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HAMPSHIRE
ISLE OF WIGHT
**FIRE AND
RESCUE**
AUTHORITY



NOTICE OF MEETING

| | | |
|----------------------|--|--|
| <i>Meeting</i> | Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority) | <i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority (Shadow Authority)</i> John Coughlan CBE |
| <i>Date and Time</i> | Tuesday 22nd September, 2020 2.00 pm | <i>The Castle, Winchester Hampshire SO23 8UJ</i> |
| <i>Place</i> | Virtual Teams Meeting - Microsoft Teams | |
| <i>Enquiries to</i> | <u>members.services@hants.gov.uk</u> | |

FILMING AND BROADCASTING

This meeting will be broadcast live via the HFRS YouTube channel

Agenda

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

3 MINUTES OF PREVIOUS MEETING (Pages 5 - 6)

To confirm the minutes of the previous meeting

4 DEPUTATIONS

Pursuant to Standing Order 19, to receive any deputations to this meeting

5 CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6 MEMBER DEVELOPMENTS

To receive any updates from Members of the Authority

7 BUDGET SETTING 2021/22 AND MEDIUM TERM FINANCIAL PLANNING (Pages 7 - 20)

To consider a report from the Treasurer, which lays out the plans to develop important documents and request that the Shadow Authority provide provisional guidance for future funding assumptions. It also provides some initial information in respect of the impact of Covid-19 on budget setting for next year.

8 BRANDING - NEW SERVICE IDENTITY (Pages 21 - 26)

To consider a report from the Chief Fire Officer, which asks the Hampshire and Isle of Wight Shadow Authority to approve a new joint branding approach.

9 PEOPLE AND ORGANISATIONAL DEVELOPMENT (POD) POLICY (Pages 27 - 34)

To consider a report from the Chief Fire Officer, which asks Members to approve the People and Organisational Development (POD) Policy principles for the new Combined Fire Authority (CFA), for consultation with Representative Bodies (RBs), Trade Unions (TUs) and staff.

10 EXCLUSION OF PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

11 CFA/IWFRS ESTATES IMPROVEMENT (Pages 35 - 42)

To consider an exempt report from the Chief Fire Officer regarding estates improvements.

ABOUT THIS AGENDA:

This agenda is available through the Hampshire Fire and Rescue Service website (www.hantsfire.gov.uk) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

Agenda Item 3

AT A MEETING of the Hampshire & Isle of Wight Fire & Rescue Authority
(Shadow Authority) held virtually on Microsoft Teams on Wednesday 22nd July,
2020

Chairman:

* Councillor Christopher Carter

| | |
|--------------------------------|----------------------------------|
| * Councillor Roz Chadd | * Councillor Sharon Mintoff |
| * Councillor Liz Fairhurst | * Councillor Roger Price |
| * Councillor Jason Fazackarley | * Councillor David Simpson |
| * Councillor Jonathan Glen | * Councillor Dave Stewart |
| * Councillor Geoffrey Hockley | * Councillor Rhydian Vaughan MBE |

Also present with the agreement of the Chairman: Stuart Harwood - Home Office

9. **DECLARATIONS OF INTEREST**

Members were mindful of their duty to disclose at the meeting any disclosable pecuniary interest they had in any matter on the agenda for the meeting, where that interest was not already entered in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

10. **APOLOGIES FOR ABSENCE**

All Members were present and no apologies were noted.

The Chairman welcomed Stuart Harwood to the meeting, who attended on behalf of the Home Office.

11. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

12. **DEPUTATIONS**

There were no deputations for the meeting.

13. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman thanked all Firefighters for their work during the Covid-19 outbreak across Hampshire and the Isle of Wight.

14. **MEMBER DEVELOPMENTS**

There were no updates regarding Member developments.

15. **APPROVAL OF ALTERNATIVE NOTIONAL AMOUNT FOR COUNCIL TAX SETTING**

The Authority considered a report from the Chief Finance Officer (item 7 in the minute book) regarding the Council Tax setting for the new Combined Fire Authority (CFA).

The officer explained how the Council Tax setting was part of setting up new CFA and an Alternative Notional Amount (ANA) was required. What the council tax would have been in 2020-21 was used as a base position; firstly as something to apply for setting the 2021-22 and also for Council Tax harmonisation.

Isle of Wight (IOW) Council Tax was compared to Hampshire Fire and Rescue Authority's (HFRA) Council tax based on the 2019-20 budget and there was an 80p difference between the notional IOW and actual HFRA.

Following recalculation based on 2020-21 budget, there had been an increase to £6.88. This has been primarily down the IOW assuming a 5% pay rise and only 2% being subsequently agreed.

Paragraph 17 in the report was highlighted as a summary of the option appraisal. Options 2 and 3 would result in the loss of £4.4m and £3m income respectively, whereas Option 1 would harmonise at the current HFRA level and was therefore the recommended option.

There would be an increase on what residents were currently paying, averaging at a £6.88 increase for band D. 65% households were in bands A-C and 40% in A-B. Residents could apply under Council Tax Support Scheme and there were other mitigations in place so it was anticipated that this would not significantly affect many people.

Councillor Dave Stewart, Leader of the Isle of Wight Council confirmed that the IOW Council had also supported Option 1 in harmonising with Hampshire and everyone being treated the same. It equated to a 10p a week increase.

Members fully supported Option 1 but acknowledged that the Secretary of State could choose another option if it felt it was more appropriate. However, this was very unlikely due to the harmonisation being part of the originally approved business plan for the CFA.

RESOLVED

a) The Shadow Authority agreed to calculate its proposal to the Secretary of State in respect of the ANA in accordance with Option 1, which assumed harmonisation of Council Tax at the existing HFRA Level, as per the business case approved by government.

b) The Shadow Authority approved recommending to the Secretary of State that the Alternative Notional Amount be set at £69.06.

Chairman,



Shadow Authority

Purpose: Decision

Date **22nd SEPTEMBER 2020**

Title **BUDGET SETTING 2021/22 AND MEDIUM TERM FINANCIAL PLANNING**

Report of Treasurer

EXECUTIVE SUMMARY

1. From 1st April 2021, a new Combined Fire and Rescue Authority for Hampshire and the Isle of Wight will come into existence. As a completely new entity, this Authority currently has no current budget and no Medium Term Financial Plan (MTFP).
2. An MTFP will be presented in February alongside the first budget for the Hampshire and Isle of Wight Fire Authority and will hopefully incorporate a three year settlement in line with the proposed Comprehensive Spending Review (CSR).
3. This report will lay out the plans to develop these important documents and request that the Shadow Authority provide provisional guidance for future funding assumptions. It also provides some initial information in respect of the impact of Covid-19 on budget setting for next year.
4. It is requested that the Shadow Authority support the principle of setting the precept increase in line with the maximum allowed within the Referendum Limit set by Government, which is currently expected to be 1.99%.
5. As the future funding position is currently unknown for the new CFA there are no existing efficiency plans. However, it is anticipated that there will be a requirement for savings over the coming years and these will be drawn up to ensure that budget reductions can be made as required, together with the

previously agreed principle that we will use reserves or reduce contributions to reserves to balance the budget in the first year of the CFA.

6. This report also includes an update on the current year forecast for HFRA and the IWFRS as at 30 June and the latest Capital Programme for HFRA only.

BACKGROUND

7. Over recent years there has been significant uncertainty around levels of Government funding that will be available for Fire and Rescue Services. Within Hampshire and the Isle of Wight, this has been further complicated by the combination order which is due to come into full effect from 1st April 2021.
8. In addition, the current Covid-19 crisis is putting significant pressure on local and Government finances, which may lead to further cuts to public sector spending.
9. The budget setting process for 2021/22 has started and detailed plans will be drawn together over the coming months. An update of the latest position will be presented to the Shadow Authority at the December meeting. It is unlikely to contain final figures for the government grant, but will provide an overview of the expected position, including what measures may be necessary to balance the budget in the first year of the CFA.
10. The MTFP will be presented in February, alongside the final Budget and Precept Report assuming that the planned three year Comprehensive Spending Review (CSR) goes ahead. This will need to make some assumptions about future funding levels but will take the latest available information and will provide a guide to the expected levels of efficiency savings that are likely to be needed over the coming years.

EXPECTED REVENUE EXPENDITURE AND FUNDING

11. Appendix A of this report gives an early indication of the funding expected to be available and the expenditure required, based on the currently available information. At this stage, this represents a 'normal' roll forward of the combined budgets for HFRA and the Isle of Wight Fire and Rescue Service (IWFRS), although it does include proposed base budget changes or new spending some of which have been previously agreed by HFRA, which are contained in Appendix B.
12. These figures include a number of assumptions around pay awards, inflation, grant funding, council tax base and a number of other areas and is

therefore expected to change during the budget setting process as additional information enables more accurate figures to be used. However, it does provide an overall estimate of the scale for the CFA budget in 2021/22 and Appendix A shows that the initial 'base' level of deficit which would need to be addressed is £1.001m. This is before potential growth bids are considered and before the impact of Covid-19 on council tax and business rate income is taken into account.

Precept

13. At its July meeting, of the Shadow Authority agreed to recommend to the Secretary of State that the Alternative Notional Amount be set at £69.06. This effectively sets the equivalent average band D council tax at this level for 2020/21 and can be increased in future years by the percentage approved by the Authority.
14. At this stage there has been no indication by central government on the level that the referendum limit for precept increases might be set at. The figures in Appendix A assume a 2% limit.
15. For the purposes of budget preparation, the Shadow Authority is asked to provisionally endorse the maximum level of increase to council tax within the referendum limit set by Government, to be included within the 2021/22 budget proposal to be presented to the Shadow Authority for agreement in February 2021.

Council Tax Base

16. In general, the Council Tax Base would be expected to increase each year as more houses are built within Hampshire and the Isle of Wight. Due to the impact of Covid-19, it is expected that there will be a reduction to the Council Tax Base during 2020/21, which will continue into 2021/22 as a result of more people qualifying for council tax support. It is currently too early to predict the full effect of this, but unlike previous years no increase has been included within the estimates for next year. In reality we are likely to see a reduction in the council tax base next year, for the first time ever and this will have a one-off negative effect on the Council Tax Collection Fund, along with a longer term reduction to the overall Precept level.
17. The latest estimates are for the Council Tax Base to reduce by approximately 5% during 2020/21, before increasing gradually over the following years. Based on this estimate, the initial reduction in council tax base would create a deficit of around £2.4m in 2020/21. The Government have stated that this could be spread over the following 3 years, giving a budget pressure of £0.8m in each of those years on the Council Tax Collection Fund. In addition, the longer term effect of a reduced council tax base on future precept income would be around £2m per year.

18. At this stage, billing authorities have not been able to provide any reliable estimates for council tax or business rate income reductions as the position has been masked by Government support that has been made available to businesses and individuals through grants and the furlough scheme. Once these end however the full impact on income losses and the council tax base will become clearer. Furthermore, the Government have announced that they will share in council tax and business rate losses but have provided no indication on the level or which years this will cover.
19. Given this level of uncertainty, no figures for these losses have been included in the forecast for 2021/22 at Appendix A, however we are currently undertaking scenario planning to look at the potential impacts and when further information becomes available, consideration will need to be given to how this shortfall will be covered. As a minimum, a draft budget position will need to be reported in December, together with options for how any deficit may be closed.

Business Rates

20. A significant proportion of funding is achieved through Business Rates, which are also expected to be affected by the Covid-19 crisis in a similar way to the Precept as described above. The values are lower and will therefore not have such a significant impact, however this will still reduce the overall levels of funding available for 2021/22.

Revenue Support Grant (RSG)

21. Whilst a three year CSR has been announced by the Government, at this stage there is no further information available. The forecasts in Appendix A assume no change in the RSG available to the new CFA, which is in line with submissions that the Fire Sector are making to the review.
22. Clearly any change to this position will affect the bottom line of the new CFA, but in overall terms is unlikely to be as significant as the impact of the reductions in council tax and business rate income.

Budget Setting Process

23. As this will be the first budget set for the new CFA, a detailed process will be carried out, along similar methodology as previous HFRA budgets over recent years. Employee budgets take the highest proportion of funding and these will be calculated based on the structure planned for the combined Service.
24. For non-pay budgets, the current expenditure from both current services will be reviewed and either removed where there is duplication or increased (subject to approval) where insufficient funding is currently allocated.

25. This process will take several months to complete and will commence in September, to ensure time for review and completion for approval in February 2021. An interim report will be submitted to the Shadow Authority in December, providing an update on progress and requesting any decisions that may be necessary at that point, which will include any requests for growth as outlined below.

Efficiencies

26. There have been significant efficiency programmes within both HFRS and IWFRS since the start of austerity in 2010. Even before the impact of Covid-19, it is expected that the new CFA will require efficiencies to maintain a balanced budget over coming years, since an increase in precept and even a small increase in Revenue Support Grant (RSG) is not enough to cover pay and inflationary increases. The scale of this will be estimated in the MTFP which will be presented alongside the Budget & Precept Report in February 2021.
27. An efficiencies plan will need to be developed, which will address any future expected shortfall in funding assuming that the CSR goes ahead as planned. For 2021/22 options for closing the deficit will need to be considered but will almost certainly rely on reserves being used to cover the deficit in line with the interim MTFP, albeit this principle was agreed before the Covid-19 crisis began, which may require alternative solutions.

Growth

28. In June 2020, the process to build the budget was commenced. The first stage was to review where increases in budget would be needed, either due to legislative changes or in line with Service Priorities. These include both Hampshire and IoW requirements and will form part of the budget update report to be presented in December, once they have been reviewed and prioritised by the Executive Group.
29. Some of these requirements will be as a result of the move to a new CFA and will need clarification as to whether they already exist within the existing detailed Isle of Wight FRS budget.

2020/21 BUDGET MONITORING

30. The current forecast position in Hampshire for 2020/21 is showing a deficit of £23,000.
31. The table below shows the budget monitoring for 2020/21 as of 30th June 2020.

| | 2020/21 Current Budget | 2020/21 Forecast as at 30th June | Variance (Underspend) / Overspend |
|------------------------------------|------------------------------|--|---|
| Employee Costs | 53,478 | 54,339 | 861 |
| Premises | 6,067 | 6,118 | 51 |
| Transport | 1,547 | 1,726 | 179 |
| Supplies & Services | 9,429 | 9,905 | 476 |
| Third Party Payments | 3,361 | 3,361 | 0 |
| Expenditure | 73,882 | 75,448 | 1,566 |
| Income | -3,855 | -3,763 | 92 |
| Net Current Expenditure | 70,027 | 71,685 | 1,658 |
| Non-Current Expenditure | 799 | 799 | 0 |
| Net Cost of Service | 70,826 | 72,484 | 1,658 |
| Funded By: | -70,826 | -72,461 | -1,635 |
| (Surplus) / Deficit | 0 | 23 | 23 |

32. The main factors in the overspend of £23,000 in the HFRS budget are as follows:

Employee Costs - £861,000

- COVID-19: £350k RDS increased availability costs (although £250k of this forecast may not materialise given availability has returned to normal levels)
- Operations (RDS): £550k pressure due to unbudgeted pensions costs of £200k and underlying pressures of £350k driven by SDR savings now deemed unachievable
- Operations (Control): £170k pressure mainly due to an unfunded SM post and unbudgeted bank holiday allowances
Other: £(£100k) underspend driven by vacancies

Premises Costs - £51,000

- £130k pressure due to insufficient budgets for business rates, offset by an underspend in utilities.

Transport Costs - £179,000

- COVID-19: £9k pressure from a reduction in car sharing due to COVID-19

- Operations: £170k pressure on stations due to unbudgeted spend on mileage claims from those working in temporary postings elsewhere.

Supplies & Services - £224,000

- COVID-19: £170k pressure due to additional spend on PPE and cleaning, offset by (£100k) underspend on smoke alarms as a result of not being able to do community safety visits due to COVID-19
- £100k pressure in operational assets mainly driven by additional spend on the introduction of a second jacket and £55k pressure in ICT due to a budget issue for the Phoenix Support contract.

Income - £92,000

- COVID-19: £150k reduction in income related to 3SFire and MOT income due to lower activity
- Corporate Services: £60k pressure due to shared service income budget issue, offset by income from the Isle of Wight for fleet maintenance

-

Grant Funding – (£1.635m)

- The pressures above are currently being offset by additional Government funding to cover the costs of Covid-19.

33. The forecast is currently for a slight overspend due to the additional grant offsetting the majority of the increased spend, however, a significant proportion of the increased costs are underlying budget pressures which are not related to Covid-19. Work is currently underway with Directors to agree how these costs can be mitigated, although some have already or may in the future need to be built into the base budget for future years as growth bids.

34. The Isle of Wight FRS is currently forecasting an overspend of £224,000, details of which are shown in the table below.

| | 2020/21 Current Budget | 2020/21 Forecast as at 30th June | Variance (Underspend)/ Overspend |
|-----------------------------|------------------------------|--|--|
| | £'000s | £'000s | £'000s |
| Fire Fighters Salaries | 3,839 | 4,044 | 205 |
| Fire Support Staff | 416 | 407 | -9 |
| Injury Pensions | 427 | 427 | 0 |
| FRS Pension Board | 0 | 0 | 0 |
| Diversity & Workforce | 164 | 164 | 0 |
| Total Employee Costs | 4,846 | 5,042 | 196 |
| Business Supp.- Fire | 373 | 403 | 30 |

| | | | |
|----------------------------|--------------|--------------|------------|
| DDIP Project | 177 | 177 | 0 |
| Combined Fire Authority | 37 | 37 | 0 |
| Road Safety | 174 | 143 | -31 |
| Community Safety | 9 | 9 | 0 |
| Business Fire Safety | -3 | 0 | 3 |
| Fire Control | 267 | 268 | 1 |
| Fire Operations | -4 | 21 | 25 |
| Fire Technical Supp | 298 | 298 | 0 |
| Net Cost of Service | 6,172 | 6,397 | 224 |

35. The main factors in the underspend of £0.224m in the IWFRS budget are as follows:

Employee Costs - £149,000

- There is a £205,000 pressure due to the reduction of the Retained Firefighter budget, which cannot be achieved without impacting on operational capability.
- Vacancy savings of £56,000 and other salary savings are partially offsetting the overspend.

Premises Costs - £30,000

- Various utility costs are higher than budgeted in year.

Income and Grant Funding - £44,000

- Income is expected to be £19,000 lower than budgeted following cancellation of IoW Festival and some courses due to Covid-19.
- The New Dimensions grant has been reduced by £25,000, which was not anticipated within the budget.

36. The main variance in the Isle of Wight budget relates to the reduction in Retained Firefighter budget, which is included as a base change in Appendix B for 2021/22.

CAPITAL

37. The table at Appendix C shows the expected capital spend and provides the funding plan over the coming years for Hampshire only at this stage.

38. HFRA currently makes Revenue Contributions to Capital Outlay of £3.965m, which has been the level needed to fund the on-going business as usual requirements of the capital programme (i.e. excluding major investment decisions such as new stations).

39. The contribution to capital will need to continue for the new CFA, but the amount will need to be reassessed to account for the requirements for the new combined Service, including both vehicles and estate.

RESERVES

40. The level of reserves held by HFRA as at 31st March 2020 was £31.32m. This will be transferred to the new CFA in full as of 1st April 2021. The IoW Council currently holds the reserves for all of its services, including around £0.7m for Fire and Rescue. At the end of this financial year, a proportion of the Isle of Wight's actual reserves will be transferred, but these could be impacted by the need to deal with Covid-19 financial pressures.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

41. This report sets out plans for the development of the budget for the new CFA in line with the Safety Plan Priorities, to ensure that the available funding is used in the most effective ways, albeit that Covid-19 has had a significant impact on resources going forward.
42. The longer term timescales of the plan will allow for efficiency plans to be developed, which enables time to work through operational implications without needing to make snap decisions to reduce costs.

CONSULTATION

43. Significant consultation was undertaken across Hampshire and the Isle of Wight prior to the Combination Order being approved.
44. As in previous years, consultation on budget proposals will be carried out with the business community once more detailed figures are available.

RESOURCE IMPLICATIONS

45. There are no specific resource implications contained within this report, however the overall themes within the report do have a significant effect on the financial position of the new Authority and will be considered as part of the budget setting process.

LEGAL IMPLICATIONS

46. The new CFA is required to set a balanced budget and council tax level by 1 March each year and this report provides background information to the Shadow Authority on the budget prospects for 2021/22.

PEOPLE IMPACT ASSESSMENT

47. The proposals within this report are considered compatible with the provisions of the equality and human rights legislation.

OPTIONS

48. There are no options for consideration within this report, although budget setting and forecasting by its very nature means that assumptions are made around a number of variables that can be changed over time.

RISK ANALYSIS

49. The figures presented in this report show that even before the impact of Covid-19 and potential growth in expenditure there is a deficit of over £1.0m in the budget. There are also numerous assumptions that create this base position which could change adversely and worsen the overall deficit position. Options for meeting the deficit in the base budget position will need to be drawn up which could impact on service delivery in the long run and would need to be considered in line with the agreed Safety Plan. However, as a backstop position, the Authority has sufficient reserves and contributes on an annual basis to reserves through the revenue budget, both of which could be used to meet any budget gaps thereby mitigating this risk in the short term and giving the new CFA the time and capacity to develop and implement proposals in a planned and safe way.

CONCLUSION

50. A Budget, Precept and MTFP is required to be approved by the Shadow Authority in February. The preparation for this as set out in the report above should be noted by the Shadow Authority who are also requested to approve a council tax increase for financial planning purposes (subject to a final decision in February 2021) at the maximum allowed under the referendum limit.

RECOMMENDATIONS

The Shadow Authority is recommended to :

51. Approve that for financial planning purposes only, the assumption that council tax will be increased by the maximum allowed within the referendum limit set by Government, currently expected to be 1.99% for the 2021/22 budget.
52. Note the 'base' position for the combined roll forward budget as set out in Appendix A.
53. Approve the base changes and adjustments in Appendix B.
54. Note the updated Capital Programme and funding as set out in Appendix C.

APPENDICES ATTACHED

55. Appendix A – 2021/22 CFA Forecast Base Budget
56. Appendix B – Base Changes to 2021/22
57. Appendix C – Capital Programme and Funding

Contact:

Rob Carr
Chief Finance Officer
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01962 847508

| | 2020/21 HFRS Budget £'000 | 2020/21 IWFRS Budget £'000 | 2020/21 Total Budget £'000 | Inflation £'000 | Other Known Changes £'000 | 2021/22 CFA F'cast Budget £'000 |
|---|------------------------------------|-------------------------------------|-------------------------------------|--------------------|------------------------------------|--|
| Whole Time Firefighters | 32,273 | 3,335 | 35,608 | 890 | 245 | 36,743 |
| Retained Firefighters | 6,776 | 859 | 7,635 | 191 | 420 | 8,245 |
| Staff | 11,764 | 526 | 12,290 | 307 | 64 | 12,661 |
| Net cost of pensions | 1,087 | 413 | 1,500 | 37 | 0 | 1,537 |
| Other Employee Costs | 695 | 211 | 906 | 23 | -90 | 839 |
| | 52,594 | 5,344 | 57,938 | 1,448 | 639 | 60,026 |
| Premises | 5,095 | 363 | 5,457 | 82 | 181 | 5,720 |
| Transport | 1,542 | 139 | 1,681 | 25 | 0 | 1,706 |
| Supplies & Services | 6,326 | 489 | 6,815 | 68 | 524 | 7,407 |
| Third Party Payments | 2,561 | 458 | 3,019 | 91 | -385 | 2,724 |
| | 15,524 | 1,449 | 16,973 | 266 | 319 | 17,558 |
| Income | -3,488 | -149 | -3,637 | -18 | 424 | -3,231 |
| Specific Grant | -3,443 | -471 | -3,914 | 0 | -92 | -4,006 |
| | -6,931 | -620 | -7,551 | -18 | 332 | -7,237 |
| Revenue contributions to capital | 3,965 | 0 | 3,965 | 0 | 0 | 3,965 |
| Planned Contribution to / (from) reserves | 2,125 | 0 | 2,125 | 0 | 0 | 2,125 |
| Other Contribution to / (from) reserves | 1,036 | 0 | 1,036 | 0 | -1,036 | 0 |
| Net Cost of Service | 68,313 | 6,172 | 74,486 | 1,696 | 255 | 76,436 |
| Capital Financing | 799 | 0 | 799 | 0 | 0 | 799 |
| Budget Requirement | 69,112 | 6,172 | 75,284 | 1,696 | 255 | 77,235 |
| Precept | -44,492 | -3,348 | -47,840 | | -1,330 | -49,170 |
| Revenue Support Grant | -7,333 | -897 | -8,230 | | | -8,230 |
| Other Non-Specific Grants | -2,343 | -88 | -2,431 | | | -2,431 |
| Business Rates Top-Up Grant | -7,585 | -1,194 | -8,779 | | | -8,779 |
| Locally Retained Business Rates | -7,158 | -390 | -7,549 | | -75 | -7,624 |
| Collection Fund Balances | -201 | | -201 | | 201 | 0 |
| | -69,112 | -5,917 | -75,029 | 0 | -1,205 | -76,234 |
| Funding Gap / (Surplus) | 0 | 255 | 255 | 1,696 | -950 | 1,001 |

Base Budget Changes

| | | |
|--|----------------------|--|
| 2020/21 Combined Budget | 75,284 | |
| Pay Inflation | 1,448 | Based on 2.5% for 2021/22 increases |
| Non-Pay Inflation | 248 | Based on expected required levels |
| Incident command | 50 | £25k for previously unfunded costs and £25k for additional capacity |
| Power apps and posts | 340 | Microsoft approved changes to Microsoft licencing and additional staff to utilise |
| Other IT Pressures | 171 | Includes Phoenix support contract and WAN improvements |
| Shared Services net changes | 60 | |
| Basingstoke Rates | 54 | Corrections to prior year budget |
| Rates Inflation | 77 | |
| Worsash Service Charge | 50 | Approved service charge for proposed Live Fire Training site |
| Corporate service restructure | 5 | Minor increase in costs following restructure |
| Control allowances | 39 | Previously unbudgeted allowances |
| RDS Pensions | 200 | Re-evaluation of the impact of pension increases on RDS and the effect of increased uptake due to auto-enrolment |
| IoW RDS Shortfall | 220 | Reinstating temporary saving removed from IWFRS base budget in 2020/21 |
| Remove 2020/21 Surplus to Trans Res | -1,036 | One off transfer to the Transformation Reserve for 2020/21 |
| Reduction in New Dimensions Grant (IoW) | 25 | Grant funding reduced unexpectedly in 2020/21 for IWFRS |
| Increase to Hampshire 2020/21 Specific Grant | -117 | Grant funding increased unexpectedly in 2020/21 for HFRS |
| Recruits intake 2021/22 | 245 | Cost of recruits training for new intakes flagged in financial monitoring |
| DDiP - net effect | -21 | Slight variation in budget for income and expenditure on current budgets for DDiP. |
| Remove duplicate budgets | -107 | Budgets which are currently required for HFRS and IWFRS, which can be consolidated. |
| 2021/22 Forecast Requirement | <u>77,235</u> | |

Capital Programme and Funding to 2024/25

| Project Details | Approved Spend | Previous Years' Spend | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Latest Estimate | Balance Over / Under (-) |
|--|----------------|-----------------------|--------------|---------------|--------------|--------------|--------------|-----------------|--------------------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s |
| Basingstoke Fire Station | 6,955 | 6,644 | 310 | | | | | 6,954 | -1 |
| Fire control system - NFCSP | 729 | 671 | 58 | | | | | 729 | |
| Solar photovoltaic panels | 1,076 | 1,059 | 17 | | | | | 1,076 | |
| Estates Transformation -HQ Phase 2 | 4,660 | 4,509 | 153 | | | | | 4,662 | 2 |
| Estates Transformation -HQ Phase 1 F&E | 260 | 260 | | | | | | 260 | |
| Vehicles | 27,135 | | 3,055 | 10,348 | 5,825 | 3,542 | 3,818 | 26,588 | -547 |
| Warsash Replacement Fire Training Facility | 3,500 | | 1,750 | 1,750 | | | | 3,500 | |
| Station Improvement Programme Cosham | 200 | | 200 | | | | | 200 | |
| Station Improvement Programme Gosport | 200 | | 200 | | | | | 200 | |
| Bishops Waltham Station (Retained Station Programme) | 3,180 | | 100 | 1,540 | 1,540 | | | 3,180 | |
| Total Programme Cost | 47,895 | 13,143 | 5,843 | 13,638 | 7,365 | 3,542 | 3,818 | 47,349 | -546 |

Financed by:

| | | | | | | | |
|---------------------------------|---------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Capital Payments Reserve | 11,019 | 5,785 | 13,638 | 7,365 | 3,542 | 3,818 | 45,167 |
| Prudential Borrowing | | | | | | | |
| Revenue Grant unapplied reserve | | 58 | | | | | 58 |
| Capital Receipts | 1,624 | | | | | | 1,624 |
| Capital Grant | | | | | | | |
| Partner Contributions | | 500 | | | | | 500 |
| Total financing | 13,143 | 5,843 | 13,638 | 7,365 | 3,542 | 3,818 | 47,349 |



Shadow Authority

Purpose: Approval

Date: **22 September 2020**

Title: **BRANDING – NEW SERVICE IDENTITY**

Report of Chief Fire Officer

SUMMARY

1. As we move towards being one Service under the Combined Fire Authority, we need to create a new visual identity that represents us as Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS).
2. A decision was made by Executive Group on 11 June 2020 to have one combined brand that will be new identity of HIWFRS. An option was put out to staff for consultation and has since been amended following feedback from our workforce.

BACKGROUND

3. Branding is a vital tool to communicate our service to the public and partners, that becomes a visual representation of our organisation. Our new combined brand will show our intent, desire and pride in being a unified Service. It is important to maintain the heritage of both Services, but update our identity to reflect our new position as one Service.
4. Three 'branding themes' were provided to the CFA Board as a representative group, to provide views on which vision they would like to see for the new Service, which provided the starting point for the design evolution.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

5. Creating a unified brand under the Combined Fire Authority is a key Service Plan priority for 2020-21. To effectively combine both Services, includes the important aspect of a new visual identity that will show our intent to our partners, political stakeholders and our People.
6. It also plays an important role in supporting and demonstrating our organisational values. By unifying Hampshire and the Isle of Wight, it demonstrates that we understand that both Services “play their part” in an equal way and are properly represented.
7. We also want to demonstrate that we are forward-thinking and are “reaching further” by being progressive in our visual representation. We need to consider the longer-term impact of this change and ensure we have a quality, modern aesthetic that represents us well to our communities into the future.

CONSULTATION OUTCOME

8. Following the decision made at a previous Executive Group meeting, a light-touch approach was agreed, where the preferred brand was presented to staff to gauge views on whether the new identity represents both Services effectively and provides unification to both Services.
9. We received 209 responses, representing approx 11% of our workforce. 59% liked the brand as it was shown, with comments such as “*I like the way that both geographies are represented equally (they have the same amount of space on the badge)*”, “*It looks fresh and modern*” and “*Hampshire has always prided itself on being forward thinking and moving away from a more prominent red is a significant move that finally brings the organisation into the 21st century.*”
10. Of those that didn’t like the brand, 25% requested more red to be featured in the branding. Following this feedback, further amendments have been made to include more red in the branding and ensure this is featured as a more prominent colour in the palettes that are going to be used.
11. While some comments were received about the style of the brand or the elements used within the brand, a decision was taken to not act on this feedback as it would over-complicate the brand and make it difficult to scale up and down depending on the location of the brand.
12. None of the respondents thought there should remain two brands to represent us as two Services.
13. Following the survey, a summary of the results has been published on SharePoint to allow participants to see the outcome.

COLLABORATION

14. The branding options provided have been created in collaboration with the design company 1721. 1721 have been working on iterations of the design factoring in the feedback of the Service and will continue to develop the branding guidelines on how the new identity can be applied.

RESOURCE IMPLICATIONS

15. There will be cost implications to changing the brand to reflect the new Service identity. All locations where the current brand is held will have to be updated to include the new Service name, which will incur a cost. This is being factored in as part of the branding project plans.
16. Options and recommendations around additional costs incurred will be provided to Executive Group in the coming weeks.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

17. There will be an environmental impact to changing the brand, namely the waste of outdated assets and the resources then used to replace them. However, as part of the process of embedding the new brand, Heads of Service will consider the impact of these changes to our environment and be encouraged to use sustainable solutions where appropriate.

LEGAL IMPLICATIONS

18. Since confirming a unified brand, legal advice has been sought on this issue. Hampshire County Council's legal team have confirmed that the new design should not cause any heraldry issues or infringe any trademarks.

PEOPLE IMPACT ASSESSMENT

19. With 11% of the workforce participating in the survey, this indicates that it is an important issue to our teams, but not a particularly contentious one.
20. While there will be some individuals who will still be unhappy with the final outcome, we have endeavoured to seek their views with many of the recommendations being taken into account.
21. The Unions remain involved as part of the Combined Fire Authority project and updates continue to be shared with them.

OPTIONS

22. Option 1 – Approve the new brand as per Appendix A.
23. Option 2 – Reject the new brand as per Appendix A, or suggest further amendments to the brand before formal sign off.

RISK ANALYSIS

24. Since the consultation has not flushed out any significant concerns, there is limited risk attached to adopting the new brand.
25. The most significant risk identified at present, if the brand is not approved, is there being enough time from formal sign off for embedding any necessary changes by 1 April 2021. However, this is currently being overseen by a project team who are working towards this deadline and are mitigating this risk accordingly.
26. Any legal risks have been properly mitigated.

CONCLUSION

27. This brand has been consulted widely throughout the organisation and feedback has been incorporated. While the brand will never satisfy everyone, the final version demonstrates our desire to be one Service.

RECOMMENDATION

28. Option1 - That Hampshire and Isle of Wight Shadow Authority approve a new joint branding approach.

APPENDICES ATTACHED

29. Appendix A – The New Brand: Please note that the new brand will be used on a number of different backgrounds and locations. The brand below is demonstrated on a red background to reflect what it would look like on a firefighting appliance.

Appendix A – The New Brand



**Hampshire
& Isle of Wight**

FIRE & RESCUE AUTHORITY



**Hampshire
& Isle of Wight**

FIRE & RESCUE SERVICE

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Shadow Authority

Purpose: Approval

Date: **22 September 2020**

Title: **PEOPLE AND ORGANISATIONAL DEVELOPMENT POLICY**

Report of Chief Fire Officer

SUMMARY

1. This paper has been written to accompany the new People and Organisational Development (POD) Policy (Appendix A) for Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA).
2. The POD Policy sets out our commitment and vision for HIWFRA to our people. It contains guiding principles that will govern all working practices by HIWFRA. The suite of HR procedures will sit beneath the overarching POD Policy.
3. In adopting the new policy, HIWFRA supports and strengthens our approach to enabling our organisation to be a great place to work.
4. Members are asked to approve the POD Policy principles for the new Combined Fire Authority (CFA), for consultation with Representative Bodies (RBs), Trade Unions (TUs) and staff.

BACKGROUND

5. Officers have worked to a set of guiding principles in preparation for the transition to the new CFA. This includes the harmonisation of terms, conditions and policy provisions between our Services to avoid creating a “two tier workforce”. The aim for this alignment is to achieve a single set of terms, conditions and policy provisions for the new Authority.
6. The Service has engaged with Representative Bodies and Trade Unions to review and align (where legally and financially possible), the terms,

conditions and policy provisions between the two existing Services. Where alignment is not possible, existing terms will be maintained in the transfer to the new Authority under TUPE-like protection.

7. As part of the TUPE-like transfer process, an information and consultation process with staff, Representative Bodies and Trade Unions is required. This process will include consultation on proposed alignment of terms and is scheduled to commence in October 2020.
8. The POD Policy sets out the principles to which the Authority will commit to govern all employment and working practices for the new organisation.
9. The principles are fundamental in recognising the importance of our people and the critical role they play in delivering our safety plan priorities. They also set the foundation for being a great place to work and embedding our organisational values.
10. The POD Policy makes reference to the Procedures which sit beneath it and which must be adhered to. The Procedures provide a framework for managing staff, set out the recruitment and working arrangements of the Service and the pay, benefits and entitlements that are offered to staff.
11. Reference is also made to the employment terms and conditions applied by the Service. This includes reference to the Gold, Grey and Green Books, the Procedures and that individual terms and conditions are detailed in the employee's statement of particulars.

SUPPORTING OUR SAFETY PLAN AND PRIORITIES

12. The POD Policy provides a set of principles to ensure we create a great place to work to for our people. This will enable our people to ensure we deliver against our safety plan priorities as these drive our activities:
 - **Our communities** – We work together to understand different community needs and deliver accessible, local services which build safer places.
 - Our diverse and talented workforce will ensure our communities' needs are understood and met.
 - **Our people** – We look after each other by creating great places to work and promoting the health, wellbeing and safety of our people.

Our POD Policy and underpinning procedures will focus on creating a great working environment which everyone feels proud of, where the organisational values are upheld by all, and where the health, safety and wellbeing of our people is supported.

- **Public value** – We plan over the longer term to ensure our decisions and actions deliver efficient and effective public services.

We will support the priority of public value by applying appropriate and responsible reward mechanisms that motivate employees and recognise achievements.

- **High performance** – Our diverse teams are trusted, skilled and feel equipped to deliver a leading fire and rescue service today and into the future.

Our leaders are equipped with the skills to lead an agile, professional and capable workforce which is responsive to the evolving needs of the community we serve.

- **Learning and improving** – We have the support of policy and guidance with the freedom to use our discretion to do the right thing, learning from ourselves and others.

Through our provision of excellent learning and development opportunities all employees are supported to achieve their potential and to deliver continuous improvement for the Service.

RESOURCE IMPLICATIONS

13. There are no specific financial implications from the contents of this paper. Any financial impacts of future POD initiatives would need to be assessed against the related risks and opportunities. Any plans with financial implications will be subject to appropriate review and governance.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

14. There will be no negative environmental impacts associated with the adoption of this paper.

LEGAL IMPLICATIONS

15. An information and consultation process with staff, RBs and TUs is required as part of the statutory transfer of staff to the new CFA. This process will cover alignment of terms and policies. There are no other legal implications associated with the proposed POD policy.

PEOPLE IMPACT ASSESSMENT

16. The implementation of the POD Policy will have no negative impact. The policy will provide a more effective approach to supporting our people and a positive impact will be achieved.

OPTIONS

17. **Option 1 (Recommended)** – To approve the new POD Policy Principles for the HIWFRA, for consultation with Representative Bodies, Trade Unions and staff.
18. **Option 2** – To approve the new POD Policy Principles for the HIWFRA, with amendments and seek an alternative approach from the CFO.
19. **Option 3** – Not to approve the new POD Policy Principles for the HIWFRA.

RISK ANALYSIS

20. Option 1 provides assurance to the Shadow Authority that the appropriate principles will be applied to ensure a far more robust and consistent approach to working practices for our people.

EVALUATION

21. The POD Policy will provide the appropriate framework to ensure all HR procedures and practice follow the principles. The day to day management of those procedures through the POD Board, and accountability through Directorate Plans, ensures a people-focussed culture that will be overseen and scrutinised by HIWFRA.

CONCLUSION

22. The new POD Policy is a key tool for enabling our people to deliver our priorities, by providing a great place to work. This in turn ensures we make life safer, together.

RECOMMENDATION

23. That Hampshire and Isle of Wight Fire and Rescue Shadow Authority approves Option 1 – the new POD Policy Principles for HIWFRA, for consultation with Representative Bodies, Trade Unions and staff.

APPENDICES ATTACHED

24. Appendix A – POD Policy

Contact:

Molly Rowland, Director of People & Organisational Development,
molly.rowland@hants.gov.uk

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Description

This Policy sets out the Service’s aim and principles for recognising the diversity of the workforce and promoting excellence, to be a great place to work and an organisation that staff are proud to belong.

Contents

Our aim 1

Principles..... 1

Employment terms and conditions 2

Updates..... 2

Our aim

Each and every employee has a significant role towards making a positive contribution to the Service’s overarching performance. Employees are pivotal to the organisation’s success. Our diverse workforce will be encouraged and motivated to excel and grow.

This is achieved by the framework of Procedures that underpin this Policy and supported by exceptional workforce development and HR.

Principles

The Service and all of our employees will work together to:

- apply the Procedures which underpin this Policy which enable a fair and consistent approach for managing staff;
- apply appropriate reward mechanisms to motivate staff and recognise individual achievements;
- recognise the diversity and the value of each employee;

- ensure our communities’ needs are met through a talented, diverse workforce who are committed to equality and inclusion;
- work collaboratively with Representative Bodies to promote harmonious and productive working relationships;
- create a great working environment which everyone feels proud of and where the Service values are upheld by all;
- develop leaders who are equipped to deliver improved performance and change through trusted relationships with their teams;
- provide an excellent range of learning and development opportunities which means everyone can achieve their potential;
- work collaboratively to deliver continuous improvement for the Service;
- operate fair processes and opportunities for promotion and growing our own talent;
- develop ourselves to be an agile, professional and capable workforce which is responsive to operational requirements and service to the community;
- value and protect each other by supporting and promoting the importance of physical and mental health and wellbeing.

Employment terms and conditions

The terms and conditions of employment are dependent upon the role undertaken by an employee. They are based upon the National Joint Council (NJC) for:

- Brigade Managers Fire and Rescue Services (Gold Book)
- Local Authority Fire and Rescue Services (Grey Book)
- Local Authority Fire and Rescue Services (Green Book).

The Procedures have been written in accordance with the relevant employment legislation and the terms and conditions as set out above.

An employee’s individual terms and conditions are set out in the Statement of Particulars that is issued. Further advice and queries can be addressed to HR Operations.

Updates

| Section | What’s been updated and why | Date updated | Who updated |
|---------|-----------------------------|--------------|-------------|
| | | | |
| | | | |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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