continue to suffer bullying, harassment, and discrimination. This is completely unacceptable. Where we find evidence of such behaviour we will act swiftly and decisively to root it out. We are fully committed to being an inclusive, rewarding, and safe place for anyone to work and to be their true selves.

This is one of the reasons we are so proud and honoured that WMFS was ranked number one in The Inclusive Top 50 UK Employers List 2022/23. It is an achievement that reflects the ongoing and outstanding work achieved throughout the Service, by all of our teams and staff stakeholder groups who remain so invested in making it happen. This has all been supported through the adoption of the LGA/NFCC Core Code of Ethics by the Service, which are the foundations for Our Values which encompass the things that are important to us as a Service: Community at Our Heart, Excellence, Trust, Leadership, Diversity, Inclusion, Cohesion, Equality. This has been supported through the

development of our Behavioural Framework which follows national best practice founded on the NFCC Leadership Framework and Core Learning Pathways, and the launch of the Service's Inclusion Action Plan to support continued improvement of the Service.

In the summer of 2022, we were a key partner in the delivery of the Commonwealth Games which were a huge success for Birmingham and the wider West Midlands. Our work led us to being awarded 'Emergency Service Collaboration of the Year' at the Excellence in Fire Awards.

We were honoured to host the United Kingdom Rescue Organisation (UKRO) 'Festival of Rescue' where hundreds of firefighters from across the UK and beyond competed to be crowned 'best of the best' in a range of rescue skills. This event was a great opportunity for fire and rescue services to strengthen their working ties and learn from one another.

We are proud of the services we provide to our communities, our businesses, the successes we achieve with our partners, and the support we provide to the wider region, the UK and beyond. However, challenges remain, with impacts felt from global events to those closer to home. The cost-of-living crisis and historic levels of inflation remain a challenge both for our communities, and for us as a Service, with continuing budgetary pressures felt across all public services. We continue to make the case for an improved financial settlement for fire and rescue services and West Midlands Fire Service in particular, as we continue to operate with a budget far below the real-terms level of 10 or 15 years ago. The threat of further future austerity will leave the service with no further room for "efficiency" and "innovation" – you can't make the same savings more than once.

Finance

The WMFRA places significant importance on ensuring that its financial management arrangements are in line with the expectations of a public body. As a public service the Authority are responsible for ensuring that public money is properly accounted for and spent in a way that provides value for money.

Statement of Accounts

The Authority's 2022/2023 Statement of Accounts is prepared in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, under International Financial Reporting Standards. The Authority's accounts for the financial year 2022/23 consist of the following:

- The Comprehensive Income and Expenditure statement, the Authority's main revenue account, covering income and expenditure on all services
- The Movement in Reserves Statement, which shows movement in the year on different reserves held by the Authority
- The Balance Sheet, which sets out the financial position of the Authority at the 31 March 2023

- The Cash Flow Statement, showing movements in cash and cash equivalents during the year and the cash position at the end of the year
- The Pension Fund Account, which summarises the movements relating to the firefighters' pension schemes

The majority of the net cost of Fire Service expenditure relates to the cost of services, £130.495m. The total Provision of Services in 2022/2023 shows a deficit of £70.451. Within this deficit is total expenditure of the Authority which for 2022/2023 was £194.829m.

The total income of the Authority in 2022/2023 was £124.378m.

In respect to the McCloud / Sargeant Ruling and Immediate Detriment, the Service has continued to monitor and engage with developments throughout including impacts upon finance forecasts and governance arrangements. The Service is operating in accordance with the 'McCloud' Remedy Period, and will be issuing Remediable Service Statements, where applicable, in August 2024. Where this is not possible, the Service ensures that information will be provided in line with the March 2025 deadline. Immediate detriment has been applied to all affected pre-existing retired members of the Scheme.

Governance

The Authority is required to produce an "Annual Governance Statement" with its audited "Annual Statement of Accounts". The Governance Statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

It explains how our service manages its governance and internal control arrangements and measures the effectiveness of those arrangements.

Governance Assurance

WMFRA is a Joint Authority established under the Local Government Act 1985, amended via "The Fire and Rescue Authority (Membership) Order 2017", which saw the membership of the Authority reduced to 15 Members and its committee structure streamlined, achieving further efficiencies in the provision of effective governance. It is a supervisory body that ensures that WMFS perform efficiently and in the best interests of the public and the community it serves.

WMFRA have statutory responsibilities laid down in legislation including (but not limited to) the:

- 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 2018
- The Policing and Crime Act 2017
- The Health and Safety Work Act 1974
- Fire Safety Act 2021

WMFRA is led by its Chair, Councillor Greg Brackenridge, and it comprises fifteen elected Members who represent the seven local authorities that make up the West Midlands in proportion to their size, the West Midlands Police and Crime Commissioner and two co-opted Members (one representing health and one representing business). The Representative Bodies, namely the Fire Brigades Union, Fire Officer Association, and UNISON, are invited to attend the WMFRA with Special Observer status.

The seven local authorities that make up the West Midlands are Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, and Wolverhampton.

WMFRA have a Constitution that outlines how it carries out its affairs. It explains how decisions are made and brings together in one document the detailed rules and procedures that govern the behaviour of those who work for or represent the Authority.

The Authority Members have developed and adopted a local Code of Corporate Governance document which incorporates how the Authority meets the seven principles of good governance. The Fire Authority ensures that its governance structures comply with the seven core principles and sub-principles of the CIPFA/SOLACE – ‘Delivering Good Governance in Local Government Framework 2016’.

These principles are adhered to via the processes outlined in the Constitution.

To enable the authority to carry out its duties effectively, in addition to the Fire Authority meetings there are several committees and regular forums that include:

- Appointments, Standards and Appeals Committee
- Audit and Risk Committee
- Collaboration and Transformation Committee
- Joint Consultative Panel
- Pension Board
- Policy Planning Forum (renamed Members Engagement Forum June 2023 onwards)
- Scrutiny Committee

You can find out more about the Fire Authority and its Members on the website, www.wmfs.net. In addition, there is a [Committee Management Information System](#) (CMIS) which provides details of all Authority and Committee meetings, reports, minutes, and records of decisions.

External Audit

The accounts are audited by independent external auditors (Grant Thornton UK LLP) who in addition to auditing the accounts, also provide assurance that the Authority has the correct arrangements in place for securing economy, efficiency, and effectiveness in its use of resources. The full external audit work programme and the risk-based approach are explained in Grant Thornton's Audit Plan. Their findings and their opinion on the Authority's accounts and the value for money is included within the Audit Findings Report.

Note: At the time of publication external audit remains work in progress with the findings of Grant Thornton to be reported in due course. This section of the Statement of Assurance will be updated to reflect the outcomes.

Internal Audit

Our Internal Audits are carried out by Sandwell Metropolitan Borough Council, the outcomes of which are reported to the WMFRA Audit and Risk Committee. The Annual Internal Audit Plan is agreed by the Committee and progress reported on a quarterly basis. The 2021/22 Annual Internal Audit Plan included the following ten areas of review: Data Protection, Environmental Protection Targets, Fixed Asset Accounting, Accounts Payable, Budgetary Control, Accounts Receivable, and Risk Management were rated with a 'substantial' level of assurance. Fire Stations – Management of Fuel, Workforce Planning, and Governance were rated with a 'reasonable' level of assurance. Payroll remained in progress by year-end.

The 2022/23 Internal Annual Audit Plan included the following 10 areas of review:

Eight areas rated with Substantial Assurance:

- Freedom of Information
- Fixed Asset Accounting
- Accounts Payable
- Budgetary Control
- Accounts Receivable
- Governance
- Risk Management
- Payroll

Two areas remained in progress at year end:

- Data Protection
- Partnerships

Each audit assesses:

- The level of risk to the Authority assigned to each auditable area (high, medium, or low)
- The number and type of recommendations accepted by management
- The level of assurance given to each system under review - Substantial Assurance, Reasonable Assurance (positive opinions), Limited Assurance, No Assurance (negative opinions)

Other sources of assurance on which the Authority may rely include:

- The work of the External Auditors (currently Grant Thornton)
- The result of any quality accreditation
- The outcome of visits by HM Revenue & Customs
- Other pieces of consultancy or third-party work designed to alert the Authority to areas of improvement
- Other external review agencies

Data Transparency & Accountability

In preparing this Statement of Assurance, the Authority has considered the principles of transparency, promoting openness and accountability through reporting on local decision making, public spending and democratic processes.

All relevant information is published on the West Midlands Fire Service website in line with the Local Government Transparency Code 2015, including information on how the Authority has spent its public money, demonstrating the Authority's commitment to transparency and accountability. This has been developed further through our work to ensure information meets web accessibility requirements.

Operational

Community Risk Management Plan

WMFS implements its Community Risk Management Plan (CRMP) in conjunction with its medium-term financial plan and Annual Plan, which together comprise our three-year rolling strategy for implementing our Service Delivery Model.

The Service ensures that our CRMP covers 'at least a three-year time span and [can] be reviewed and revised as often as it is necessary', as required by the Fire

and Rescue Service National Framework. The Service is also required to ensure that the CRMP 'reflect(s) effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners' and is 'easily accessible and publicly available'. These requirements are achieved by reviewing and updating the CRMP as a risk analysis on an ongoing basis, and via undertaking a three yearly refresh including public consultation (with the next public consultation exercise being carried out in Summer 2023 to support the development of the Services three-year planning cycle).

In recognition of both the changing CRMP, role of a fire and rescue service, and government expectations, WMFRA approved the development of CRMP objectives in February 2021, and 2022/23 saw these objectives progressed and delivered through specific CRMP projects, with a focus continuing to be transforming the services we deliver to our communities in a sustainable way and importantly, continuing to mitigate and reduce risk to vulnerability of fire and other emergency incidents.

The CRMP projects:

- Risk Based Crewing / Blended Fleet

Risk Based Crewing provides an alternative approach to managing risk and finance through our fleet, to ensure we are delivering value for money, whilst providing the best services to meet the diverse needs of our communities. It focuses on lower risk incidents such as secondary fires or special service calls. The aim is to empower fire control and operational officers to make risk-based decisions regarding the right level of resources to mobilise based on knowledge, experience, and professional judgement. This approach builds on our already successful dynamic mobilising concept.

Following a successful trial period, risk-based crewing was rolled out to 11 fire stations from April 2022 as part of business-as-usual operations. Evaluation of the project has identified a 60% increase in Brigade Response Vehicle (a smaller fire appliance crewed by two or three firefighters) availability, and 84% of all secondary incidents have been attended by a Brigade Response Vehicle enabling a more proportionate response to incidents aligned to risk and protecting the availability of the larger traditional fire appliances to respond to more serious emergency incidents.

During the extreme heat experienced in summer 2022, risk-based crewing enabled us to flexibly use our resources and effectively manage the significant increase in demand and spate conditions.

The blended fleet component of the project aims to continuously explore the opportunities in transforming our use of resources and how these can be further enhanced through adapting and changing our fleet and how it is used.

The initial phase of this CRMP objective has sought to identify potential changes to the resourcing and use of the Service's current fleet, to support implementation of how we respond to Automatic Fire Alarms, develop the risk

based crewing approach, and to review attendance to road traffic collisions (RTC). Changes in relation to non-persons reported RTCs has enabled the number of incidents attended by the smaller fire appliances to increase significantly, further supporting increase in proportionate response.

The next steps of this project will see us exploring further opportunities to develop risk-based crewing and the blended fleet approach, (see section on Statement of Assurance 23/24 for further information), and although not the key driver for progressing this work, it is envisaged that this approach can generate savings and can contribute towards in-year efficiency requirements.

- **Dynamic Mobilising**

Dynamic mobilising research has continued to be undertaken to better to understand how, by reviewing our approaches to response interventions (where this is appropriate), we can ensure the most appropriate availability of resources for Category 1 incidents where there is a threat of serious harm to life and / or property.

The research undertaken to support evidence-based decision making has enabled us to better understand how our initial level of response can be more effectively aligned to the actual / known risk of an incident at the point of call. The project has worked with a range of data sets, modelling, research, and academic institutions and sector subject matter experts to assure the approach and findings. This has been further supported through correlation analysis, fire safety modelling, Fire Control research, and live burn scenarios.

The focus going forward will be to examine our findings and to use them to improve how we work, including through our risk based crewing and blended fleet approach, aspiring to move from pre-determined levels of response, to embedding the principles of people-based mobilising decisions across all of our incident types.

- **Automated Fire Alarms**

The Automated Fire Alarms (AFA) project aims to review our dynamic mobilising approach to AFAs to ensure we only send a response when required. This has resulted in:

- An amended approach to our response to AFA incidents at student accommodation. We will now not attend an AFA at these premises unless there is a reason to attend.
- Implementation of a more proportionate response to AFAs at hospitals, where possible, a large fire appliance will not attend unless there are additional reasons to.

A 25% reduction in in the use of larger fire appliances at AFAs has been observed since the introduction of these changes to how we respond.

The focus going forward will be to apply dynamic mobilising principles to all AFAs 24/7, which will include revising our approach to responding to residential care homes.

- Reducing Health Inequalities

Reducing health inequalities aims to:

- enhance the 'Up Stream' approach to firefighting through the development of a co-ordinated suite of activities that reduce health inequalities across the life course of a vulnerable person
- reduce the risk and vulnerability to fire and other emergencies and create more resilient communities.

This work continues to focus on the areas of People (more people centred and evidence based approach to prevention activities), Digital and Data (digital delivery of 'virtual' Safe and Wells), Partnerships and Collaboration (increasing percentage of Safe and Wells referred by our partners), to enable a whole systems approach to the development of interventions to enable the objective to be met, with a continuing emphasis on delivering a co-ordinated suite of activities that aim to reduce health inequalities across the life course of a vulnerable person and to enhance our 'up stream' approach to firefighting.

- Emerging Risks

The Service recognises the growing future impact of external and environmental changes and events (such as flooding, extreme heat and complex infrastructure projects) which will impact on how we deliver our services as well as the skills required of our people to achieve this, ensuring continued preparedness,

Our third Technical Rescue Fire Station opened in May 2022, located at Sutton Coldfield. The additional recruitment resulted in increasing diversity within the Technical Rescue Unit, with a 100% increase in those from BAME backgrounds, and a 200% increase in females being recruited, which will continue to promote diversity.

The Service has continued to develop its safeguarding contribution to the Prevent Strategy working closely with West Midlands Police Counter Terrorism Unit, developing training sessions for all WMFS staff to recognise and refer concerns related to extremism under the remit of safeguarding. The Service attends the local Prevent Delivery Group and Prevent Regional meetings alongside West Midlands Police, working with local authorities around the Prevent theme.

We will continue to horizon scan to identify new and emerging risks that may have an impact on the risk landscape of our communities and the services we provide. Emerging risks is a continuous process, with new developments constantly being identified and monitored, with appropriate actions put in place to manage their impacts on how we deliver our services. Recent examples include the ever-increasing presence of lithium-ion batteries, and modern construction methods.

Mutual Aid Arrangements

WMFRA has mutual aid arrangements in place with all the surrounding Fire and Rescue Services (FRS). These arrangements include the provision of support in

the event of large-scale incidents or in instances where resources of an FRS may be greatly reduced. WMFRA is a partner in the West Midlands Conurbation Local Resilience Forum (LRF), the statutory multi-agency partnership which ensures all category one and two responders including emergency services, fulfil their roles and responsibilities as set out in the Civil Contingencies Act 2004. The forum enables planning to be in place in preparation for localised incidents and emergencies which may impact upon the communities within the West Midlands.

In parallel, the Police and Crime Act 2017 places a duty on Fire, Police and Ambulance services to collaborate to improve the efficiency and the effectiveness of emergency services. WMFS work with partners to optimise multi-agency response and resilience through enhanced working relationships, in line with the Joint Emergency Services Interoperability Programme (JESIP). The Service continues to work closely with West Midlands Police and other partners in fulfilling its responsibilities under the Prevent Strategy.

The Service supports the UK-wide emergency approach as part of National Resilience and the Service has enhanced capabilities to support responses to major emergencies such as terrorist attacks, industrial and domestic accidents, and natural disasters, providing support UK wide and beyond. The Service is a partner in the Multi-Agency Specialist Assessment Team (MASAT) which provides initial assessment of potential Chemical, Biological, Radiological, Nuclear or Explosive (CBRNE) incidents. Our Urban Search and Rescue (USAR) and International Search and Rescue (ISAR) Teams provide enhanced capabilities for a wide variety of incidents including rescues from collapsed buildings, floods, height, and confined spaces. Following detailed risk analysis, understanding that West Midlands risk profile is changing and due to consultation work, we have continued to enhance our capabilities further with the provision of the third Technical Rescue Unit at Sutton Coldfield (see CRMP section).

Members of WMFS have been deployed to countries in response to earthquakes, hurricanes, floods and wildfires. 2022/2023 saw members of WMFS be deployed as part of the United Kingdom Search and Rescue (UK ISAR) team response to the devastating storms that swept through Malawi on Southern Africa, and deployed to Türkiye as part of the UK's response to the devastating earthquakes that struck the south of the country and Syria.

During the year, UKISAR and WMFS personnel were also among those to join convoys taking much-needed firefighting vehicles and equipment to war-torn Ukraine.

Health Safety & Wellbeing

The Service is committed to complying with its duties under the Health and Safety at Work Act 1974 and associated legislation for health, safety, and wellbeing. In line with delivering a “safer, stronger and healthier West Midlands”, it is important to maintain focus on ensuring that the Service continues to develop a positive approach to employee health, safety, and wellbeing and to protect

others from harm from its activities. To this end, the aim is for an assertive, effective, and safe approach when responding to emergencies.

The Plan Do Check Act (PDCA) cycle is used by West Midlands Fire Service (WMFS) for continual improvement. The PDCA cycle incorporates: Determining and assessing health and safety risks and opportunities and establishing objectives and processes necessary for meeting the services legal requirements. Monitoring and measuring the activities and processes in relation to objectives and reporting the results, taking actions to continually improve performance. During 2022/23 WMFS have:

- **Plan:** undertaken a high-level review of the Health and Safety Framework and established a mechanism for recording and delivering health and safety objectives. The resource within the team was reviewed to ensure the size of the team and level of competence was appropriate.
- **Do:** The review of the Policy has been communicated both through the local HSW committees and the strategic HSW committee. The recording of objectives has been formalised in the new audit process. The health and safety governance structure was reviewed resulting in new Terms of Reference for local and strategic committees, this also included reporting lines and responsibilities.
- **Check:** A new health and safety audit process has been developed and implemented throughout 2022/23. Each station has been audited with a specific action plan following each audit.
- **Act:** New health and safety performance indicators have been developed and delivered through a new reporting format, reports are specific to an area as well as a higher level and delivered quarterly.

Wellbeing

The Service has wellbeing of its people as a strategic priority, and it has launched a digital platform dedicated to collating all the employee benefits in one place making it easier for people to find. This includes shopping discounts to help people with the cost-of-living crisis and a GP helpline to help people stay in work.

We reviewed our mental health provisions and increased these by introducing a rapid CBT telephone service in addition to our Employee Assistance Programme, and this improved access and flexibility to mental health services.

We improved our maternity package and trained menopause champions to help women through this period of life.

We introduced a confidential reporting line for our people to raise any workplace concerns that they have. Our wellbeing and equality teams now work closer together and support employee networking groups.

External Operational Assurance

Our Plan forms part of the WMFS rolling three-year strategy. The operational year of 2022/2023 and the continuing effects of the pandemic has continued to be one of the most challenging and transformational periods WMFS has ever faced. While our outstanding emergency response has continued as normal as we moved to living with Covid, all other areas of the Service have continued to swiftly adapt to and embed new ways of working.

- HMICFRS: WMFS graded 'Outstanding' in Effectiveness, Response, and Understanding Risk

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) commenced their second full inspection of the Service in March 2022, publishing their findings in January 2023 (the full report is [available here](#)). We were graded as 'Outstanding' in our response to fire and other emergencies, maintaining our grade from our first inspection in 2019. We were graded as 'Outstanding' in our overall 'Effectiveness' and we were one of only two fire and rescue services in the country to be graded as 'Outstanding' in understanding fires and other risks. Additionally, the inspection saw the assessments to both 'Promoting the right values and culture', and 'Managing performance and developing leaders' move from 'Requires Improvement' to 'Good'.

Overall, we were rated 'Good' as a minimum across all areas assessed during the inspection. To maintain and build upon the findings of the previous inspection reflects the continuous improvement and innovation that is implemented across all of our work.

- HMICFRS: Report on Values and Culture in Fire and Rescue Services

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services published a spotlight report focusing on the values and culture in the fire and rescue service, the findings of which were difficult to read with reports of widespread bullying, harassment, discrimination, misogyny, racism, and homophobia across the national fire and rescue sector.

The report makes a series of recommendations intended to assist fire and rescue services to improve values, culture, fairness, and diversity. We accepted all of the recommendations made in full. We had been graded as 'Good' by the HMICFRS in our approach to 'People', including:

- Promoting the right values and culture
- Getting the right people with the right skills
- Ensuring fairness and promoting diversity
- Managing performance and developing leaders

This reflects the incredibly high standards that we have set ourselves and provides the foundation from which we can continue to meet and exceed our standards, and those of the HMICFRS. Some concerns raised in the report were already being addressed at the point of publication, where work had already begun, such as how we had pro-actively adopted the National Code of Ethics and carried out a review of 'Our Values', the foundations for a workplace free from bullying, harassment, and inappropriate behaviour. Other areas where

planning had already begun required some adjustments to ensure the requirements were met, and some areas meant additional work would be required to be done. All of which has been incorporated into the Services Inclusion Action Plan, building upon our previous Joint Cultural Implementation Plan, as we continue to develop and deliver upon the recommendations, as we strive to make WMFS a place where people can work in a safe and dignified way.

Internal Operational Assurance

The Strategic Enabling Team (SET) is led by the Chief Fire Officer. This senior management team oversees the shape and direction of the Service and that it is adhering to our legal responsibilities.

The Service operates a three-year rolling strategy called 'Our Plan'. This document sets out how the Service will fulfil its vision of 'Making the West Midlands Safer, Stronger, and Healthier'. The aim is to achieve this through its priorities and outcomes set by the people of the West Midlands through consultation and with their Fire Authority. In summary, these strategic priorities include:

- The **response priorities** that focus on dealing excellently with emergency incidents
- The **prevention priorities** that focus on delivering interventions which support safer and healthier communities
- The **protection priorities** that focus on protecting life and property to make businesses stronger and healthier

These strategic priorities are delivered through strategic perspectives which provide a focus on the internal strategies with which the strategic priorities are implemented, including the goals which provide the context of how these will be achieved. These are:

- **Community Risk Reduction**
Achieving excellent community outcomes by reducing risk and vulnerability through a proportionate response to all prevention, protection and operational activities
- **Enabling Services**
Providing effective and efficient systems as part of a sustainable ecosystem which supports our people and services to be excellent
- **People**
Working together to make WMFS a great place to work for our people for the benefit of our community
- **Value**
Deliver the maximum community benefit using the investment available to us

These goals align to our 3PT framework (Portfolio, Programmes, Projects) and are integrated into the management of our projects.

The Service has adopted a Portfolio Management approach to the delivery of our strategy. The Portfolio refers to everything we do; it is the portfolio of work that

we deliver as a Service. The work of the Service is distributed across the three distinct programmes (reflecting our strategic perspectives) of Community Risk Reduction, Enabling Services, and People.

These programmes deliver a number of continuous improvement, collaboration and transformation projects that align to our strategy of Making the West Midlands Safer, Stronger and Healthier.

Our Portfolio Management Office is a multi-skilled team that supports change, improvement, and delivery throughout the organisation, providing the framework, systems and training that facilitates our Portfolio Management approach, including ongoing support in the delivery of our programmes and projects.

It is through our Portfolio Management Office that we ensure internal operational assurance, utilising amongst others:

- Community Risk Management Planning
- Data Analysis
- Governance and Performance
- Organisational Assurance
- Organisational Intelligence
- Policy
- Service Peer Assessment
- Systems and Processes

Organisational Assurance is the function that provides assurance of the delivery of the Service's strategy. Our approach supports the principle of being a 'self-aware' 'learning organisation', which takes an evidence-based approach in enabling the Service to meet its expectations and commitment to continuous improvement.

Organisational Intelligence is dedicated to capturing learning and feedback to enable us to continuously improve Service policies, procedures, and service delivery, as well as identifying organisational learning and linking into internal, regional, National Operational Learning and Joint Organisational Learning processes.

Policy oversees the facilitation of the development and review of organisational policy, National Operational Guidance, procedures and guidance, providing assurance for policy owners.

Service Peer Assessment is our independent internal process to providing assurance, designed to provide a year-on-year comparison, so we can see how our fire stations, sections, and departments performance changes over time and in relation to each other.

The performance of WMFS during 2022/23

Staff skills competency, values and behaviours are at the very core of our service delivery. Regardless of role, we want all staff to understand how significant their contribution is and how it fits in to the bigger picture in terms of helping us to

achieve our response, prevention, and protection priorities. Embracing awareness of value for money and progression of a digital approach to working underpins our service improvements and cultural development.

Response

WMFS know that its five-minute response is based on evidence and knowledge of risk and that it saves lives, homes, and businesses. In our last national inspection by [His Majesty's Inspectorate of Constabulary and Fire and Rescue Services](#), our response delivery amongst our communities was graded as 'Outstanding' for the second successive time. We have continued to deliver within our defined response times throughout 2022/23.

During 2022/23 our Fire Control handled 59,598 calls, in an average of 97 seconds per call, receiving just over 10,000 more calls than received in the previous year. Our firefighters attended 29,525 incidents and they arrived at the most serious in an average of just 4 minutes 48 secs. Increases in the number of calls handled and the number of incidents attended compared to the previous two years reflect the ceasing of Covid lockdowns and related restrictions, the move to living with Covid, and the extreme temperatures in July and August 2022.

People who use their smartphone to call us on 999 can also be asked to send photos or videos of what they can see. We came up with the idea of '999Eye' and developed it with Capita and it is now embedded within our call handling procedures, proving to be an invaluable tool providing officers with greater situational awareness and enhancing decision-making processes. It was used 9,436 times throughout 2022/23 to help operators in our Fire Control ensure that the most appropriate resources were sent to incidents. The application of 999eye also supports our CRMP projects and has proven instrumental in pilots including risk-based crewing.

Prevention

Our prevention work focuses on reducing people's vulnerability to the type of emergencies to which the Service responds. WMFS also have specialist prevention and partnership teams who support its firefighters in reducing anti-social behaviour, including arson, and improving road safety.

WMFS data shows a link between health status of an individual and Fire and Rescue related risks such as fire. This is supported by strong correlations between health conditions such as mental illness, physical disability, or mobility issues, with both the increased risk of fire and severity of such incidents on the individual in relation to injuries. These are set out in the Marmot principles.

The Service continues to use a targeted person-centred approach to its prevention interventions. Our Strategy continues to use the principle of 'upstream activity', identifying and tackling the causes of the causes of preventable death and related injury, which underpins our prevention activity.

Through the Reducing Health Inequalities CRMP objective, we have continued to focus on delivering a co-ordinated suite of activities that aim to reduce health

inequalities across the life course of a vulnerable person and enhancing our upstream approach to firefighting.

The [review of Safe and Wells](#) by the WMFRA Scrutiny Committee commencing in May 2022, was completed in November 2022. The review explored Safe and Well effectiveness and impacts upon the number of emergency incidents WMFS attends, as well to identify learning and improvements for staff and other agencies involved in the delivery of prevention activities, amongst a number of areas. The learning from the review and resulting recommendations continue to be implemented and aligns with the work the Service is undertaking as part of ensuring full compliance with the Fire Standards Board, Fire Standard for Prevention.

The use of technology has not only enabled us to continue delivering ‘virtual’ Safe and Wells throughout the pandemic, it has also allowed us to adapt our ways of working and how we can deliver Safe and Wells, using a combined approach of face-to-face and remote Safe and Wells.

All Safe and Wells are always prioritised based on the risk identified at the point of referral to the Service to ensure that we continue to identify those most at risk and vulnerable to fire, with face-to-face Safe and Well visits offered to those rated as most vulnerable. Additionally, face-to-face visits are offered whenever a remote Safe and Well visit identifies one is required.

In 2022/23, we carried out more than 30,000 Safe & Well visits, delivered both face to face and remotely, of which over 42% originated from partner referrals.

We have handed out over 13,000 pieces of equipment such as smoke alarms, hearing impaired alarms, mailbox protectors and fire-retardant bedding.

Despite some ongoing restrictions due to COVID related measures, our firefighters and Road Casualty Reduction Team engaged digitally with 5,685 children and young people, delivering key road safety messages, representing nearly a 57% increase compared to the height of the pandemic.

Protection

Our protection work focuses on helping businesses to thrive, making the West Midlands stronger. WMFS advises companies how best to comply with fire safety legislation, to keep its staff and customers safe. We reviewed and relaunched our Safe and Strong visits in December 2022 to assist operational personnel to deliver high quality Safe and Strong engagement in the community, and to identify and reduce risk in businesses in line with our CRMP, through the implementation of a more streamlined approach as part of a digitally enhanced process. This was further supported by the revamp of our website providing information and useful links to strengthen and support businesses including the NFCC Business Fire Safety Awareness Tool. In 2022/23 we carried out 7,952 Safe and Strong visits providing advice to businesses regarding fire prevention and protecting staff, buildings and contents.

In 2022/23 we recorded 364 accidental fires in non-domestic properties, a 5% decrease than experienced in 2021/22. We attended 6,752 false alarms caused by fire alarm systems.

We have three 'Business Support' vehicles and a team dedicated to bringing down the number of 'unwanted fire signals' from automatic fire alarms and reduce the disruption they cause. This is complimented by our staff in Fire Control using a system known as 'call challenge' as part of our dynamic mobilising approach to check whether we need to respond, or it is a false alarm. This has led to an amended approach to our response to AFA incidents at student accommodation and implementation of a more appropriate response to AFAs at hospitals.

We have made the changes necessary to implement the recommendations of the Grenfell Tower Inquiry and we are confident that we have met every relevant recommendation from the Phase 1 Report. We have since focussed on embedding and seeking continuous improvement in those areas, including:

- Comprehensive rewrite of our Tall Buildings Policy and procedures including Fire Survival Guidance, Evacuation, and Stairwell Protection, and ensuring all relevant training is updated throughout.
- Fitting of Building Information Plates to all residential tall buildings in the West Midlands.
- Introduction of comprehensive Site-Specific Risk Information guidance and processes.
- Issuing of Fire Escape Hoods for use in evacuations.
- Introduction of smoke stopper curtains to reduce smoke travel and aid evacuation.

How do WMFS do it?

The successful delivery of 'Our Plan' is enabled by 3PT, a project management framework that has been developed by the Service and which provides the strategic link between our CRMP and operational front line delivery model. The acronym 3PT stands for Portfolio, Programme, Projects, and Tasks, and it is how the Service conducts the management of change in the form of Projects and Programmes within the whole Service (the Portfolio).

As a forward-looking service with big aspirations and committed to excellence and continuous improvement, it is essential that we continue to improve how we plan for the future. As the environment we operate in can be volatile, uncertain, complex, and ambiguous (VUCA) having a robust framework can minimise many risks as we navigate our way towards a Safer, Stronger & Healthier future. 3PT provides WMFS with a strong evidence base for all the workstreams we deliver, which we can use to draw upon to provide organisational learnings that enhances our decision-making practices.

Statement of Assurance 2023/24

The next reporting year will feature how we have continued to take great strides in developing our CRMP, especially as it is a pivotal year where we will undertake a full three-yearly refresh of the CRMP.

It is a year in which we will have reached out to you – our communities, businesses, partners, and staff, and asking you to take part in our three-yearly public consultation on our CRMP. The consultation will support a review of the Authority's three-year rolling strategy and annual priorities for 2024/25 onwards.

We will continue to build upon the recommendations of the HMICFRS Spotlight Report on Culture and Values in the fire and rescue sector, delivering upon our Inclusion Action Plan, and supporting the work of the HMICFRS. To this end, the Service has been selected as one of the 10 sample services for the forthcoming thematic inspection of the handling of misconduct in fire and rescue services in England. This commission builds upon the findings of the Spotlight Report, and we will be welcoming HMICFRS into the Service during December 2023.

We recognise that the delivery of our Strategy is best achieved through a motivated, engaged, and thriving workforce. When our people feel that WMFS is a great place to work, then our communities are the beneficiaries. That is why our annual plan includes a focus on our People, Professionalism, and Pride:

- People – continuing to develop and improve the culture within the Service, ensuring connectivity at every level. Ensuring we are setting staff up to succeed through further development of managing vacancies, career pathways and training.
- Professionalism – increased focus on standards and review of training to include Trainee Firefighter Development Programme, staff competency, and Incident Command
- Pride – in our service, ensuring the appropriate focus is given to the effective use of our estate, appliances and equipment, and standards of appearance.

Through the work of our refreshed People priorities, we will be able to report how we have ensured a renewed and sustained focus on talent management, engagement and communication, Health, Safety & Wellbeing, and an uncompromising commitment to Diversity, Inclusion, Cohesion, and Equality. We will reflect how we have built upon the NFCC Code of Ethics as the platform to improve understanding and commitment to the Service's Core Values and how we continue to fine our use of positive action activities to maximise the opportunity of becoming a truly representative organisation.

19 FEBRUARY 2024

1. **WMFRA CODE OF CORPORATE GOVERNANCE**

Joint report of the Deputy Chief Fire Officer, the Clerk to the Authority, and the Monitoring Officer.

RECOMMENDED

THAT the Authority note the refreshed Code of Corporate Governance.

2. **PURPOSE OF REPORT**

This report is submitted to enable Members to consider and note the refreshed Code of Corporate Governance (see Appendix 1), which has been updated to ensure it continues to correctly reflect the Authority's assurance and transparency arrangements.

3. **BACKGROUND**

- 3.1 The Authority has developed and adopted a local Code of Corporate Governance based upon the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework, 'Delivering Good Governance in Local Government: Framework 2016'.
- 3.2 The original version was updated in light of revised arrangements resulting from the implementation of the reformed Fire Authority post 2018. This local Code has been refreshed and updated to ensure it continues to reflect how the Authority sets out its assurance and transparency arrangements.

- 3.3 As the 2016 SOLACE Framework remains in place, it should be noted that the changes are largely administrative in nature, aiming to provide greater assurance and transparency, as part of the Authority's ongoing commitment to continuous improvement.
- 3.4 The three fundamental principles that underpin the Code of Corporate Governance remain the same: Openness, Accountability, and Integrity.
- 3.5 The Code provides an overview of the governance and accountability arrangements which are currently in place, and explains how the Authority meets the seven principles of good governance and how these are adhered to through the organisations frameworks, policies, and processes:
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the entity's capacity, including the capability of its leadership and individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The development and publication of a local Code of Corporate Governance aligns with good practice, specifically 'Delivering Good Governance in Local Government: Framework 2016' (CIPFA/SOLACE, 2016), and clear expectations of good governance in the public sector.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications.

BACKGROUND PAPERS

Delivering Good Governance in Local Government: Framework 2016 (CIPFA/SOLACE)

[WMFRA Code of Corporate Governance - RFA 2018](#)

The contact name for this report is Area Manager Marc Hudson, Head of Portfolio - telephone number 07973 810139.

JO BOWCOCK
DEPUTY CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

SATINDER SAHOTA
MONITORING OFFICER



West Midlands Fire & Rescue Authority

Code of Corporate Governance (2024)

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

CODE OF CORPORATE GOVERNANCE

1. Introduction

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Each local authority within the United Kingdom, including Fire Authorities, operate through a governance framework made up of legislative requirements, governance principles and management processes.

As local government strives to become more transparent and accountable to, and to improve engagement with, the people, communities, and businesses it serves, there is a need to demonstrate what local governance arrangements are in place and how effective they are.

West Midlands Fire and Rescue Authority (WMFRA) has developed and adopted a local Code of Corporate Governance based upon the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) document entitled 'Delivering Good Governance in Local Government: Framework 2016', which includes the seven principles of good governance. This local code brings together all the governance and accountability arrangements WMFRA currently has in place.

2. The West Midlands Fire and Rescue Authority (WMFRA) Position

WMFRA (hereafter 'the Authority') embraces the seven principles of good governance, with clear lines of accountability for any decisions it makes, and clear rules, regulations, policies and practices which govern how those decisions are made and implemented.

The Authority is a supervisory body that ensures that West Midlands Fire Service performs efficiently and in the best interests of the people, communities, and businesses it serves, and answerable for its actions and performance.

The Authority conducts its business in accordance with its Constitution which outlines the way in which the Authority is organised to carry out its affairs. It explains how decisions are made and brings together in one document the detailed rules and procedures that govern the behaviours of those who work for or represent the Authority.

Although there is no statutory requirement for a Fire and Rescue Authority to have a Constitution (and there are no executive arrangements in place within the Authority), the Constitution has been produced in recognition that it is considered good governance.

3. Putting the Principles into Practice

The Authority is confident that its governance arrangements are robust, but also recognises the need to continuously review arrangements as part of its commitment to excellence.

The Authority produces a Governance Statement on an annual basis. It is approved by the Members of the Authority, signed by the Chair and Chief Fire Officer, and published with the Statement of Accounts (in accordance with statutory requirements). In producing the Annual Governance Statement, the corporate governance arrangements of the Authority are assessed as to how effective they have operated. This also includes assessment of how the Authority has complied with this local code of corporate governance which is consistent with the principles of the revised CIPFA / SOLACE framework 2016 (outlined below).

4. Monitoring, Review and Changes

The Authority's commitment to good corporate governance includes the application, development and maintenance of this local Code of Corporate Governance. Any areas identified within the Annual Governance Statement requiring updating will be addressed in an appropriate and timely manner.

5. Local Code of Corporate Governance

How the Authority meets the seven principles of good governance:

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Authority is committed to behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.

Principle B: Ensuring openness and comprehensive stakeholder engagement

The Authority is committed to ensuring openness and to comprehensive stakeholder engagement via clear, trusted communication channels and consultation methods.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Authority defines outcomes in terms of sustainable economic, social and environmental benefits.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Authority will ensure the necessary interventions are determined to optimise the achievement of the intended outcomes.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Authority will ensure that those charged with the governance have the skills, knowledge and experience they need to perform well.

Principle F: Managing risks and performance through robust internal control and strong public financial management

The Authority manages risks and performance via robust internal control and strong public financial management.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Authority is committed transparency and openness. To enable this, good practices in transparency, reporting and audit are implemented to deliver effective accountability.

These principles are adhered to via the processes outlined in the following documents:

- The Authority's Constitution – the purpose of the Constitution is to outline the way in which the Authority is organised to carry out its affairs. It explains how decisions are made and brings together in one document the detailed rules and procedures that govern the behaviour of those who work for or represent the Authority. It is reviewed on an annual basis. The Constitution is made up of articles and rules of procedure and associated material, including:
 - Committee structures and terms of reference
 - Decision making
 - Finance, Contracts and Legal Matters
 - Scheme of Delegations (Delegations to Officers)
 - Standing Orders of the Authority including financial regulations and procurement procedures
 - Member Code of Conduct and Register of Interests
 - Member Code of Conduct - Protocol on Gifts and Hospitality
 - Members' Allowances Scheme
 - Complaints process and policies including Whistle Blowing Policy
- Authority Member involvement and assurance is provided via the committee structures and meetings, including:
 - Audit and Risk Committee (provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards)
 - Joint Consultative Panel (has established regular methods of consultation between the Authority and its employees)
 - Member Engagement Forum (a forum for consultation on key policy areas affecting the Authority and service delivery)
 - Scrutiny Committee (provides a scrutiny function including holding officers and the Service to account, and holding the Authority to account)

All declarations of interest, agendas, reports, and minutes including the records of all decisions are published via the Committee Management Information System (CMIS).

The Member Development Strategy provides guidance on the induction, training, and development of Members.

- Our Plan, forms part of the rolling three-year strategy and is published annually. Our Plan sets out the Authority's Vision (Making the West Midlands Safer, Stronger, and Healthier), and Strategic Objectives, derived from the Community Risk Management Plan (CRMP).
- CRMP – contains analysis and assessment of all current and future fire and rescue-related risks facing our communities in the West Midlands. It shows how West Midlands Fire Service will target its resources so that the Service can prevent incidents from happening, while also making sure resources are located to best protect our communities, enabling the Service to continue to provide the highest standards of service in the areas of prevention, protection and emergency response, in a way that makes best use of available resources. The Authority undertakes a public consultation on a minimum three yearly basis. The Risk Explorer, a visual representation of the CRMP, is available for our communities and partners to explore, and is published on our website.
- Service Delivery Model – the CRMP provides the evidence base for the Service Delivery Model which sets out the resources with which we deliver our services.
- Governance Statement – prepared annually in support of the Statement of Accounts, the governance statement explains the measures taken by the Authority to ensure appropriate business practice, high standards of conduct and sound governance.
- Statement of Accounts – produced annually, this provides details of finances across the organisation. It is audited by the Authority's external auditors, who publish their findings in the Audit Findings Report.
- Statement of Assurance – published annually, in accordance with the Fire and Rescue National Framework for England, it provides assurance on financial, governance and operational matters and shows how the Authority has due regard to the expectations set out in its CRMP, and the requirements of the National Framework.
- Risk Management Strategy – supports the Authority's corporate risk management arrangements, enabling managers and senior officers to identify, assess and prioritise risks within their own work areas which impact on the ability of the Authority to perform its duties. The Authority's Corporate Risk Assurance Map identifies the principal risks to the achievement of the Authority's objectives and assesses the nature and extent of those risks, and also identifies risk owners whose responsibility includes the identification of controls and actions to manage them

efficiently, effectively and economically. The Service utilises a Risks, Issues, opportunities approach to provide a live Corporate Risk Management System which enables reactive and proactive monitoring and management of corporate risk.

- The Budget and Precept (setting process) – a key part of the Authority’s arrangements which establishes the anticipated level of available funding to deliver its key priorities and services. It includes consideration of:
 - The Capital Programme
 - Prudential Indicators relating to the Authority’s capital financing requirements
 - Minimum Reserve Provision Statement
 - Treasury Management Strategy
 - Revenue Budget
 - Precept levels
- Monitoring of Finances – monitors finances of the Authority and covers revenue expenditure and the Capital Programme.
- Efficiency and Productivity Plan - The Fire and Rescue Service National Framework requires all Metropolitan Fire and Rescue Authorities to prepare and publish a Financial Efficiency Plan. This plan can form part of the Medium-Term Financial Plan. As of 2023, HM Government has set out expectations for the annual reporting of productivity information. This is to be included within the Authority’s Efficiency and Productivity Plans (EPP), which have now succeeded the Financial Efficiency Plans that were published previously. The EPP is monitored by the Service’s senior leadership team and progress is reported on an annual basis to the Authority as part of the budget setting process. The EPP supports the medium-term financial plan.
- Authority’s Financial Regulations – sets out the financial policies of the Authority and provide the framework for managing its financial affairs. It includes:
 - Financial management (including accounting policies and the annual statement of accounts)
 - Financial planning (including budgets and medium-term planning)
 - Audit, risk management and internal control (including internal and external audit)
 - Financial systems and procedures (including income and expenditure)
 - External arrangements (including partnerships and external funding)

- Anti-fraud, corruption, and bribery policy.
- Strategic Planning and Performance Framework – the Authority has an established and robust planning and performance framework the scope of which ranges from 'Our Plan', a three-year rolling document outlining the strategic priorities and objectives of the Authority and the Service, right through to Individual Personal Development Reviews for all members of staff.
- 3PT, Portfolio, Programme, Project and Tasks – is the Service's approach to Portfolio Management. This includes how the Service manages and governs its Programmes and Projects that sit within the Portfolio delivering on the Authority's Strategic Priorities and CRMP Objectives. From identifying Portfolio priorities and aligning resources to ensuring our change initiatives achieve benefits for our communities, 3PT captures and connects all activities delivering change across the Service. In doing so, 3PT and the Portfolio Management enables the provision of assurance and scrutiny to the Authority.
- Management of Information Policy – details how the Authority complies with the General Data Protection Regulations and Freedom of Information Requests, including the classification and marking, requests for information, data sharing and handling instructions.

Note: *the documents and processes referenced above provide examples of the key processes and functions that are established within the Authority to ensure good governance is a central element of all work carried out by the Authority and the Service. A variety of policies, procedures and functions stem from the high-level examples provided. Additionally, processes and functions are reviewed on a continuous basis to ensure they remain applicable, effective, and reflect legislative changes, new/amended regulations, and new examples of best practice, reflecting the Authority's and Service's continued commitment to excellence.*

WEST MIDLANDS FIRE AND RESCUE AUTHORITY**19 FEBRUARY 2024**

Item 11

1. CONTRACT AWARDS SUMMARY FOR PERIOD TO FEBRUARY 2024

Report of the Deputy Chief Fire Officer

RECOMMENDED

THAT the Authority note the attached Appendix which summarises the contracts in excess of £250,000 that have been awarded since September 2023.

2. PURPOSE OF REPORT

This report provides a six-month summary of all contracts that have been awarded since the last report submitted in September 2023.

3. BACKGROUND

3.1 As part of the Authority's Constitution, it is required that a retrospective, twice yearly summary report of tender contract awards in excess of £250,000 be submitted to the Fire Authority for information purposes.

3.2 In accordance with the above requirement, a summary of those contracts awarded is attached as Appendix 1.

4. EQUALITY IMPACT ASSESSMENT

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to a policy change.

5. LEGAL IMPLICATIONS

The procurement processes that were followed for the procurement exercises detailed in the Appendices to this report were conducted in accordance with the Authority's Procurement Standing Orders and the Public Contract Regulations 2015.

6. **FINANCIAL IMPLICATIONS**

These are contained in the attached Appendices.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Authority Meeting 21 September 2015

Policy 1/8 – Procurement Procedures

The contact name for this report is Sofia Mahmood, Head of Finance and Procurement – Sofia.mahmood@wmfs.net

JO BOWCOCK
DEPUTY CHIEF FIRE OFFICER

APPENDIX 1

Contract Title	Winning Supplier	Approval Date	Contract Period (Including Extension Options)	Annual Contract value or Total Value for one off Purchase	Total Contract Value (including extension periods)	Budget PA	Basis of award e.g. Lowest Price or MEAT*	Date and Minute Number of Planned Tender Report	Any Other Relevant Information
Cycle to Work Scheme	Cycle Solutions Ltd	19 September 2023	2 years with an option to extend for a further 12 months	£110,000	£320,000	n/a funded by employees with no cost to the Authority	Direct Award	14 February 2022	
Leading Excellence Programme – Chartered Management Degree apprenticeship	Coventry University	13 December 2023	1 year	£264,000	£264,000	n/a funded by the Apprentice Levy	Direct Award	9 October 2023	
Uniform	Wm Sugdens Ltd	22 November 2023	4 years	£270,000	£1.08m	£270,000	MEAT	26 June 2023	

* Most Economically Advantageous Tender (MEAT)

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 12

19 FEBRUARY 2024

1. PROPOSED COMMAND DEVELOPMENT CENTRE (CDC) SALE

Report of Director of Enabling Services

RECOMMENDED

THAT Members:

- 1.1. Note the rationale for the proposal to sell the Command Development Centre (CDC) site.
- 1.2. Note the anticipated capital receipt and ongoing revenue savings associated with the sale of the CDC.
- 1.3. Note the costs associated with movement of the Command Learning element of CDC - incorporated within the capital programme 2024-26
- 1.4. Approve the associated steps and future sale of CDC the timing of which will be dependent on the requirements for secondary Fire Control.

2. PURPOSE OF REPORT

- 2.1. To gain Authority approval for the sale of CDC.
- 2.2. To outline options and timelines for relocating the elements/ functions of the CDC.

3. BACKGROUND

- 3.1. As part of the Fire Authority's Property Management Asset Plan, the Strategic Enabling Team (SET) continuously consider the options to rationalise the Fire Authority's estate as part of the Authority's ongoing aim to improve financial efficiency and environmental sustainability in response to significant budget pressures.

- 3.2. The CDC Building, located in Smethwick, currently hosts the service's Command Learning and Secondary Fire Control (SFC) in addition to providing storage for a range of specialist appliances and equipment.
- 3.3. As part of wider work on training, development, culture and values, SET have been working to create a centre of learning excellence based at Headquarters, including the move of classroom-based elements of the Trainee Firefighter Development Programme (TFDP) to HQ. The next stage of this would be to relocate Command Learning from its current location at CDC to the ground floor of HQ.
- 3.4. As detailed below, SET have also considered options to move or transfer other elements from CDC.
- 3.5. Engagement has been undertaken with representatives from Fire Control and Digital & Data to look at viable options to relocate Secondary Fire Control (SFC) from CDC. It has been identified that there are several key factors that need to be in place before another location can provide the facilities and equipment that CDC currently provides in terms of resilience including back-up generator(s), uninterrupted power supply and the network capacity for dedicated servers and the infrastructure to receive 999 calls. The SFC location will need to be on separate infrastructure network in terms of power, gas, and water supply to offer further resilience if primary Fire Control is closed due to infrastructure issues.
- 3.6. There is currently a separate ongoing project which is considering a new Command and Control system, which would include Secondary Fire Control. Exact timings for this project are currently unknown but will be presented to the Fire Authority at a future date. Given the importance of SFC, the sale of CDC would not take place until the completion of this standalone project. It is however reasonable to assume that the sale of the CDC site would be achievable within 3 years.
- 3.7. Consideration has also been given to the impact and opportunities for improvement for specialist resources currently based at CDC. It is proposed that they relocate to the arches at the rear of HQ. DIM (Detection Identification and Monitoring) was previously located in the arch and responded from HQ to any emergency calls. The

office and some of the facilities are still located in the arch. Ahead of any relocation National Resilience would need to be consulted and an agreement reached prior to the move going ahead. It is anticipated that there would not be an issue with this as the HQ site was previously used, however this needs to be clarified.

- 3.8. There is also a local agreement with the Environment Agency who currently store a vehicle at CDC alongside WMFS (West Midlands Fire Service) water rescue resources. Consideration is being given to alternative locations where these could be stored.

4. BUSINESS CASE

The recommendation to transfer functions from CDC and sell the site will have the following benefits:

- 4.1. Enhance cultural integration across the Service with department moving to HQ.
- 4.2. Enhance learning experience for Command Learning with improved facilities.
- 4.3. Sale of CDC will potentially release capital funds and will reduce the running and maintenance costs (circa £130k per annum) associated with this building.
- 4.4. Provide OLDP staff with working facilities that foster an inclusive and positive work environment which will enable increased collaboration and productivity of individuals and teams based at HQ.
- 4.5. With a view to looking at estate efficiency and enabling HQ to be the centre of excellence for all Learning and Development.
- 4.6. Enhance, embrace, and enable digital, hybrid and face-to-face ways of working in the HQ building.
- 4.7. If Haz Mats and DIM relocate back to HQ this will assist with response times to incidents in Birmingham (in line with risks identified within our CRMP (Community Risk Management Plan)). It would also bring visitors to HQ when National Resilience Training is held.

5. **EQUALITY IMPACT ASSESSMENT**

An initial EIA has been completed for this report the outcomes of this confirm that there is no requirement for a full EIA.

6. **LEGAL IMPLICATIONS**

The recommendations set out at paragraph 1 of this report align with the Fire Authority's Constitution and the need for the Service to set its Medium-Term Financial Strategy (MTFS) and Budget setting. The Service will ensure that relevant legal requirements in relation to disposal are complied with to ensure maximal capital receipt.

7. **FINANCIAL IMPLICATIONS**

Estimated income from sale of CDC

Harris Lamb provided a broad market valuation in April 2023 which indicated we would achieve between £1.25m-£1.4m, however, because the market has changed since the original valuation, as of December 2023 Harris Lamb are now suggesting a -10% reduction in the original valuation. There would also be costs incurred for marketing, conveyancing, legal fees etc. that would need to be considered. This figure will continue to fluctuate based on prevailing market conditions at the time of the sale.

	Capital Expenditure	Capital Income	Revenue savings (annual)
Sale of CDC		£1,100,000	£130,000
Transfer of Command Learning	£440,000		
Transfer of DIM and HAZMAT	£131,000		
Secondary Fire Control	These costs are yet to be confirmed as there is a dependency with the		

	Command & Control project which will determine revised requirements		
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8. **ENVIRONMENTAL IMPLICATIONS**

An Energy Performance Certificate (EPC) will be required for the sale of this building. Through reducing the ongoing running costs (heating, electric) we will reduce carbon emissions across our estate.

9. **BACKGROUND PAPERS**

N/A

The contact for this report is Mark Hamilton-Russell, Head of Corporate Communications – mark.hamilton-russell@wmfs.net

Simon Barry
ACFO – Director, Enabling Services

