



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Monday, 20 February 2017 at 11:00

**FIRE SERVICE HEADQUARTERS,
99 VAUXHALL ROAD,
BIRMINGHAM, B7 4HW**

Distribution of Councillors	
<u>Birmingham</u>	D Barrie K Booth A Cartwright L Clinton B Dad N Eustace M Idrees R Sealey G Singh Atwal S Spence
<u>Coventry</u>	B Singh D Skinner S Walsh
<u>Dudley</u>	A Aston N Barlow M Mottram
<u>Sandwell</u>	K Allcock J Edwards C Tranter
<u>Solihull</u>	S Davis P Hogarth
<u>Walsall</u>	O Bennett S Craddock A Young
<u>Wolverhampton</u>	G Brackenridge P Singh T Singh

Car Parking will be available for Members at Fire Service Headquarters.

Accommodation has been arranged from 10.00 am for meetings of the various Political Groups.

Fire Authority

You are summoned to attend the meeting of Fire Authority to be held on
Monday, 20 February 2017 at 11:00

at Fire Service HQ, 99 Vauxhall Road, Nechells, Birmingham B7 4HW

for the purpose of transacting the following business:

Agenda – Public Session

- 1 To receive apologies for absence (if any)
- 2 Declarations of interests in contracts or other matters
- 3 Chair's announcements
- 4 Minutes of Fire Authority 21 November 2016 7 - 22
- 5 Budget and Precept 2017-2018 and Budget Forecast 2018-19 to 2019-20 23 - 72
- 6 Monitoring of Finances 73 - 78
- 7 The Plan 2017-2020 79 - 88
- 8 Statement of Assurance 2015-16 89 - 116
- 9 2017-18 Property Asset Management Plan 117 - 138
- 10 Pay Policy Statement 2017-2018 139 - 190
- 11 Proposed Vehicle Replacement Programme 2017-18 to 2019-20 191 - 198
- 12 Arrangements for Appointment of External Auditors 199 - 222
- 13 Outcomes of the Future Governance Working Group 223 - 294

14	<u>Route Map to a West Midlands Combined Authority Mayoral WMCA Governance Report</u>	295 - 316
15	<u>Public Consultation (IRMP) Outcomes</u>	317 - 334
16	<u>Result of Recent Fire Safety Prosecutions</u>	335 - 338
17	<u>Notes of the Policy Planning Forum 10 October 2016</u>	339 - 346
18	<u>Notes of the Policy Planning Forum 7 November 2016</u>	347 - 354
19	<u>Minutes of the Audit Committee held on 14 November 2016</u>	355 - 362
20	<u>Minutes of the Scrutiny Committee held on 14 November 2016</u>	363 - 376
21	<u>Notes of the Policy Planning Forum 12 December 2016</u>	377 - 384
22	<u>Minutes of the Executive Committee held on 12 December 2016</u>	385 - 390
23	<u>Minutes of the Audit Committee held on 16 January 2017</u>	391 - 394
24	<u>Exclusion of the public and press</u> Chair to move:- <i>"That the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 for the reasons stated below."</i>	

Agenda (not open to public and press)

25 Planned Procurement Exercises for 2017-18

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

Agenda prepared by Julie Connor

Strategic Hub, West Midlands Fire Service

Tel: 0121 380 6906

Email: julie.connor@wmfs.net

This agenda and supporting documents are also available electronically on the West Midlands Fire Service website at:- www.wmfs.net

Clerk Name: Karen Gowreesunker

Clerk Telephone: 0121 380 6678

Clerk Email: Karen.Gowreesunker@wmfs.net

Minutes of the Meeting of the West Midlands Fire and Rescue Authority

**21 November 2016 at 11.00 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Councillor Edwards (Chair)
Councillor Idrees (Vice-Chair);
Councillors: Allcock, Aston, Singh Atwal, Barrie, Barlow, Bennett,
Booth, Craddock, Dad, Cartwright, Clinton,
Davis, Eustace, Hogarth, Idrees,
Mottram, B Singh, P Singh, Skinner,
Spence, Tranter, Walsh and Young.

Apologies: Councillor Brackenridge, Sealey, T Singh
Mr Ager

71/16 Declarations of Interest

The Chair declared a personal and non-pecuniary interest in Minute No. 77/16 below (Monitoring of Finances).

72/16 Chair's Announcements

There were no announcements from the Chair.

The Chief Fire Officer (CFO) made the following announcements:

Area Commander Simon Shilton had been successful in a recent selection process and would be joining Avon Fire and Rescue Service as an Assistant Chief Officer at the end of the year. The Authority requested that their congratulations be recorded in the minutes.

Lead Authority Members had been invited to the Recognition and Rewards Evening at Edgbaston Cricket Ground on Friday 25 November 2016. This is a prestigious event and a large number of employees would be attending and many awards were due to be handed out.

.

West Midlands Fire and Rescue Authority
21 November 2016

The Brigade's Annual Carol Service would be taking place on Sunday 4 December 2016 at St Martins in the Bullring commencing at 4.30pm

Watch Commander Adam Joyce, Oldbury Fire Station and Arron Lennon, Road Casualty Reduction Unit, had both won the "Just One More" Award for the recent Hamster Wheel Event in Birmingham City Centre raising money for Leukaemia Research.

The West Midlands Fire Service had four nominations in the Fire Times Awards:

- Innovation of the Year for the Community Safety Strategy for providing greater transparency of information to the community
- Training Provider of the Year for the Command Development Centre
- Two nominations in the most influential Black, Minority, Ethnic person in Fire category – Strategic Enabler Preith Shergill and Aghia Pal Information Communication and Technology Technician and Member of the International Search and Rescue Team.

These high profile national awards would be taking place on the 2 December 2016 and the CFO would inform Members of the Authority of the outcome of the Awards at the forthcoming Policy Planning Forum.

Coventry Fire Station had now closed and the staff and appliances had moved to temporary accommodation in preparation for the demolition and rebuild of the station.

73/16 **Minutes**

Resolved that the minutes of the meeting held on 19 September 2016, be confirmed as a correct record.

74/16 **Integrated Risk Management Plan Consultation**

The Authority received a report seeking approval for the proposed consultation of West Midlands Fire Service's (WMFS) Integrated Risk Management Plan (IRMP) commencing in December 2016.

West Midlands Fire and Rescue Authority
21 November 2016

Under the National Fire and Rescue Framework, WMFS is required to consult on its IRMP every three years or where there is material change. The last consultation took place in 2013 and the proposed consultation would focus on Governance, Service Delivery and Flexible Funding.

Following the outcomes of the Scrutiny Committee review around Public Consultation in 2013/14, the consultation would address the key areas raised by:

- Ensuring the questions are open and non-repetitive
- Involve Community Members ~~membership~~
- Actively involve Authority Members

The Consultation Institute have helped to shape the consultation and have supported the Authority's approach

The timings of the consultation are mapped into the Corporate Planning Cycle and will run from 1 December 2016 until 10 January 2017 and the outcomes would be presented to the Fire Authority on 20 February 2017 for approval.

The measures of success would include:

- a representative response from diverse communities, partners and businesses ensuring a good range of views and opinions are collected.
- meaningful responses which could be used by a range of teams cross WMFS when delivering their level 3 plans and for consideration by the CFO and Strategic Enabling Team (SET) when reshaping the three year rolling strategy.
- large numbers of quality data for analysis.

The engagement strategy is to ensure meaningful consultation and engagement with the community and in order to achieve the required number of responses, the consultation would be as accessible as possible.

West Midlands Fire and Rescue Authority
21 November 2016

This will be achieved by utilising multiple platforms (social media, focus groups, partners, and face to face) and all relevant material will be available from the Corporate Communications Team or the WMFS website www.wmfs.net.

Engagement will also be undertaken during Safe and Well visits, at focus groups and through Community Members. Authority Members will be contacted by middle manage to assist them with their engagement in the community and an Aide Memoire would be distributed to Members by the 25 November 2016.

In response to a Member's comment, it was acknowledged that the responses received in 2013 were low and the timing of the consultation would possibly not achieve the target set due to the weather, shorter days and Christmas events. However, the current consultation was mapped into the planning cycle, but the timing would be taken into account as this piece of work moves forward.

The Chair agreed with the point and felt it was well made. The consultation was tied into planning for the February budget setting, but there wasn't any compelling reason why the consultation couldn't be started in the Summer when the weather would be better.

Another Member commented that he had raised the timing of the Consultation previously and hoped, in future, that a more favourable date would be chosen. However, he felt the proposals for this Consultation would achieve additional comments from the residents of the West Midlands and that contacts with the partner organisations based on Service premises would help to achieve increased numbers.

The Chair agreed that it would be difficult to achieve large numbers, particularly when members of the public already hold the Fire Service in high regard.

The CFO restated that the Consultation was aligned to planning but agreed to look at the optimum time in respect of the quality and quantity of response.

West Midlands Fire and Rescue Authority
21 November 2016

However, he stated there had been a number of emerging issues since the Summer that could not be included. Middle managers would engage with the community through Members, stating the case for the Service Delivery Model and maintaining our current position. The CFO felt that the high ambition to quadruple the number of responses could be achieved by a combination of methods including the Safe and Well visits, and via community members and also confirmed that the Consultation Institute had stated that our consultation plan is fit for purpose and meaningful.

The CFO thanked Members of the Authority for their support in advance.

RESOLVED that the engagement strategy for the consultation of the Integrated Risk Management Plan (IRMP) in December 2016 and the themes to be consulted on be approved.

75/16 Management of Information

The Authority received a report on the Management of Information framework and a draft Standing Order. The Management of Information covers a range of activities including data inputs, handling instructions, processing and data outputs ensuring that the right information is given to the right people at the right time. It provides a balance as well as protecting the organisation.

There are two processes covered within the lifecycle of the Brigade's information governance, namely 'Classification and Marking' and 'Requests for Information'. The Government Security Classification Scheme's move to three categories (OFFICIAL, SECRET and TOP SECRET) provides greater flexibility on how each organisation governs its information.

The vast majority of information falls within the official classification. In seeking to appropriately protect the Brigade whilst maximising the opportunity for flexible working, the following OFFICIAL WMFS categories have been identified:

- OFFICIAL WMFS - PUBLIC
- OFFICIAL WMFS - LOW
- OFFICIAL WMFS - MEDIUM
- OFFICIAL WMFS - HIGH

West Midlands Fire and Rescue Authority
21 November 2016

Handling instructions will be provided and there will be a single approach for all information across the Brigade and for Freedom of Information Requests. Following the consultation period training will be provided to all members of the Brigade including Members of the Authority.

The Information Asset Register underpins the classification process and consequently needs to be maintained by the Data Manager, Deputy Chief Fire Officer as the Senior Information Risk Owner and the Strategic Enablers and the Information Asset Owners for their respective areas of responsibility.

It was noted that six standing orders had merged into one single Standing Order.

In response to a Member's enquiry with regard to an example of Official – Medium and Official- High, it was explained that a National Insurance Number would be regarded as Official - Medium classification as it would require extra protection. An example of an Official - High classification would be where a vulnerable person's details would be removed before sharing the information. It was noted that Official – High would only be used in 5 – 10% of cases.

The CFO explained that the same classification system is used by the Emergency Service Network and would assist with interoperability.

Training on handling instructions would be provided to all Members, Officers and staff to ensure a developed understanding of the protocols. Training would be provided at a future Policy Planning Forum.

76/16 Discretions Policy – Local Government Pension Scheme

The Authority received a report regarding a change to the Discretions Policy – Local Government Pension Scheme.

It was noted that any employee and member of the Local Government Pension Scheme has the opportunity to pay additional voluntary contributions (AVC) to enhance their pension. These contributions are deductions that attract tax relief in the same manner as standard pension contributions.

West Midlands Fire and Rescue Authority
21 November 2016

WMFS have identified potential savings of approximately £17,000 per annum in Employer National Insurance contributions by offering employees the opportunity to use a Shared Cost Additional Voluntary Contribution operated under the Salary Sacrifice arrangements. The Authority currently runs a similar arrangement for childcare vouchers.

In addition to the tax savings which an AVC scheme offers, choosing the Salary Sacrifice option would give employees a reduction in their National Insurance contributions. There would be no disadvantage. Members of the Scheme could join the new scheme or continue to pay in the same way as currently.

To enable the implementation of such a scheme, WMFS needs to amend the policy on one of the discretions available under the Local Government Pension Scheme regulations.

The Discretion to be amended covers regulations 16(2)(e) and 16(4)(d) which currently states:

Regulations 16(2)(e) and 16(4)(d) - Funding of Additional Pension

Explanation

Where an active member opts to make Additional Pension Contributions (APC) under Rule 16(2)(e) these may be funded in whole or in part by the Employer. Under Rule 16(4)(d) the employee may opt to pay APC as a Lump Sum and this may also be funded in full or part by the employer.

Policy

The Fire Authority will not fund in whole or in part any other APC purchased either by periodical payments or Lump Sum direct from a members Net Pay.

It is proposed to change the policy on use of this discretion to read as follows;

Policy

The Fire Authority will fund in whole or in part any Annual Pension Contribution (APC) operated by themselves under a salary sacrifice arrangement.

West Midlands Fire and Rescue Authority
21 November 2016

The Fire Authority will, however, not fund in whole or in part any other APC purchased either by periodical payments or Lump Sum direct from a members Net Pay.

RESOLVED that the changes to the Discretions Policy – Local Government Pension Scheme be approved.

77/16 Monitoring of Finances

The Authority noted the Monitoring of Finances report up to and including October. The report took the form of the standard presentation of three Appendices. The revenue monitoring in Appendix A showed a slight overspend of £86,000 with the predominant reason for this being the new staffing arrangements. Appendix A showed a variance to profiled budget in the Operations budget of £314,000, but this has been offset by other savings.

The Treasurer reassured the Authority on the overspend and would provide further updates to Members. The Treasurer expected the Authority to be within budget at the year end.

Appendix B of the report set out the position in respect of the Firefighters' Pension Schemes and Appendix C indicated the current Capital Monitoring.

The Treasurer stated that the capital programme had a variance of approximately £1m and would be closer to £7m than £8m.

The variance of £544,000 in the Vehicle Replacement Programme was due to a delay in placing an Order for Pump Rescue Ladders. Vehicles expected for delivery in March 2016 had been delayed and officers therefore decided not to place a subsequent Order until the first order had been delivered.

Seven Pump Rescue Ladders would now be ordered in the next financial year. The review of station vans had taken place and a decision had been made not to replace the vans in the current financial year. This had generated further savings.

West Midlands Fire and Rescue Authority
21 November 2016

The current budget exercise would take account of issues and would be presented to the Policy Planning Forum in February and placed before the Authority at the meeting on 20 February 2017 for approval.

In response to an enquiry about the capital monitoring variance of £299,000 for the X plan, it was explained that the scheme to replace the current entry system on all stations from a gold key system to an electronic security and staffing system was approved a year ago. This had now been delayed as the technical details of the tender exercise had become elongated and a re-assessment of the specification would be required before considering how to progress with the.

A further question was about an overspend of £86,000 on the windows and doors budget. It was explained there had been a slight overspend as a decision had been taken to replace the windows and doors at Smethwick Fire Station in one year rather than spread this replacement over two years. Similarly, following the decision to move Secondary Fire Control to the Command Development Centre in Smethwick, it had been decided to bring forward the replacement of the doors and windows in that building to ensure it was fit for purpose when required.

In respect of old fire appliances, the Treasurer confirm that there is a small market for Pump Rescue Ladders and they are sold. However, as Dennis Ltd no longer build fire appliances, it is difficult to obtain parts for these vehicles, and so consideration is also given to keeping old Dennis appliances and breaking them down into parts which can be used to maintain other Dennis appliances until they have all been replaced.

On a visit to the Transport Engineering Workshops (TEW) one Member had noticed engineers producing bumpers and washers in-house and enquired if the TEW made any parts for other organisations in order to generate income. The Treasurer confirmed that TEW ensures they have spares or make them. He also stated that the TEW carry out insurance repair work and also repair ladders for Warwickshire Fire and Rescue Service and were always looking to generate income and support other Fire Authorities.

The CFO encouraged Members of the Authority to visit the TEW to witness the innovative work taking place.

West Midlands Fire and Rescue Authority
21 November 2016

The CFO stated that following the decision by the Authority to introduce Voluntary Additional Shifts and the collective agreement with the Representative Bodies, there had been an enthusiastic take up of additional shifts resulting in an overspend. The costings were based on a ridership factor of 12.5 but currently the ridership factor stood at 15.5, the difference related to absence, training off shifts and other policy agreements including maternity and paternity leave. In fact, there were 30 factors that contributed towards the ridership factor, but he hoped the budget would soon be back on profile in respect of the Additional Voluntary Shifts and with a reduced Ridership factor of 12.5. Officers would revisit the policies in respect of attendance management, special leave and training off shift to ensure more staff were on available.

Underpinning the good employee relations it had been agreed to review the disturbance allowance. It was also confirmed that the provisional budget settlement was until 2020 and by maintaining financial control there was a good medium term plan in place. The Service was however enjoying 100% fleet availability compared to 95% previously.

A number of arrangements would be put in place to maintain the budget.

The Chair stated that the 100% fleet availability was a remarkable achievement and ensured that the Service was achieving its Service Delivery Model. It was noted that some appliances could be taken off the run to save money but the Service would potentially not then be able to achieve the 5 minute attendance target which is currently running at an average of 4.40 minutes and the quickest response time in the country.

The CFO confirmed that West Midlands Ambulance Service had withdrawn from the project to replace Aston Fire Station and the Henrietta Street Ambulance Station and share the new station at Aston. Although disappointing that the two Services would not be working in partnership the CFO respected their strategy.

The ambulance trust deliver a first class service and it would have been a great opportunity to achieve the ambition for greater collaboration, but it was the Ambulance Trust's decision on where to locate their ambulances.

West Midlands Fire and Rescue Authority
21 November 2016

It was disappointing to note that there were now only 12 ambulances using the facilities on fire stations.

It was confirmed that the Ambulance Service had taken the decision to continue to work from the new Coventry Fire Station and would continue to use the parking facilities and three crews would use a room. The Authority would recharge the Ambulance Service and an update would be presented on the new Coventry Fire Station at a future Policy Planning Forum.

One member felt the relationship with the Representative bodies was the best it had been for a long time and was a very encouraging position for future negotiations. The CFO confirmed that it was the best in living memory and the relationship was a unique one and one of the best in the country. The Representative Bodies: Fire Officers Association; Fire Brigades Union and Unison worked with the Strategic Enabling Team and attended their meetings on a monthly basis.

78/16 Result of Fire Service Prosecutions

The Chief Fire Officer reported on the following successful prosecutions which had been brought under the Regulatory Reform (Fire Safety) Order 2005:

- 161 Hagley Road, Edgbaston, Birmingham B16 8QU following an anonymous complaint which identified multiple failures to comply with fire safety legislation and which constituted a risk of death or serious injury in the event of fire. The responsible person for the company was sentenced to a total of 19 months immediate custody and was ordered to pay £13,820.65 costs in respect of five offences.
- Intelligent Foods Central Limited (trading as Subway)
24 Queen Square, Wolverhampton WV1 1TQ following a routine inspection of an adjoining premises which identified a number of multiply failures to comply with the fire safety legislation which constituted a risk of death or serious injury in the event of fire. The Director and Responsible Person for the limited company was fined £15,000 and was ordered to pay £5,868.30 costs.

West Midlands Fire and Rescue Authority
21 November 2016

- 254 Humber Road, Coventry following a serious fire resulting in life changing injuries to one casualty and multiple failures to comply with the fire safety legislation which constituted a risk of death or serious injury in the event of a fire. The Responsible Person pleaded guilty to one offence which incorporated the remaining six offences and was fined £25,000 and was ordered to pay costs of £24,300 and received a custodial sentence of four months imprisonment suspended for two years and 250 hours unpaid work.

In answer to a Member's enquiry, the Treasurer stated that the recovering of costs depended on the complexity of the prosecution, but all reasonable costs are recovered as a result of a prosecution.

The Authority charge £55 an hour and the average for each case would be £3,000. All costs for Sandwell Legal and Barristers costs are reclaimed. The Treasurer confirmed that the costs/income are held centrally in the Protection Corporate Budget.

The CFO advised that the Authority charge £55 an hour for officers time and it is the Authority's statutory duty under the Regulatory Reform Order to undertake the advice and enforce approach.

In respect to a Member's enquiry the Treasurer confirmed the Authority are entitled to cost recovery only for officer's time and cannot make a profit from prosecutions but this figure is reviewed annually.

It was confirmed that the timeframes for the offences were included in the report and prosecutions are reported annually.

In answer to a Member's enquiry, it was confirmed that the policy had changed three months previously and as well as giving advice and obtaining approval to institute legal proceedings, Officers can also place simple cautions on the record of certain premises. This is an officer decision which taken following subject matter advice by the Fire Safety Officer involved, and then approved by the Head of Fire Safety and finally the Assistant Chief Officer. This is a delegated responsibility from the Chief Fire Officer. The Authority's position is to "Keep Business in Business" and this course of action enables this to happen.

West Midlands Fire and Rescue Authority
21 November 2016

79/16 Minutes of the Audit Committee held on 5 September 2016

The Minutes of the Audit Committee held on the 5 September 2016 were received.

80/16 Minutes of the Scrutiny Committee held on 5 September 2016

The Minutes of the Scrutiny Committee held on the 5 September 2016 were received.

81/16 Notes of the Policy Planning Forum held on 5 September 2016

The notes of the Policy Planning Forum held on 5 September 2016 were received.

82/16 Notes of the Joint Consultative Panel held on 19 September 2016

The notes of the Joint Consultative Panel held on the 19 September 2016 were received.

The Chair of the Joint Consultative Panel wished to inform the Authority of the work of the Panel in respect of the importance of wellbeing and the work being carried out to recognise the issues pertinent to men in the workplace. The Chair also wanted to highlight the improved relationships between the representative bodies and management and working together to resolve problems.

Councillor Linda Clinton took the opportunity to highlight the Birmingham City Council Launch of their “Slower is safer” road safety campaign to reduce speed limits to 20 miles per hour where appropriate. Members were asked to make a personal pledge to the campaign by taking a photograph and then circulate the pledge and photograph on social media using the email address on the cards they had been given.

Councillor Clinton stated that this was a Police initiative that Birmingham City Council and WMFS were supporting. The campaign was aimed at children using the “Coney” family, a family of traffic cones. A teaching package was available for schools and Members were requested to get in touch if they were interested.

West Midlands Fire and Rescue Authority
21 November 2016

Assistant Chief Officer Gary Taylor asked the Authority to recognise the work undertaken by Councillor Clinton and thanked her for her support and influence in the area of road safety. He stated that Road Traffic Accidents were increasing and the leadership and influence shown by Councillor Clinton in this area was fantastic. The Chair also thanked Councillor Clinton on behalf of the Authority.

83/16 Minutes of the Executive Committee held on 10 October 2016

The minutes of the Executive Committee held on 10 October 2016 were received.

84/16 Minutes of the Scrutiny Committee held on 10 October 2016

The minutes of the Scrutiny Committee held on 10 October 2016 were received.

85/16 Exclusion of the Public and Press

Resolved that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 relating to the financial or business affairs of any particular person (including the authority holding that information) and information relating to any action taken, or to be taken in connection with the prevention, investigation or prosecution or crime).

86/16 Planned Procurement Exercise for 2016/17

The Authority received a report for approval of the tender exercise for the provision of various works, good and services to West Midlands Fire and Rescue Authority during 2016/17 for Firefighter training.

A blended approach would be taken to training to ensure the Service Delivery Model.

West Midlands Fire and Rescue Authority
21 November 2016

The Chair stated that officers had ensured that the best quality approach had been taken by the procurement team and they would report back to the Authority with the outcome. The Service would be recruiting approximately 60 firefighters a year over the next three years which was a good news story. The selection process required applicants to live within the West Midlands postcode area and would ensure that the Service could maintain its Service Delivery Model using the Voluntary Additional Shifts up until 2020. It was confirmed the funding would come from the Revenue budget.

Resolved that the tender exercise for the provision of Recruit Training to West Midlands Fire and Rescue Authority during 2016/17 be approved.

87/16 **Action of the Chief Fire Officer in Consultation with the Chair and Vice Chair**

The Authority noted the action taken by the Chief Fire Officer, in consultation with the Chair and Vice Chair, on the instigation of legal proceedings for the failure to comply with the Regulatory Reform (Fire Safety) Order 2005.

88/16 Councillor Davis had noticed that a Fire Service Choir, the Choir Brigade had formed and he had attended the Solihull Remembrance Service where the Fire Service Band had played. He thought they were excellent and a credit to the Service.

(The meeting ended at 1215 hours)

Contact Officer: Julie Connor Strategic Hub West Midlands Fire Service 0121 380 6906

WEST MIDLANDS FIRE AND RESCUE AUTHORITY**20 FEBRUARY 2017****1. BUDGET AND PRECEPT 2017/2018 AND BUDGET FORECAST 2018/2019 TO 2019/2020**

Joint Report of the Treasurer and Chief Fire Officer.

RECOMMENDED**1.1 THAT the following be approved:-**

- 1.1.1 The Authority's Net Revenue Budget for 2017/2018 of £94.848m which includes a Council Tax requirement of £39.377m, set out in Appendix A, together with the associated precept levels, set out in Appendix B, resulting in a Band D Precept increase of 1.99%.
- 1.1.2 The Authority's capital programme for 2017/2018 to 2019/2020 as set out in Appendix E.
- 1.1.3 The Authority's Treasury Management Strategy which includes the Minimum Revenue Provision Statement set out in Appendix F and the Prudential Indicators in Appendix G.

2. PURPOSE OF REPORT

The Authority is requested to consider the Capital Programme for 2017/2018 to 2019/2020, the prudential indicators relating to the Authority's capital financing requirements, the Minimum Revenue Provision Statement, the Treasury Management Strategy, the Revenue Budget and to approve the consequent precept level and resultant amount for each constituent District Council.

3. BACKGROUND

- 3.1 The budget setting process is a key part of the Fire Authority's arrangements which establishes the anticipated level of available funding to deliver its key priorities and services. Work has been undertaken throughout the year to determine the Authority's key priorities, outcomes and strategic objectives to be contained in the 2017–2020 Plan.

- 3.2 As part of the settlement for 2016/17, an offer was made for a multi-year funding settlement. Any Authority wishing to take up the four year funding settlement to 2019/20 was required to set out their proposals in an Efficiency Plan to qualify for the four year settlement from April 2016. The Authority at its meeting on 19 September 2016 considered and approved the Efficiency Plan which was submitted to the Home Office.
- 3.3 On 15 December 2016, the Secretary of State for Communities and Local Government (CLG) announced the provisional settlement for 2017/18 at £54.703m, resulting in a core funding reduction of £3.962m. The Government also proposed a Council Tax referendum threshold of 2% for Fire and Rescue Authorities.
- 3.4 The four year settlement offer announced in December 2016 (provisional for 2017/18 – 2019/20) would result in the following core funding reductions:
- 2016/17 £3.278m
 - 2017/18 £3.962m
 - 2018/19 £1.606m
 - 2019/20 £0.569m
- A total reduction over the four year period (2016/17 – 2019/20) of £9.415m (15% of the 2015/16 core funding) which is £0.229m less than was announced in February 2016.
- 3.5 CLG confirmation of the Authority's 2017/18 core funding figure of £54.703m announced in the provisional settlement will not be confirmed until after Parliament returns from recess on 20 February 2017. At this stage it is not anticipated that there will be any material change to the provisional settlement figures which have been used as the basis for setting the 2017/18 budget.
- 3.6 The projected budget includes a number of efficiency measures which were set out in the Efficiency Plan referred to earlier as well as enabling any actions to be undertaken arising out of the Authority's Corporate Risk Register. The Corporate Risk Register has identified a number of major risks that would seriously affect the Authority's ability to carry out its functions. The very nature of the risks have made it extremely difficult to quantify any funding impact that would arise were the risk to materialise and in the short term would result in a demand on the Authority's General Balances, which are identified in Section 6 of this report.

- 3.7 During the financial year 2016/17 only extremely limited recruitment activity for some essential support staff has taken place. No recruitment of firefighters has taken place during the year to date due to the need to reduce staffing levels in line with the numbers required for the revised operational staffing level (1,168) to meet the Authority's approved Service Delivery Model. Funding levels in future years mean that the situation will need to be closely monitored and reviewed.
- 3.8 Details of the draft base budget are set out in Appendix A, together with revisions to the current year's budget (the 2017/18 budget is replicated for information in the Service Reporting Code of Practice format in Appendix C).

Business Rates Retention

- 3.9 The Business Rates Retention Scheme was introduced in April 2013 and provides a direct link between business rates growth and the amount of money local authorities have to spend on local people and services. Local Authorities are able to keep 50% of the business rates revenue, adjusted for any growth or reduction on the revenue that is generated in their area. This is intended to provide a strong financial incentive for Authorities to promote economic growth.
- 3.10 The main impact on this Authority is that a proportion of income previously paid by the Government is received via the 7 West Midlands Metropolitan Councils. Under these arrangements this Authority is entitled to a payment equivalent to 2% of the amount of Business Rates retained by the 7 West Midlands Councils. This is approximately £9.4m.
- 3.11 The Chancellor announced in the Spending Review in November 2015 the intention to localise 100% of business rates to local authorities by 2019/20.
- 3.12 On 5 July 2016 the CLG issued the first consultation exercise in relation to the significant proposed changes to Local Government funding arrangements. The consultation included 36 questions, with one Fire Service specific question seeking views as to whether Fire funding should be removed from the business rates retention scheme, with Fire funding provided through a separate grant administered through the Home Office. The outcome from the consultation has not been published at this stage.

Update of 'The Plan'

- 3.13 A key element of developing the Authority's plans is to seek the opinions of those people that live, work and travel within the West Midlands. As part of this, a public consultation is undertaken every three years and/or when changes to the core services are being considered by the Authority. The Authority consulted the public during December 2016 and January 2017 and this provided the opportunity for the public to influence the way the Service works now. The Community Safety Strategy (the Integrated Risk Management Plan) is the risk analysis which identifies what the risk profile of the West Midlands community is and provides analysis of where resources are required to enable effective management of these risks in order to achieve a five minute attendance standard for the most serious emergencies. Review of this risk analysis has confirmed that there has been no significant change to the risk profile of the West Midlands. Therefore, there will be no significant change to the Authority's priorities and outcomes set out in The Plan 2017-2020.
- 3.14 'The Plan' sets the Authority's strategic direction for the next three years and defines those outcomes, priorities and strategic objectives which are to be provided with reduced funding and resources.

4. PRECEPT 2017/2018

- 4.1 Under the Council Tax arrangements, the allocation of the total sum required by the Authority between constituent District Councils is based on the relevant tax base for each District.
- 4.2 All District Councils have now formally set their Council Tax base and have notified the Authority accordingly. The total relevant Council Tax base for the Authority is 689,149.00 (675,989.47 in 2016/17).
- 4.3 The appropriate precept has now been calculated for each District and is set out in Appendix B, paragraph 1.4, for the Authority's approval.
- 4.4 The Council Tax at Band D for 2017/18 would be £57.14, an increase of 1.99% (£1.11) per annum.

5. **FUNDING OF EXPENDITURE 2017/2018**

The final figures from external funding sources have now been notified and are included in the table below:

	£000
Core Funding	54,703
Share of Collection Fund Surplus / (Deficit)	768
Council Tax (met by Districts)	39,377
Total Funding	94,848

In addition to external funding, it is estimated that the Authority will generate income of £3.334m (£3.143m in 2016/17) (Appendix D).

6. **GENERAL BALANCES POSITION**

- 6.1 Based on the current forecast of net expenditure in 2016/17, the Authority's General Balances at 1 April 2017 would be estimated at £9.2 million. At this level, the amount of General Balances would equate to approximately 9.7% of the Authority's 2017/2018 budget.
- 6.2 As part of considering the Authority's 2017/18 budget, the overall funding includes the use of £600k General Balances to support the extended disturbance cost payments associated with the changes to the operational staffing model. The staff changes being introduced are anticipated to be another example of Public Service Reform and in order to enable the transition to the new staffing arrangements, combined with the extension of the current level of disturbance cost payments from 31 March 2017 to 31 December 2017, the use of General Balances under the circumstances is appropriate. This would result in the Authority's available General Balances being at the level of £8.6 million (approximately 9.1% of the Authority's 2017/2018 budget).
- 6.3 This level of General Balances is considered appropriate at this stage due to the estimated scale of Government funding reductions in future years. Whilst the settlement figures up to 2019/20 provide some greater certainty than previously, funding reductions are anticipated beyond this time period. This is combined with an increase in volatility of Council Tax collection rates for the 7 West Midlands Authorities, particularly following the introduction of the localisation of council tax benefits since April 2013 and a lack of any direct capital funding and transformation funding being available to the fire service.

- 6.4 The actual level of General Balances at 1 April 2017 will not be determined until the completion of the Authority's 2016/2017 closedown of accounts process.

7. **CAPITAL PROGRAMME**

- 7.1 At the Authority meeting on 15 February 2016, consideration and approval was given to the current three year Capital Programme. The Programme has been monitored during the year at Authority meetings.
- 7.2 It is estimated that commitments in respect of those projects which make up the proposed capital programme, is as follows:

	£m
2017/2018	13.072
2018/2019	7.670
2019/2020	3.181

The full list of projects is shown on Appendix E.

- 7.3 A forecast of resources covering the period 2017/18 to 2019/20 is shown below:

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Receipts	-	-	2.084
Capital Grants	0.453	-	-
Revenue Funding	12.619	7.670	1.097
Total Capital Resources	13.072	7.670	3.181

- 7.4 The table below compares the expenditure on those projects within the capital programme which are committed and the projected resources outlined in paragraph 7.3:

	2017/18 £m	2018/19 £m	2019/20 £m
Projected Resources	13.072	7.670	3.181
<u>Less: Commitments</u>	13.072	7.670	3.181
Funding Surplus/(Deficit)	-	-	-

- 7.5 At the time of announcing the four year provisional core funding settlement, no specific announcements have been made by the CLG in relation to capital funding. As a consequence, it is anticipated that there will be a capital funding shortfall of circa £3 million per year from 2020/21 onwards just to meet anticipated replacement of essential capital assets i.e. vehicles and equipment, not allowing for the funding impact of introducing any new schemes into the capital programme such as station redevelopments.

8. **TREASURY MANAGEMENT AND THE PRUDENTIAL CODE**

- 8.1 The Fire Authority recognises the importance of Treasury Management to the economy and efficiency of its finances. It also recognises that delivering quality services in this area requires expertise and skills that can best be provided by specialist professions from external organisations.
- 8.2 West Midlands Fire Service's Treasury Management functions are provided by Sandwell MBC who have in turn appointed external advisors to support them. The Fire Authority has also linked its appointment of bankers to that of Sandwell MBC in order to benefit from efficiencies in tendering, cash flow management and investment.
- 8.3 The Treasury Management Strategy for 2017/18 is set out in Appendix F.
- 8.4 Under the Local Government Act 2003, credit approvals were abolished and a new prudential capital finance system was introduced from 1 April 2004. CIPFA has prepared a Prudential Code which underpins the system of capital finance. Local authorities are required by Regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003.
- 8.5 The key objectives of the Prudential Code are to ensure that the capital investment plans of the Authority are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.

- 8.6 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. The indicators are designed to support and record local decision making.
- 8.7 The Prudential Indicators that have been calculated for this Authority are detailed on Appendix G.

9. **PLANNING FOR THE 2017/2018 TO 2019/2020 BUDGET**

- 9.1 In preparing the draft revenue budget for 2017/18, an expenditure forecast for 2018/19 and 2019/20 has also been undertaken by 'rolling forward' the 2017/18 draft budget; updating for specific known budget pressures (e.g. the impact of superannuation increases from April 2017) anticipated inflation and pay awards, adding in commitments, adjusting for anticipated staff turnover levels, setting efficiency targets, etc. (Appendix H).
- 9.2 At this stage the four year settlement offered by CLG is considered to be a reasonable basis to formulate medium term financial planning. In order to take up the four year funding settlement an Efficiency Plan was required and the Authority at its meeting on 19 September 2016 considered and approved the Efficiency Plan submission to the Home Office. At this stage it is anticipated that work will continue to focus on alternative staffing models, commissioning, internal restructures and general budget reductions. A summary of the impact of the indicated reductions in core funding is shown in the table below:

Estimated position assuming the provisional financial settlement reductions to core funding (with a Band D Council Tax increase of 1.99% per year)

	2017/18 £m	2018/19 £m	2019/20 £m
Net Budget Requirement	94.8	93.7	94.3
Core Funding	54.7	53.1	52.5
Council Tax	39.4	40.6	41.8
Council Tax Surplus	0.7	0.0	0.0
Available Resources	94.8	93.7	94.3
Annual Surplus/(Deficit)	0.0	0.0	0.0

10. **ROBUSTNESS OF THE BUDGET PREPARATION AND ADEQUACY OF RESERVES**

10.1 In accordance with the Local Government Act 2003 (S25-S27) and to comply with CIPFA guidance on local authority reserves and balances, the Treasurer is required to formally report to members on the robustness of the budget and the adequacy of reserves.

10.2 The budget presented to the Authority has been prepared using reasonable and appropriate estimation techniques for both expenditure and income. The budget process is such that all financial pressures faced by the Authority have been considered and resources allocated as appropriate to fulfil the priorities of the Authority. Where resources have not been allocated to identified pressures either; the pressure has been absorbed into the existing budget or the risk associated with not meeting the pressure has been evaluated and appropriate action taken. The robustness of the budget preparation undertaken by the Authority is therefore considered satisfactory.

10.3 The appropriate level of reserves and provisions has been assessed and determined using a variety of mechanisms, including:

- The budget setting process, the annual financial cycle and contributions from the strategic leadership of the organisation.
- Considering the budget at various stages of construction including the reasonableness of the key budget assumptions such as estimates of inflationary and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for.
- Review of the movements, trends and availability of contingencies, provisions and earmarked reserves to meet anticipated and unforeseen cost pressures in the context of future pressures and issues.
- The use of professional experience and best professional judgement.
- The use of appropriate professional, technical guidance and local frameworks.
- Knowledge of the Officers involved in the process, particularly finance professionals, including their degree of experience and qualifications.

- Review of the strength of financial management and reporting arrangements including internal control and governance arrangements.
- 10.4 The Authority's aim is to have a prudent level of General Balances informed by an assessment of potential risks to the organisation. The level of General Balances at the end of the financial year 2016/17 is forecast to be £9.2m, of which £600k will be utilised to help fund the 2017/18 budget, reducing the level of available General Balances to £8.6m, approximately 9.1% of the net budget requirement. This level of balances is considered appropriate at this stage due to the scale of core funding reductions in future years, volatility of Council Tax collection rates and the absence of capital and transformation funding available to the Authority.
- 10.5 It was deemed that a prudent level of earmarked reserves was established during the Authority's 2015/2016 closedown exercise. A review of these reserves will be undertaken as part of the Authority's 2016/2017 closedown of accounts process.
- 10.6 Based on known circumstances and financial risk assessment, it is felt that adequate earmarked reserves and provisions were created to meet legal and expected liabilities, as at 31 March 2016. A list of the reserves is included in Appendix J. Consideration will be given to the appropriate level of reserves required as at 31 March 2017 as part of the Authority's closedown of accounts process.
- 10.7 In recommending an adequate level of reserves, consideration is given to the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity, for example, of investing elsewhere to generate additional investment income or using the funds to invest in service improvements. In assessing this, it is important to consider that reserves can only be used once and are therefore potentially only 'one-off' sources of funding. Therefore, any use of general reserves is only ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust 'safety net' which adequately protects against potential unbudgeted costs.
- 10.8 The current level of reserves is considered to be sufficient in all but the most unusual and serious combination of possible events. In this context it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost.

This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

- 10.9 Best endeavours have been made to ensure that the budget and reserves are adequate using the information available at this date. The budget has been constructed with a professional policy led medium term strategic framework using appropriate assumptions, linking investment and spending to key priorities and having undertaken a comprehensive assessment of risk.

11. **EQUALITY AND DIVERSITY IMPLICATIONS**

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.

12. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

BACKGROUND PAPERS

CLG / Home Office Communications
District Leaders' Meeting 16 December 2016
Policy Planning Forum 6 February 2017
The Plan 2017–2020

The contact name for this report is Phil Hales, Deputy Chief Fire Officer, 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

APPENDIX A**SUMMARY OF 2016/2017 REVISED BUDGET AND 2017/2018 BUDGET**

	Original Budget 2016/17 £000s	Revised Budget 2016/17 £000s	Original Budget 2017/18 £000s
<u>Expenditure</u>			
Employees	83,839	84,071	83,360
Premises	5,453	5,553	5,213
Transport	1,396	1,382	1,358
Supplies & Services	7,825	7,075	7,203
Capital Financing	2,943	6,226	15,527
Appropriations to Reserves	450	1,602	100
Total Expenditure	101,906	105,909	112,761
<u>Income</u>			
Core Funding (Formula Grant)	(58,665)	(58,665)	(54,703)
Other Government Grant	(1,235)	(1,386)	(1,045)
Income from Services	(3,143)	(3,103)	(3,334)
Collection Fund (Surplus) / Deficit	(874)	(874)	(768)
Appropriations from Reserves	(115)	(4,007)	(13,534)
Total Income	(64,032)	(68,035)	(73,384)
COUNCIL TAX REQUIREMENT	37,874	37,874	39,377
Collection Fund Surplus / (Deficit)	874	874	768
Core Funding (Formula Grant)	58,665	58,665	54,703
NET BUDGET REQUIREMENT	97,413	97,413	94,848

BAND D PRECEPT INCREASE OF 1.99%

- 1.1 THAT it be noted that the constituent District Councils have formally set their Council Tax bases for the year 2017/2018 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:

	Tax Base
Birmingham	243,955.00
Coventry	78,971.90
Dudley	89,561.62
Sandwell	71,217.34
Solihull	74,971.00
Walsall	69,074.69
Wolverhampton	61,397.45
	<hr/>
	689,149.00

- 1.2 THAT the following amounts be now calculated by the Authority for the year 2017/2018 in accordance with Sections 40 to 48 of the Local Government Finance Act 1992:

- 1.2.1 £112,761,000 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act.
- 1.2.2 £73,383,622 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) of the Act.
- 1.2.3 £39,377,378 being the amount by which the aggregate at 1.2.1 above exceeds the aggregate at 1.2.2 above calculated by the Authority in accordance with Section 42A(4) of the Act as its council tax requirement for the year.
- 1.2.4 £57.14 being the amount at 1.2.3 above divided by the total amount at 1.1 above, calculated by the Authority in accordance with Section 42B(1) of the Act as the basic amount of its Council Tax for the year.

1.3	<u>Valuation Bands</u>	£ (to 6 decimals)	£ (rounded to 2 decimals)
	A	38.092757	38.09
	B	44.441549	44.44
	C	50.790342	50.79
	D	57.139135	57.14
	E	69.836721	69.84
	F	82.534306	82.53
	G	95.231892	95.23
	H	114.278270	114.28

being the amounts given by multiplying the amount at 1.2.4 above by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Authority in accordance with Section 47(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

1.4 Resultant precepts:

	£
Birmingham City Council	13,939,378
Coventry City Council	4,512,386
Dudley MBC	5,117,474
Sandwell MBC	4,069,297
Solihull MBC	4,283,778
Walsall MBC	3,946,868
Wolverhampton City Council	<u>3,508,197</u>
Total	<u>39,377,378</u>

being the amounts given by multiplying the amount at 1.2.4 above by the appropriate tax base at 1.1 above in accordance with section 48(2) of the Act, as the amount of precept payable by each constituent District Council.

- 1.5 THAT the precept for each District Council as calculated at 1.4 above be issued in accordance with Section 40 of the Local Government Finance Act 1992.

SUMMARY OF 2017/2018 BUDGET – SERVICE ANALYSIS

	2017/18 £'000
Firefighting & Rescue Operations	91,355
Community Safety	13,200
Corporate and Democratic Core*	1,680
Emergency Planning & Civil Defence	114
COST OF SERVICES	106,349
Appropriations and Interest	(12,269)
Settlement Funding (Formula Grant)	(54,703)
COUNCIL TAX REQUIREMENT	39,377

*Includes £282k direct Democratic Core costs.

SERVICE INCOME BUDGETS 2016/17 AND 2017/18

	Original Budget 2016/17 £000s	Revised Budget 2016/17 £000s	Original Budget 2017/18 £000s
Fees and Charges:			
- Fire Control & Contact Centre	1,072	984	877
- Training	332	340	296
- ICT	111	111	111
- Mutual Assistance	80	120	100
- Fire Engineering	75	125	100
- Room Hire	55	41	40
- Other	296	316	272
Sales	180	237	180
Commissioning	250	250	1,000
Rents - Property	238	212	114
Interest	400	300	175
Other Income	54	67	69
TOTAL SERVICE INCOME	3,143	3,103	3,334

CAPITAL PROGRAMME 2017/2018 TO 2019/2020

Scheme	Project Year In 2017/18	2017/18 £000s	2018/19 £000s	2019/20 £000s
<i>Committed Schemes:</i>				
Vehicle Replacement Programme	On-going	2,530	2,370	2,001
Coventry Fire Station Boiler Replacement Programme	3 of 4	5,100	900	-
Aston Fire Station Rewires	On-going	264	211	165
Windows & Door Replacements	3 of 4	3,900	3,546	-
Roof Replacement	On-going	55	250	420
X-Plan	On-going	281	203	405
Primary Control	On-going	66	190	190
	2 of 2	376	-	-
	1 of 1	500	-	-
TOTAL COMMITMENTS		13,072	7,670	3,181
<i>Projected Resources Available:</i>				
Prudential Borrowing		-	-	-
Capital Receipts		-	-	2,084
Capital Grants		453	-	-
Earmarked Reserves/DRF		12,619	7,670	1,097
TOTAL PROJECTED RESOURCES		13,072	7,670	3,181
FUNDING SURPLUS/(DEFICIT)		-	-	-

TREASURY MANAGEMENT STRATEGY 2017/2018

1.1 Background

The Authority is required to operate a balanced 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.

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 the Authority can meet its capital spending obligations.

CIPFA defines treasury management as:

“The management of the local authority's investments and cash flows, 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.”

1.2 Reporting Requirements

The Authority is required to receive and approve the following main reports each year. These reports are required to be adequately scrutinised by the Audit Committee before being recommended to the Authority.

Prudential and Treasury Indicators and Treasury Strategy – This report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision 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 investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.3 Treasury Management Strategy for 2017/18

The strategy for 2017/18 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

Treasury Management Issues

- the current treasury position;
- treasury indicators which will 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
- policy on use of external service providers.

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

2. Capital Prudential Indicators 2017/18 – 2019/20

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators:

Capital Expenditure. This prudential Indicator (Appendix E) is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

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 underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR, details are provided in Appendix G.

Minimum Revenue Provision Statement

The Authority is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG Regulations have been issued which require the full Authority to approve an MRP Statement in advance of each year. A variety of options are provided to Authorities, so long as there is a prudent provision. The Authority is recommended to approve the following MRP Statement

For all borrowing 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 must be applied for any expenditure capitalised under a Capitalisation Direction).

This option provides for a reduction in the borrowing need over approximately the assets life.

For 2015/16 onwards the proposed MRP policy has been amended to an Annuity basis which results in a reduction to the amount of revenue applied to provide for debt in the period 2015/16 to 2033/34 after which point the revenue applied increases compared to the current MRP approach through to 2054/55. The change does not increase the level of debt but means that the level of capital expenditure financed by borrowing, the Capital Financing Requirement will reduce more slowly in the earlier years as the amount of MRP is lower than the policy in 2014/15. However the revised policy would ensure that the CFR would be repaid over a period of 40 years. If the current MRP approach continued there would be a balance outstanding of approximately £7m at the end of the 40 year period. It is not proposed to amend retrospectively any MRP recognised in previous years; this policy would apply from 2015/16 onwards.

In addition, the Authority can set aside amounts in excess of the minimum required. Consideration will continue to be given to more closely aligning external debt with the capital financing requirement by making a voluntary MRP contribution and/or using capital receipts. This would reduce the Authority's expenditure commitments in future years.

3. Treasury Management Strategy - Borrowing

The capital expenditure plans provide details of the 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 activity. 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.

3.1 Current Portfolio Position

Within the prudential indicators there are a number of 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 gross debt, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 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 purposes.

The Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This 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.

2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
£43m	£42m	£41m	£40m

The Authorised Limit for External Debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full 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.

1. 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 Authority's plans, or those of a specific Authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following Authorised Limits:

2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
£47m	£46m	£45m	£44m

3.3 Prospects for Interest Rates

The Authority's Treasury Management functions are provided by Sandwell MBC who have appointed Capita as its treasury advisor and part of their service is to assist with formulating a view on interest rates. Appendix F1 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Capita Asset Services central view.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
3yr FHL rate	1.80%	1.80%	1.60%	1.20%	1.60%	1.70%	1.70%	1.70%	1.60%	1.60%	1.60%	1.60%	2.00%	2.00%
10yr FHL rate	2.90%	2.80%	2.80%	2.80%	2.80%	2.80%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.80%	2.70%
30yr FHL rate	2.90%	2.80%	2.80%	2.80%	2.90%	3.00%	2.90%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
30yr FHL rate	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%

The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August 2016 in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be

completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election, has called into question whether, or when, this trend has, or may, reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the Fed. rate over the next few years may make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.

The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.

Apart from the above uncertainties, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
 - Italian constitutional referendum 4 December 2016 resulted in a 'No' vote which led to the resignation of Prime Minister Renzi. This means that Italy needs to appoint a new government.
 - Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
 - Dutch general election 15 March 2017;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular concern.
- Weak capitalisation of some European banks, especially Italian.
- Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and in the US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

Investment and borrowing rates

- Investment returns are likely to remain low during 2017/18 and beyond;
- Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt;

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: two-year negotiation period on the terms of exit. This period can be extended with the agreement of all members however not that likely.
- UK continues as an EU member during this two-year period with access to the single market and tariff free trade between the EU and UK.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK may also exit without any such agreements.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.
- It is possible that some sort of agreement could be reached for a transitional time period for actually implementing Brexit after March 2019 so as to help exporters to adjust in both the EU and in the UK.

3.4 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 investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. Interest rates in financial markets will be monitored alongside other economic indicators.

Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- 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:

	2017/18	2018/19	2019/20
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	160%	160%	160%
Limits on variable interest rates based on net debt	30%	30%	30%
Maturity Structure of fixed interest rate borrowing 2017/18			
	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 2017/18			
	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%	

3.5 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 the 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.

3.6 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Audit Committee through the mid-year or annual reporting mechanism.

4 Annual Investment Strategy

4.1 Investment Policy

The Authority's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Authority's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Authority applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Further, the Authority's and Sandwell MBC's officers recognise that ratings should not be the sole determinant of the quality of an institution and that 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. To this end the Authority and Sandwell MBC will engage with its advisors to monitor the market.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Appendix F2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Authority's Treasury Management Practices – Schedules.

4.2 Creditworthiness policy

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Authority will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

A counterparty list will be maintained in compliance with the following criteria. These criteria are separate to that which determines which types of investment instrument are either Specified or Non-Specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Capita Asset Services, treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of a possible longer term change) are provided to Officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- Banks 1 - good credit quality – the Authority will only use banks which:
are UK banks; and/or
- are non-UK and domiciled in a country which has a minimum sovereign long term rating of AA+

and have, as a minimum, the following Fitch, Moody's and Standard & Poors (S&P) credit ratings (where rated):

- Short term – F1, P-1, A-1 (Fitch, Moody's and S&P) respectively

ii. Long term – A, A1 and A (Fitch, Moody's and S&P) respectively

- Banks 2 – Part nationalised UK banks – Royal Bank of Scotland. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Authority's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Building Societies. The Authority will use all Societies which meet the ratings for banks outlined above.
- Money Market Funds – AAA rated
- UK Government (including gilts and the Debt Management Account Deposit Facility (DMADF))
- Local Authorities, Parish Authorities, CCLA, etc
- Supranational institutions

Country and sector considerations - Due care will be taken to consider the country, group and sector exposure of the Authority's investments. In part the country selection will be chosen by the credit rating of the sovereign state in Banks 1 above. 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.

Use of additional information other than credit ratings.

Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

4.3 Country limits

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent).

4.4 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).

Investment returns expectations. Bank Rate is forecast to stay flat at 0.25% until quarter 2 2019 and not to rise above 0.75% by quarter 1 2020. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.25%
- 2017/18 0.25%
- 2018/19 0.25%
- 2019/20 0.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace

Investment treasury indicator and limit - total principal funds invested for greater than 364 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 treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2017/18	2018/19	2019/20
Principal sums invested > 364 days	£25m	£25m	£25m

4.5 Investment Risk Benchmarking. These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

Security - The Authority's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.03% historic risk of default when compared to the whole portfolio.

Liquidity – in respect of this area the Authority seeks to maintain:

- Bank overdraft - £2m
- Liquid short term deposits of at least £20m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.25 years, with a maximum of 1.0 years.

Yield – local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.03%	0.12%	0.10%	0.08%	0.06%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

4.6 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.

4.7 Policy on the use of external service providers

Sandwell MBC uses Capita Asset Services as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Sandwell MBC 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.

APPENDIX F1

Interest Rate Forecast 2017 – 2020

Capita Asset Services Interest Rate View													
	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate View	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
3 Month LIBID	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%
6 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
12 Month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%
5yr PWLB Rate	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB Rate	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB Rate	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Bank Rate													
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%
5yr PWLB Rate													
Capita Asset Services	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
Capital Economics	1.60%	1.70%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.70%	2.80%	2.90%	3.00%
10yr PWLB Rate													
Capita Asset Services	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
Capital Economics	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	3.10%	3.20%	3.30%	3.40%
25yr PWLB Rate													
Capita Asset Services	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.95%	3.05%	3.05%	3.15%	3.25%	3.25%	3.35%	3.45%	3.55%	3.65%	3.75%	3.95%	4.05%
50yr PWLB Rate													
Capita Asset Services	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Capital Economics	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.60%	3.70%	3.80%	3.90%

**TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND
COUNTERPARTY RISK MANAGEMENT**

The CLG issued Investment Guidance in 2010, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Authority has adopted the Code and will continue to apply its principles to all investment activity. In accordance with the Code, the Treasurer has produced its Treasury Management Practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

Annual Investment Strategy – The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security (i.e. high credit rating, although this is defined by the Authority, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Authority has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish Authority, CCLA or community Authority.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society).

For category 5 this covers bodies with a minimum short term rating of AA (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Authority has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is as per the "Investment Counter Party and Liquidity Framework".

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO}) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>30%</p> <p>AAA long term ratings</p>
b	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	30%
c	<p>The Authority's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	20%
d	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Authority may use such building societies which were originally considered Eligible Institutions.</p>	20%
e	<p>Any bank or building society that has a minimum long term credit rating of AA-, for deposits with a maturity of greater than one year</p>	3 years and £30m

The Monitoring of Investment Counterparties – The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Treasurer, and if required new counterparties which meet the criteria will be added to the list.

PRUDENTIAL INDICATORS

1. The actual capital expenditure that was incurred in 2015/16 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

2015/16 £000 Actual	2016/17 £000 Estimate	2017/18 £000 Estimate	2018/19 £000 Estimate	2019/20 £000 Estimate
3,075	5,143	13,072	7,670	3,181

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2015/16 are:

2015/16 % Actual	2016/17 % Estimate	2017/18 % Estimate	2018/19 % Estimate	2019/20 % Estimate
2.70	2.70	2.88	2.84	2.81

The estimates of financing costs include current commitments and the proposals in this budget report.

3. All borrowing forecasts contained within this report relate only to supported capital expenditure, which receives Government grant support. Consequently, the incremental impact of any borrowing arising from new capital investment decisions has been reflected within the overall budget projections, although the impact specifically on the level of precept cannot be quantified.
4. Estimates of the end of year capital financing requirement for the Authority for the current and future years and the actual financing requirements at 31 March 2016 are:

31/03/16 £000 Actual	31/03/17 £000 Estimate	31/03/18 £000 Estimate	31/03/19 £000 Estimate	31/03/20 £000 Estimate
39,508	38,764	37,977	37,143	36,259

5. The capital financing requirement measures the Authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, West Midlands Fire & Rescue Authority does not associate borrowing with particular items or types of expenditure. The Authority relies upon Sandwell Metropolitan Borough Council to undertake its treasury management function, which has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Service. West Midlands Fire Service has, at any point in time, a number of cash flows both positive and negative and Sandwell Metropolitan Borough Council manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the Authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

6. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The Authority had no difficulty meeting this requirement in 2015/16, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

7. In respect of its external debt, it is recommended that the Authority approves the following authorised limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary.

2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
48,000	47,000	46,000	45,000	44,000

8. These authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing and with approved treasury management policy statement and practices. They are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.
9. The Authority is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movement, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring.

2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
44,000	43,000	42,000	41,000	40,000

10. The Authority's actual borrowing at 31 March 2016 was £39.7m. It should be noted that actual long term liabilities is not directly comparable to the authorised limit and operational boundary, since the actual long term liabilities reflects the position at one point in time.
11. In taking its decisions on this budget report, the Authority is asked to note that the authorised limit determined for 2016/2017 (see paragraph 7 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

APPENDIX H

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

NET EXPENDITURE BUDGET FORECAST 2018/2019 TO 2019/2020

	Budget 2018/19	Budget 2019/20
Subjective Heading	£000s	£000s
Employees	82,600	83,100
Premises	5,500	5,500
Transport	1,400	1,400
Supplies & Services	7,000	7,100
Capital Financing	10,500	3,900
Income	(13,300)	(6,700)
NET EXPENDITURE	93,700	94,300
Available Funding	93,700	94,300
Surplus/(Deficit)	0	0

Note

Budget forecast for 2018/19 and 2019/20 assume:

- A Council Tax increase of 1.99% in each year.
- Achieving the savings identified in the Efficiency Plan.
- Inflation assumptions as shown on Appendix H2.

INFLATION ASSUMPTIONS**Pay Awards:****%****- Uniformed Staff**

July 17	1.0
July 18	1.0
July 19	1.0
July 20	1.0

- Non-Uniformed Staff

April 17	1.0
April 18	1.0
April 19	1.0
April 20	1.0

General Prices:

April 17	1.0
April 18	1.0
April 19	1.0
April 20	1.0

Pensions Increase Order:

April 17	1.0
April 18	1.6
April 19	2.1
April 20	2.0

Residential Rents:

April 17	2.0
April 18	2.0
April 19	2.0
April 20	2.0

SENSITIVITY ANALYSIS

The approximate annual impact of a 1% variation in some of the key assumptions underpinning the budget projections is shown below:

Expenditure

Uniformed pay awards	£650k (£490k part year)
Employers Firefighters Pension Contribution	£430k
Interest payable	£383k
Non-uniformed pay award	£130k
LGPS Employer Costs*	£129k
General inflation	£100k
Energy costs	£9k
Fuel	£5k

Income

Core Funding	£547k
Council Tax	£394k
Interest receivable	£500k

*Options regarding the payment of Employer pension costs across financial years 2017/18 to 2019/20 are currently being considered to determine the most appropriate budgetary arrangements.

SCENARIO ANALYSIS

At this stage the four year settlement by CLG is considered to be a reasonable basis to formulate medium term financial planning. Furthermore, the impact of a further 1% or 2% reduction to the core funding is shown in the following tables.

Core Funding Reductions

Financial Year	£ Core Funding	% Reduction	£ Reduction
2015/16	61,943,000		
2016/17	58,665,000	-5.3%	-3,278,000
2017/18	54,703,000	-6.8%	-3,962,000
2018/19	53,097,000	-2.9%	-1,606,000
2019/20	52,528,000	-1.1%	-569,000

Further 1% Core Funding Reduction in 2018/19 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2017/18	54,703,000		
2018/19	52,550,000	-3.9%	-2,153,000
2019/20	51,461,000	-2.1%	-1,089,000

Further 2% Core Funding Reduction in 2018/19 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2017/18	54,703,000		
2018/19	52,003,000	-4.9%	-2,700,000
2019/20	50,406,000	-3.1%	-1,597,000

Should the core funding reductions in 2018/19 to 2019/20 be 1% lower than currently indicated, the table below shows the impact of the reductions.

Financial Year	£ Core Funding	% Reduction	£ Reduction
2017/18	54,703,000		
2018/19	53,644,000	-1.9%	-1,059,000
2019/20	53,606,000	-0.1%	-38,000

APPENDIX J

RESERVES AS AT 31 MARCH 2016

Earmarked	£000s
Capital Projects	24,049
Insurance	7,443
Project Management/Support	2,587
System Enhancements/Upgrades	1,690
Station Works	1,353
New Dimensions	828
Partnership Working	744
Training & Development	641
Office Equipment/Furniture	388
Firefighting and Rescue Equipment	325
Fire Prevention & Education	117
Total	40,165

General (9.5% of overall 2016/17 budget)	9,233
--	--------------

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

20 FEBRUARY 2017

1. MONITORING OF FINANCES

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report be noted.

2. PURPOSE OF REPORT

2.1 This report deals with the monitoring of the finances of the Authority in the current financial year and covers revenue expenditure and the Capital Programme.

2.2 Expenditure is compared with a profile of the Authority's budget.

3. BACKGROUND

3.1 Revenue Expenditure

Appendix A compares the revenue budgeted to the end of January 2017 with the actuals to that date. Devolved budgets are managed by the Department responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Department on behalf of the Brigade as a whole.

The Authority's 2016/2017 Council Tax requirement is £37.874 million and the revenue budget is £97.413 million. As part of the Authority's 2017/18 budget setting process the current year's budget has been revised and reflects an estimated transfer to earmarked balances of £1.462 million. Actual spend to January 2017, including commitments, was £79.824 million compared to a projected budget of £80.021 million, an overall favourable variance of £0.197 million.

Appendix B provides statistical data relating to the Firefighters' Pension Scheme.

3.2 **Capital Expenditure**

The Authority's approved capital programme for 2016/2017 is £8.096 million. A scheme analysis is shown on Appendix C. Expenditure to the end of January 2017 is shown as £2.009 million.

The main forecast variances within the capital programme relate to:

- Coventry Fire Station, due to an extension to demolition timescales arising from asbestos issues and a delay in construction whilst planned works are re-assessed.
- Vehicle Replacement Programme, as a result of a delay in the completion and delivery of Pump Rescue Ladders in the current financial year.

4. **EQUALITY IMPACT ASSESSMENT**

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 do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

These are contained in the body of the report and the attached Appendices.

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2016
Finance Office Budget Monitoring Files

The contact officer for this report is Philip Hales, Deputy Chief Fire Officer, telephone number 0121 380 6907

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

REVENUE MONITORING SUMMARY TO JANUARY 2017

	LATEST BUDGET 2016/2017 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT- MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
DEVOLVED BUDGETS				
Corporate Management	3,329	2,924	2,894	-30
Service Support				
People Support Services	5,435	4,430	4,386	-44
Business Development	154	125	128	3
Operational Preparedness	1,194	1,059	1,052	-7
Operational Assurance	480	404	405	1
Finance & Resources	4,496	3,385	3,369	-16
ICT	4,212	2,906	2,903	-3
Service Delivery				
Operations	51,548	42,482	42,479	-3
CORPORATE BUDGETS				
Service Support				
People Support Services	2,669	2,158	2,160	2
Operational Preparedness	-8	74	59	-15
Finance and Resources	17,266	15,778	15,734	-44
Service Delivery				
Response	5,227	4,355	4,340	-15
Prevention	-4	0	0	0
Protection	-47	-59	-85	-26
Appropriations/Earmarked	1,462	0	0	0
TOTAL (NET BUDGET REQUIREMENT)	97,413	80,021	79,824	-197
Grant Funding	- 59,539	-50,715	-50,715	0
TOTAL (COUNCIL TAX REQUIREMENT)	37,874	29,306	29,109	-197

FIREFIGHTERS' PENSION SCHEMES**NON-FINANCIAL
INFORMATION**

	2016/17 PROJECTION				ACTUAL POSITION AS AT JANUARY 2017*			
	1992 FPS	2006 FPS	2015 FPS	TOTAL	1992 FPS	2006 FPS	2015 FPS	TOTAL
Members of FPS at 1st April 2016	470	16	887	1,373	470	16	887	1,373
New Members	-	-	-	-	-	-	-	-
Opt-In	-	-	-	-	-	-	2	2
Transitional Members during year	-33	-5	38	-	-18	-6	24	-
Transfers from Other Pension Schemes	-	-	2	2	-	-	-	-
Transfers to Other Pension Schemes	-	-	-5	-5	-1	-	-	-1
Retirements	-66	-1	-	-67	-59	-	-	-59
Opt-Out	-	-	-4	-4	-1	-	-8	-9
Leavers	-	-	-	-	-	-	-8	-8
Ill-Health Retirements	-3	-	-	-3	-3	-	-	-3
Members of the Fire Pension Schemes as at 31st January 2017					388	10	897	1,295

* Note: Excludes any Auto-Re-Enrolments in August 2016

CAPITAL MONITORING STATEMENT 2016/17

Scheme	Year 2016/17	Latest Budget £'000	Actuals January 2017 £'000	Forecast £'000	Variance £'000
<u>LAND & BUILDINGS</u>					
Coventry Fire Station	2 of 4	2,412	550	612	-1,800
Aston Fire Station	2 of 4	191	10	20	-171
Training at Height Facilities	11 of 11	363	22	380	+17
Boiler Replacement Programme	Ongoing	306	81	200	-106
Roof Replacements	Ongoing	132	0	14	-118
Windows/Door Replacement	Ongoing	138	0	224	+86
Rewires	Ongoing	216	6	216	-
Bilston Modification Works	1 of 1	90	89	89	-1
X-Plan	1 of 1	299	0	0	-299
Haden Cross Fire Station	4 of 4	49	55	55	+6
Dignity at Work	3 of 3	4	4	4	-
Secondary Control Room Relocation	1 of 1	500	227	500	-
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	3,007	686	2,463	-544
<u>ICT & EQUIPMENT</u>					
MDT Upgrade/Replacements	1 of 1	310	227	289	-21
Oracle Licensing	8 of 8	25	0	25	-
PBX Upgrade	2 of 2	54	52	52	-2
Grand Total		8,096	2,009	5,143	-2,953
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants / Contributions		2,635		2,635	-
Capital Receipts to be Applied		1,105		1,105	-
Revenue Financing / Earmarked Reserves		4,356		1,403	-2,953
TOTAL		8,096		5,143	-2,953
SURPLUS(-)/DEFICIT(+)					

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

20 FEBRUARY 2017

Item 7

1. THE PLAN 2017-2020

Report of the Chief Fire Officer.

RECOMMENDED

THAT the Authority approve the amendments to the Outcomes in The Plan for 2017–2020 as set out in Appendix 1.

2. PURPOSE OF REPORT

This report sets out the revised Outcomes, which support the Vision statement and Priorities of The Plan for 2017-2020, which derive from our Integrated Risk Management Plan (IRMP). They are designed to enable West Midlands Fire Service to be sufficiently responsive to react to the increasingly changing environment of the public sector.

3. BACKGROUND

- 3.1 In accordance with its planning framework, the Service has reviewed its rolling three-year corporate strategy – The Plan. As part of this approach the Service has reviewed its Vision Statement, Annual Priorities and Outcomes which are enablers to achieving our vision of Making West Midlands Safer, Stronger and Healthier. Our Community Safety Strategy sets out in detail the risk based analysis that has informed the recommendation above. Following a review of the risk analysis, there has not been any significant change to risk in the West Midlands and as such our priorities and outcomes remain appropriate to achieve our vision, as does the Service Delivery Model that is currently in place.
- 3.2 The Vision statement and the Priorities continue to appropriately reflect our ongoing ambition to support wider improved outcomes in other areas, in particular health and well-being, in addition to providing clarity to employees, partners and the community alike, as to the core services that we deliver to our communities. As part of the review of The Plan, the Outcomes have been refreshed and elaborated upon, reflecting the continued evolution of the Priorities. These are shown in Appendix 1.

- 3.3 The Vision statement remains *“Making the West Midlands Safer, Stronger and Healthier”*, which reflects how our prevention and protection agenda has and is continuing to widen through the services we provide and the influence we have, as part of our approach to an integrated Service Delivery Model. It also continues to provide clarity in our ambition to align to the devolved combined authority; and to continue to support through effective partnerships and our commissioning model, wider and improved health and well-being outcomes for our community.
- 3.4 The Service remains committed to its Priority statements that focus on our core services and their delivery through the Service Delivery Model - Prevention, Protection and Response, along with its commitment to ‘Effective delivery through collaboration’, (the section introduced in the 2016 refresh of The Plan), which includes outcome statements on value for money, people, and ICT.
- 3.5 The Outcome statements aligned to these priorities have been refreshed and refined to ensure they are reflective of the direction of the Service over the rolling three years. They provide clarity in what the Service is seeking to achieve, with an increased focus on the collaborative delivery of services, maximising outcomes for our communities and in particular, vulnerability.
- 3.6 The recommendation in this report have considered the following factors:
- Risk analysis
 - The budget 2017-18
 - The outcomes of the IRMP consultation
 - The external environment (political and financial)
- 3.6.1 Risk analysis provides the evidence base and informs the Service as to what its priorities and outcomes should be and whether any changes are required to these or our Service Delivery Model to enable the optimum achievement of improved outcomes for our community.

- 3.6.2 In determining its priorities and outcomes the Service has considered and understands the challenges presented by and the scale of continued central Government grant reductions for the next three years. In December 2016 the Service received its provisional finance settlement for the next three years. Broadly this indicated that central funding will be reduced by £10M between 2016/17 and 2019/20. The Authority's proposed budget of £94.8 million for 2017-18 will support the delivery of the vision, priorities, and outcomes set out in The Plan.
- 3.6.3 The Service carried out a public consultation on its IRMP during the period 1 December 2016 to 10 January 2017. The responses to the consultation strongly support the Services approach to Prevention, Protection and Response and in particular the maintenance of the five minute attendance standard for incidents posing a high risk to life or property. This has been integral in the development and refresh of The Plan 2017-2020 and the review of the Priorities and Outcomes. Further information on the public consultation, including the outcomes, is available within the report 'Public Consultation (IRMP) Outcomes', submitted to the Authority on 20 February.
- 3.6.4 The ever evolving external financial and political environment has been considered as part of the review of The Plan, reflecting the potentially significant changes locally and nationally. These include greater emphasis on collaboration, the introduction of the Fire Reform programme, the Policing and Crime Act, and the transfer of national fire policy to the Home Office, devolution and the establishment and continued evolution of the West Midlands Combined Authority, and potential changes to the governance arrangements of the Service.
- 3.6.5 Subject to Member approval of the recommendation, Officers are currently considering the corporate performance indicators that will be put in place to enable the effective management and performance monitoring of The Plan. The Chair of the Scrutiny Committee will meet with Officers to discuss corporate performance indicators in February 2017. A report on the proposed indicators will be presented to Executive Committee at its meeting on 27 March 2017. It is intended that The Plan 2017-2020 will go

live on 1 April 2017.

3.6.6 The Plan is a rolling three-year document. It is supported by a robust performance reporting framework that provides the intelligence for change as and when it is required. The Plan is responsive to change as and when it is required. Members should be assured that should any change to The Plan be required, the Service has the intelligence systems and performance reporting framework to respond accordingly.

3.7 With regard to the Service Delivery Model infographic, it should be noted that the figure of 1168 firefighters has been revised to 1220. This change is to reflect the inclusion of the 52 Technical Rescue staff within the figure, which have been previously illustrated separately. This does not represent an increase in the establishment or a change to the Service Delivery Model, which reflects the Service's continued commitment to the provision of a local, regional, national and international response to emergency situations through its integrated specialist teams.

3.8 The revised Service Delivery Model info-graphic is attached in Appendix 2.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is required and has been carried out. The initial Equality Impact Assessment did not raise issues which required a full Equality Impact Assessment to be completed.

5. **LEGAL IMPLICATIONS**

The Fire and Rescue Framework requires the production of an Integrated Risk Management Plan (IRMP). The Authority's IRMP is known as the Community Safety Strategy. The Framework is given statutory power by reference to it in the Fire and Rescue Services Act 2004.

6. **FINANCIAL IMPLICATIONS**

There are no direct implications arising from this report. The Authority's approved budget for 2017-18 will support the delivery of the priorities, strategic objectives and outcomes.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications as an outcome of the proposals in this report.

BACKGROUND PAPERS

PPF presentation 06 February 2017 – The Plan Priorities & Outcomes
PPF presentation 17 November 2016 & 16 January 2017 - IRMP public consultation
Public Consultation (IRMP) Outcomes, 20 February 2017
Authority report, The Plan 2016-2019, Agenda item No. 7, 15 February 2016

The contact name for this report is Phil Loach, Chief Fire Officer, 0121 380 6909

PHIL LOACH
CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK

MAKING THE WEST MIDLANDS SAFER, STRONGER AND HEALTHIER

Prevention Priority

Safer and Healthier Communities

- The number of people killed or seriously injured by fire-related incidents will reduce as we focus, with our partners, on the risks faced by the most vulnerable people in our communities
- Arson-related incidents will fall, supporting safer and stronger communities, as a result of our collaborative partnership working
- Fewer people will be killed or seriously injured on West Midlands roads, as we work with a range of organisations to develop and deliver interventions
- The safety, health and wellbeing of the most vulnerable people in our communities, many with multiple complex needs, will improve through our interventions delivered as part of an integrated care system

Protection Priority

Stronger Business Communities

- Business communities will become safer from fire through our work with a range of our people, including fire safety specialists where appropriate
- We will strengthen economic growth by providing clear advice and flexible support alongside other regulators
- We will ensure a targeted and consistent approach to ensure we engage with the most vulnerable businesses and members of our business communities

- We will reduce the impact of Automatic Fire Alarms, to minimise unnecessary disruption and costs to business and other organisations

Response Priority

Dealing Effectively with Emergencies

- High-risk emergencies will be attended, on average, within 5 minutes to save life, protect homes and businesses, and to keep our transport networks moving
- Risk to life and property will be reduced through our operational excellence and delivery of assertive, safe and effective emergency response, supporting our communities and economic growth
- At all emergencies we attend we will demonstrate our ability to lead and co-ordinate rescue operations, whilst working closely with other agencies to deliver a co-ordinated and effective response
- We will continue to provide a local, regional, national and international response to large-scale emergencies and humanitarian situations through our integrated specialist teams

Effective Delivery through Collaboration

Value for Money Outcomes

- Government funding reductions will be met and our Service Delivery Model will be maintained
- Alternative and innovative funding opportunities will be identified and adopted through sponsorship, commissioning, social value and commercial activities, supporting the effective delivery of cross-sector services and results for our communities
- Assets will be used as effectively and efficiently as possible

People Outcomes

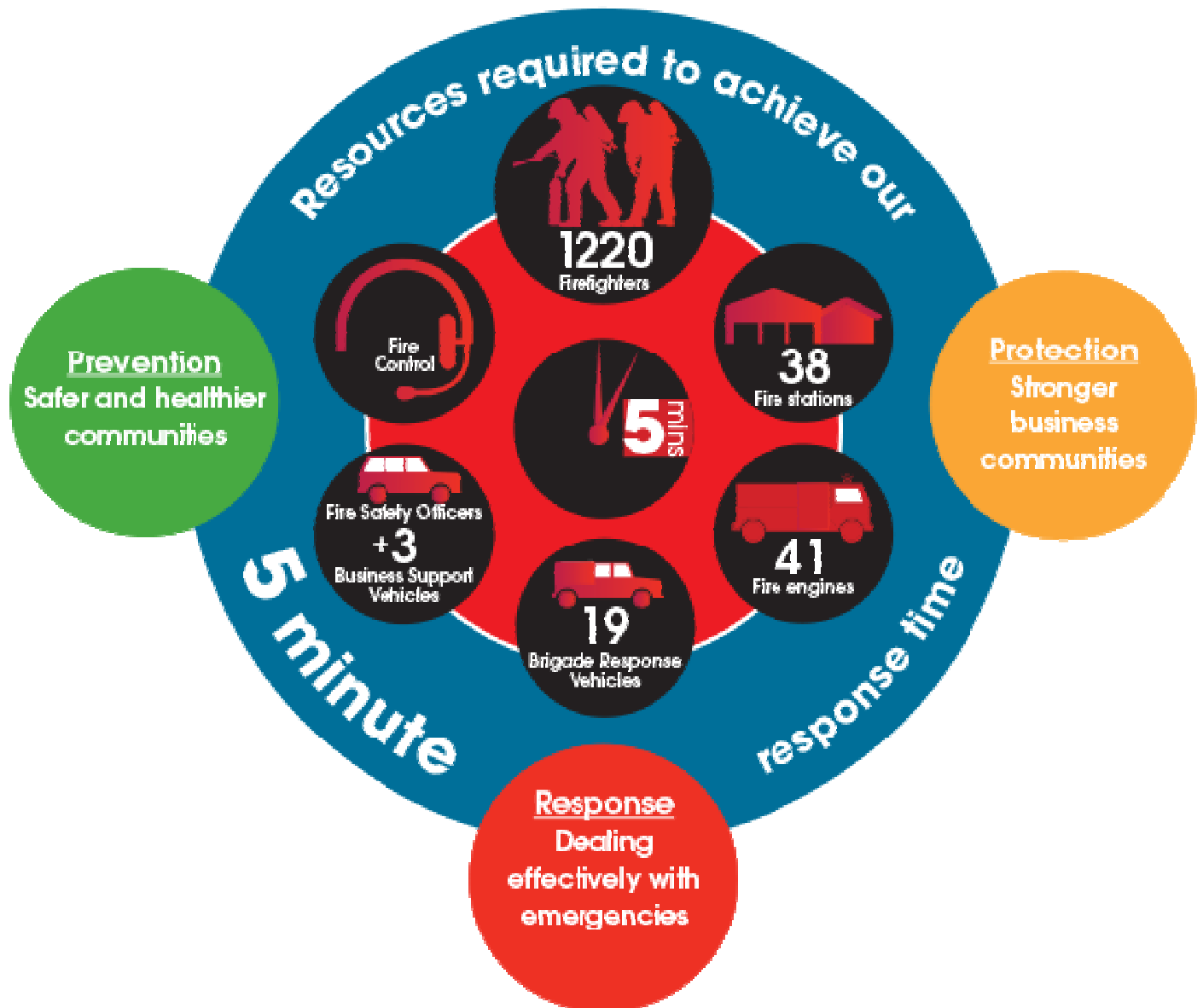
- The provision and support of leadership and personal accountability at all levels will enable individuals and teams to deliver services with adaptability, authenticity and cohesion
- An environment of wellbeing will be developed and maintained by supporting our workforce's resilience so that they can respond positively to opportunities for change
- Diversity, Inclusion, Cohesion and Equality (DICE) will be achieved for the most vulnerable people in our communities by addressing social and health inequalities
- Through an approach known as 'positive action' we will attract; and recruit and support progression for individuals with protected characteristics.

ICT Outcomes

- Emergency 999 systems will support the mobilisation and rapid response of our resources whenever and wherever needed
- Accurate, useful and timely information will be provided to our communities and our mobile workforce
- The secure and reliable sharing of data with our partners will enable the cost-effective and joined-up delivery of services to the most vulnerable people in our communities
- Technology and innovation will enable us to improve outcomes for our communities and to deliver assertive, safe and effective firefighting through collaboration with individuals, teams and partners. Using existing resources more effectively will mean added value for our communities

APPENDIX 2

Revised Service Delivery Model info-graphic



WEST MIDLANDS FIRE AND RESCUE AUTHORITY ^{Item 8}

20 FEBRUARY 2017

1. STATEMENT OF ASSURANCE 2015-2016

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

RECOMMENDED

THAT the Authority approves the Statement of Assurance 2015-16.

2. PURPOSE OF REPORT

This report is submitted to seek approval for the Statement of Assurance 2015-16, which we 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 July 2012 sets out a requirement for Fire and Rescue Authorities to publish 'Statements of Assurance' and review them annually. The requirement is contained within Chapter 3 of the Framework which focuses entirely on 'assurance'.

3.2 In line with this expectation, the Authority's Statement of Assurance (attached as Appendix 1) has been reviewed for the year 2015-16 and is submitted for approval.

3.3 The Government has indicated that there are four key areas that should form part of any Statement of Assurance. These are:

- Financial
- Governance
- Operational
- Future improvements

- 3.4 With regard to our arrangements the following are all part of West Midlands Fire and Rescue Service's (WMFS) assurance process.

3.4.1 **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 Committee to give their findings. Additionally, the outcomes are published via Fire Authority meetings, the Internet and contained within the annual report.

3.4.2 **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.

3.4.3 **Operational**

The Fire Authority publishes and consults on its Community Safety Strategy (Integrated Risk Management Plan) on at least a three-yearly basis. This process of consultation is robust and is in line with the Fire Authority's own consultation strategy which is based on government guidance.

3.4.4 **Future Improvements**

Future improvements reflect on our work to continuously improve our Service Delivery model through the Prevention, Protection and Response integration project in order to deliver our vision of 'Making West Midlands safer'.

- 3.5 The Home Office published the 'Report by Home Secretary on Fire and Rescue Authorities' progress with the Fire and Rescue National Framework' in July 2016. The report confirmed that all Fire and Rescue Authorities had published a Statement of Assurance, confirming they complied with the requirements of the Framework. In addition, the Home Office had undertaken rigorous examination of a random sample of Statements of Assurance.
- 3.6 The report confirmed that the Home Secretary was satisfied that all Fire and Rescue Authorities were compliant, however it was noted that there were some areas where practice could be strengthened.
- 3.7 The report provided no mandatory requirement for Fire Authorities to report against these areas, but these have been reviewed and considered as part of the review of the Statement of Assurance. It was found that the Statement of Assurance provided sufficient evidence for each area with the exception of the following which were expanded upon:
- a formal declaration of assurance and sign off by the Chair of the Fire Authority and Chief Fire Officer
 - a table of the requirements of the National Framework with references to evidence (for ease of reference purposes)
 - reference made to the fitness principles that were an addendum to the National Framework in December 2014
- 3.8 It is reassuring to note that the overwhelming 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. However, we do acknowledge the benefits of bringing these together within a single document in terms of providing transparency. The Statement of Assurance also ensures compliance with our specific data transparency requirements.

- 3.9 The Statement of Assurance brings together our key financial, governance and operational assurances together within one publication. It is the intention that the document will be live and to this end there will be electronic links from it to other corporate documents referenced therein. This will enable the reader to evaluate and make a valid assessment of our performance.
- 3.10 The Authority is required to review this document annually to reflect the previous year's activity and must publish this document prior to 1 April 2017.

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 Services National Framework for England. It must be published before 1 April 2017.

6. **FINANCIAL IMPLICATIONS**

The Statement of Assurance will be a web based publication. No hard copies will be produced and as such there are no direct financial implications.

BACKGROUND PAPERS

Fire and Rescue National Framework for England, DCLG, 2012

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' progress with the Fire and Rescue National Framework for England (July 2016)

Firefighter fitness: addendum to the Fire and Rescue National Framework for England

The contact name for this report is DCFO Phil Hales, telephone number 0121 380 6004

PHIL LOACH
CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

SATINDER SAHOTA
MONITORING OFFICER



WEST MIDLANDS FIRE SERVICE

Making the West Midlands Safer, Stronger and Healthier

wmfs.net @WestMidsFire

West Midlands Fire and Rescue Authority Statement of Assurance and The Report

2015 - 2016

Published April 2017

Foreword 3

Statement of Assurance

Finance 6

Governance 8

Review of the Governance Framework 9

Operational 14

Future Improvements 18

The Report

The Communities We Serve 22

The Services We Provide 23

Priorities, Strategic Objectives and Outcomes 2014-15 24

Our performance 26

Working in Partnership, integrating Prevention, Protection and Response 29

Financial Summary 2014-15 44

Contact Us 46

To follow

To follow



Councillor John Edwards
Chair, West Midlands
Fire & Rescue Authority



Phil Loach
Chief Fire Officer
West Midlands Fire Service

To follow

All public bodies are responsible for ensuring that their business is conducted in accordance with the law and proper standards and that public money is properly accounted for and spent in a value for money way.

It is a legal requirement under the Accounts and Audit Regulations 2015 for public bodies to publish the financial results of their activities for the year. This document, which is called the [Statement of Accounts](#) shows the annual cost of providing West Midlands Fire and Rescue Authority and is available on our website. Alternatively, the accounts can be viewed in summary format - [Summary of Accounts](#). The statement of accounts is published in September of each year following approval by the Fire Authority. The Authority is composed of 27 members, all of whom are Councillors elected to one of the seven constituent district councils within the West Midlands.

West Midlands Fire and Rescue Authority's Statement of Accounts are independently verified on an annual basis by an external auditor. Members of the public and local government electors have certain rights in the audit process prior to the formal approval and publication of the statement of accounts. These rights are set out in [Audit of Accounts](#).

The Authority's external audit work is undertaken by Grant Thornton UK LLP a private audit practice who were awarded a 5 year contract from 2012-13 following a tendering process, which was subsequently extended to 6 years. The full external audit work programme and the risk based approach to its determination are explained in the external auditor's [Audit Plan](#). As well as auditing the accounts, the external auditor is required to conclude whether the Authority has in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.

In carrying out this assessment, the auditor is required to follow the National Audit Office's Auditor Guidance Note 3 (AGN03).

The AGN03 identifies the following criteria for auditors to evaluate:

'In all significant respects, the audited body had proper arrangements to ensure it took proper informed decisions and deployed resources to achieve planned and sustainable outcomes for citizens and local people'.



The external auditor will report their findings and provide their opinion on the Authority's accounts and the value for money conclusion to the Fire Authority in September of each year. This information is detailed within the external auditors [Audit Findings Report](#) and will be laid out in the [Authority's Statement of Accounts](#) (Independent Auditor's Report). As a result of the external audit work in 2015/16, there were no significant matters arising that required the authority to implement an action plan for improvement.

The external auditor has produced the [Annual Audit Letter](#) which summarises the outcomes arising from the audit of the Authority. This document is available on the Service's website and confirms that the external auditor issued:

- an unqualified opinion on the accounts which give a true and fair view of the Authority's financial position as at financial year end and its income and expenditure for the year;
- an unqualified conclusion in respect of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources;
- an unqualified opinion on the authority's Whole of Government Accounts submission.



The Accounts and Audit Regulations 2015 requires Authorities to prepare an annual governance statement 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.

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled, including its activities through which it engages with, and is accountable to, the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control 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, the impact should they be realised and to manage them in an efficient, effective and economic manner.

The [Authority's Annual Governance Statement](#), which is considered by the Authority's Audit Committee in June of each year, and is included within the published statement of accounts, sets out in detail the purpose of the governance framework and the key elements of the systems and processes that make it up.



The key elements of the systems and processes that comprise the Authority's governance arrangements include the following:

The Authority has an agreed [Constitution](#) which sets out how the Authority operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local citizens. The Authority facilitates policy and decision-making via regular Policy Planning Forums and Authority and Executive Committee meetings. An Audit Committee provides independent assurance to the Authority on risk management and internal control, and the effectiveness of the arrangements the Authority has for these matters. The Authority reviews its [governance arrangements](#) including its Committees and their terms of reference annually.

The Authority has a Corporate Strategy ([The Plan](#)) setting out its objectives and there is quarterly performance monitoring in which achievement of the Authority's objectives are measured and monitored by the Scrutiny Committee.

The Authority has established clear channels of communication with the community and stakeholders regarding the production of the [Annual Report](#) and consultation on the key priorities of the Service, encouraging open communication.

The Authority ensures compliance with established strategies, procedures, laws and regulations – including risk management. The Authority also maintains and reviews regularly its [Code of Conduct](#) and [Whistle Blowing Policy](#). There is a comprehensive induction and [Member Development Strategy](#) in place and information regarding strategies and procedures are held on the intranet. The Authority has a strong Internal Audit function and has established protocols for working with External Audit.

West Midlands Fire and Rescue Authority will continue to enhance and strengthen its internal control environment through regular review of current policies and procedures.

The Authority has corporate risk management arrangements in place which are supported by an approved [Risk Management Strategy](#), enabling managers and other senior officers to identify, assess and prioritise risks within their own work areas which impact on the ability of the Authority and [Page 102 of 394](#) net objectives. To consider



the effectiveness of the Authority's risk management arrangements is a specific term of reference for the Audit Committee and risk management is a specific responsibility of both the Chair and Vice Chair.

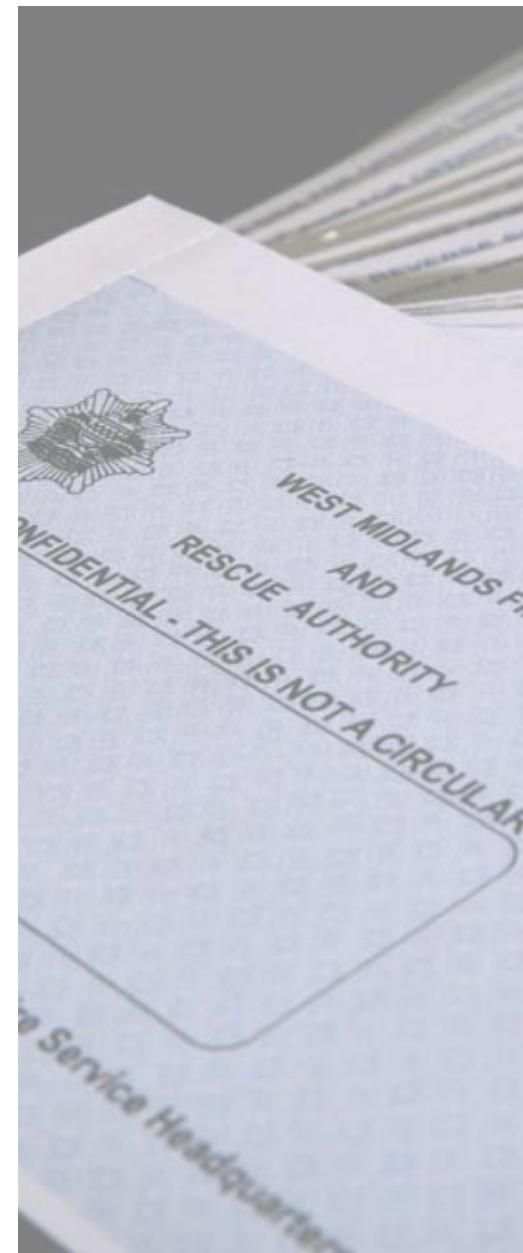
The Authority's [Corporate Risk Assurance Map Summary](#) identifies the principal risks to the achievement of the Authority's objectives and assesses the nature and extent of those risks (through assessment of impact and likelihood). The Assurance Map identifies risk owners whose responsibility includes the identification of controls and actions to manage them efficiently, effectively and economically. Corporate Risk matters are discussed with the Audit Committee on a quarterly basis.

The Authority ensures the economical, effective and efficient use of resources, and secures continuous improvement in the way in which its functions are exercised, by having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty. The Authority plans its spending on an established planning cycle for policy development, budget setting and performance management through its business planning process. This ensures that resources are aligned to priorities and secures best value from the resources that are available.

The Authority's financial system is an ORACLE based general ledger and management information system, which integrates the general ledger function with those of budgetary control and payments. [Financial Regulations](#) and [Contract Procedure Rules](#) are approved and regularly reviewed by the Authority. A rigorous system of monthly financial monitoring by the Strategic Enabling Team ensures that any significant budget variances are identified in a timely way, and corrective action initiated. Performance is reported to Authority on a quarterly frequency.

The Authority's performance management and reporting of performance management continues to be improved with a more focused Corporate Strategy, and setting of priorities supported by regular performance monitoring. Corporate performance is reported on a quarterly basis to senior managers via the Quarterly Performance Review framework and to Members through [Scrutiny Committee](#).

[The Report](#) sets out our achievements and demonstrates our performance in delivering our key priorities, strategic objectives and outcomes during the previous financial year.



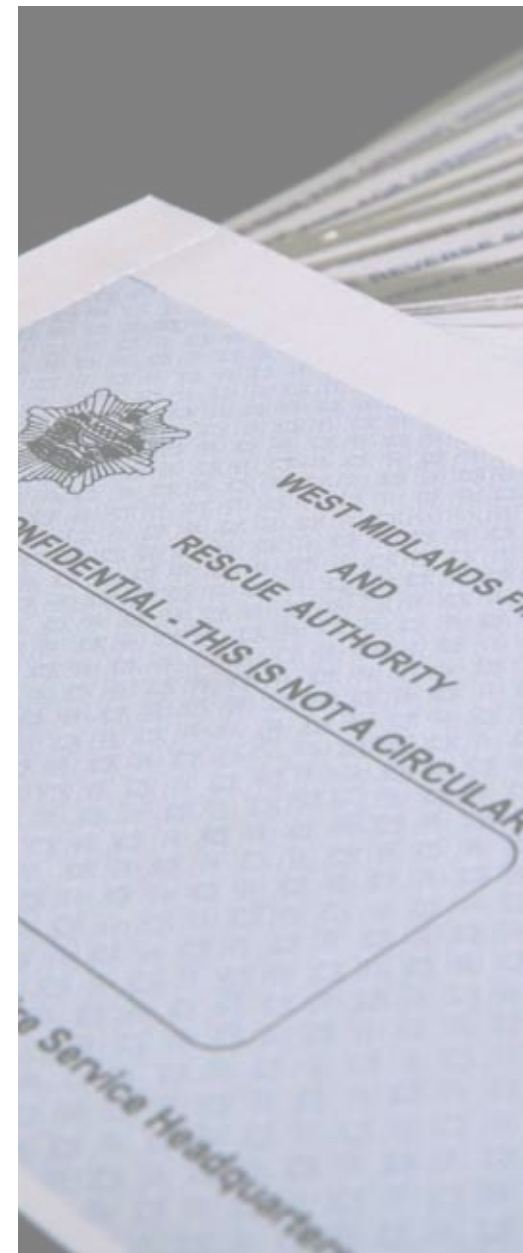
The Authority has a Standards Committee which promotes high [ethical standards amongst Members](#). This Standards Committee leads on developing policies and procedures to accompany the revised [Code of Conduct for Members](#) and is responsible for local assessment and review of complaints about members' conduct.

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the statutory officers and principal managers of the Authority who have responsibility for the development and maintenance of the governance environment, the internal audit annual report and comments made by the external auditors in their [Annual Audit Letter](#) and other reports.

The Treasurer is responsible for ensuring that there is an adequate and effective system of internal audit of the Authority's accounting and other systems of internal control as required by the Accounts and Audit Regulation. The internal audit provision operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government. The arrangements for the provision of internal audit are contained within section 3 of the [Authority's Financial Regulations](#). The purpose of internal audit is to provide the Authority with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Authority's agreed objectives.

In order to achieve this, the [Internal Audit Strategy and Plan](#) has been developed. The strategy sets out the internal audit work to be undertaken on a rolling three year basis and includes a detailed annual internal audit plan for the current fiscal year. This work is prioritised by a combination of the key internal controls, assessment and review on the basis of risk and the Authority's corporate governance arrangements, including risk management. Provision is made within the internal audit strategy to audit aspects of the Authority's governance and risk management arrangements on an annual basis. The work is further supplemented by reviews around the main financial systems, scheduled visits to Authority establishments, fraud investigations and counter-fraud activity including training for managers. The Authority has in place an [Anti-Fraud and Corruption Policy](#).

The internal audit strategy is discussed and agreed with Principal Officers and the Audit Committee, and shared with the Authority's external auditor. Meetings between the internal and external auditor ensure that duplication of effort is avoided. All Authority internal audit reports include an assessment of the adequacy of internal control and prioritised action plans to address any areas needing improvement.



The Authority's review of the effectiveness of the system of internal control is informed by:

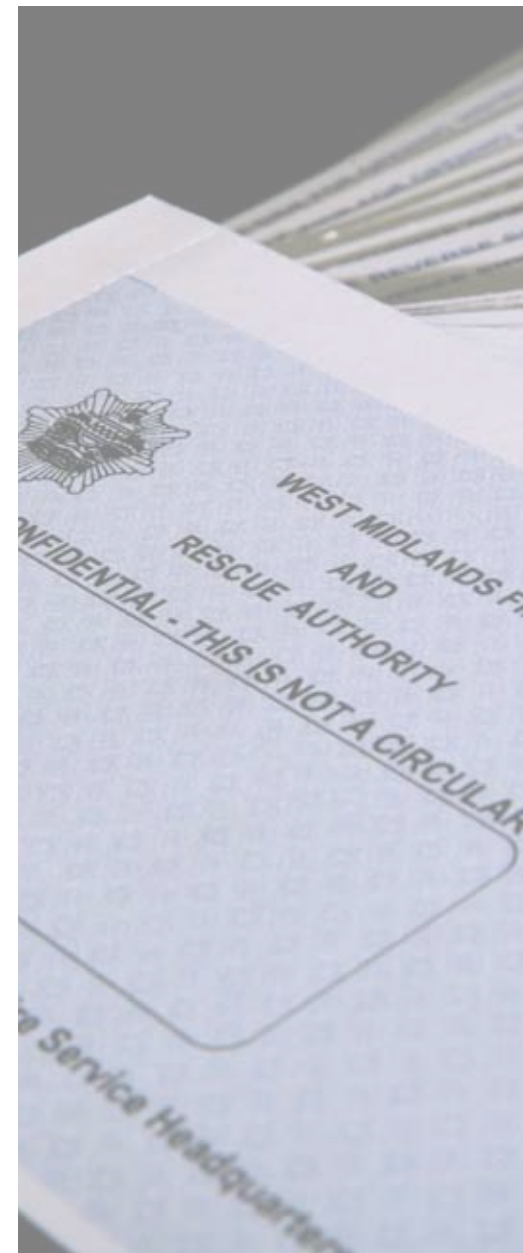
- The work undertaken by Internal Audit during the year reported in the Annual Internal Audit Report;
- The work undertaken by the external auditor reported in their Annual Audit Letter; and
- Other work undertaken by independent inspection bodies.

In fulfilling the internal audit plan, quarterly reports will be provided to the Authority's Audit Committee detailing matters arising from internal audit work undertaken within the audit year. The purpose of these reports is to bring the Audit Committee up to date with progress made. The information included in progress reports informs the end of year [Internal Audit Annual Report](#). This report provides an opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control processes.

Based on the work undertaken during the year and the implementation by management of the recommendations made, internal audit has provided reasonable assurance that the Fire Authority has adequate and effective governance, risk management and internal control processes. This is an unqualified opinion and the highest level of assurance available to the internal audit function. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in the Authority's governance, risk management and control processes.

In order to provide assurance of the high quality of the work of the internal audit service, an annual [Review of Effectiveness of Internal Audit](#) is undertaken, the findings of which are approved by the Audit Committee.

The Audit Committee undertakes an annual self assessment / review of its effectiveness using the industry standard toolkit. This year's review highlighted that the Committee was operating within a recognised best practice framework. The Audit Committee is required to produce an [Annual Report](#). This report sets out in detail the business undertaken by the Committee, its achievements and its conclusion upon the adequacy of the system of internal control, governance and risk management in the Authority. The conclusion of the Audit Committee is derived from, and informed by, the work of internal audit and the compilation of the [Annual Governance Statement](#). As a consequence of this work the Audit Committee was able to confirm:



‘That the system of internal control, governance and risk management in the authority was adequate in identifying risks and allowing the authority to understand the appropriate management of these risks. That there were no areas of significant duplication or omission in the systems of internal control, governance and risk management that had come to the Committee’s attention, and had not been adequately resolved.’

In preparing this Statement of Assurance, the Authority has considered the principles of transparency as set out in the Code of Recommended Practice for Local Authorities on Data Transparency and is mindful that greater transparency is at the heart of enabling the public to hold politicians and public bodies to account. Where public money is spent is a matter of public interest. The information provided in the links below, provides additional information on how the Authority has spent its public money and further demonstrates the Authority’s commitment to transparency and accountability.

- [Contracts information & expenditure over £500](#)
- [Salary information](#)
- [Pay Policy Statement](#)
- [Member allowances scheme](#) – (Appendix 5 of the link) and [Member allowances](#)
- [The location of land and building assets](#)
- [Counter Fraud Information](#)
- The democratic running of the Authority including [The Constitution](#), committee minutes, decision making processes and records of decisions are maintained on our website via the [Committee Management Information System](#) (CMIS)

In supporting the transparency agenda, the Authority is compliant with its responsibility set out in the Local Government Transparency Code 2015.

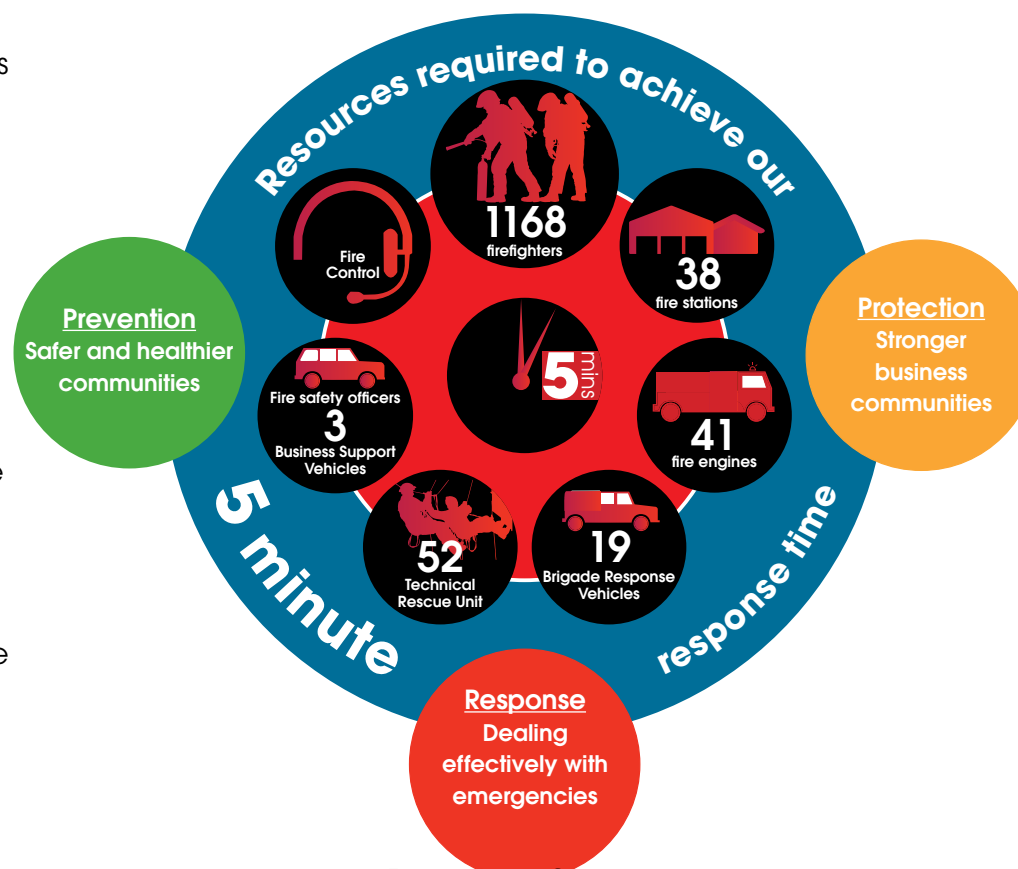
A table of requirements of the National Framework and reference to how each requirement is met by West Midlands Fire and Rescue Authority is available [here](#).

The Fire Authority meets the requirements set out in the Fire and Rescue Service Act 2004, Civil Contingencies Act 2004, the Regulatory Reform (Fire Safety) Order 2005, Fire and Rescue Services (Emergencies) (England) 2007, Localism Act 2011 and the Fire and Rescue National Framework for England.

All Fire and Rescue Authorities are required to produce and publish an integrated risk management plan. The Authority's integrated risk management plan is called the [Community Safety Strategy](#) and sets out how we will keep people of the West Midlands safe through our Service Delivery Model.

The [Community Safety Strategy](#) contains our analysis of fire and rescue related risks in the West Midlands. It shows how we will target our resources so that we can prevent incidents from happening, while also making sure resources are located to best protect the community therefore enabling us to continue providing the highest standards of service in the areas of prevention, protection and emergency response through our Service Delivery Model.

Our Community Safety Strategy is the foundation on which we build our Service Delivery Model which is set out here:

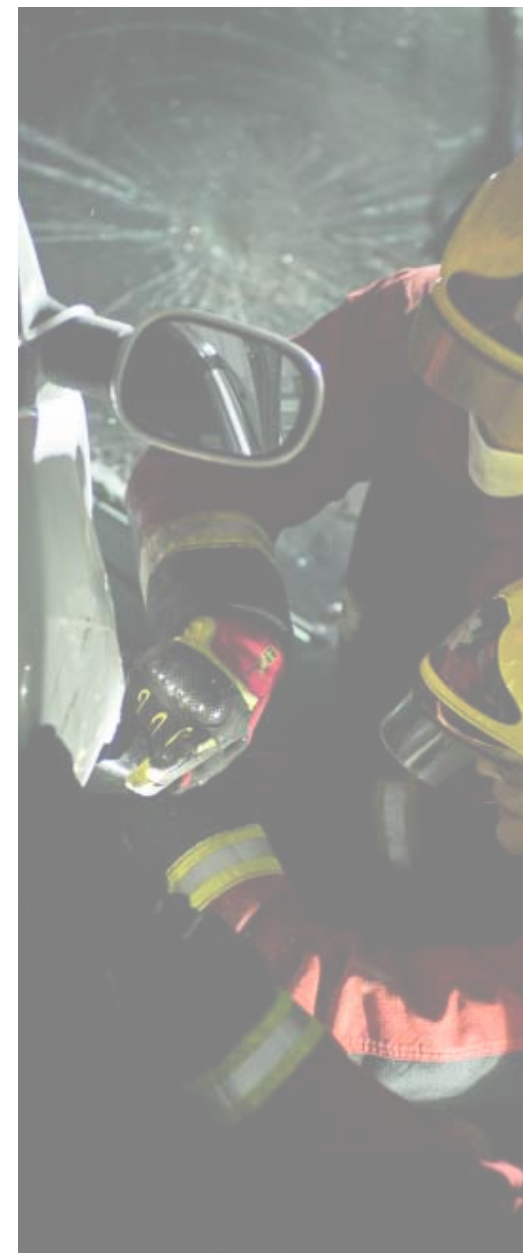


Picture: © John Tuckey

The [Community Safety Strategy](#) is integral to informing and shaping our key priorities, desired outcomes, Service Delivery Model and corporate objectives as set out in [The Plan](#). The Authority consults on its Community Safety Strategy in accordance with national guidance, with the next formal consultation exercise due to commence in late 2016, having previously undertaken formal consultation in 2013. West Midlands Fire Service has produced an online, interactive community safety strategy (launched April 2016). This online tool will enable individuals to view information contained within the [Community Safety Strategy](#) which is relevant to their geographical area (by postcode), making it more personal and tailored to the individual. An engagement exercise was held in headquarters during the development stage of the interactive [Community Safety Strategy](#) with a range of stakeholders including employees, Safeside volunteers and community members being invited to attend. These focus groups were structured to enable West Midlands Fire Service to capture the perceptions, opinions and attitudes towards the future approach we will be taking to communicating the [Community Safety Strategy](#) to the public. The results from this engagement was fed back to the developers and amendments made to further improve the tools function in the build up to its release in early 2016. The interactive tool will continue to be evaluated with a view to evolving it in future years.

In accordance with Section 13 of the Fire and Rescue Services Act 2004, arrangements are in place to give mutual assistance to neighbouring Fire Authorities due to a lack of available resources in a geographical area in the event of large-scale incidents, or where the resources of the recipient authority are seriously reduced. Similarly, the Authority has reciprocal arrangements in place to receive assistance from neighbouring Authorities when required.

Agreements can be made with other Fire Authorities in accordance with Section 16 of the Fire and Rescue Services Act 2004 in respect of calls received from outside the West Midlands border. These agreements vary in detail from Authority to Authority but essentially they are a commitment to a neighbouring Fire and Rescue Authority to mobilise appliances to pre-agreed areas, known as Section 16 areas in the event of an emergency call being received.



WMFS has mutual assistance arrangements with all Fire and Rescue Services surrounding the West Midlands (Shropshire, Staffordshire, Warwickshire and Hereford and Worcester Fire and Rescue Services.)

In order to meet our specific responsibilities under the Civil Contingencies Act 2004, the Authority is a partner in the multi agency [West Midlands Conurbation Local Resilience Forum \(LRF\)](#). This forum is chaired by the West Midlands Fire Service and brings together local emergency service and other partner agency responders including the military and voluntary sectors to plan and prepare for localised incidents and catastrophic emergencies that may impact the communities of the West Midlands. The strategic objectives of the LRF are enabled through the General Working Group (GWG) which involves members from all agencies who attend the LRF. More localised planning arrangements are further considered within each of the Local Authority areas across the West Midlands Conurbation through Local Resilience Groups (LRG). West Midlands Fire Service Operations and Station Commanders are engaged within these groups and work collaboratively with other responders and partner agencies to protect local communities.

In support of [National Resilience](#) we have enhanced our capability to respond to major emergencies such as terrorist attacks, industrial and domestic accidents and natural disasters. We are a partner in the Multi Agency Initial Assessment Team (MAIAT) which provides an 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 are on call 24/7 providing the ability to rapidly respond to incidents locally, nationally, and internationally, assisting and undertaking search and rescue operations. Our ISAR team are able to respond to humanitarian accidents or disasters anywhere in the world.

Each of the UK's emergency services works to keep our country safe and secure as well as protecting their communities. This means that we work together at major incidents and emergencies on an ever increasing basis. The introduction of the Joint Emergency Services Interoperability Programme (JESIP) provides the pathway as to how emergency services can work together more effectively. We also run the regional arrangements for the National Inter-Agency Liaison Officer cadre (NILO) which supports cross Blue Light organisational information sharing to support complex incident resolution.



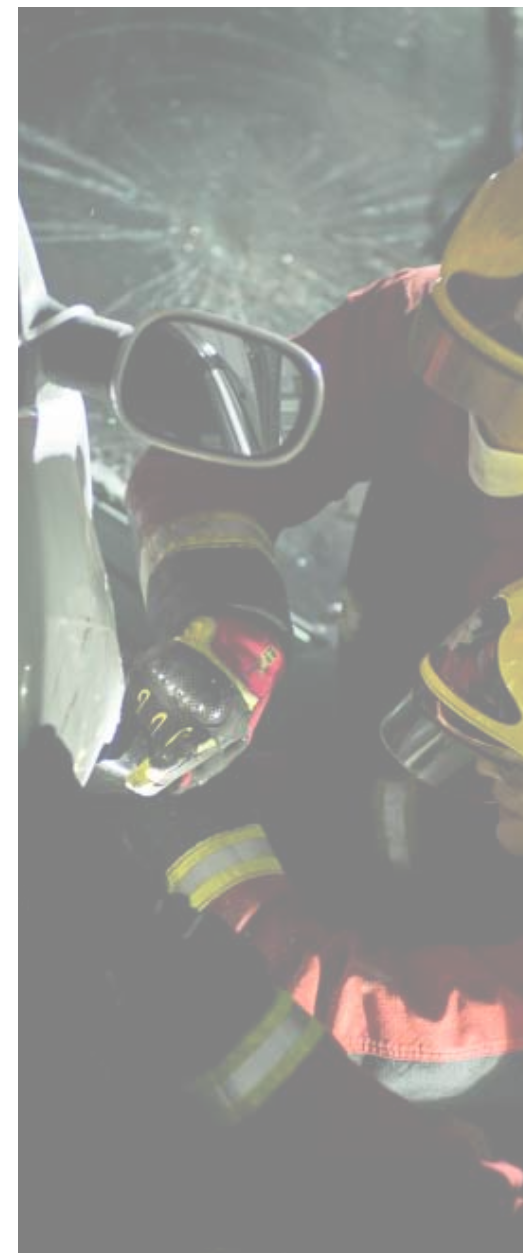
A major incident is an event or situation, with a range of serious consequences, which requires special arrangements to be implemented by one or more emergency responder agencies. Such an incident can be thought of as an emergency arising with or without warning, can threaten or cause death, injury or serious disruption to a significant number of people, property or the environment, and may require the implementation of specialist arrangements and response teams.

When police, fire and ambulance services respond to major incidents, along with other agencies, each organisation brings their own expertise to that situation. The JESIP programme will help the emergency services better understand each other's expertise and ways of working so they can improve how they can jointly deal with an emergency. The clarity that JESIP will bring to a major emergency scene will enable for the better integration and more efficient and effective management of such incidents.

We support business growth and economic sustainability through our fire protection work, helping business communities to become safer from fire and assisting businesses to comply with the Regulatory Reform (Fire Safety) Order 2005. This assistance may take the form of educational events, signposting to relevant guidance and the checking and auditing of fire protection measures. We are committed to enforcing the law so that members of the public and local employees are protected from the risk of death or injury caused by fire. Our [protection measures](#) evidence our performance.

We continue to develop and enhance our risk-based inspection programme as per the requirements of the National Framework and we support the Regulators' Code, improving the way regulation is delivered at the frontline, by adopting the principles of the Code. We ensure the professionalism of our Fire Safety Officers via the application of the CFOA qualifications framework which has been embedded within the Service.

The West Midlands Fire Service strives for a commitment to excellence through a framework of learning and development defined by a culture of personal accountability.



Our “Emergency Response Cycle” breaks down the key elements that underpin this learning and development framework leading to assertive, safe and effective firefighting and excellent emergency response. The response cycle complements our commitment to the Health & Safety Executive guidance, ‘Managing for Health and Safety’ (HSG 65) and defines a simple but effective approach to Plan-Do- Check-Act. It starts with our people being highly skilled with our equipment, policy and procedures (acquisition of skills), with the cycle then moving through to the emergency response phase (application and maintenance of competence). We use reflective learning and direct observation of performance to look for both areas of excellence and improvement through our debrief and operational intelligence policy. The outcomes of this learning then directly impacts on continuous improvement influencing changes in policy, procedure and people leading to even safer firefighters delivering an even greater service.

The Authority has had a policy to ensure fitness of its operational staff for some time; in December 2014 the Department for Communities and Local Government (DCLG) approved an addendum to the National Framework for England in relation to firefighter fitness. Also in 2014 the Chief Fire Officers Firefit Steering Group published the results of research it had commissioned into an appropriate national fitness standard for Firefighters.



In early 2015 the Authority proposed amendments to its then current fitness policy to align it to the National Framework requirements and those of CFA national guidance on firefighter fitness. This amended document was developed with the Representative Bodies during 2015.

The Authority has a fulltime Fitness Advisor to lead on supporting operational personnel to attain and maintain the fitness standards required. Fitness testing for all operational staff will take place annually on station.



A great deal of progress continues to be made, in the drive to adopt an intelligence-led approach to risk management and the allocation of resources based on the outcomes of data and risk analysis. The future, whilst posing a number of challenges in terms of both financial constraints arising from the ongoing central government grant funding reductions, and the forthcoming Fire Reform programme and wider public sector reform, will see WMFS continuing to innovate and adopt increasingly flexible and creative ways to provide the highest standards of service delivery. Additionally, we will make the most out of the opportunities that may arise during this continuing period of significant change, including opportunities, amongst others, to build upon the considerable level of collaboration currently undertaken with partners via the incoming statutory duty for Fire, Police and Ambulance services to collaborate, and the establishment of the West Midlands Combined Authority.

The formal creation of the West Midlands Combined Authority (WMCA) presents us with the opportunity to assess and influence our contribution to the regions strengths, successes and safety. As part of our close working relationship and engagement with our partners, we have secured 'observer' status on the WMCA (as of early 2016), allowing WMFS to fully participate in the debate and work of the WMCA. One of the aims of the WMCA will be public sector reform, an area of work in which we are keen to influence and be part of.

Based upon our IRMP and through taking an evidence based approach, we believe that response times matter in relation to survivability and economic growth. Our WMFS Service Delivery Model is built upon a resource configuration that enables us to meet our risk based 5 minute response standard and deliver an assertive, safe and effective intervention. Based upon risk, a blended fleet of vehicles, crewing levels and skill sets are dynamically mobilised to provide the right weight of response. This blended fleet is made up of 3 Business Support Vehicles crewed by a fire safety officer, 19 Brigade Response Vehicles crewed by 2 firefighters and a supervisory officer, and 41 Fire Engines crewed by 4 firefighters and a supervisory officer plus a small number of specialist vehicles that are dual crewed.

Demonstrating Public Sector Reform, we have developed a new and innovative approach to staffing through the use of a lean whole-time workforce supported through a combination of voluntary Additional Shifts



(VAS) and Integrated Resilience. Similar to voluntary on call arrangements, firefighters during their rota days, have the opportunity to undertake VAS. This has enabled us to reduce our whole-time workforce naturally to 1168 Firefighters with VAS being used to cover shortfalls. This results in significant budget savings whilst maintaining services to the community. Integrated Resilience enables uniformed personnel undertaking roles in departments, to regularly staff response vehicles which covers staffing deficiencies, enables skills and knowledge transfer and maintains core competencies.

We continue to review our fleet, ensuring the correct vehicle types are being deployed, with state of the art equipment and technology, so that fast response times can be maintained with fewer firefighters.

We continue to review our estate (stations and other building assets) on a regular basis, with a view to streamline local resources, ensuring efficiencies are maximised.

We continue to challenge some calls received by our Fire Control centre, to minimise the number of false alarms responded to and to ensure we always have sufficient resources to mobilise most effectively to the calls where lives and property are in danger. Additionally, following the establishment of the nature of the call via a robust call challenging system, our Fire Control can mobilise one of the three Business Support Vehicles which have been recently introduced to our service delivery model, to false alarm calls who can provide support to the business or trust ensuring they are doing all they can to keep their employees and the public safe. Where necessary this may involve commencing relevant and proportionate enforcement of the Regulatory Reform (Fire Safety) Order 2005. In particular, advice can be provided on the management and suitability of the fire alarm, leading to a reduction in automatic false alarm calls.

Working with Staffordshire FRS, the combined Fire Control function continues to reap financial savings whilst improving the level of operational collaboration and inter-agency working within our region.



At the same time, we are actively engaging in productive partnerships and sharing data with key agencies to accurately target our preventative and educational activities, in the drive to moderate and improve behaviours in those most vulnerable from fire and other emergencies. In addition, we have a desire to operate in the wider prevention arena by working with a combination of organisations including the NHS, Local Authority health services and key partners across the health agenda, supporting the prevention work we undertake linked to the Marmot principles.

Our service delivery model blends our prevention, protection and response activity to reduce the effects and the number of emergency incidents. We have seen the benefits of our core delivery areas working together on many occasions in the past and we recognise the time is right to encourage further integration in a more co-ordinated way. This is the aim of the prevention, protection and response integration work stream.

We continue to work together more closely as 'one team' for the benefit of the community. So, where prevention is currently delivered by firefighters we believe that by providing the right training and support to our fire safety team, they will be able to support our prevention priorities. It could be that they are carrying out an inspection at a business premises and they identify some vulnerable people; we want them to be able to help.

Likewise, whilst spending time amongst their community, firefighters might encounter fire safety concerns. In future, through closer working arrangements, we believe that our frontline crews will be able to offer appropriate advice.

Finally, as we aim to do all we can to achieve our risk based five minute attendance time we believe that we can provide resilience to our response teams through utilising fire safety officers to provide operational cover when appropriate. There will be other benefits to operating as one team including sharing information, joint training and closer relationships – all contributing to Making West Midlands Safer.



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 9

20 FEBRUARY 2017

1. 2017/2018 PROPERTY ASSET MANAGEMENT PLAN

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approve the 2017/2018 Property Asset Management Plan attached as Appendix A.

2. PURPOSE OF REPORT

In order to ensure the effective and efficient use of land and buildings, a Property Asset Management Plan is essential. The Authority's proposed 2017/2018 Property Asset Management Plan is attached to this report as Appendix A.

3. BACKGROUND

- 3.1 Considerable work has taken place over the last 12 months to assess the appropriateness of existing property assets and consider where any future investment should be directed.
- 3.2 In order to demonstrate the effective use of resources, it is necessary to undertake a fundamental review of property assets which should also be flexible enough to respond to organisational changes.
- 3.3 The attached Property Asset Management Plan involved input from all key West Midlands Fire Service stakeholders and reflects the property and property related priorities over the next five year period.

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 course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

- 6.1 Planned maintenance issues will need to be undertaken during the five year period. Current annual revenue budget provision for these items is £0.9m per annum.
- 6.2 Subject to approval of the attached proposals, estimated capital expenditure of £0.7m would be incurred on planned maintenance of building related assets in 2017/2018.

BACKGROUND PAPERS

Report to the Fire Authority – 15 February 2016 – Agenda item 8

The contact name for this report is DCFO Phil Hales, telephone number 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

APPENDIX A**2017/18 Property Asset Management Plan****1. Purpose**

The purpose of this document is to set out the property asset position and requirements of West Midlands Fire and Rescue Authority (WMFRA) to support its service needs, objectives, strategy and plans. Property plays an important role alongside people, vehicles, equipment, finance and information to ensure quality of service and thus needs to be fully reflected in the planning of the Service.

This Plan is written to reflect the changing financial climate that prevails within the Public Sector and it is recognised that there may be significant amendments to or, indeed, omissions or inclusions throughout the coming years. Specific reviews will drive forward initiatives that are likely to impact upon the Authority's property portfolio.

The Property Asset Management Plan should be utilised as a realistic, flexible, practical working tool to ensure that the Authority's Property Portfolio (currently valued at circa £143 million) is managed, improved, replaced or refurbished as required to complement the operational and functional needs of a dynamic community orientated rapidly changing organisation. To this end the concept of collaborative provision and space utilisation has been, and will continue to be, explored to ensure Best Value is achieved for the community.

The Plan will ensure that all of the Authority's land and buildings are used efficiently, effectively, economically and in a sustainable manner that will facilitate service improvement.

The Property Asset Management Plan needs to consider a number of key issues such as emergency response standards and the provision of appropriate training facilities ensuring that it is flexible and responsive. The intention is that the Plan has a positive impact on service delivery from the Authority's building portfolio.

2. **Background**

WMFRA operates from 41 sites throughout the West Midlands. These properties include thirty eight fire stations, Headquarters and other support buildings as well as residential units located on certain station sites. The Property Asset Management Plan covers all 41 sites.

Fundamental to the Property Asset Management Plan is an assessment of whether the Service operates from an appropriate number of sites. This is particularly relevant in determining fire station numbers and whether all of the sites are actually required and, if so, whether the current location is appropriate. For a number of years, studies have been carried out to assess the incidents that have occurred in the West Midlands conurbation via the Community Safety Plan and considered in developing the Property Asset Management Plan.

It is imperative that having determined the number and location of Authority buildings that the building stock is effectively maintained and is fit for purpose. In order to ensure that this requirement is met Building Condition Surveys are undertaken. This exercise ensures that appropriate focus is given to those issues which need to be considered as part of the ongoing Planned Maintenance Programme and highlights those buildings which need to be considered for complete refurbishment and upgrade subject to funding availability.

Property Asset Management Planning assists the Service in targeting resources effectively and investing appropriately to ensure that the Authority's building assets contribute towards the continuous improvement of service delivery.

This document collates the information necessary to make informed decisions about investment in property. The Condition Surveys provide a key component of the Plan in terms of a property perspective and in order for an effective property asset management plan to be implemented it is essential that input from other stakeholders is fully considered.

The information from the Property Asset Management Plan will assist the Authority in:-

- Providing property that meets the Brigade's needs.
- Ensuring that property decisions are consistent with the Brigade's objectives and service requirements and are integrated in to the corporate planning process.
- Prioritising decisions on spending and evaluation of building projects to ensure and demonstrate value for money.
- Providing information to ensure conserved energy usage and therefore the impact on the environment is minimised.

3. **Assessment of Existing Building Stock**

The need to undertake building condition surveys is a key factor in managing any organisations building stock. It is essential to consider all required maintenance work in a planned way, both in terms of ensuring the organisation has the capacity to undertake the work and to maintain or improve the fabric of the building assets. The benefit of taking a proactive approach to building maintenance will result in a more efficient use of resources and more effective use of the buildings. The table on Appendix 1 provides an age profile of all those buildings which have been surveyed.

Comprehensive building condition surveys have been completed and a thorough analysis has been undertaken of the planned maintenance requirements of the buildings. The outcome of this work has been reviewed and updated where necessary and is reflected in Appendix 2, which provides a summary of the estimated value of planned maintenance work required for each site over the five year period commencing 2017/2018.

The property related Capital and Revenue Programmes may be subject to change for a number of reasons, including the following:-

- Changes to the Community Safety Plan.
- Legislative Requirements.
- Operational Requirements.
- Health & Safety Issues.
- Environmental Issues.
- Corporate Objectives.
- Collaborative Provision.
- Available Budget.

Residential and non-operational buildings

A survey to review the suitability of West Midlands Fire Service (WMFS) residential properties for disposal was undertaken during 2014 following recommendations made within the Property Asset Management Plan 2014. The findings were detailed within the 2015/2016 Asset Management Plan.

In addition, the building known as the 'Old Bank', situated in front of Bloxwich Fire Station and is a stand alone building located in a conservation area. These factors will dictate both its future use and the level of restoration required to bring it up to a reasonable building standard. The property has had essential maintenance work undertaken in 2016 and discussions are underway to explore the possibility of utilising the building.

The houses located at Perry Barr will be subject to further investigation during 2017/2018 to explore the possibility of altering the site layout to provide a disposal opportunity.

The longer term plans regarding non-operational buildings include giving consideration to:-

- Kings Norton - Utilising the houses and flats for cold training, demolishing the houses and flats in preparation for a new station to be built, which incorporates the listed station similar to the proposed Aston development (subject to resolving issues around secure tenancies) or sale of the existing site with relocation to a new site.
- Possible use of the flats at Erdington for cold training, offices or hospitality accommodation.

One for One Station Replacement Update

Aston

The Fire Authority gave approval on 16 February 2015 to completely refurbish Aston Fire Station, which is a listed building with English Heritage. Initially work was undertaken with Heritage Consultants to preparing a presentation for the Planning and Conservation Officers prior to the planning application. Unfortunately, due to restrictions placed upon the Authority by English Heritage and the decision of the Ambulance service to withdraw interest in the proposed new development, the initial plans could not progress.

Currently two alternative detached designs are being considered, both on the existing site to the rear facing Prestbury Road, leaving potential for the existing station to become a heritage centre. The concept plans for the new build are with the Architect who is seeking planning advice prior to drawing up final designs for full planning approval.

In addition, a number of meetings have been held with West Midland Police Service who are interested in part of the 'existing station' accommodation which could be utilised for a combined Police/Fire Service heritage resource.

Coventry

The Fire Authority gave approval on 16 February 2015 to the redevelopment of Coventry Fire Station. Extensive work has been undertaken into the design considerations for the new station. In support of the Authority's Service Delivery Model, the layout of the facilities has been designed to minimise the time it takes to respond to operational incidents.

The West Midlands Ambulance Service were consulted and will base three ambulances at the new station. Community partners were consulted and will be able to use the facilities when they open, which is targeted for mid 2018.

Demolition work commenced in November 2016. During the re-development a temporary fire station has been provided at the old ambulance station located on the Foleshill road, which is approximately half a mile from the existing station.

It is proposed that the fire training building (which will remain in situ) will benefit from upgrades to provide a significantly improved training facility, designed to ensure the most realistic and effective scenarios can be replicated.

4. Community Safety Strategy

There is a requirement arising from the Fire and Rescue National Framework and the Fire and Rescue Services Act 2004 to ensure an Integrated Risk Management Plan (IRMP) is produced and updated and that significant plans for change are released for public consultation.

Whilst this should occur on a three year rolling basis, in reality WMFS reviews the IRMP on an ongoing basis to ensure it is current and reflects the evidence based approach taken to our decision making. The most recent consultation of the IRMP concluded in January 2017. No specific property related issues were identified which need to be reflected within the 2017/18 Property Asset Management Plan from the feedback from that exercise.

In April 2016, WMFS released an online interactive Community Safety Strategy (CSS) which is accessible to the public on the website. The CSS sets out the Fire and Rescue Authority's assessment of local risk and, in line with this assessment, how resources will be deployed to address these risks. The Plan, which complements the CSS, indicates how the Authority intends to deliver its services to reduce risk in the community. WMFS fulfils this requirement through the publication of 'The Plan', the CSS and supporting documentation and risk analysis on an ongoing basis.

5. **Training Facilities**

The Distributed Training Model (DTM) has been in place for over 18 months and through constant review training facilities are still being developed.

Below is an overview of current training facilities.

Canley

Canley Training Facility has the capability to deliver Road Traffic Collision (RTC) and First Aid Trauma Management, a purpose-built ford to practice vehicles trapped in water and a new Training at Height Facility

Command Development Centre (CDC)

CDC delivers Incident Command Training.

Coventry

The current training facility will have alterations to make it a better 'hot' fire training facility with a compartment for Fire Investigation.

Hay Mills

Hay Mills Training Facility is able to deliver RTC and First Aid Trauma management. Planning permission is also being sought to move the Fire Behaviour Unit from Birmingham airport to Hay Mills.

Oldbury

Oldbury Training Facility has a Fire House and a purpose-built High Rise facility. It is intended to provide a compartment/container that would allow Fire Investigation to run their courses here.

The Business Educational Safety Team (BEST) are also located at Oldbury with a dedicated area for delivering external courses.

Walsall

Walsall Training Facility has the ability to deliver RTC, First Aid Trauma Management and New Entrant training. The Water and Rope team have also relocated to Walsall.

Sutton Coldfield

A new Training at Height facility is being located at Sutton Coldfield fire station.

Bickenhill

The Pylon from the Academy is to be relocated to Bickenhill

Driver Training

Located at West Bromwich and Solihull fire stations.

6. **Environmental Impact**

The Service is committed to minimising the impact of its operations on the environment, reducing carbon emissions and energy costs by means of continuous improvement and balancing the needs of the environment with operational requirements.

To improve energy efficiency and reduce the Service's carbon footprint, several energy saving programmes are in place as part of the Property Asset Management Plan. For example, the installation of photovoltaic cells where feasible, improvements to building fabric such as insulation, continued phased boiler replacements, water heating and space heating controls.

Compliance with Part L Building Regulations (Conservation of Heat and Power) will be achieved or exceeded on applicable schemes. In addition to the above, Electric Vehicle Charging points are installed at HQ for dual fuel vehicles.

Any new builds will endeavour to utilise eco-friendly products and low carbon or renewable technologies where possible and will be built in a responsible and sustainable manner. A robust approach will continue to be undertaken on energy management and reporting, helping to highlight and focus attention on properties to ensure that they compare favourably with energy benchmark targets. Utilities sub-metering has been introduced to further improve energy monitoring and control. Additionally, Display Energy Certificates (DECs) and the Associated Advisory Reports continue to be undertaken for each of the Authority's buildings (non domestic) and can now be used to ensure continual improvement.

WMFRA signed up to the Carbon Trust's Carbon Management Programme 2010 and its Board Members (consisting of Brigade staff including Safety, Health and Environmental Team, Facilities Management, Finance and Operations) have achieved a significant approximate 50% reduction in Carbon emissions across all buildings and operations over the six year period up to 2015/2016.

This has been achieved by:-

- good housekeeping/energy saving measures/behavioural changes.
- invest to save/low carbon technologies.
- employing latest design and asset management techniques.
- improving existing building thermal performance.
- organisation realignment and process changes.
- renewable technologies.
- liaise with energy providers to explore grants and services on offer to reduce energy use.

7. **The Equality Act (DDA) Compliance**

WMFRA is committed to the Equality Act (2010) with a substantial amount of work having been undertaken to carry out reasonable adjustments to the building stock. Measures are in place to ensure compliance as appropriate on all future projects involving either refurbishment or new build. Compliance with the Equality Act is dependant to a large extent upon the Brigade ensuring access for members of the public is restricted to the ground floor non-operational areas only.

Further to the establishment of the National Equality and Diversity Delivery Partnership, representatives from the Chief Fire Officers' Association, Communities and Local Government and the Equality and Diversity Stakeholders Group (trade unions and groups such as the Disabled Fire Service Association) have commenced joint working on guidance documents over a range of issues, including facilities on fire stations and Facilities Management led by Operations providing additional facilities for staff under the 'Dignity for All' agenda.

8 **Community Facilities**

The provision of Community Safety Facilities contribute significantly to the potential to deliver community based risk reduction activity.

The two key property requirements to be considered to ensure the Authority can deliver community fire safety in an effective, targeted manner relate to the provision of appropriate facilities for Fire Cadets (and other youth related activities) and the provision of facilities to meet the more general needs of the community and community groups

Work is being undertaken by the Community Safety Section to assess the current level of property provision to meet the requirements as highlighted above. The strategic aim would be to have a provision on all community Fire Stations, but this is not possible due to the layout of existing stations. When designing new or refurbishing stations the provision of community facilities form parts of the brief.

A recent review of station community facilities has indicated the need for some level of enhancement to a number of existing facilities. Where practicable and feasible to do so, this would benefit service delivery. Any enhancements would be informed by consultation with local communities and potential future partners e.g. general practitioners, in order to meet the widest range of local need.

9. **Partner Working**

The Authority is keen to work with partners to share accommodation and facilities where appropriate and so achieve better value for money and wider community benefits.

In addition, the Authority continues to be committed to Blue Light collaboration and will seek to advance shared arrangements throughout 2017/2018 and beyond. WMFS are fully engaged with the Police service with a view to establishing a police presence on some of our sites in the future, however, provision of accommodation facilities for the Ambulance Service have reduced recently due to changes in the response model of the Ambulance Service.

During 2017/2018 there will be further work carried out by WMFS staff to evaluate community facilities on stations. This will demonstrate how they are utilised and also identify any further opportunities to enhance community partnerships without undermining existing community arrangements.

The Brigade is keen to keep pace with ever changing demands on its building stock and demonstrate value for money through efficiently used property assets driven by both the Government focus on effective property management and by good asset management practice to ensure appropriate space utilisation (be it by: partnering arrangements, rationalisation of stock, higher density office accommodation or re-profiling budgets considering life cycle costing).

WMFS are also involved in discussions regarding the 'one estate' Government initiative, having had discussions with other Local Authorities such as Walsall, Wolverhampton and Dudley, possible opportunities have arisen for the LA's to relocate services within WMFRA Estate, such as the Fire Safety Block at Wolverhampton. These discussions are ongoing.

In addition, whilst much work has been done already regarding efficiently utilising space at HQ and Safeside, further consideration will be given to the possibility of relocating Sections currently operating from remote locations within the HQ site where so far as reasonably practicable to do so. Best use of office space utilisation is even more important given that the Birmingham City Council Youth Offending Section, which currently occupies part of the ground floor of the HQ building, has given notification to end the current lease arrangement with effect from April 2017.

10. **Specific Actions**

During the financial year significant Facilities Management related projects were successfully carried out within the property portfolio. A summary of key activities is contained within Appendix 3 supporting the specific actions as set out within the previous years Asset Management Plan.

Below are the key Specific Actions for the forthcoming financial year:-

- Continued work with operational staff to provide one for one Fire Station replacements at Aston and Coventry.
- Work with Operational staff to evaluate Wednesbury Fire Station as a specialist USAR location. This may include re-development of the site or possible relocation within the close vicinity.
- Work with Operational staff to evaluate Bickenhill Fire Station regarding re-development options.
- Further investigation for proximity card system installation improving security and resilience on site.
- Undertake all planned maintenance work during 2017/2018 in line with the outcome of the Building Condition Surveys summarised on Appendix 2.
- To continue to assess building stock other than Fire Stations (residential buildings) to evaluate space utilisation.
- Boiler replacements will be undertaken over the next financial year at Dudley, Northfield and Willenhall fire stations. This will further the Authority's efforts in reducing its overall carbon emissions.
- To work closely with energy providers in our continued effort to reduce our carbon footprint and reduce utility costs.
- Re-roof Bilston fire station
- Refurbishment of ablutions at eight sites across the Brigade
- Replacement of windows and doors at six sites across the Brigade
- In line with HSG264 (Management of Asbestos) all applicable sites have Management Surveys undertaken and that any highlighted works are addressed.

- To ensure that consideration continues to be given to the appropriate provision of partnership and community working.
- Continue to explore further collaborative opportunities with other public services/public organisations within the asset base of the Fire Service in order to demonstrate value for money and more joined up, effective services.
- Delivering enhancements to sites enabling further Community Facilities to be available.
- To assist with the installation of defibrillators at selected sites in support of West Midlands Ambulance Service at selected sites as guided by Operational staff.
- To assist in developing plans in conjunction with the Emergency Response Planning Team pertaining to the estate to ensure resilience for the Authority (IRMP), including evaluations on existing stations such as Kings Norton to assess their effectiveness as modern fit for purpose stations
- Continued involvement in negotiations to mitigate the impact to both HQ and Safeside sites by the proposed HS2 railway.
- Continued evaluation of space utilisation of HQ to create further efficiencies by consolidating and relocating staff/sections within the HQ/Safeside locations.

APPENDIX 1**WMFRA Age Profile of Buildings**

Building	Construction/ Acquisition Date
Aston Fire Station	1924
Perry Barr Fire Station ¹	1928
Kings Norton Fire Station	1930
Erdington Fire Station	1938
Bloxwich Fire Station	1954
Canley Fire Station	1956
Sheldon Fire Station	1956
Northfield Fire Station ²	1958
Fallings Park Fire Station ⁴	1960
Billesley Fire Station	1962
Bilston Fire Station	1963
Sutton Coldfield Fire Station	1963
Brierley Hill Fire Station	1966
Aldridge Fire Station	1967
Ladywood Fire Station	1967
Tipton Fire Station	1968
Wednesbury Fire Station	1968
Wolverhampton Fire Station	1968
Stourbridge Fire Station ⁵	1969
Binley Fire Station	1970
Bournbrook Fire Station ³	1970
Tettenhall Fire Station	1970
Solihull Fire Station ⁷	1972

Building	Construction/ Acquisition Date
Highgate Fire Station	1972
West Bromwich Fire Station	1973
Walsall Fire Station ⁸	1974
Oldbury Fire Station	1974
Ward End Fire Station	1976
Coventry Fire Station	1976
Bickenhill Fire Station	1977
Smethwick Fire Station	1978
Willenhall Fire Station	1981
Workshops	1984
CDC ⁶	1989
Foleshill Fire Station	1990
Smoke House Oldbury	1990
Hay Mills Fire Station	1993
Woodgate Valley Fire Station	1996
Dudley Fire Station	1998
Handsworth Fire Station	1999
Technical Rescue Bickenhill	2008
Headquarters/Safeside	2008
Haden Cross Fire Station	2014

1	Perry Barr Extension	1992
2	Northfield Refurbishment	2001
3	Bournbrook Refurbishment	2004
4	Fallings Park Refurbishment	2005
5	Stourbridge Refurbishment	2006
6	CDC	2008
7	Solihull Refurbishment	2011
8	Walsall Refurbishment	2011

APPENDIX 2**ESTIMATED PLANNED MAINTENANCE REQUIREMENT**

Site	2017/2018 £	2018/2019 £	2019/2020 £	2020/2021 £	2021/2022 £
CDC	£10,450	£7,500	£22,500	£2,100	£0
Aldridge	£23,650	£13,700	£750	£5,800	£35,850
Aston Station	£0	£0	£0	£0	£0
Aston Annex	£750	£0	£850	£0	£950
Bickenhill Station	£52,150	£26,400	£15,900	£35,750	£41,000
Bickenhill USAR	£6,000	£9,850	£900	£950	£1,000
Billesley	£13,500	£13,150	£3,200	£31,250	£33,300
Bilston	£30,450	£7,650	£21,700	£61,900	£23,900
Binley	£34,200	£28,750	£15,600	£68,850	£11,800
Bloxwich	£18,750	£15,950	£1,000	£20,100	£9,100
Bournbrook	£33,700	£14,400	£26,500	£27,550	£29,100
Brierley Hill	£10,550	£30,550	£1,150	£600	£600
Canley	£20,150	£28,150	£43,750	£1,550	£1,950
Coventry	£0	£0	£0	£0	£0
Dudley	£3,800	£9,000	£144,900	£60,900	£36,900
Erdington	£23,000	£9,350	£1,500	£1,600	£31,700
Fallings Park	£23,000	£6,200	£45,600	£88,150	£700
Foleshill	£14,750	£13,500	£900	£8,500	£61,000
Handsworth	£33,450	£56,900	£95,950	£62,100	£1,050
Hay Mills Station	£4,300	£54,500	£56,950	£1,300	£47,150
Hay Mills Annex	£5,000	£2,200	£15,000	£1,050	£1,100
Haden Cross	£10,800	£0	£800	£0	£800
Headquarters	£46,150	£77,700	£41,250	£4,800	£1,350
Highgate Station	£23,300	£30,950	£8,200	£950	£1,700
Highgate Annex	£2,000	£22,950	£500	£500	£500
Kings Norton	£4,500	£35,700	£51,950	£20,800	£2,150
Ladywood	£13,400	£32,000	£900	£600	£1,000
Northfield	£31,800	£56,900	£32,400	£2,000	£8,700
Oldbury Station	£2,700	£7,950	£2,100	£2,000	£52,300
Oldbury Annex	£21,300	£10,900	£1,000	£7,000	£34,700
Oldbury Fire House	£30,650	£51,550	£33,600	£31,650	£32,000
Perry Barr	£29,650	£23,300	£2,200	£1,750	£47,550
Sheldon	£21,500	£25,700	£1,950	£800	£37,150
Smethwick	£3,300	£1,300	£7,450	£2,600	£2,750

Site	2017/2018 £	2018/2019 £	2019/2020 £	2020/2021 £	2021/2022 £
Solihull Station	£9,600	£20,800	£800	£72,800	£61,000
Solihull Annex	£0	£5,000	£42,000	£1,100	£0
Stourbridge	£28,350	£2,100	£2,900	£2,200	£3,250
Sutton	£18,000	£16,800	£1,400	£1,500	£1,600
Tettenhall	£29,550	£8,700	£1,000	£30,000	£1,100
Tipton	£7,750	£39,800	£2,450	£51,800	£32,750
Walsall	£32,250	£31,300	£2,950	£72,900	£15,250
Ward End	£59,000	£27,500	£1,850	£55,000	£26,050
Wednesbury	£12,050	£2,600	£2,750	£17,900	£45,050
West Bromwich	£7,750	£1,250	£46,800	£850	£26,100
Willenhall	£18,650	£16,300	£3,000	£66,150	£27,300
Wolverhampton Station	£13,050	£18,350	£67,450	£2,350	£2,650
Wolverhampton Annex	£600	£6,650	£700	£10,750	£800
Woodgate Valley	£11,800	£17,450	£3,100	£50,100	£28,400
Workshops	£48,100	£17,150	£65,700	£750	£1,600
Perry Barr-Residential	£1,000	£1,000	£2,200	£1,000	£16,050
Kings Norton-Residential	£0	£0	£5,000	£0	£0
Bloxwich-Residential	£0	£0	£0	£0	£8,000
Erdington-Residential	£2,000	£0	£0	£8,000	£0
Harborne-Residential	£0	£0	£0	£0	£0
Total Spend	£902,150	£957,350	£950,950	£1,000,600	£887,750
Lighting	£21,350	£450	£450	£500	£500
PartL2B	£5,500	£44,450	£40,650	£11,200	£24,250
Boilers	£264,000	£211,000	£165,000	£100,000	£0
Rewires	£55,000	£250,000	£420,000	£200,000	£450,000
Roof	£66,000	£190,000	£190,000	£710,000	£195,000
Windows & Doors	£281,000	£203,000	£405,000	£260,500	£140,000
Other (Above)	£902,150	£957,350	£950,950	£1,000,600	£887,750
TOTAL FORECAST SPEND	£1,595,000	£1,856,250	£2,172,050	£2,282,800	£1,697,500
Funding					
-Revenue Base Budget	£900,000	£900,000	£900,000	£900,000	£900,000
-Capital	£666,000	£854,000	£556,000	£450,000	£0
-Reserves	£29,000	£102,250	£716,050	£201,300	£0
TOTAL BUDGET AVAILABLE	£1,595,000	£1,856,250	£2,172,050	£1,551,300	£900,000
Provisional Surplus(+)/Deficit(-)	£0	£0	£0	-£731,500	-£797,500

APPENDIX 3**Key Activities**

During 2016/2017 significant Estates related works were successfully carried out across the property portfolio. Below is a list of some key achievements:-

- Disposal of the Academy site (sale agreed)
- Secondary Fire Control relocated from the Academy to the CDC.
- Demolition work commenced on Coventry Fire Station.
- Continued design and feasibility works on the proposed new Aston fire station development.
- Training at Height Facilities located at Canley and Sutton Coldfield.
- Window and external door replacement to eight sites across the Brigade.
- Boiler replacements at Foleshill, Aldridge and Binley Fire Stations.
- Yard replacement/improvement work at Billesley and Sheldon Fire Stations
- Refurbishment of ablutions at Wednesbury, Aldridge and Brierley Hill Fire Stations.
- Either Internal or external decorations at Dudley, Oldbury, Northfield, Stourbridge, Bloxwich and Tettenhall.
- Automated gates installed to increase station security at Oldbury, Handsworth, Aldridge, Wolverhampton fire stations.
- New appliance bay doors installed at eight sites across the Brigade.
- Continued management of asbestos with surveys carried out across Authorities premises in line with HSG264.

- Involvement with ongoing development plans in conjunction with the Emergency Response Planning Team to ensure resilience for the Authority.
- Detailed design and feasibility works for primary fire control relocation
- Continued work to evaluate the HQ building with regards to achieving full occupancy, working to re-locate WMFS staff within HQ from other WMFS locations.
- HS2 – Continued involvement with negotiations regarding mitigation of impact to HQ, Safeside and Fire Control.
- Assist with the on-going delivery of the Distributed Training Model and re-location of training assets.
- Continued upgrading of lighting to energy efficient LED systems at six sites across the Brigade.
- Energy use survey (Thermal Imaging) on all properties, identifying the worse performing buildings. Analyse results and implement a phased upgrade to properties where feasible.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

20 FEBRUARY 2017

1. **PAY POLICY STATEMENT 2017/2018**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approves the Pay Policy Statement for the financial year 2017/2018.

2. **PURPOSE OF REPORT**

This report is submitted for the Authority to approve the Pay Policy Statement for the financial year 2017/2018.

3. **BACKGROUND**

3.1 Section 38 (1) of The Localism Act 2011 requires Fire and Rescue Authorities to produce a Pay Policy Statement for each financial year. The proposed Pay Policy Statement 2017/2018 is set out at Appendix 1 of this report.

3.2 A Pay Policy Statement is expected to comply with the following elements:-

3.2.1 A relevant Authority must prepare a Pay Policy Statement for each financial year.

3.2.2 A Pay Policy Statement for a financial year must set out the Authority's policies for the financial year relating to the remuneration of its Chief Officers.

3.2.3 The statement must include the Authority's policies relating to:-

- (a) decisions on any pay, remuneration or severance packages of Chief Officer roles and/or packages of £100,000 or more being submitted to the Fire Authority;
- (b) remuneration of Chief Officers on recruitment;
- (c) increases and additions to remuneration for each Chief Officer;
- (d) the use of performance related pay for Chief Officers;
- (e) the use of bonuses for Chief Officers;
- (f) the approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority;
- (g) the publication of and access to information relating to the remuneration of Chief Officers;

3.2.4 In addition it must detail:

- (a) the remuneration of its Chief Officers;
- (b) the remuneration of its lowest-paid employees;
and
- (c) the relationship between the remuneration of its Chief Officers and all other employees. Appendix 1D

3.2.5 A Pay Policy Statement for a financial year may also set out the Authority's policies for the financial year relating to the other terms and conditions applying to the Authority's Chief Officers.

3.3 The term Chief Officer refers to those defined within the Localism Act. For West Midlands Fire Authority this covers the posts of Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer (Service Delivery).

3.4 The term 'lowest paid employees' is defined as a full time employee on the bottom scale column point of the Green Book pay scale and the lowest paid role for Grey Book employees. These are the lowest paid employees other than apprenticeships which are paid less to reflect the nature of the training and development role.

3.5 There are supplementary provisions relating to statements as follows:-

- 3.5.1 A relevant Authority's Pay Policy Statement must be approved by a resolution of the Authority before it comes into force.
 - 3.5.2 The statement must be prepared and approved before the end of 31st March 2017.
 - 3.5.3 Each subsequent statement must be prepared and approved before the end of 31st March immediately proceeding the financial year to which it relates.
 - 3.5.4 A relevant Authority may by resolution amend its Pay Policy Statement, including after the beginning of the financial year to which it relates.
 - 3.5.5 As soon as is reasonably practicable after approving or amending a Pay Policy Statement, the Authority must publish the statement or the amended statement in such manner as it thinks fit, which must include publication on the Authority's website.
- 3.6 There is a two-track approach for determining levels of pay for Chief Officer roles. At national level, the National Joint Council (NJC) shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to Fire Authorities by circular.
- 3.7 Other decisions about the level of pay and remuneration to be awarded to individual Chief Officer roles will be taken by the local Fire Authority. (Advice on the implementation of a local salary structure is contained within the Pay Policy Statement).
- 3.8 Authorities are also required to produce information on the salaries of their Chief Officers and the names. This is included in the Statement of Accounts and also on the internet site www.wmfs.net.

- 3.9 If readers are to understand the information being presented to them, they need to have an appreciation of the wider context affecting the organisation. To this end the guidance requires the West Midlands Fire Service to include some contextual information such as a description of what it does, total spend, budget responsibility, job descriptions and person specifications.
- 3.10 The information referred to above, including the expenses paid to Chief Officers, is also available on the West Midlands Fire Service website at www.wmfs.net.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required as there is no direct impact on individuals in setting out the Authority's pay policy statements. Equality Impact Assessments will be carried out on individual processes and decisions taken in the application of the pay policy statement.

5. **LEGAL IMPLICATIONS**

- 5.1 The recommendations provided enable West Midlands Fire and Rescue Authority to continue to comply with the relevant sections of the Localism Act and demonstrate its support for the Government's Public Sector Pay Policy.
- 5.2 To comply with the Localism Act 2011, the West Midlands Fire and Rescue Authority must approve the Authority's Pay Policy Statement before 31st March 2017. The Service will then complete a review of the Pay Policy Statement each year which must be approved by the Authority before 31st March each year.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Localism Act 2011

The contact name for this report is Philip Hales, Deputy Chief Fire Officer,
0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER



AUTHORITY REPORT

PAY POLICY STATEMENT 2017/2018

**January 2017
People Support Services**

PAY POLICY STATEMENT 2017/2018

CONTENTS OF APPENDICES

	<u>Page</u>
Pay Policy Statement 2017/2018	3 - 8
Appendix 1A Statement of Policy - LGPS	9 - 14
Appendix 1B Statement of Policy - Firefighters Pension Scheme 1992	15 - 17
Appendix 1C Statement of Policy- Firefighters Pension Scheme 2015	18 - 50
Appendix 1D Remuneration and relationship between Chief Officer's and Lowest Paid Employees	51 - 52

Pay Policy Statement 2017/2018

The level and elements of remuneration for each Chief Officer

The basic pay details of all Chief Officers will be available on the West Midlands Fire Service website www.wmfs.net . The levels of pay will be determined by both national and local review following the guidance set out in the 'Gold Book' Terms of Conditions. All other payments will be contained within the Authority's statement of accounts which is also published on the West Midlands Fire Service website.

Remuneration of Chief Officers on recruitment

On recruitment the Executive Committee is authorised to consider and make recommendations to the Fire Authority on the conditions of employment and salary of the Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer. Considerations will be given to the guidance contained within the Pay Policy Statement for determining the level of salary for each Principal Officer.

Increases and additions to remuneration for each Chief Officer

There is a two-track approach for determining levels of pay for Principal Officer roles. At national level, the NJC shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to Fire Authorities by Circular.

Other decisions about the level of pay and remuneration to be awarded to individual Principal Officer roles will be taken by the local Fire Authority. This will be considered at the time of the Pay Policy Statement Review. (Advice on the implementation of a local salary structure is contained within the Pay Policy Statement).

Remuneration of all other employees of the West Midlands Fire Service

Living Wage

The Fire Authority is a Living Wage Employer and is committed to ensuring that all employees are paid, as a minimum, the Living Wage.

Green Book Employees

Salaries of 'Green Book' employees in the Service are set using locally determined pay scales and utilising an Integrated Personal Development System which is based around the nationally agreed Job Evaluation Scheme.

Please see Appendix 1D for the salaries of Green Book Employees including our lowest paid employees and the relationship between these employees and our Chief Officers. For this purpose the relationship has been made to the Chief Fire Officer's salary.

Grey Book Employees

Salaries of 'Grey Book' employees in the Service are set using nationally agreed pay levels.

National Pay Awards are also made to pay scales on an annual basis and these pay awards are applied to all employees. This annual award is applicable in April for Green Book Employees and July for Grey Book Employees.

Please see Appendix 1D for the salaries of Grey and Green Book Employees including our lowest paid employees and the relationship between these employees and our Chief Officers. For this purpose the relationship has been made to the Chief Fire Officer's salary.

The use of performance related pay for Chief Officers

The West Midlands Fire Service does not use performance related pay for its Chief Officers.

The use of bonuses for Chief Officers

The West Midlands Fire Service does not award bonuses to Chief Officers.

The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority

The payment to Chief Officers on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant Pension Scheme.

In the case of any redundancy payments to be made to Chief Officers these payments will be set using the existing regulations for 'Gold Book' employees and their appropriate pension scheme.

Redundancy payments for Chief Officers eligible to join the Firefighters' Pension Schemes will be calculated based on the statutory maximum weekly pay. Gold book employees eligible to join the Local Government Pension Scheme will receive a redundancy payment in line with authority agreement under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. See Appendix 1A.

Any settlement of £100,000 or more or any other payments will be subject to the approval of the Authority on a case by case basis.

The approach to the payment of all other Employees on their ceasing to hold office or to be employed by the Authority

- Green Book Employees

The payment of Green Book Employees on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant Pension Scheme.

In the case of redundancy the guidance contained within the pension policy statement will apply under the existing conditions of the Local Government Pension Scheme.

- Grey Book Employees

The payment of Grey Book Employees on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant pension scheme.

In the case of any redundancy payments to be made to Grey Book Employees these payments will be set using the existing regulations for Grey Book employees. Redundancy payments will be calculated based on the statutory maximum weekly pay.

The publication of and access to information relating to the remuneration of Chief Officers

Details of the Chief Officer's salary and remuneration including any expenses will be made available on the West Midlands Fire Service website. This information is contained within the Annual Report and Statement of Accounts.

Discretions available to the Authority under the Local Government and Firefighters Pension Schemes

In line with the regulations of the Local Government and Firefighters Pension Schemes West Midlands Fire Service must formulate, keep under review and publish their policies on certain discretions contained within the Regulations. These regulations are included as appendices to this policy.

Definitions used within the Pay Policy Statement

The term Chief Officer refers to those defined within the Localism Act. In simple terms the policy covers the Chief Fire Officer and those posts which report directly to him/her and also the next management tier below (excluding any secretarial or clerical roles).

The term 'lowest paid employees' is defined as a full time employee on the lowest paid role/rank for Grey Book employees and the bottom scale column point of the Green book pay scale or employee subject to the living wage if higher. These are the lowest paid employees other than apprenticeships which are paid less to reflect the nature of the training and development role.

IMPLEMENTATION OF A LOCAL SALARY STRUCTURE GUIDANCE

Introduction

1. Both the Employers and Brigade Managers recognise the importance of applying the appropriate skills and developing the competencies necessary to support and embed the cultural change inherent within these new terms and conditions.

Local Salary Structures

2. When determining the appropriate level of salaries for all Brigade managers, the Fire and Rescue Authority should refer to the relevant minimum salary of the Chief Fire Officer and the most relevant benchmark data.
3. Normally the fire and rescue authority will wish to begin by determining appropriate salary for their most senior manager.
4. When deciding how these posts should be remunerated the following factors are to be considered:
 - a. the Chief Fire Officer's salary and that of any senior staff not covered by the Scheme of Conditions of Service (Gold Book);
 - b. the relationship of current salary to the appropriate illustrative national benchmark;
 - c. any special market considerations;
 - d. any substantial local factors not common to fire and rescue authorities of similar type and size e.g. London weighting; complex local, regional or national responsibilities which bring added value;
 - e. comparative information to be supplied on request by the Joint Secretaries on salaries in other similar authorities;
 - f. top management structures and size of management team compared to those of other fire and rescue authorities of similar type and size;
 - g. the relative job size of each post, as objectively assessed through an appropriate job evaluation process or otherwise; and

- h. incident command responsibility and the requirement to provide operational cover within the employing authority and beyond

The process for setting salary levels should include consideration of the following criteria:

- minimum salary levels for Chief Officers in relevant sized local authorities;
- market rates of pay for senior managers in a range of private and public sector organisations; and
- evidence of recruitment and/or retention difficulties with existing minimum rates.

There are a range of schemes and approaches available for authorities to use in assessing job size. To assist authorities, advice can be obtained from the Employers' Side Secretary of the NJC.

APPENDIX 1A

STATEMENT OF POLICY

Under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, operative from 29 November 2006, each employer must formulate, keep under review and publish their policies on certain discretions contained within the Regulations.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the Local Government Pension Scheme (LGPS).

Regulation 5 - Power to increase statutory redundancy payments

Explanation

Employers have the discretion to resolve to use the employee's actual pay instead of the statutory maximum pay permitted under the Employments Rights Act 1996, in the calculation of redundancy payments.

Policy

The Fire Authority will always use the employees' actual pay when calculating redundancy payments.

Regulation 6 –Discretionary Compensation

Explanation

The Authority has the discretion to resolve to increase the lump sum compensation payable under the Employments Rights Act 1996 to an employee who loses their employment with the Authority, up to a maximum of 104 weeks' pay.

Policy

The Fire Authority will not exercise this discretion and therefore will not increase the maximum payable beyond the statutory limit of 30 weeks' pay.

STATEMENT OF POLICY

1 April 2014

Under Regulation 60 (1) of the Local Government Pension Scheme (LGPS) Regulations 2013, each employer must formulate, keep under review and publish their policies on certain discretions contained within the LGPS Regulations.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the LGPS.

1. Regulation 30 (8) – Waiving of actuarial reduction

Explanation

From age 55, members who have left local government employment receive early payment of their retirement benefits and do not need their employer's consent. The pension benefits must be reduced in accordance with guidance provided by the Government actuary. Employers may determine on compassionate grounds that the benefits are not reduced.

For a member who joined the scheme prior to 1 October 2006 where the member's age and membership (in whole years) satisfies the "rule of 85" then the benefits would be reduced, unless the employer chooses to exercise the discretion within the regulations. For a member who joined the Scheme on or after 1 October 2006, then reduced benefits would be payable if taken before age 65.

Policy

Each specific case will be judged equally and fairly on its own merits and would need to be funded by a lump sum contribution into the Pensions Fund by the Fire Authority. This discretion will only be exercised by the Fire Authority in cases where it can be demonstrated that the Fire Authority can fund the cost of the release within a three year period.

This discretion will be exercised by the Strategic Enabler (People Support Services) as delegated by Chief Fire Officer in conjunction with the Treasurer and Chairman to approve existing severance packages and members will be notified where discretion is exercised.

2. Regulation 31 - Power of the Employing Authority to award Additional Pension

Explanation

An employer may resolve to award a member additional pension of not more than £6,500 a year, payable from the same date as their pension is payable under any other provision of these regulations. An additional pension may be paid in addition to any increase to total membership resolved under Regulation 16 so long as the overall total does not breach the limits laid down within these regulations.

Policy

Each specific case will be judged equally and fairly on its own merits, having fully considered service delivery and financial costs.

3. Regulation 30 (6) - Flexible Retirement

Explanation

A member who is aged 55 or over and with their employer's consent reduces their hours or grade can then, but only with the agreement of the employer, make an election to the administering authority for payment of their accrued benefits without having retired from that employment.

Policy

Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs. This discretion will only be exercised by the Fire Authority in cases where it can be demonstrated that the Fire Authority can fund the cost of the release within a three year period.

4. Regulations 16(2)(e) and 16(4)(d) - Funding of Additional Pension

Explanation

Where an active member opts to make Additional Pension Contributions (APC) under Rule 16(2)(e) these may be funded in whole or in part by the Employer. Under Rule 16(4)(d) the employee may opt to pay APC as a Lump Sum and this may also be funded in full or part by the employer.

Policy

The Fire Authority will fund in whole or in part any APC operated by themselves under a salary sacrifice arrangement.

The Fire Authority will, however, not fund in whole or in part any other APC purchased either by periodical payments or Lump Sum direct from a members Net Pay.

The Fire Authority is not obliged by the Regulations to publish a statement on the following discretions contained within the LGPS 2013 Regulations but has chosen to do so.

5. **Regulation 22(8)(b) - Re-employed and Rejoining Deferred Members**

Explanation

Where a deferred member becomes an active member again before becoming entitled to the immediate payment of retirement benefits in respect of their former membership, their former membership will be aggregated with their current active membership unless within 12 months from the date of the active member's pension account being opened they make an election in writing to the member's appropriate administering authority. The period of 12 months may be extended at the discretion of the employing authority.

Policy

The Fire Authority will extend the period of 12 months beginning with the date that the active member's pension account is opened again to allow a member to choose not to aggregate his/her former membership in exceptional circumstances or where it was beyond the member's control.

6. **Regulation 100 (6) – Inward Transfer of Pension Rights**

Explanation

A person who becomes an active member who has relevant pension rights may request his fund authority to accept a transfer value for some, or all, of his former rights. An election must be made in writing before the expiry of the period of 12 months

beginning with the date that he became an active member or any such longer period as his employer may allow.

Policy

The Fire Authority will extend the period of 12 months beginning with the date that he/she became an active member – thereby, allowing a member to transfer some or all of his/her rights from the relevant transferor in exceptional circumstances or in circumstances beyond the member's control.

7. Choice of early payment of Deferred Pension

Explanation

Where a member became a deferred member between 31 March 2008 and 1 April 2014, they can apply for early release of benefits, and the Fire Authority can fund the costs of the release.

Policy

Each specific case will be judged equally and fairly on its own merits and would need to be funded by a lump sum contribution into the Pensions Fund by the Fire Authority. This discretion will only be exercised by the Fire Authority in cases where it can be demonstrated that the Fire Authority can fund the cost of the release within a three year period.

This discretion will be exercised by the Strategic Enabler (People Support Services) as delegated by Chief Fire Officer in conjunction with the Treasurer and Chairman to approve existing severance packages and members will be notified where discretion is exercised.

From 1 June 2004, an amended Internal Disputes Resolution Procedure applies to active members of the LGPS and to others such as deferred and pensioner members, whose position may be affected by decisions taken by their former employer or LGPS administering authority.

8. The Internal Dispute Resolution Procedure

Explanation

Responsibility for determinations under the first stage of the procedure now rests with a 'specified person' appointed by your (former) employer. The Fire Authority must specify the job title

and address of the person to whom applications should be directed.

Policy

The specified person for the West Midlands Fire and Rescue Authority is:-

Mr P Hales
Deputy Chief Fire Officer
West Midlands Fire Service HQ
99 Vauxhall Road
Birmingham
B7 4HW

The discretions within this Policy Statement will be reviewed at the point of regulation change but no less than yearly in line with the Authority's Pay Policy Statement.

STATEMENT OF POLICY

Under Rule B7 of the 1992 Firefighters' Pension Scheme Paragraph 5 (A) a fire and rescue authority may, having regard to—

- (a) the economical, effective and efficient management of their functions, and
- (b) the costs likely to be incurred in the particular case

- pay a lump sum in excess of two and a quarter times the full amount of the pension.

West Midlands Fire Service will formulate, keep under review and publish their policy on the discretion contained within this rule.

Due to the rate of the commutation factors laid down within the 1992 Firefighters' Pension Scheme it is possible for an unauthorised payment to occur if a member commutes the maximum allowable portion of their gross pension. In cases where this happens the Fire Authority will become liable to a further charge. When using this discretion the amount to which the lump sum will be increased will be limited to the maximum authorised payment allowed by HMRC regulations.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the 1992 Firefighters' Pension Scheme.

Policy

Each specific case will be judged equally and fairly on its own merits and would need to be funded by a lump sum contribution into the Pensions Fund by the Fire Authority. It is the Line Manager's responsibility to ensure that the recommendation is made and submitted to their SET manager for consideration. The value of the Lump Sum payment into the Pension account will be provided by the Payroll and Pensions section on request and the remaining cost figures should be obtained from the Finance Liaison Officer.

This discretion will only be exercised by the Fire Authority in cases where it can be demonstrated that the Fire Authority can fund the cost of the release within a three year period.

This discretion will be exercised by the Strategic Enabler of People Support Services and Strategic Enabler of Finance & Resources.

STATEMENT OF POLICY

Under Rule K4 of the 1992 Firefighters' Pension Scheme:

A fire and rescue authority may, in their discretion, withdraw the whole or any part of the pension, except a pension under Part C (awards on death—spouses and civil partners), for any period during which the person entitled to it is employed by any fire and rescue authority in whatever capacity.

Part LA Section 9 of the scheme rules states that:

Where an authority exercises its discretion not to withdraw the payment in whole or in part of any pension under rule K4 (withdrawal of pension whilst employed by a fire and rescue authority), the authority shall in the financial year in which payment is not withdrawn, transfer into the Firefighters Pension Fund an amount equal to the amount of pension paid during that financial year to that person which could have been abated or withdrawn. West Midlands Fire Service will formulate, keep under review and publish their policy on the discretion contained within this rule.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the 1992 Firefighters Pension Scheme.

Policy

West Midlands Fire Service will withdraw the whole or part of the pension, except a pension under Part C (awards on death—spouses and civil partners), for any period during which the person entitled to it is employed by any fire and rescue authority in whatever capacity.

The amount of Pension withdrawn will be calculated by reference to the Aggregate Annual Pensionable Pay received in the twelve months prior to retirement increased on the same basis as the pension in payment. This figure will be known as the reference pay and will be increased annually in line with the annual pension increase order.

The pension will be reduced by an amount equal to the amount required so that the total income from the pension plus re-employment does not exceed the reference pay calculated above.

Pay in re-employment is the pay receivable under the contract of employment for the hours worked and excludes any payments made for non-contractual overtime. Where the pay in re-employment changes the amount of pension to be withdrawn will be recalculated.

STATEMENT OF POLICY

The Firefighters' Pension Scheme (England) Regulations 2014 contain various regulations where the opportunity for alternative courses of action arises. In these circumstances West Midlands Fire Service will exercise discretion in line with this statement of policy.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the Firefighters Pension Scheme 2015.

Power to Delegate

1. Delegation (Regulation 5)

The scheme manager must ensure that delegated powers are appropriate and current. [Regulation 5(2)]

Statement of Policy

The Fire Authority have recently confirmed that the Audit Committee will function as the Scheme Manager.

Opting Out

2. Opting into this scheme (Regulation 12)

An optant-in will become an active member of the scheme with effect from the beginning of the first pay period following the date on which the option is exercised. There is an option for the scheme manager to vary the date on which the person becomes an active member, to such other time as the scheme manager considers appropriate. [Regulation 12(5)]

Statement of Policy

The Organisation will not vary the date on which a member becomes an active member.

3. Opting out after the first three months (Regulation 16)

An optant-out ceases to be in pensionable service with effect from the first day of the first pay period following the date on which the option is exercised. If the scheme manager considers that day to be inappropriate, it may vary the date to the first day of any later pay period as the scheme manager does consider appropriate.
[Regulation 16(2)(b)]

Statement of Policy

The Scheme Manager will not vary the date on which an optant out ceases to be a member.

Pensionable Pay

4. Pensionable Pay (Regulation 17)

The Scheme Manager has discretion if Continual Professional Development payments are to be treated as pensionable pay.
[Regulation 17(1)(d)]

Statement of Policy

Continual Professional Development payments will be pensionable.

Retirement Benefits

5. Active Membership (Regulation 19)

A person who is on unpaid authorised absence can count the period as active membership if the Scheme Manager permits them to be treated as an active member during that period.
(Presumably this would be linked to Regulation 111(4) and subject to the member paying the appropriate contributions.) [Regulation 19(d)]

Statement of Policy

The Scheme Manager will permit a member on unpaid absence to count the period as active membership subject to contributions being paid.

Pensions Accounts

6. Establishment of pension accounts: general (Regulation 28)

The Scheme Manager must establish and maintain pension accounts for scheme members, but they may be kept in such form as the scheme manager considers appropriate.

Statement of Policy

The Scheme Manager will maintain pension accounts within an electronic Pension Administration System. The security and operation of these accounts will be reviewed regularly by the Local Pension Board.

7. Closure and re-establishment of active member's account (Regulation 37)

If a member has more than two active members account and ceases pensionable service with less than three months' qualifying service in respect of one account, that account must be closed and benefits aggregated with one of the others; the member may select which one.

Statement of Policy

The Scheme Manager will use their discretion on a case by case basis in the best interests of the member.

Retirement Benefits

8. Closure of deferred member's account after gap in pensionable service not exceeding five year. (Regulation 49)

If a deferred member re-enters pensionable employment after a gap of five years or less, the Scheme Manager must close the deferred member's account and re-establish the active member's account, transferring entries from the deferred account. If the person had more than one relevant deferred member's account, they must selection – within three months of re-entering scheme employment – which one should close. If they fail to make a selection, the Scheme Manager must make the choice for them. [Regulation 49(3) and (4)]

Statement of Policy

The Scheme Manager will use their discretion on a case by case basis in the best interests of the member.

9. Employer initiated retirement (Regulation 62)

An employer can determine that an active member aged 55 or over but under age 60 who on the grounds of business efficiency is dismissed or has their employment terminated by mutual consent, can receive immediate payment of retirement pension without the early payment reduction. An employer may only use this discretion if the employer determines that a retirement pension awarded on this basis would assist the economical, effective and efficient management of its function having taken account of the costs likely to be incurred in the particular case. [Regulation 62(1) and (2)]

Statement of Policy

The employer will use their discretion on a case by case basis with the overriding control that any costs incurred in using this discretion will be recoverable within a three year period.

10. Exercise of partial retirement option (Regulation 63)

An active member aged at least 55 who would be entitled to immediate payment of pension if they leave pensionable service and who claims payment of the pension, may opt to claim the whole of their accrued pension but continue in pensionable service. The person concerned must give appropriate notice to the scheme manager and the partial retirement option is taken to be exercised on a date agreed between the member and the Scheme Manager. [Regulation 63(5)]

Statement of Policy

Where a member wishes to make an application for partial retirement under Regulation 63 they must provide written notice to the Scheme Manager. On a case by case basis the Scheme Manager will agree a date with the member on which the option shall be exercised.

III-Health Benefits

11. Review of ill-health awarded or early payment of retirement pension (Regulation 68)

The Scheme Manager must have a policy for reviewing, at such intervals as it considers appropriate, the award of ill-health pensions where the recipient is under deferred pension age and has been receiving the award for less than 10 years, and for reviewing the early payment of deferred pensions on ill-health grounds for so long as the recipient is below deferred pension age. [Regulation 68(1) and (2)]

Statement of Policy

The Scheme Manager will review the award of ill-health pensions, where the recipient is under deferred pension age and has been receiving the awarded for less than 10 years, and deferred pensions in payment early on ill-health grounds and where the recipient is below deferred pension age on a three yearly basis.

12. Consequences of review (Regulation 69)

If, following the review of a lower tier ill-health pension under Regulation 68, the Scheme Manager determines that the recipient is capable of performing the duties appropriate to the role from which the person retired on grounds of ill-health, the employer must consider whether or not to make an offer of re-employment. [Regulation 69(3)]

Statement of Policy

The Scheme Manager will consider whether or not to make an offer on a case by case basis.

13. Commencement of pensions (Regulation 70)

If a deferred member requests, and is entitled to, the early payment of retirement pension on grounds of ill-health, the scheme manager must determine the date of payment as being the date on which the person became incapable of undertaking regular employment because of infirmity of mind or body or, if that date cannot be ascertained, the date of the member's request for early payment. [Regulation 70(7)]

If a deferred member requests deferral of payment of a deferred pension beyond deferred pension age, or requests early payment with an early payment reduction before deferred pension age, the Scheme Manager will decide the payment date after the claim for payment has been made.

Statement of Policy

The Scheme Manager will determine the date from which a deferred pension will become payable in the situations described in Regulation 70(7) and (8) on a case by case basis using information provided by the claimant, any appropriate medical professional, and with guidance from the Payroll and Pensions Manager.

Allocation

14. Allocation election (Regulation 72)

The Scheme Manager must give consent for the allocation of a portion of pension to a dependant, who is not the spouse, civil partner or cohabiting partner of an active or deferred member. (Consent can be withheld if the Scheme Manager is not satisfied that the person nominated is not substantially dependent of the active member.) [Regulation 72(3)(b) and (4)]

Statement of Policy

The Scheme Manager will give consent for the allocation of a portion of pension to a dependent where acceptable evidence of dependency is provided by the Scheme Member. At the time of application the Scheme Manager will confirm to the member what evidence is to be provided.

15. Adjustment of allocated benefit (Regulation 75)

If a member who has made an allocation election dies after reaching age 75, and the amount of allocated pension does not qualify as a dependant's scheme pension under section 167 of the Finance Act 2004 (pension death benefit rules), the amount may be adjusted in a manner determined by the Scheme Manager. [Regulation 75(1) and (2)]

Statement of Policy

The Scheme Manager will make any adjustments allowed under Regulation 75(1) and (2) on a case by case basis.

Death Benefits

16. Meaning of "surviving partner" Regulation 76)

A cohabiting partner may be considered a "surviving partner" and potentially qualify for a pension provided they meet certain conditions, one of which is that they must have been in a "long-term relationship" – a continuous period of at least two years – at the date at which entitlement needs to be considered. The Scheme Manager has discretion to allow the person to qualify where the period is less than two years. [Regulation 76(1)(b)(v) and (2)]

Statement of Policy

The Scheme Manager will not use their discretion to allow a person to qualify as a "Surviving Partner" where the relationship has not been in place for a period of at least two years.

17. Person to whom lump sum death benefit payable (Regulation 95)

The Scheme Manager has absolute discretion as to the recipient of any lump sum death benefit payable. [Regulation 95]

Statement of Policy

The lump sum death benefit will be paid to whosoever the Scheme Manager decides it should be. The discretion will be operated by the Payroll and Pensions Manager in consultation with the Deputy Chief Fire Officer.

18. Payment of pensions under Part 6 "Death Benefits" (Regulation 100)

If a child's pension is due in respect of an eligible child under age 18, the Scheme Manager will determine to whom it should be paid and will give directions to that person as to how the payment should be applied for the eligible child's benefit. [Regulation 100(2)]

Statement of Policy

The child's pension in respect of an eligible child over the age of 7 will be paid to that child. A child's pension for a child under the age of 7 will be paid to that child's surviving parent with instruction that it should be applied for that eligible child's benefit.

19. Surviving partner's pensions and eligible child's pensions: suspension and recovery (Regulation 101)

A Scheme Manager has the right to cease paying a surviving partner's pension and/or eligible child's pension and recover any payment made in respect of a pension where it appears to the Scheme Manager that the recipient made a false declaration, or deliberately suppressed a material fact in connection with the award. (This does not affect the Scheme Manager's right to recover a payment or overpayment under any other provision where the Scheme Manager considers it appropriate to do so.) [Regulation 101(2) and (3)]

Statement of Policy

The Scheme Manager will cease paying a surviving partner's pension and/or eligible child's pension and recover any payment made in respect of a pension where it appears to the scheme manager that the recipient made a false declaration, or deliberately suppressed a material fact in connection with the awarded except in cases where the Deputy Chief Fire Officer deems it to be financially counter productive to do so.

20. Provisional awards of eligible child's pensions: later adjustments (Regulation 102)

If children's pensions have been made to certain persons on the basis that they were eligible children and there were no others, and subsequently it appears that any of those children were not eligible, or there was a further eligible child to whom no payment has been made, or that a child born after the member's death is an eligible child, the scheme manager has discretion to adjust the amount of pensions as required in view of the facts as they subsequently appear. The adjustments may be made retrospectively. (This does not affect the scheme manager's right to recover a payment or overpayment under any other provision where the scheme manager considers it appropriate to do so.) [Regulation 102(2) and (3)]

Statement of Policy

If children's pensions have been made to certain persons on the basis that they were eligible children and there were no others, and subsequently it appears that any of those children were not eligible, or there was a further eligible child to whom no payment has been made, or that a child born after the member's death is an eligible child the scheme manager will adjust the amount of pensions as required in view of the facts as they subsequently appear. These adjustments will be made retrospectively where required.

21. Adjustment of benefits to comply with FA2004 where members die over 75 (Regulation 104)

If a member dies after reaching age 75 and any part of a pension to which a person becomes entitled on the death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules), the scheme manager has discretion to adjust the benefit payable to the person so that it would qualify under that section of the Act. [Regulation 104(1)(a) and (2)]

Statement of Policy

If a member dies after reaching age 75 and any part of a pension to which a person becomes entitled on the death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules), the scheme manager will adjust the benefit payable to the person so that it would qualify under that section of the Act.

Contributions

22. Member contributions (Regulation 110)

Where there is a change in scheme employment or a material change which affects the member's pensionable pay in the course of a financial year and the revised amount falls into a different contribution rate band, the scheme manager must determine that this rate should be applied and inform the member of the new contribution rate and the date from which it is to be applied. [Regulation 110(5)]

When identifying the appropriate contribution rate, a reduction in pay in certain circumstances as listed in Regulation 110 are to be disregarded. In addition, the Scheme Manager can specify the circumstances in a particular case where a reduction in pensionable pay will be disregarded. [Regulation 110(7) (h)]

Statement of Policy

Where there is a change in scheme employment or a material change which affects the member's pensionable pay in the course of a financial year and the revised amount falls into a different contribution rate band, this rate will be applied from the first day of the pay period following the date on which the material change took effect. The member will be informed of the new contribution rate and the date from which it is to be applied within three months of the date when the new rate is first applied to their pay.

23. Contributions during absence from work due to illness, injury, trade dispute or authorised absence (Regulation 111)

Where an active member is absent from scheme employment because of illness or injury and not entitled to receive pensionable pay, or because of trade dispute or authorised unpaid absence, they may pay member contributions; if they do, the scheme employer may require that they should also pay employer contributions. [Regulation 111(2), (3) and (4)]

Statement of Policy

Where an active member is absent from scheme employment because of illness or injury and not entitled to receive pensionable pay, or because of trade dispute or authorised unpaid absence, they will be allowed to pay contributions. The contribution payable will be the total of both the member and employer contribution.

24. Deduction and payment of contributions (Regulation 114)

Member contributions due under Regulation 110 may be deducted by the scheme employer from each instalment of pensionable pay as it becomes due, unless another method of payment has been agreed between the scheme manager and the member. [Regulation 114(1)]

Contributions due in respect of absence from work on reserve forces service leave may be deducted from any payment made under Part 5 of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951. [Regulations 114(2)]

Contributions which the member is required to pay, or has elected to pay under Regulations 111 and 113 may be paid by a lump sum or by deduction from instalments of pensionable pay as agreed between the member and the scheme manager. [Regulation 114(3)]

Statement of Policy

Member contributions due under Regulation 110 will be deducted from each instalment of pensionable pay as it becomes due.

Contributions due in respect of absence from work on reserve forces service leave will be deducted from any payment made under Part 5 of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951.

Contributions which the member is required to pay, or has elected to pay under Regulations 111 and 113 may be paid by a lump sum or by deduction from instalments of pensionable pay as agreed between the member and Payroll and Pensions Manager on behalf of the scheme manager.

Transfers

25. Statement of entitlement (Regulation 135)

The scheme manager must specify in a statement of entitlement the "guarantee date" date by reference to which the cash equivalent or club transfer value is calculated; this date must fall within the three months beginning with the date of the member's application for the statement of entitlement and within ten days ending with the date on which the member is provided with the statement. The scheme manager has discretion, if it believes reasonable, to extend this date to within six months of the date of the member's application if, for reasons beyond the scheme manager's control, the information needed to calculate the transfer value cannot be obtained before the end of the three month period. [Regulation 135(4)]

Statement of Policy

The Scheme Manager will extend the "guarantee date" to within 6 months of the date of the members application if, for reasons beyond the scheme manager's control, the information needed to calculate the transfer value cannot be obtained before the end of the three month period.

26. Request for acceptance of a transfer payment (Regulation 141)

There is a time limit of one year from becoming an active member in which a person can request a transfer payment from a non-occupational pension scheme. The scheme manager has the discretion to extend this period. [Regulation 141(3)]

Statement of Policy

The Scheme Manager will not extend the time limit in which a person can request a transfer payment from a non-occupational pension scheme.

27. Transfer statement (Regulation 142)

The Scheme Manager can require an active member to ask the scheme manager of a previous non-club pension scheme to provide a statement of the amount of transferred pension that the member would be entitled to count provided that the transfer date falls within two months of the date of the statement.
[Regulation 142(2)]

Statement of Policy

The Scheme Manager will require an active member to ask the scheme manager of a previous non-club pension scheme to provide a statement of the amount of transferred pension that the member would be entitled to count where the transfer date falls within two months of the date of the statement

28. Club transfer value statement (Regulation 144)

The Scheme Manager can require an active member to ask the scheme manager of a previous club pension scheme to provide a statement of the amount of transferred pension that the member would be entitled to count provided that the transfer date falls within two months of the date of the statement. [Regulation 144(2)]

Statement of Policy

The scheme manager will require an active member to ask the scheme manager of a previous club pension scheme to provide a statement of the amount of transferred pension that the member would be entitled to count where the transfer date falls within two months of the date of the statement

Appeals and Determinations

29. Appeal concerning entries on the certificate (Regulation 148)

If a member is not satisfied with a certificate setting out the details in their pension account(s) as required under Regulation 146, they can require the Scheme Manager to deal with their disagreement under arrangements implemented by the Scheme Manager in accordance with the requirements of section 50 of the Pensions Act 1995 (resolution of disputes) and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. The Scheme Manager must have these arrangements in place. [Regulation 148(1)]

Statement of Policy

If a member is not satisfied with a certificate setting out the details in their pension account(s) as required under Regulation 146, the scheme manager will deal with their disagreement under arrangements implemented by the scheme manager in accordance with the requirements of Section 50 of the Pensions Act 1995 (resolution of disputes) and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

The process for dealing with such disagreements will be published via the Intranet.

30. Determination by the Scheme Manager (Regulation 151)

It is the Scheme Manager that must determine whether a person is entitled to an award or to retain an award.
[Regulation 151]

Statement of Policy

On a case by case basis the scheme manager will determine whether a person is entitled to an award or to retain an award. This determination will be made by the Deputy Chief Fire Officer.

31. Role of IQMP in determinations by the Scheme Manager (Regulation 152)

The Scheme Manager must select an Independent Qualified Medical Practitioner to provide a written opinion in respect of medical matters which may only be decided by having regard to such an opinion. [Regulation 152(1)]

If a person wilfully or negligently fails to submit to medical examination by the selected IQMP and the IQMP is unable to give an opinion on the basis of the medical evidence available, the Scheme Manager can make the determination based on such medical evidence as the Scheme Manager thinks fit, or without medical evidence. [Regulation 152(7)]

Statement of Policy

The Scheme Manager will select an Independent Qualified Medical Practitioner to provide a written opinion in respect of medical matters which may only be decided by having regard to such an opinion.

Where a person wilfully or negligently fails to submit to medical examination by the selected IQMP and the IQMP is unable to give an opinion on the basis of the medical evidence available, the scheme manager will make the determination based on such medical evidence as the scheme manager thinks fit, or without medical evidence. This discretion will be exercised by the Deputy Chief Fire Officer.

32. Review of medical opinion (Regulation 153)

Where a member requests a review of an IQMP's opinion in the light of new evidence received by the scheme manager within 28 days of the member having received the opinion, the Scheme Manager may agree to giving the IQMP the opportunity of reviewing the opinion. [Regulation 153(1)]

Upon receiving the IQMP's response the Scheme Manager must confirm or revise its original determination and advise the member accordingly. [Regulation 153(4) and (5)]

Statement of Policy

On a case by case basis, where a member requests a review of an IQMP's opinion in the light of new evidence received by the scheme manager within 28 days of the member having received the opinion, the scheme manager may agree to giving the IQMP the opportunity of reviewing the opinion.

Upon receiving the IQMP's response the Scheme Manager will confirm or revise its original determination and advise the member accordingly. The discretion will be exercised by the Deputy Chief Fire Officer.

33. Notice of appeal (Regulation 155)

If a member wishes to appeal against a determination made by the scheme manager and their grievance lies in the medical opinion upon which the determination was based, they can appeal to a board of medical referees. The appeal must be made within 28 days of the date on which the member receives the relevant documents under Regulation 154(4). If the appeal is not made within this time limit and the scheme manager is of the opinion that the person's failure to give notice within the required period was not due to the person's own default, the scheme manager has a discretion to extend the time limit for such period as the scheme manager considers appropriate, not exceeding six months from the date the Regulation 154(4) documents were supplied.
[Regulation 155(2)]

Statement of Policy

On a case by case basis the scheme manager will consider extending the time limit during which a member can appeal to a board of medical referees to a maximum of six months from the date the Regulation 154(4) documents were supplied.

34. Reference of appeal to the board (Regulation 156 – See also Regulation 161)

Where a member has given notice of appeal to a board of medical referees, before the board arranges a time and place for the interview and medical examination a member of the board will review the documents supplied to the board in accordance with Regulation 156.

If the board member is of the opinion that the board may regard the appeal as frivolous, vexatious or manifestly ill-founded the board member will notify the Secretary of State accordingly. This will be copied to the scheme manager who must, in turn, send a copy of it to the scheme member advising that if their appeal is unsuccessful, the member may be required to pay the scheme manager's costs and requesting notification from the member as to whether, in the circumstances, they wish to continue with, or withdraw, the appeal. [Regulation 156(8) to (12)]

Statement of Policy

If a member of a board of medical referees, who has reviewed appeal documents provided by the member, is of the opinion that the board may regard the appeal as frivolous, vexatious or manifestly ill-founded the board member will notify the Secretary of State accordingly. The Scheme Manager will send a copy of this notification to the scheme member advising that if their appeal is unsuccessful, they will be required to pay the Scheme Manager's costs and requesting notification from the member as to whether, in the circumstances, they wish to continue with, or withdraw, the appeal.

35. Procedure where appeal to be pursued (Regulation 157)

The Scheme Manager must decide which persons will attend the interview as its representatives. The Scheme Manager must also decide whether or not to submit written evidence or a written statement (and must decide a response to any written evidence or written statement from the appellant). [Regulation 157(6) to (9)]

Statement of Policy

On a case by case basis where an appeal is pursued the scheme manager will decide;

1. Which persons will attend the interview as its representatives.
2. Whether or not to submit written evidence or a written statement.
3. How to respond to any written evidence or written statement from the appellant.

This decision will be made by the Deputy Chief Fire Officer.

36. Expenses of each party (Regulation 161)

If the medical appeal board determines in favour of the scheme manager and states that in its opinion the appeal was frivolous, vexatious or manifestly ill-founded, the scheme manager can require the appellant to pay it such sum not exceeding the total amount of the fees and allowances payable to the board under Regulation 160(1) as the scheme manager considers appropriate. [Regulation 161(2)]

If the appellant withdraws the appeal requesting cancellation, postponement or adjournment of the date appointed for interview and/or medical examination less than 22 working days before the date appointed, the scheme manager can require the member to pay it such sum not exceeding the total amount of the fees and allowances payable to the board under Regulation 160(1) as the scheme manager considers appropriate. [Regulation 161(3)(a)]

If the appellant's acts or omissions cause the board to cancel, postpone or otherwise adjourn the date appointed or interview and/or medical examination less than 22 days before the date appointed, the scheme manager can require the member to pay it such sum not exceeding the total amount of the fees and allowances payable to the board under Regulation 160(1) as the scheme manager considers appropriate. [Regulation 161(3)(b)]

Statement of Policy

If the medical appeal board determines in favour of the scheme manager and states that in its opinion the appeal was frivolous, vexatious or manifestly ill-founded, the scheme manager will require the appellant to pay it a sum equal to the total amount of the fees and allowances payable to the board under Regulation 160(1).

37. Appeals on other issues (Regulation 163)

If a member disagrees with a scheme manager's determination of award under Regulation 151 and the disagreement does not involve an issue of a medical nature, the member can require the scheme manager to deal with the disagreement under requirements which the scheme manager must have in place in accordance with section 50 of the Pensions Act 1995 (requirement for dispute resolution arrangements) and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. [Regulation 163]

Statement of Policy

If a member disagrees with a scheme manager's determination of award under Regulation 151 and the disagreement does not involve an issue of a medical nature, the scheme manager will deal with their disagreement under arrangements implemented by the scheme manager in accordance with the requirements of section 50 of the Pensions Act 1995 (resolution of disputes) and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

The process for dealing with such disagreements will be published via the Intranet.

Payment of Pensions

38. Commutation of small pensions (Regulation 167)

If the pension entitlement of a member of the scheme, or the pension entitlement of a member's beneficiary, does not exceed the small pensions commutation maximum the scheme manager may pay the entitlement as a lump sum. This would, however, be subject to the consent of the recipient and must comply with the commutation provisions that apply in the circumstances. [Regulation 167(3)]

Statement of Policy

If the pension entitlement of a member of the scheme, or the pension entitlement of a member's beneficiary, does not exceed the small pensions commutation maximum the scheme manager will pay the entitlement as a lump sum, subject to the consent of the recipient and will comply with the commutation provisions that apply in the circumstances.

39. Payments for persons incapable of managing their affairs (Regulation 168)

If it appears to the scheme manager that a person other than an eligible child who is entitled to benefits under the scheme, is by reason of mental incapacity or otherwise, incapable of managing his or her affairs, the scheme manager may pay the benefits or any part of them to a person having the care of the person entitled, or such other person as the scheme manager may determine, to be applied for the benefit of the person entitled. If the scheme manager does not pay the benefits in this way, the scheme manager may apply them in such manner as it may determine for the benefit of the person entitled, or any beneficiaries of that person. [Regulation 168]

Statement of Policy

Where it appears to the scheme manager that a person other than an eligible child who is entitled to benefits under the scheme, is by reason of mental incapacity or otherwise, incapable of managing his or her affairs, the scheme manager will pay the benefits or any part of them to a person having the care of the person entitled, or such other person as the scheme manager may determine, to be applied for the benefit of the person entitled.

40. Payments due in respect of deceased persons (Regulation 169)

If, when a person dies, the total amount due to that person's personal representatives under the scheme (including anything due at the person's death) does not exceed the limit specified in the Administration of Estates (Small Payments) Act 1965, the scheme manager can pay the whole or part of the amount due to the personal representatives or any person or persons appearing to the scheme manager to be beneficially entitled to the estate, without requiring the production of grant of probate or letters of administration. [Regulation 169]

Statement of Policy

If, when a person dies, the total amount due to that person's personal representatives under the scheme (including anything due at the person's death) does not exceed the limit specified in the Administration of Estates (Small Payments) Act 1965, the scheme manager will pay the whole or part of the amount due to the personal representatives or any person or persons appearing to the scheme manager to be beneficially entitled to the estate, without requiring the production of grant of probate or letters of administration.

Forfeiture

41. Forfeiture: offences committed by members, surviving partners or eligible children (Regulation 171)

If a member, surviving partner or eligible child is convicted of a relevant offence, the scheme manager can withhold pensions payable under the scheme to a member, any person in respect of the member, a surviving partner or an eligible child, to such extent and for such duration as it considers appropriate. "Relevant offence" is defined in this Regulation.

The definition includes offences injurious to the State (including treason) or likely to lead to a serious loss of confidence in the public service. There are certain conditions set out in the Regulation, e.g. it is only the part of the pension that exceeds any guaranteed minimum pension that can be withheld. [Regulation 171(1), (2), (3) and (5).]

Where a pension is withheld, the scheme manager can at any time, and to such extent and for such duration as the manager thinks fit, apply the pension for the benefit of any dependant of the member or restore it to the member. [Regulation 171(4)]

Statement of Policy

If a member, surviving partner or eligible child is convicted of a relevant offence, the scheme manager will withhold pensions payable under the scheme to a member, any person in respect of the member, a surviving partner or an eligible child, to such extent and for such duration as it considers appropriate, subject to a maximum of the amount by which the pension exceeds any guaranteed minimum pension.

On a case by case basis where a pension is withheld, the scheme manager will consider at three monthly intervals, to any extent and for such duration as the manager thinks fit, applying the pension for the benefit of any dependant of the member or restoring it to the member.

42. Forfeiture of pensions: offences committed by other persons (Regulation 172)

If a surviving partner or eligible child is convicted of the murder of a scheme member from whose benefits their pension would be derived the scheme manager must withhold all of the survivor's or child's pension otherwise payable. However, if a surviving partner or eligible child is convicted of the manslaughter of the member or any other offence, apart from murder, of which the unlawful killing of the member is an element, the scheme manager has discretion as to whether or not to withhold the pension to which they would otherwise be entitled. The amount withheld must only be that part of the pension which exceeds any guaranteed minimum pension. If the conviction is subsequently quashed, the pension must be restored with effect from the day after the date on which the member died. If, after the conviction has been quashed, the person is again convicted of murder, manslaughter or an associated offence as outlined above, any restoration is cancelled. [Regulation 172(1) to (5)]

Statement of Policy

The discretion to withhold part of a pension under Regulation 172 (1) to (5) will be exercised on a case by case basis by the Deputy Chief Fire Officer.

43. Forfeiture of lump sum death benefit: offences committed by other persons (Regulation 173)

If a person is convicted of a relevant offence, i.e. the murder or manslaughter of the member, or any other offence of which the unlawful killing of the member is an element, the scheme manager must withhold all of any lump sum death benefit payable to that person.

If, however, the conviction is subsequently quashed on appeal, the scheme manager may, to such extent and for such duration as it thinks fit, restore to the person the amount of benefit withheld. If, after the conviction has been quashed, the person is again convicted of murder, manslaughter or an associated offence as outlined above, any restoration is cancelled. [Regulation 173]

Statement of Policy

The discretion to restore part of a pension withheld under Regulation 173 will be exercised on a case by case basis by the Deputy Chief Fire Officer.

44. Forfeiture: relevant monetary obligations and relevant monetary losses (Regulation 174)

If a member has a relevant monetary obligation or has caused a relevant monetary loss, the scheme manager may, to such extent and for such duration as it considers appropriate, withhold benefits payable to that person under the scheme. "Relevant monetary obligation" and "relevant monetary loss" are defined in the Regulation. There are certain limits, e.g. the amount withheld may only be that which exceeds the person's guaranteed minimum pension and the scheme manager may only withhold it if there is no dispute about the amount or, if there is, there is a court order or the award of an arbitrator.

The monetary obligation must have been incurred to the employer after the person became an active member and arising out of or connected with the scheme employment in respect of which the person became a member of the scheme, and arising out of the person's criminal, negligent or fraudulent act or omission. The procedure is set out in Regulation 176.
[Regulation 174]

Statement of Policy

The discretion to withhold part of a pension under Regulation 174 will be exercised on a case by case basis by the Deputy Chief Fire Officer.

45. Set-off (Regulation 175)

A scheme manager has a discretion to set off a "relevant monetary obligation" against a member's entitlement to benefits under the scheme, subject to certain conditions which are similar to those contained in Regulation 174 (Forfeiture). The procedure is set out in Regulation 176.] [Regulation 175]

Statement of Policy

The scheme manager will set off any "relevant monetary obligation" against a member's entitlement to benefits.

Payment and Deduction of Tax

46. Payment on behalf of members of lifetime allowance charge (Regulation 178)

At a scheme member's request, the scheme manager may pay on the member's behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act 2004. The scheme manager may only comply with the request if the member pays it the amount in question on or before the date on which the event occurs or the member authorises the deduction of the amount from a lump sum becoming payable to the member under the scheme at the same time as the event occurs.
[Regulation 178]

Statement of Policy

At a scheme member's request, the scheme manager will pay on the member's behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act 2004. The scheme manager will only comply with the request if the member pays it the amount in question on or before the date on which the event occurs or the member authorises the deduction of the amount from a lump sum becoming payable to the member under the scheme at the same time as the event occurs.

47. Evidence of Entitlement (Regulation 184)

The scheme manager can require any person who is in receipt of a pension or may have entitlement to a pension or lump sum under the scheme to provide such supporting evidence as the scheme manager may reasonably require so as to establish the person's identity and their continuing or future entitlement to the payment of any amount under the scheme. [Regulation 184(1) and (2)]

If a person fails to comply with the scheme manager's requirements in this respect, the scheme manager can withhold the whole or part of any amount that it otherwise considers to be payable under the scheme. [Regulation 184(3)]

Statement of Policy

The scheme manager will require any person who is in receipt of a pension or may have entitlement to a pension or lump sum under the scheme to provide appropriate evidence to establish the person's identity and their continuing or future entitlement to the payment of any amount under the scheme.

If a person fails to comply with the scheme manager's requirements in this respect, the scheme manager will withhold the whole or part of any amount that it otherwise considers to be payable under the scheme.

48. Amount of accrued added pension may not exceed overall limit of extra pension (Schedule 1, Part 1, Paragraph 4)

The total amount of accrued added pension must not exceed a certain limit. If it appears to the scheme manager that a member who has elected to make periodical contributions will exceed the limit the scheme manager may cancel the election (by written notice to the member). [Schedule 1 Part 1, Paragraph 4]

Statement of Policy

If it appears to the scheme manager that a member who has elected to make periodical contributions will exceed the limit prescribed in the regulations the scheme manager will, having provided written notice to the member, cancel the election.

49. Member's Election to make periodical contributions for added pension (Schedule 1, Part 1, Paragraph 7)

If a scheme member wishes to make periodical payments for added pension, the scheme manager can set a minimum amount which must be paid. [Schedule 1, Part 1, Paragraph 7(3)]

Statement of Policy

The scheme manager will not allow a member to make periodic payments for added pension of less than £10 per month.

50. Periodical payments (Schedule 1, Part 2, Paragraph 8)

If a scheme member wants to make periodical payments for added pension, but does not want them to be deducted from pensionable pay, the scheme manager may agree another method of payment. [Schedule 1 Part 2, Paragraph 8 (3)]

Statement of Policy

The scheme manager will not allow a member to make periodical payments for added pension except by deduction from pensionable pay.

51. Periodical payments during periods of assumed pensionable pay (Schedule 1, Part 2, Paragraph 10)

After a period of assumed pensionable pay or a period of reduced pay, the member may give written notice to the scheme manager authorising the employer to deduct the aggregate of payments – which would have been made but for the leave – from the member's pay during the period of six months from the end of the period of reduced pay. The scheme manager can extend this period of six months. [Schedule 1 Part 2, Paragraph 10(4)]

Statement of Policy

Where a member gives written notice authorising the deduction of aggregate payments from their pay the scheme manager will extend the period of repayment to a maximum of two years. This discretion will be exercised by the Payroll and Pensions Manager.

52. Meaning of "tapered protection closing date" (Schedule 2, Part 1, Paragraph 3)

The tapered protection closing dates for tapered protection members are given in the 1992 scheme tables in Schedule 2 Part 4. In most cases the appropriate closing date can be ascertained by reference to the band of dates in which the firefighter's birthday falls. The tapered protection date for a tapered protection member of FPS 2006 to whom paragraph 9(5) or 21 applies (members returning to pensionable service) is determined by the scheme manager. [Schedule 2 Part 1,

Paragraph 3(3); Schedule 2 Part 2, Paragraph 9(5); and Schedule 2 Part 3, Paragraph 21]

Statement of Policy

The tapered protection date for a tapered protection member of FPS 2006 to whom paragraph 9(5) or 21 applies (members returning to pensionable service) is determined by the scheme manager. This determination will be exercised by the Payroll and Pensions Manager.

Pay Policy Statement 2017/2018 - Remuneration and relationship between Chief Officer's and Lowest Paid Employees

Appendix 1D

Job	Remuneration (including allowances)	Base Salary Range (excluding allowances)		Pay Relationship to CFO
		Min	Max	

BRIGADE MANAGERS

Chief Fire Officer **	£162,600	N/A	N/A	Set by Appointments Committee
Deputy Chief Fire Officer **	£130,280	N/A	N/A	Set by Appointments Committee
Assistant Chief Fire Officer (Service Delivery) **	£122,200	N/A	N/A	Set by Appointments Committee

Lowest Paid Employees (Grey Book)

Firefighter (Control)	£27,601	£20,709	£27,601	0.17
-----------------------	---------	---------	---------	------

Lowest Paid Employees (Green Book)

Cleaner	£15,917*	£15,917*	£15,917*	0.09 PG to provide
---------	----------	----------	----------	--------------------

GREY BOOK EMPLOYEES (Operational)

Firefighter	N/A	£22,706	£29,054	0.13-0.17
Crew Manager	N/A	£30,880	£32,211	0.19-0.20
Watch Manager	N/A	£32,908	£36,021	0.20-0.22
Station Manager ***	£49,589	£37,467	£41,324	0.23-0.25
Group Manager ***	£57,402	£43,150	£47,835	0.26-0.29
Area Manager ***	£66,682	£50,658	£55,568	0.31-0.34

GREY BOOK EMPLOYEES (Fire Control)

Firefighter (Control)	£27,601	£20,709	£27,601	0.13-0.17
Crew Manager (Control)	N/A	£29,336	£30,600	0.19-0.19
Watch Manager (Control)	N/A	£31,263	£34,220	0.19-0.21
Station Manager (Control)***	£47,110	£35,594	£39,258	0.22-0.24
Group Manager (Control)***	£54,532	£40,993	£45,443	0.25-0.28

GREEN BOOK EMPLOYEES

Pay Point 103	N/A	£84,315	N/A	0.51
Pay Point 102	N/A	£84,315	N/A	0.51
Pay Point 101	N/A	£61,320	N/A	0.37
Pay Point 100	N/A	£57,677	N/A	0.35
Pay Band Manager 1 – SCP 51-59	N/A	£44,851	£53,873	0.27-0.33
Pay Band Manager 2 and Professional 1 - SCP 42-50	N/A	£36,571	£43,780	0.22-0.26
Pay Band Manager 3, Professional 2 and Technical 1 - SCP 33-41	N/A	£28,746	£35,662	0.17-0.21
Pay Band Professional 3, Technical 2 and Administrative 1 - SCP 24-32	N/A	£21,530	£27,924	0.13-0.17
Pay Band Technical 3 and Administrative 2 - SCP 15-23	N/A	£16,572	£20,849	0.10-0.12
Pay Band Administrative 3 and Operative 1 - SCP 8-14	N/A	£15,207	£16,231	0.09-0.10
Pay Band Administrative 4 and Operative 2 - SCP 5-7	N/A	£15,207	£15,207	0.09-0.09

NOTES:

*WMFS is committed to ensuring all employees are paid no less than the National Living Wage which on 2 November, 2015 increased to £8.25 per hour, equivalent to £15,917 per annum. Lowest paid employees salary was increased in November to the Living Wage and they will continue to benefit from this increase but will not be entitled to any increase applied to NJC rates unless this results in their existing spine point exceeding the National Living Wage.

***Salaries incorporates on-call/continuous cover*

**** Salaries inclusive of 20% Flexi Duty Allowance*

WEST MIDLANDS FIRE SERVICE AND RESCUE AUTHORITY

20 FEBRUARY 2017

1. **PROPOSED VEHICLE REPLACEMENT PROGRAMME
2017/18 to 2019/20**

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority note the proposed Brigade Vehicle Replacement Programme (VRP) for the financial years 2017/18 to 2019/20, the detail of which is set out in the main body of the report. Appendices 1, 2 and 3 identify the projected capital costs and the years in which the vehicles are estimated to be delivered.
- 1.2 THAT the Authority approve the funding for 2017/18.
- 1.3 THAT the Authority note that it is intended to procure a range of vehicles identified in the VRP using the Crown Commercial Services Purchase Framework Agreement RM859, Open EU tenders and other approved Consortia routes that represent value for money to the Authority.

2. **PURPOSE OF REPORT**

This report is submitted to seek the Authority's approval to proceed with the proposed VRP for the financial year 2017/18, in line with the above recommendations.

3. **BACKGROUND**

- 3.1 Officers based at Transport Engineering Workshops (TEW) using their professional skills and judgements have carried out a review of the ongoing VRP.
- 3.2 The following age profile and review periods were used to determine the type and number of vehicles in the fleet recommended during the financial period 2017/18:-

Vehicle	Replacement (Years)
Pump Rescue Ladders	13
Brigade Response Vehicle	10
Hydraulic Platform	15
Prime Movers	20
Demountable Units	20
Large Vans Mercedes/Transit/Iveco	9
Large Vans/Minibus	9
PCV/PMB/G vehicles	9
Cars/Vans	7
Hybrid (Petrol/Electric) cars	7
Bobcat	15
General Purpose Lorry	15

Vehicle	Review Period (Years)
Coach	12
Driver Training Lorry	15
Trailers/Fuel Bowser	15
Command Support Vehicles	12
Motorbike	Review

3.3 Operational Fire Appliances (PRLs/BRVs)

In relation to operational fire appliances, the service currently has an operational fleet of 81 appliances as follows:

- 41 Pump Rescue Ladders (PRLs) vehicles - frontline
- 8 PRL reserve
- 10 PRL training
- 19 Brigade Response Vehicles (BRVs) - frontline
- 3 BRV reserve.

As stated at paragraph 3.2 above, PRLs have a replacement life of 13 years (10 years' frontline, 3 years' reserve fleet) and BRVs currently have a replacement life of 10 years.

- 3.4 In line with the above replacement profile for appliances, there will be a requirement to replace 5 PRLs in 2017/18, 5 PRLs in 2018/19 and 5 PRLs in 2019/20. It is not anticipated that any BRVs will need to be replaced during this period.
- 3.5 Due to the expanding range of services delivered by West Midlands Fire Service, for example responding to slips, trips and falls; telecare services etc. Consideration will be given over the next 12 months to the type and range of vehicles required to most effectively meet these demands. Any proposed changes to the vehicle fleet will be reflected within future VRP reports.

3.6 Aerial Appliances

Currently the aerial appliance fleet stands at a total of 5, 4 frontline and 1 reserve. Following the purchase in 2015/16 of a fifth Bronto aerial appliance, a fleet review was undertaken which proposed that the aerial appliance fleet should be reduced from 4 frontline and 2 reserves to 4 frontline and 1 reserve. This proposal was reported to the Fire Authority at the meeting held on 15th February 2016. As a result, no aerial appliances will need replacing during this period.

3.7 Ancillary Vehicles

The ancillary fleet of vehicles currently stands at 116 vehicles (cars/vans/motorbike 99, Hydraulic Platforms 5, Prime Movers 6, Bobcat 1, Coach 1, Recovery Vehicle 1, Lorry 2, Detection Identification Monitoring vehicle 1) and 21 specialised trailers.

- 3.8 Following a full review of the ancillary vehicles during 2016/17, Appendices 1, 2 and 3 show the vehicles that fall due for replacement within the 3 year VRP. A study is being undertaken regarding Station vans which has resulted in the extension of the use of 12 Station vans, due for replacement in 2016/17, being replaced in 2017/18. As part of this ongoing study, the feasibility of sharing Station vans between more than one location will be undertaken during 2017/18 to determine the future number of Station van requirements.

- 3.9 The option of leasing vehicles has and will continue to be explored. When compared with the current method of procuring vehicles via the current framework agreement the whole life costs of leasing are found to be more expensive.

4. **EQUALITY IMPACT ASSESSMENT**

- 4.1 An initial Equality Impact Assessment has been carried out and a Full Impact Assessment is not required and has not been carried out.
- 4.2 The matters contained in this report do not relate to a policy change.
- 4.3 The tender and evaluation process will encompass equality and diversity issues in relation to requirements of the companies invited to tender.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

- 6.1 The estimated cost of the proposed VRP is as follows:

	£'000
2017/18	1,986
2018/19	2,370
2019/20	2,001

- 6.2 Funding provision would be required in the three year capital programme to meet this expenditure as part of the Authority's budget setting process.

BACKGROUND PAPERS

VRP Review 2017/18/19/20 Documentation – TEW files

The contact name for this report is Phil Hales, Deputy Chief Fire Officer, 0121 380 6907

P LOACH
CHIEF FIRE OFFICER

Ref. AU/2017/Feb/12401175

APPENDIX 1

<u>2017/18</u>		<u>Estimated Replacement Value</u>
		£'000
PRLs	5 x £250,000	1,250
MPV 141	Business Support Vehicle	40
Car 147	Pool Car	23
Car 148	Pool Car	23
GPL 236	Driver Training/General Purpose Lorry	110
PMB/G 240	West Bromwich	40
PMB/G 241	Bournbrook	40
PMB/G 242	Canley	40
PMB/G 243	Sheldon	40
PMB/G 244	Driver Training	40
PMB/G 245	UKFSSART	40
PMB/G 246	Road Casualty Reduction Team	40
Van 167	Command Development Centre	40
Van 255	Operations Training	40
Van 172	Billesley	15
Van 173	Coventry	15
Van 175	Kings Norton	15
Van 176	Binley	15
Van 179	Oldbury	15
Van 180	Equipment Maintenance Services	15
Van 181	Wednesbury	15
Van 186	Bloxwich	15
Van 193	Solihull	15
Van 196	Tipton	15
Van 197	Ward End	15
Van 198	Woodgate Valley	15
Estimated total		1,986

APPENDIX 2

<u>2018/19</u>		<u>Estimated Replacement Value</u>
		£'000
PRLs	5 x £258,000	1,290
CSV 106	Command Support Vehicle	500
CSV 108	ISAR	55
D-FD361	Foam distribution Unit	70
D-FD363	Foam distribution Unit	70
LF329	Demountable Lounge Fire Unit	50
MRV 281	Workshops Service Van	55
PMB 250	Youth Services	55
PMB 251	Youth Services	55
TLR 343Z	Perry Barr Boat Trailer	5
TLR 346Z	Command Development Centre	5
TLR 347Z	Bickenhill Technical Rescue	5
VAN 350	Hydrant Technician	55
Van 162	Warehouse and Distribution	40
TLR 356	Community Safety	20
TRL 357	Community Safety	20
TRL 358	Community Safety	20
Estimated Total		2,370

APPENDIX 3

2019/20

Estimated Replacement Value

		£'000
PRLs	5 x £266,000	1,330
Car 135	Emergency Response	25
Car 136	Driver Training	25
D-WSU343	Water Support Unit	50
MPV 284	TEW Stores	30
MRV283	TEW Service Van	50
DSV 259	DIM	80
PMB/G 257	Technical Rescue	80
PMB/G 258	Technical Rescue	80
TRL230	Road Show trailer	40
TRL 270	Water Rescue Instructors	6
Van 158	Facilities Management	35
BSV143	Emergency Response Brigade Response Vehicle	30
Car 132	Pool Car	25
Car133	Pool Car	25
MPV207	Fire Research Investigation	30
Van 266	Comms ICT	30
Van 267	Comms ICT	30
Estimated Total		2,001

20 FEBRUARY 2017

1. **ARRANGEMENTS FOR THE APPOINTMENT OF
EXTERNAL AUDITORS**

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the Authority approve the option to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State for the procurement of External Auditors.

2. **PURPOSE OF REPORT**

- 2.1 This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.
- 2.2 The Authority needs to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017.
- 2.3 The Authority is requested to consider the preferred approach from the following options:
 - (1) supporting the Local Government Association (LGA) in setting up a national SLB by indicating intention to "opt-in"
 - (2) establishing a stand-alone Auditor Panel to make the appointment on behalf of the Authority.
 - (3) commencing work on exploring the establishment of local joint procurement arrangements with neighbouring authorities

3. **BACKGROUND**

- 3.1 The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
- 3.2 In July 2016, the Secretary of State for Communities and Local Government specified Public Sector Audit Appointments Limited (PSAA) as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. For audits of the accounts from 2018/19, PSAA will be able to appoint an auditor to relevant principal authorities that choose to opt into its national collective scheme. Appointments for 2018/19 must be made by 31 December 2017. Further information regarding PSAA is attached as an Appendix.
- 3.3 The Authority's current external auditor is Grant Thornton, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by PSAA, the transitional body set up by the LGA with delegated authority from the Secretary of State CLG. Over recent years the Authority has benefited from reductions in external audit fees. This has been as a result of a combination of factors including new contracts negotiated nationally with the firms of accountants and savings from closure of the Audit Commission. The Authority's current external audit fee for 2016/17 is £38,636.
- 3.3 When the current transitional arrangements come to an end on 31 March 2018 the Authority will be able to move to the local appointment of the auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities. Current fees are based on discounted rates offered by the firms in return for substantial market share.

When the contracts were last negotiated nationally by the Audit Commission they covered NHS and local government bodies and offered maximum economies of scale.

- 3.4 The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Authority's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Authority. The registration process has not yet commenced and so the number of firms is not known but it is reasonable to expect that the list of eligible firms may include the top 10 or 12 firms in the country, including our current auditor. It is unlikely that small local independent firms will meet the eligibility criteria.
- 3.5 This matter was considered by the Audit Committee at the meeting held on 14th November 2016. Members of the Audit Committee considered the options available and elected to recommend to the Authority supporting the LGA in setting up a national SLB by indicating the intention to "opt-in".

4. **OPTIONS FOR LOCAL APPOINTMENT OF EXTERNAL AUDITORS**

- 4.1 There are three broad options open to the Authority under the Local Audit and Accountability Act 2014 (the Act):

Option 1 Opt-in to a sector led body

- 4.4 In response to the consultation on the new arrangement the LGA successfully lobbied for Authorities to be able to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State under the Act. An SLB would have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

Advantages/benefits

- 4.4.1 The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities.
- 4.4.2 By offering large contract values the firms would be able to offer better rates and lower fees than are likely to result from local negotiation.
- 4.4.3 Any conflicts at individual authorities would be managed by the SLB who would have a number of contracted firms to call upon.
- 4.4.4 The appointment process would not be ceded to locally appointed independent members. Instead a separate body set up to act in the collective interests of the 'opt-in' authorities. The LGA are considering setting up such a body utilising the knowledge and experience acquired through the setting up of the transitional arrangements.

Disadvantages/risks

- 4.4.5 Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.
- 4.4.6 In order for the SLB to be viable and to be placed in the strongest possible negotiating position the SLB will need Authorities to indicate their intention to opt-in before final contract prices are known.

Option 2 To make a stand-alone appointment

- 4.2 In order to make a stand-alone appointment the Authority will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Authority's external audit. A new independent auditor panel established by the Authority will be responsible for selecting the auditor.

Advantages/benefit

- 4.2.1 Setting up an auditor panel allows the Authority to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- 4.2.2 Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances
- 4.2.3 The Authority will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.
- 4.2.4 The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.

Option 3 Set up a Joint Auditor Panel/local joint procurement arrangements

- 4.3 The Act enables the Authority to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Authority under the Act and the Authority need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- 4.3.1 The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- 4.3.2 There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

4.3.3 The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possible only one elected member representing each Authority, depending on the constitution agreed with the other bodies involved.

4.3.4 The choice of auditor could be complicated where individual Authorities have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Authority. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Authority then the Authority may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

5. THE WAY FORWARD

- 5.1 The Authority has until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017.
- 5.2 The LGA are working on developing a Sector Led Body. The Chairman of the PSAA recently indicated that approximately 50% of the 493 eligible bodies had registered to 'opt-in' and the expectation is that this figure would rise to above 80% by the cut-off date. Greatest economies of scale will come from the maximum number of Authorities acting collectively and opting-in to a SLB. In order to strengthen the LGA's negotiating position and enable it to more accurately evaluate the offering the Authority is asked to consider whether it is interested in the option of opting in to a SLB. A formal decision to opt-in is required by 9th March 2017.

6. EQUALITY IMPACT ASSESSMENT

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 do not relate to a policy change.

7. LEGAL IMPLICATIONS

- 7.1 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements;
- 7.2 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 7.3 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

8. FINANCIAL IMPLICATIONS

- 8.1 Current external fee levels could potentially increase when the existing contracts end in 2018.
- 8.2 Opting-in to a national SLB provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove any costs associated with a joint or local Audit Panel.

BACKGROUND PAPERS

Audit Committee report 14th November 2016

The contact name for this report is Philip Hales, Deputy Chief Fire Officer, telephone number 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER


MIKE GRIFFITHS
TREASURER



Developing the option of a national scheme for local auditor appointments

www.psaa.co.uk


Public Sector
Audit Appointments



“The LGA has worked hard to secure the option for local government to appoint auditors through a dedicated sector-led national procurement body. I am sure that this will deliver significant financial benefits to those who opt in.”

– Lord Porter CBE, Chairman,
Local Government Association

Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They may make the appointment themselves, or in conjunction with other bodies. Or they can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. It has been designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views.

The Local Government Association (LGA) is strongly supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

We hope you will be interested in the national scheme and its development. We would be happy to engage with you to hear your views – please contact us at **generalenquiries@psaa.co.uk**

You will also find some questions at the end of this booklet which cover areas in which we would particularly welcome your feedback.

Audit does matter

High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

Imminent changes to the arrangements for appointing the auditors of local public bodies are therefore very important. Following the abolition of the Audit Commission, local bodies will soon begin to make their own decisions about how and by whom their auditors are appointed. A list of the local government bodies affected can be found at the end of this booklet.

The Local Government Association (LGA) has played a leadership role in anticipating these changes and influencing the range of options available to local bodies. In particular, it has lobbied to ensure that, irrespective of size, scale, responsibilities or location, principal local government bodies can, if they wish, subscribe to a specially authorised national scheme which will take full responsibility for local auditor appointments which offer a high quality professional service and value for money.


The LGA supported PSAA's successful application to the Department for Communities & Local Government (DCLG) to be appointed to deliver and manage this scheme.

PSAA is well placed to award and manage audit contracts, and appoint local auditors under a national scheme

PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA. It already carries out a number of functions in relation to auditor appointments under powers delegated by the Secretary of State for Communities & Local Government. However, those powers are time-limited and will cease when current contracts with audit firms expire with the completion of the 2017/18 audits for local government bodies, and the completion of the 2016/17 audits for NHS bodies and smaller bodies.

The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.

PSAA has been selected to be the trusted operator of the national scheme, formally specified to undertake this important role by the Secretary of State. The company is staffed by a team with significant experience in appointing auditors, managing contracts with audit firms and setting and determining audit fees. We intend to put in place an advisory group, drawn from the sector, to give us ready access to your views on the design and operation of the scheme. We are confident that we can create a scheme which delivers quality-assured audit services to every participating local body at a price which represents outstanding value for money.



“Many district councils will be very aware of the resource implications of making their own appointment. Joining a well-designed national scheme has significant attractions.”

– Norma Atlay, President,
Society of District Council Treasurers

“Police bodies have expressed very strong interest in a national scheme led by PSAA. Appointing the same auditor to both the PCC and the Chief Constable in any area must be the best way to maximise efficiency.”

– Sean Nolan, President,
Police and Crime Commissioners
Treasurers’ Society (PACCTS)

The national scheme can work for you

We believe that the national scheme can be an excellent option for all local bodies. Early indications are that many bodies agree - in a recent LGA survey more than 200 have expressed an interest in joining the scheme.

We plan to run the scheme in a way that will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. The scheme will take away those headaches and, assuming a high level of participation, be able to attract the best audit suppliers and command highly competitive prices.

The scope of public audit is wider than for private sector organisations. For example, it involves forming a conclusion on the body's arrangements for securing value for money, dealing with electors' enquiries and objections, and in some circumstances issuing public interest reports. PSAA will ensure that the auditors which it appoints are the most competent to carry out these functions.

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plans to take great care to ensure that every auditor appointment passes this test. It will also monitor any significant proposals, above an agreed threshold, for auditors to carry out consultancy or other non-audit work to ensure that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration/joint working initiatives or within combined authority areas, if the parties consider that a common auditor will enhance efficiency and value for money.

PSAA will ensure high quality audits

We will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.

PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the National Audit Office (NAO) to help ensure that guidance to auditors is updated when necessary.

We will include obligations in relation to maintaining and continuously improving quality in our contract terms and quality criteria in our tender evaluation method.

PSAA will secure highly competitive prices

A top priority must be to seek to obtain the best possible prices for local audit services. PSAA's objective will be to make independent auditor appointments at the most competitive aggregate rate achievable.

Our current thinking is that the best prices will be obtained by letting three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. The value of each contract will depend on the prices bid, with the firms offering the best prices being awarded larger amounts of work. By having contracts with a number of firms we will be able to ensure independence and avoid dominance of the market by one or two firms.

Correspondingly, at this stage our thinking is to invite bodies to opt into the scheme for an initial term of three to five years.

The procurement strategy will need to prioritise the importance of demonstrably independent appointments, in terms of both the audit firm appointed to each audited body and the procurement and appointment processes used. This will require specific safeguards in the design of the procurement and appointment arrangements.

“Early audit planning is a vital element of a timely audit. We need the auditors to be available and ready to go right away at the critical points in the final accounts process.”

– Steven Mair, City Treasurer,
Westminster City Council

“In forming a view on VFM arrangements it is essential that auditors have an awareness of the significant challenges and changes which the service is grappling with.”

– Charles Kerr, Chair,
Fire Finance Network

PSAA will establish a fair scale of fees

Audit fees must ultimately be met by individual audited bodies. PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising PSAA's own costs. The changes to our role and functions will enable us to run the new scheme with a smaller team of staff. PSAA is a not-for-profit company and any surplus funds will be returned to scheme members.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. Pooling means that everyone within the scheme will benefit from the most competitive prices. Current scale fees are set on this basis. Responses from audited bodies to recent fee consultations have been positive.

PSAA will continue to consult bodies in connection with any proposals to establish or vary the scale of fees. However, we will not be able to consult on our proposed scale of fees until the initial major procurement has been completed and contracts with audit firms have been let. Fees will also reflect the number of scheme participants - the greater the level of participation, the better the value represented by our scale of fees. We will be looking for principal bodies to give firm commitments to join the scheme during Autumn 2016.

The scheme offers multiple benefits for participating bodies

We believe that PSAA can deliver a national scheme which offers multiple benefits to the bodies which take up the opportunity to collaborate across the sector by opting into scheme membership.

Benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, if the parties believe that it will enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement as opposed to a multiplicity of small procurements
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- avoiding the necessity for individual bodies to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

We understand the balance required between ensuring independence and being responsive, and will continually engage with stakeholders to ensure we achieve it.

How can you help?

We are keen to receive feedback from local bodies concerning our plans for the future. Please let us have your views and let us know if a national scheme operated by PSAA would be right for your organisation.

In particular we would welcome your views on the following questions:

1. Is PSAA right to place emphasis on both quality and price as the essential pre-requisites for successful auditor appointments?
2. Is three to five years an appropriate term for initial contracts and for bodies to sign up to scheme membership?
3. Are PSAA's plans for a scale of fees which pools scheme costs and reflects size, complexity and audit risk appropriate? Are there any alternative approaches which would be likely to command the support of the sector?
4. Are the benefits of joining the national scheme, as outlined here, sufficiently attractive? Which specific benefits are most valuable to local bodies? Are there others you would like included?
5. What are the key issues which will influence your decisions about scheme membership?
6. What is the best way of us continuing our engagement with you on these issues?

Please reply to: generalenquiries@psaa.co.uk

The following bodies will be eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils in England
- district councils
- London borough councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area in England
- chief constables for an area in England
- national park authorities for a national park in England
- conservation boards
- fire and rescue authorities in England
- waste authorities
- the Greater London Authority and its functional bodies.

BOARD MEMBERS

Steve Freer (Chairman), former Chief Executive CIPFA

Caroline Gardner, Auditor General Scotland

Clive Grace, former Deputy Auditor General Wales

Stephen Sellers, Solicitor, Gowling WLG (UK) LLP

CHIEF OFFICER

Jon Hayes, former Audit Commission Associate Controller

“Maintaining audit quality is critically important. We need experienced audit teams who really understand our issues.”

– Andrew Burns, Director of
Finance and Resources,
Staffordshire County Council

PSAA Ltd
3rd Floor, Local Government House
Smith Square
London SW1P 3HZ

www.psaa.co.uk

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

20 FEBRUARY 2017

1. **OUTCOMES OF THE FUTURE GOVERNANCE WORKING GROUP**

Report of the Future Governance Working Group and Independent Chair (Price Waterhouse Coopers)

RECOMMENDED

THAT the Authority notes the conclusions of the Future Governance Working Group (the working group).

THAT the Authority considers these conclusions in discussions and decisions around the future governance of West Midlands Fire Service (the Service) and presently in the consideration of the Route to Mayor Authority paper, 20 February 2017.

2. **PURPOSE OF REPORT**

This report is submitted to inform members of the outcomes and conclusions of the working group. The report of the working group is set out in Appendix 1. This report also provides an understanding of the approach and considerations of the working group which is important to support members' understanding, as the Authority begins to consider the future governance of the Service.

3. **BACKGROUND**

- 3.1 Since 2010 the fire sector has undergone a significant period of challenge and change with the Comprehensive Spending Review currently extending to 2020, the Ken Knight and Adrian Thomas reviews and the fire sector moving from the Department of Communities and Local Government to the Home Office. These challenges have enabled significant transformation across the Service, which has impacted upon both our staff and communities in the delivery of more efficient, effective and innovative services.

- 3.2 The Policing and Crime Act 2017 (the Act) places a clear expectation on the blue light emergency services (Police, Ambulance and Fire) to collaborate further where efficiency and effectiveness can be achieved. The Act also enables the governance of a Fire Service to transfer from a Fire Authority to a Police and Crime Commissioner, or an elected Mayor where there is local agreement.
- 3.3 The Authority recognised amongst all this change the need for further reform and in June 2016 members approved the commissioning of a Future Governance Working Group (the working group). This provided a signal of intent to review the governance arrangements of West Midlands Fire Service.
- 3.4 The purpose of the working group was to consider how the future governance of the Service can support the delivery of services to local communities, with increased scrutiny, transparency and accountability of decisions; in a value for money way.
- 3.5 The working group consisted of a number of key stakeholders from across the public sector and over a course of 6 meetings spanning from July 2016 to January 2017 sought to understand:
- The strategic direction of the Service.
 - The context and direction of public service priorities across the West Midlands.
 - The intent of the pending Policing and Crime legislation in developing collaborations across the blue light emergency services as well as changes in the way Fire and Rescue Services are governed in the future.
 - What collaboration currently looks like for the service locally and blue light emergency services nationally.
 - What the possibilities are for collaboration across West Midlands public services for the future, and
 - how each of the agreed governance options could enable delivery of more collaborative services to the communities of the West Midlands.
- 3.6 The outcome of the working group was to provide an evidence based options appraisal for the future governance of WMFS,

providing the best approach to governance, which supports the delivery of services across the West Midlands.

- 3.7 The full report of the working group and its conclusions are set out in 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 do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The working group was not a decision making group and is not a legal requirement as part of the Fire and Rescue Services National Framework for England and there are no legal implications as a result of its conclusions.

6. **FINANCIAL IMPLICATIONS**

Given the strategic significance covered by the Future Governance Working Group Terms of Reference, the appointment of an independent Chair was considered essential to provide an appropriate level of challenge and scrutiny to the work undertaken by the Working Group and the validity of the subsequent outcomes. The external cost of providing this was approximately £25k, which has been funded from within the Authority's overall 2016/2017 budget.

BACKGROUND PAPERS

The Future Governance Working Group Terms of Reference
The Policing and Crime Act 2017
The Future Governance of West Midlands Fire and Rescue Authority
Report, 27 June 2016

The contact name for this report is the Karen Gowreesunker, telephone number 0121 380 6678

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

SATINDER SAHOTA
MONITORING OFFICER

Item 13

**Considering the future governance of
West Midlands Fire Service
Outcomes Report of the Future Governance
Working Group**

Independent Chairman: Richard Bacon
(PricewaterhouseCoopers)

CONTENTS

Introduction from the Independent Chairman	3
Executive Summary	5
Chapter 1 – The Possibility for Change	10
Chapter 2 – Collaboration	14
Chapter 3 – An Options Appraisal	22
Chapter 4 – Conclusions	29
Appendix A	
Future Governance Working Group, Terms of Reference	30
Appendix B	
Legislative and Governance Considerations	39
Appendix C	
Future Governance Working Group – Governance Options Appraisal	59

INTRODUCTION FROM THE INDEPENDENT CHAIRMAN

The Fire Service in the West Midlands has changed over the last decade to an extent rarely appreciated. Blue light calls have nearly halved as the management of fire risk has become increasingly sophisticated. Having to put out a fire is seen as a failure in risk management, and the range of prevention measures, far beyond installing free smoke alarms, is helping to improve the quality of life of many vulnerable people.

Sir Ken Knight's 2013 review of the effectiveness and operations in Fire and Rescue Authorities in England, *'Facing the Future'*, highlighted that merging fire and rescue services with one or more of the other blue light services and/or sharing governance structures could result in considerable gains, particular where spending is higher than average.

Theresa May in one of her last speeches as Home Secretary explained how she wanted to encourage collaboration between blue light services to maximise value for taxpayers. The Policing and Crime Bill (the Bill), now the Policing and Crime Act 2017 (the Act) following Royal Assent on 31 January 2017, enables Police and a Crime Commissioners (PCCs) to make a case for local Fire and Rescue Services to come under their control. At the time of writing, several business cases are being prepared by PCCs elsewhere in the country to take responsibility for their local Fire and Rescue Service.

The West Midlands has a Combined Authority of the seven Metropolitan Borough Councils, several Local Enterprise Partnerships, the Transport Authority, and many non-constituent members. A Mayor for the West Midlands is to be elected in May, with new convening and tax-raising powers.

The West Midlands Fire and Rescue Authority (WMFRA), responsible for West Midlands Fire and Rescue Service (the Service), established a working group in July 2016 to develop an options appraisal, to consider its future governance options, with membership from across the public sector and one private sector representative.

What has been most striking about our work is how public services in the West Midlands are already focused together on those in our communities who are vulnerable, to fire, ill-health and crime. Equally striking is how members of the working group were committed to discussing further collaboration and how it might be brought about. If this enthusiasm can be sustained and harnessed, meaningful further change can be realised.

As was stressed repeatedly in our deliberations, the Act enables, rather than enforces, new governance structures, to support better collaboration. Collaboration for better outcomes comes first, with a governance structure to support it rather than as an end in its own right. We focussed on how new and existing and collaboration could be initiated and nurtured.

A firefighter's time in the West Midlands is managed so that when not responding to calls or fire-related duties, fire risk is addressed, whether in providing advice to business, or visiting some of the vulnerable people who are offered comprehensive

Safe and Well checks every year. From April 2016 to December 2016 approximately 19,122 Safe and Well checks were undertaken across the West Midlands. There is some capacity here, and new uses are found for this time, such as responding to trips and falls in Wolverhampton.

Although there is evidence of cooperation and collaboration across the board, there seems more can be done in partnership with health and social care, working with Local Government and the NHS, than with others. For this reason, the Fire Authority expressed a preference for the Service to become part of the Combined Authority in due course.

As in any options appraisal, the advantages (collaboration outcomes, lower cost) must outweigh the disadvantages (risk associated with change, and its cost). Our appraisal did not identify a “stand out” option, but a number of important themes which the Authority needs to consider further.

Our role as a working group was not to prepare a business case, but to consider the options and make recommendations to the Fire Authority. A range of information was presented to us about existing collaboration and how it might be extended. Considering the governance options comparatively is challenging, because of their very differing structures, relative maturity, and the lack of existing academic consideration of them. The report carefully explains how we reached our conclusions and points to the necessary further work which will be required to make decisions.

I have been very impressed with the dedication and genuine passion that the Service has for its role in working with vulnerable people in the West Midlands. I am also very grateful to the representatives of the working group who demonstrated their commitment to better public services, and gave their time and expertise in debating the way forward. The group had no authority, therefore this report does not represent the views of any one individual or organisation.

Better collaboration can of course bring lower costs in the back office, but more fundamentally targeting vulnerability in the population can bring real long term improvement in lives, and again lower cost overall. This is surely where the West Midlands public sector, including the Fire Service, needs to redouble its efforts.

EXECUTIVE SUMMARY

In its consultation response to the Bill, WMFRA signalled that, in the event of future governance changes, its preference would be towards a mayoral arrangement, having taken the view that it provided the best vehicle for the delivery of its strategic objectives and ultimately services to local communities. WMFRA recognised the need to appraise all relevant options in an equitable way, as a potential starting point for local agreement on the way forward, and established a Future Governance Working Group (working group), including relevant stakeholders, independently chaired, to begin this appraisal.

The Act seeks to enable better collaboration between organisations, where this improves efficiency and effectiveness. Governance is one way in which this can be achieved, but it was important for the working group to understand the way in which such a change would enable further collaboration. Using an evidence base, the approach of the working group has been to consider current and future opportunities for collaboration, which provides a base of understanding around how services can be delivered better for the future. The working group then sought to understand how the governance options might enable these.

The agreed governance options were:

- A Reformed Fire Authority (RFA)
- West Midlands Combined Authority and elected Mayor (WMCA and Mayor)
- Police and Crime Commissioner **3 models**:
 1. Shared Governance and Employers Model
 2. Shared Governance and Single Employer Model
 3. A Representative Model:
- Combination of Fire and Rescue Authorities (within the West Midlands region)

The defined **purpose** of the working group was:

To consider how the future governance of WMFS can support the delivery of services to local communities, with increased scrutiny, transparency and accountability of decisions; in a value for money way.

The agreed **outcome** of the working group was:

An evidence based options appraisal for the future governance of WMFS, providing the best approach to governance, which supports the delivery of services across the West Midlands.

The working group has drawn together a number of key stakeholders from across both the public and private sector. Stakeholder organisations were:

- Office of the Police and Crime Commissioner
- NHS England
- Ambulance Service – Board of Governors
- Home Office
- WMFRA

- Birmingham Chambers of Commerce
- Home Office
- WMCA
- Solihull Local Authority
- Coventry and Rugby CCG

The Terms of Reference of the working group are set out in Appendix A and set out guiding principles, timeline and approach, key areas for challenge and roles and responsibilities of the working group.

Over the past six months the working group has considered a wealth of information which has enabled it to understand:

- The strategic direction of the Service
- The context and direction of public service priorities across the West Midlands
- The intent of the Policing and Crime legislation in developing collaboration across the blue light emergency services, as well as changes in the way Fire and Rescue Services are governed in the future.
- What collaboration currently looks like for the Service locally and blue light emergency services nationally
- What the possibilities are for collaboration across West Midlands public services for the future, and
- how each of the agreed governance options could enable delivery of more collaborative services to the communities of the West Midlands

Chapter 1 of this report provides the legislative context applicable to the work of the working group, as well as identifying established and emerging changes both locally and nationally, which are relevant to understand how public services are changing and adapting across the UK.

An overview of the underpinning legislation and regulatory frameworks such as the Fire and Rescue Services Act 2004 and the Fire and Rescue National Framework for England 2012, set out the roles and responsibilities of the Fire and Rescue Service in England. The provision of prevention, protection and response, supported through the National Framework guides the implementation of these services and specifically requires all Fire and Rescue Services across England to produce an Integrated Risk Management Plan (IRMP). It was clear throughout the working group that whatever change takes place through collaboration and/or governance, these regulatory frameworks will remain.

The political context of government is setting an expectation of change in governance for Fire and Rescue Services, where this takes place, towards single accountability. This is a move that has already been made with the Police in 2011 changing its governing body nationally, from a Police Authority to a PCC.

The first step in this change for Fire and Rescue Services is enabled through the Act, which as highlighted earlier makes provisions for Fire and Rescue Services to be governed by a PCC or Mayor, where there is local agreement. Although a mayoral route is currently possible through the Cities and Devolution Act 2016.

Changes in the governance and operation of Fire and Rescue Services can be seen across the UK and Scotland, with the most relevant examples for the West Midlands being in Manchester and London. The functions of the Greater Manchester Fire and Rescue Authority will transfer to the Greater Manchester Combined Authority, once a Mayor is elected in May 2017. The Greater Manchester Mayor will also assume responsibility for the Police Service. In London the London Emergency Planning Fire Authority will be abolished and the Mayor will take responsibility for the fire and rescue service. London will also see the establishment of a London Fire Commissioner as a corporation sole, who will be responsible for the day-to-day management of the London fire service. The Mayor for London is currently responsible for policing performance across London.

In the West Midlands the Service is expecting the second Devolution deal (Devo 2) to be a possible vehicle for a similar transition in governance, as can be seen in Manchester and London.

Chapter 2 seeks to bring the 'duty to collaborate' alive as the working group looked at the extent of collaboration currently taking place both locally and nationally. The future delivery of more collaborative services and how this could be initiated and nurtured was a focus for discussion, to understand how meaningful future change could provide better community outcome.

Locally the Service collaborates with a number of key partners and has sought to deliver through this better, targeted value for money services to local communities across the West Midlands. As important was the consideration of the potential for future collaboration across not only with blue light emergency services, but also wider across health and social care services working with local government and NHS across the West Midlands.

There are many great examples of collaboration both locally and nationally which demonstrate that the public sector can be radical in the provision of its services, deliver services which provide value for money community outcomes, as well as real collaboration.

Chapter 3 sets out the evaluation method, the considerations in carrying out the evaluation and the results.

After agreeing the four main governance options as set out in the Executive Summary, the working group chose to consider the following options:

- Do Nothing
- A reformed Fire Authority, to enable further collaboration
- A combination of WMFS with another regional Fire Service (Fire/Fire)
- The service coming with under the PCC for the West Midlands, as enabled by the Bill
- The service coming under the Mayor for the West Midlands and the Combined Authority
- Two-stage options combining these options

The evaluation method was to use the criteria determined by the group to evaluate the options, using a simple scoring mechanism, as a way of provoking debate about the relative merits of the options.

The scoring resulted in the following ranking of the options:

	Score	Rank	Class
Fire/Fire	18	1	Fire options
RFA	17	2	
CA	16	3=	CA options
RFA to CA	16	3=	
Do nothing	15	5	Do nothing
PCC	14	6=	PCC options
RFA to PCC	14	6=	
CA to Fire/Fire	13	8	Multi-stage options
RFA to PCC to CA	10	9=	
PCC to CA	10	9=	

The group considered the scores at the top of the table to be sufficiently close that it could not be said to show a “stand out” option. However, there is sufficient difference in scores in the table overall for it to provide enough comparison for conclusions to be drawn. In particular, the multi-stage options at the bottom of the ranking have much lower scores.

The working group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years, and the group felt that the Authority would benefit from considering its constitution and how it might enable further collaboration.

A Fire/Fire combination would realise significant benefits at potentially lower risk than other options. This would require local consensus and a formal business case, approved by the Home Office. The associated council tax equalisation consequences, and any boundary issues would need to be considered.

The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefits. A number of business cases are being prepared for such combinations. The West Midlands PCC is able to make a case with local agreement for consideration by the Home Office.

The Mayoral and WMCA model is even newer, and the first Mayor is yet to be appointed, so there is as yet lack of clarity about its programme which presents further risk here. Additional benefits of this option could include further collaboration with constituent and non-constituent members. The Service has already made

progress here. Although health is not within the WMCA boundary, the WMCA already has a Mental Health Commission, and the Mayor will have convening powers which could enable further collaboration with the NHS. The Mayor will also have tax-raising powers. A scheme for Fire to be governed by a Mayor could be made by ministers.

Time and politics are key factors – it is not clear currently how the options might continue to be relevant, particularly because:

- The Mayor's programme is not set
- Additional Devolution deals might present an opportunity to advance the WMCA options
- The PCC can at any time make a business case

In its conclusions the working group recommended that the Authority should prepare for all options, particularly those which it will find less able to influence.

There is no "stand out" option, a two-stage process should be avoided, but there is considerable potential change in the next year or so:

- PCC business cases
- The development of the Combined Authority model in Manchester and Mayoral model in London
- The programme of the Mayor and the WMCA
- Additional Devolution deals

The Authority needed to ensure it engaged with stakeholders to ensure it can fully consider its position and the options available to it.

The Service's focus on understanding and addressing the causes to vulnerability has enabled it to make significant progress in engaging with the WMCA to support the delivery of joined up services for the future. This can be seen clearly in the progress officers have made in engaging and leading on two key work streams for the WMCA: Multiple Complex Needs and Public Sector Reform.

With the inclusion of the Service in Devo 2, the WMFRA's intention is that the future governance of the Service should exist through a Mayor to realise the benefits that can be delivered across the public sector and outcomes for local communities.

Chapter 4 provides the conclusions of the group, which are designed to enable WMFRA with the necessary direction to inform their decisions around the future governance of the Service.

CHAPTER 1 – The Possibility for Change

This section seeks to highlight and summarise the legislative and governance factors that need to be addressed when considering a change in governance, with a focus on the potential for change within the West Midlands. Appendix B provides a detailed overview of the legislation that would need to be considered in any governance changes as well as an overview of those governance frameworks.

Legislation

Continuity in the role of Fire and Rescue services, the humanitarian services set out in legislation (see Appendix B) of prevention, protection and response, must be sustained if governance changes.

The Fire and Rescue Services Act 2004 and the Fire and Rescue Service (Emergencies)(England) Order 2007 provide fire and rescue authorities with mandatory functions in relation to fire and road traffic accidents and in connection with key types of emergencies (specifically chemical, biological, radiological or nuclear emergencies and urban search and rescue emergencies). In addition, as Category 1 responders under the Civil Contingencies Act 2004, fire and rescue authorities are subject to the full set of civil protection duties, including assessing the risk of emergencies occurring (ranging from widespread flooding to terrorist attacks) and using this to inform contingency planning, and ensuring that emergency plans and business continuity management arrangements are in place.

The Fire and Rescue National Framework for England requires each fire and rescue authority in England to produce an Integrated Risk Management Plan. This sets out the analysis of risk in the local community to which prevention, protection and response services are provided, and an evidence-based approach for each Fire and Rescue Service to allocate resources against and determine performance standards.

From a governance perspective the government's direction for achieving models of single accountability itself, sets a precedent for the possibility of change and therefore the potential to amend the primary and secondary legislation which guides governance, to enable better economy, efficiency, effectiveness and/or public safety.

The Act, which received Royal Assent on 31 January 2017, creates an avenue for change in the future governance of Fire and Rescue Services in England through PCC and/or a Mayor (enabled through the Cities and Devolution Act 2016), following the principles of single accountability. Importantly this legislation also creates a statutory expectation, the 'Duty to Collaborate', for better collaboration between the emergency services. As such the potential for collaboration should be considered as an integral part to any change in governance to ensure synergies in this.

The potential to reform any Fire Authority is provided through the Local Government Act 1985, which requires the Secretary of State to vary the number of councillors on a Fire Authority. Currently this Act stipulates membership of 27 councillors for WMFRA.

The Combination of Fire Authorities is provided for through the Fire and Rescue Services Act 2004, along the ability to create a combination order to enable such a change to take place.

In essence the current legislative framework and changes in the Act and Cities and Devolution Act are making way for a change to the way in which Fire and Rescue Services can be governed in the future across the UK. It could be assumed that the preference for change would be through a PCC and/or a Mayor. Whichever direction is taken it is anticipated that this will begin to move away from the traditional Authority based approach. Whilst any change has to be agreed locally, there will be a process for independent review, where local agreement cannot be reached.

Where a PCC does not assume governance of Fire, it is possible that a Fire and Rescue Service could fall under a Combined Authority, and where devolution exists, Mayoral governance.

It is also possible that in some areas where a PCC does not assume governance and devolution does not exist, a Fire Authority will remain the governing body for that Fire and Rescue Service.

Combination of two or more Fire and Rescue Authorities is also a viable option from a legislative perspective and indeed there are examples of this approach to change and reform across both the UK and Scotland.

As each Fire and Rescue Service area will have its own opportunities and risks associated with such a change and it is likely that over the next 3-5 years a 'mix' of governance models will exist across the UK.

However, the requirement for a Fire and Rescue Service to produce an Integrated Risk Management Plan and deliver its legislative duties of prevention, protection and response will not change with any change in governance.

Governance and Emerging Change

Having considered the possibilities that legislation currently and/or in the future will provide for governance of the Fire and Rescue Service, the Group agreed the following options for the future governance of the Service:

- A Reformed Fire Authority (RFA)
- West Midlands Combined Authority and elected Mayor (WMCA and Mayor)
- Police and Crime Commissioner **3 models**:
 1. Shared Governance and Employers Model
 2. Shared Governance and Single Employer Model
 3. A Representative Model:
- Combination of Fire and Rescue Authorities (within the West Midlands region) (Fire/Fire)

The case studies in Appendix B present a 'mixed bag' of governance models and changes across the UK and Scotland. The Dorset and Wiltshire combination and

Scotland national merger case studies demonstrate the scope for change exists across political and/or regional boundaries, provided for by current legislation.

The changes which will take place in Greater Manchester and London, will see the Mayor assuming responsibility and governance for Greater Manchester Fire and Rescue Service, through the Combined Authority and the London Mayor assuming governance for London Fire Brigade as part of the Act. These case studies provide for the West Midlands, a 'test bed' to watch, which is being enabled through new and emerging legislative changes and which represent a different approach to single accountability of Fire and Rescue Services through a Mayor.

Each of the case studies demonstrate the need and desire for more collaborative and/or efficient and effective ways of providing services to local communities, through a governance structure which will best enable this.

West Midlands Position

WMFRA through the focused work of officers has sought to collaborate with emergency services, Local Authorities, NHS organisations and the WMCA to meet its priorities, as well as enhance the delivery of services to its communities and reduce public spend. This has enabled the Service to position itself effectively within the West Midlands public service arena, providing for much opportunity in the delivery of services.

The West Midlands established a Combined Authority in July 2016 and is in the process of determining its second devolution deal. To enable the continued devolution of funds and decision making across the West Midlands, a Mayor will be elected in May 2017.

The Authority is an 'observer' on the WMCA and has become a key stakeholder in the delivery of priorities for the West Midlands, this is detailed more in Chapter 2.

The PCC also has 'observer' status on the WMCA and regular dialogue is maintained between the PCC's Office and the Authority and Officers, to enable closer working and opportunities for collaboration to be explored.

These developments across the West Midlands, coupled with the introduction of new legislation through the Act and the possibilities of devolution created through the Cities and Devolution Act, now provides a number of possibilities for the future governance of the the Service. The work of the working group has been critical in determining which of the governance options will provide the best opportunity for better collaborative working, to deliver better outcomes for the communities of the West Midlands.

In summary, following the Machinery of Government change in January 2016 which saw Fire and Rescue Service policy for England transferred from DCLG to the Home Office, public service reform was a clear expectation set out for the sector on 24th May 2016, by the then Secretary of State, Theresa May. Single accountability for public services is a direction set by the government, so that communities have a clear and visible figure to hold accountable locally for the delivery of services. In

more urban areas and in the West Midlands, the Cities and Devolution Act 2016 is enabling Devolution to develop, with close guidance from the government, providing local communities with more say in how they spend money on public services. The Act provides options around the future governance of Fire and Rescue Services in England. The 'duty to collaborate' will create a legal duty for all blue light emergency services to collaborate more effectively and as such provide a basis for governance and public service reform.

Existing and new emerging legislation is providing the possibility for change in a way that could transform Fire and Rescue Services for the future.

CHAPTER 2 - Collaboration

This chapter summarises examples of collaboration considered by the working group. Before considering the future governance options in any detail, an understanding of the potential around collaboration opportunities across blue light emergency services and wider was critical. The new 'duty to collaborate', will require blue light emergency services to consider collaboration where efficiency and effectiveness can be improved.

Before considering collaboration, it is important to set out the context against which the Service delivers its services to local communities across the West Midlands.

WMFRA Strategy

The Service plays an important role in helping people and communities live safer, healthier and stronger lives. Its integrated Service Delivery Model (SDM) provides the level of resources required to deliver its priorities of prevention, protection and response, which centre around responding to high risk incidents within 5 minutes, therefore seeking to minimise damage to life and property. This requires an upstream approach to the role of a fire fighter, in delivering all three of these priorities at a local community level. Essentially this business model is built on 'paid for' services, with firefighting providing the ability to deliver preventative and protection services linked to core response services, whilst on call (on duty).

This model is built on evidence which demonstrates its importance in meeting the requirements of the West Midlands IMRP and to the survivability of members of the community who find themselves at risk of fire, ill health or crime. This strategy sits at the core of all the work the Service undertakes whether provided internally, or in collaboration with others.

To understand collaboration more the working group considered the following questions:

What collaboration is currently taking place?

What opportunities for collaboration exist?

What do we need to consider for the future?

What collaboration is currently taking place?

The working group considered a sample of case studies, '*WMFRA Collaborative Working*', which aimed to provide a more in depth understanding of the diverse collaborations the Service commits to. Critical to the delivery of collaborative services is the ability to reduce vulnerability in local communities, by addressing the causes and where possible the causes of the causes, to enable sustainable improvements in individual lives, independent living and economic growth through strategic regulation.

Each of these collaborative relationships are delivered through the Service's

integrated SDM, providing the most efficient and effective delivery of not only strategic priorities, but also the wider priorities of public services across the West Midlands.

An example taken from the case studies is the provision of developing 'health commissioned' work. This currently exists in Telecare (falls response) services provided to local communities across three of the seven local authority areas within the West Midlands, as well as a Hospital Discharges trial currently provided in Coventry. Both of these services aim to work with vulnerable people to not only support the delivery of home safety preventative services through the Safe and Well check, ensuring that patients are back home safe and well, but to reduce their vulnerability, sustain independent living and also reduce the pressure on the NHS by reducing re admissions into hospital.

An established and developing area of collaboration can be seen in the ongoing relationship that the Service maintains with WMCA. The Chief Fire Officer (CFO) and other officers have engaged, as key stakeholders and service delivery providers to 7 Local Authority Constituent Members, with the WMCA from its shadow stages through to inception. Initially this was through the Public Sector Leadership Board and more recently by establishing the Authority as an 'Observer' through the WMCA Board and Programme Board.

This engagement has enabled the Service to take the lead within WMCA in delivering the 'Multiple Complex Needs' work programme, one of the factors of poor mental health. This is a programme which reaches across the whole of the West Midlands, with the reduction of vulnerability sitting at its core. A **real** example of public services delivering together to meet joint priorities and joint community needs. This provides a clear signal that the Service has the vision and ability to lead and support wider agendas.

The Service is leading the way in Public Sector Reform and the CFO has recently taken up the Chief Executive portfolio for the Public Service Reform across the WMCA. A key priority for this programme will be the ability to deliver better outcomes with reduced resources: focussing on, maximising value from the public pound and empowering citizens and staff. This programme underpins collaboration with other public services to reduce costs with a key focus on: Multiple Complex Needs, Criminal Justice, Employment and Skills and Mental Health. An important ambition of the PSR programme is to eliminate the gap between the costs of local public services and the tax generated by the local economy. This gap currently stands at around £4 billion per year.

Another key collaboration for the Service which has now in place for three years is the joint Staffordshire and West Midlands Fire Control. Both Services joined Fire Control functions in 2014 with the objective of improving the performance of prevention, protection and response services, whilst also achieving financial savings in the light of budget cuts. This collaboration has achieved approximately £1.5 million in joint savings per year since its implementation and is forecast to have realised approximately £11.6 million in joint savings by 2022.

Whilst engagement and collaboration with the WMCA is progressive, the Chair to the Fire Authority and CFO maintain regular discussion with the PCC and other partners. Engagement with the PCC and subsequently with the Chief Constable, has enabled an officer led review of how the Services estate could support the future delivery of community based services for West Midlands Police. The potential for further development and implementation of such an approach, would demonstrate a real step change in the way in which local services can be delivered better together.

To enable a contrast with collaboration across the West Midlands, the group looked at examples of 'blue light' collaboration taking place across the UK. This also enabled a possible look forward for collaboration in the West Midlands by seeing what was possible. *'The Emergency Services Collaboration Working Group National Overview 2014 and 2016'* documents provided a central source of information. From this analysis it was clear that currently there is significant established collaboration in:

First Response and Corresponding services between the Fire and Rescue Service and Ambulance Service, resulting in faster response times, enhanced operability and greater efficiencies in the cost and delivery of services being provided.

Shared Estates and Assets and Joint Facilities between Police Services and Fire and Rescue Services. Generating savings through the removal of duplication of property and sharing utilities, as well as the possible sale of estate. A community focus for shared estates has the potential to make local services more accessible to the public.

Joint Control Rooms providing great opportunities for increased collaboration and closer working, enabling faster and more effective response times to incidents

Demand Management between Emergency Services as well as Local Authorities and NHS partners. Rationalising services and improving the capability of those services to deal with incidents, therefore reducing harm, mobilising faster and enhancing interoperability.

This national picture provided the working group with an appreciation of the range of collaborations, which could take place across both blue light emergency services as well as the wider public service and importantly, how collaboration could be explored further across the West Midlands

What future opportunities for collaboration exist?

To support the understanding of how the future delivery of services could be provided in a more collaborative way, the working group sought to understand the potential for the future delivery of collaborative services to communities across the West Midlands

The working group considered five agreed areas for exploration for future collaboration:

Data Sharing as an agreed means of exchanging or accessing data with key public service partners to meet only the priorities of the Service, but also those of the wider

public sector across the West Midlands. Key outcomes would be removing duplication, working across silos, communities receiving a joined-up public service and enhancing public service provision through linking of data that the citizen may be unaware of.

Emergency Planning - Emergency Planning Teams exist in all 7 Local Authority areas across the West Midlands, as well as other public services such as the Police. The integration of 7 to 10 emergency planning functions into a single team has the potential to enable a more efficient and effective planning and delivery of services across the West Midlands, enhanced sharing and learning and the removal of duplication and more collaborative working. Such a change has the possibility to realise savings of at least £1.5 million.

Co-responding enables certain Ambulance Service calls to be diverted to the Fire and Rescue Service, who can deliver emergency and trauma care in line with their training. The Service is extremely well placed to supplement and improve the availability of emergency medical care in life-threatening situations and has resources placed strategically throughout the West Midlands. Whilst both the Service and the Ambulance Service are engaged on joint activities and have discussed corresponding, this does not currently form part of the overall delivery of services. provision of a rapid emergency medical response, within 5 minutes, from well trained and well equipped firefighters would contribute significantly to the response times of Red 1 incidents and in making the West Midlands a safer, stronger, healthier community.

LA healthcare - Providing patient transport to support discharge from hospital where this may be delayed due to an assessment of their home environment to ensure patients can go back home safe and well. This is a further development of the existing hospital discharges pilot and Telecare falls response collaborations that the Service currently operate. Formal health outcomes are focused around reducing emergency readmissions, older people (65 and over) remain independent living in their own home, health related quality of life for older people.

Combination of Fire and Rescue Services – the merger of two or more Fire and Rescue Services within the West Midlands region will enable the delivery of significant savings in operating budgets without compromising, but rather enhancing, service delivery to communities. Collaborations, mergers and the sharing of services is already taking place across the UK between Fire and Rescue Services. Case Studies 1 and 5 in appendix B, provide two examples of the combination of Fire and Rescue Services within the UK and Scotland. A merger also took place between Devon and Somerset Fire and Rescue Service in 2006/06 making them the largest non-metropolitan Fire and Rescue Service in England. Whilst the focus of this combination at the time was not to deliver financial savings, in 2012 £4.2 million had been achieved in cashable savings, which was projected at that time to have reached £8.25 million by 2014/15.

H3 provides an example of collaboration within Hampshire amongst emergency services, including the Fire and Rescue Service and Local Authorities in the provision of support services. H3 has made savings of £4 million a year since its implementation

The five summarised case studies above represent a sample of collaboration opportunities which are either in their infancy in being developed within the West Midlands, or are opportunities which the Service is considering as part of the delivery of its future strategy.

As cited earlier in this report the 'duty to collaborate' places a legislative requirement on all three emergency services to collaborate effectively, where it would drive efficiency and effectiveness and positively impact on public safety. It is clear that much collaboration is already taking place across the emergency services. Examples across the country will vary and what seems possible in one region may not have yet occurred in another. Much of this can be explained by differing local public service demands and community needs. In some areas barriers such as vast cultural and organisational differences, historical issues and geographical coverage may exist, which prevent collaboration being realised to its fullest potential.

What can be seen from these case studies is the breadth of collaboration which is possible across the West Midlands. The case studies themselves identify the broader benefits that can be realised across a range of public services, not just blue light emergency services. All of these collaboration opportunities have a focus on addressing and reducing vulnerability in communities and also reducing the pressures that continued vulnerability can place on public services. The Services approach to an integrated SDM provides much scope for supporting the delivery of wider public service priorities.

Community Outcomes

The consideration of collaboration as a main theme to the work of the working group enabled the agreement of a wider set of community outcomes, which would support an evidence based appraisal of each of the governance options.

These outcomes, which the group agreed as being critical to the delivery of collaborative services not only from the Services perspective but also wider public services across the West Midlands, provided a sound base to work from when considering achievability. The outcomes agreed were:

Public Safety:

This outcome considered the legislative duties of the Service, the possibility of the widest provision of services to the communities of the West Midlands, as well as the funding structures within which these could be delivered.

As highlighted in Chapter 1 the Service is legislatively required to provide prevention, protection and response services through the Fire and Rescue Services Act and the National Framework. But the Services strategy also enables this to reach wider and deliver services which cross organisational boundaries, seeking to meet wider public service priorities.

Legislative duties and the need for an IRMP are unlikely to diminish, but the way in which the Service will be funded to provide its services as part of each of the four governance options does need to be considered. Any change from the current

approach to funding through WMFRA poses some risk, as two of the four options, PCC and WMCA and Mayor, provide an approach to funding which are as yet untested for fire and rescue services. However, a Mayor will have council tax raising powers which also provides opportunities for the delivery of services.

Collaboration

How will the governance structure enable better collaboration?

This outcome considered the extent to which each of the governance options can support current and future collaboration across emergency services and other public services (organisations), in a way which is aligned to the Services priorities and wider strategic priorities, as well as the expectations of the 'duty to collaborate'.

The assertion here is that the closer together the governance of organisations, the more likely they are to collaborate effectively. This is an uncomplicated assertion and there will probably be excellent examples of it being the case, and some exceptions.

When considering the extent of collaboration, the following 'levels of collaboration', can provided a broad guide. Level 1 is the least collaborative, with level 3 demonstrating full collaborative working.

1. Organisations are in dialogue with each other and/or work together – partnerships
2. Representatives from organisations are part of the governance structure
3. Organisations operate together – part of the same organisation

The potential for these levels of collaboration to achieve efficiencies was also be broadly considered as part of this outcome.

Scrutiny and Transparency

How will scrutiny of decision making and transparency in governance and decision making be maintained and possibly enhanced through each of the four governance options?

The 'principles of good governance' describe the ability to make informed, transparent decisions and managing risk as being critical to governance. This is about being rigorous and transparent about how decisions are taken. Scrutinising at an early stage through having and using good quality information, advice and support and making sure that an effective risk management system is in operation.

In considering this outcome and the requirements of scrutiny and transparency across the public sector (particularly for local authorities), the structures in place to enable the scrutiny of decision making and approaches to making key information transparent to the public were included. All local authorities are required to meet statutory expectations regarding the scrutiny of decision making and the

transparency code. It therefore unlikely that any one of the four governance options is going to reduce scrutiny or transparency to the public, therefore this outcome was left unscored.

Accountability

How accountable is the governing model and the 'persons' to stakeholders and importantly to local communities?

Within the four governance options being considered by the working group there exists two approaches to accountability:

- Single accountability through a PCC or Mayor
- Section 41 accountability through 'lead' members for local authorities, through a RFA or Fire/Fire

Current government direction is setting a model of single accountability - holding one person to account for decisions taken. The principle around this approach is that one accountable person is visible and easily identifiable to local communities across a whole region and therefore more accessible.

The model of 'lead' members enables this accountability amongst a number of persons responsible for decisions taken along with a 'Chair'. Here accountability is spread more evenly across a region, with accountable persons being easily identified and accessed by citizens in their local community.

The working group concluded that there was little substantive evidence to prove that one approach produced better accountability than the other and therefore this outcome was also left unscored.

Savings

What is the potential for cashable savings to be realised through a change in governance?

Each of the governance options will provide for some element of cashable savings to be achieved, through a reduction in money spent on maintaining the governance structure and/or through the merging of front and/or back office services.

Costs

What costs would a change in governance incur as part of the change?

A key consideration for this outcome was the costs incurred and the value this provides from a community perspective. In principle a single route to a long term change in governance will incur less costs to enable the change (for example from a Fire Authority to a PCC) than a route which involves more than one change, i.e. routes from a Fire Authority to PCC to WMCA and Mayor. The exception to this

would be the RFA as this change in governance as a short, medium or long term route is unlikely to incur additional costs.

Risks

How will a change in governance impact on the delivery of services and what would the perceived impact be on engagement with staff, community and trust?

The working group considered this outcome not only in terms of the distraction from a staff engagement and community perception perspective, but also linked to Public Safety as possible changes in priorities of WMFS may present risks to the delivery of services, which will in turn impact on community and trust.

CHAPTER 3 – An Options Appraisal

This section describes how the working group identified, appraised and concluded on the options.

Identifying the options

This task was made fairly straightforward because it was easy to identify:

- The status quo and how it might develop
- Options enabled through the Policing and Crime Bill, now the Policing and Crime Act 2017
- The Combined Authority and Mayor option enabled by the Cities and Devolution Act 2016 and the Act .
- Fire/fire combination, on the basis that examples of this already exist.

In addition, the group chose to evaluate:

- Do nothing to assess future options against the status quo

The working group decided to evaluate the following options:

- Do Nothing
- A reformed Fire Authority, to enable further collaboration
- A combination of WMFS with another Fire Service (Fire/Fire)
- The service coming with under the Police and Crime Commissioner for the West Midlands, as enabled by the Policing and Crime Bill
- The service coming under the Mayor for the West Midlands and the Combined Authority
- Two-stage options combining these options

Evaluation method

The scope, time and resource available to the working group precluded any new detailed research on collaboration outcomes or governance effectiveness. The evidence base for its conclusions is drawn from examples available in the West Midlands and elsewhere in the UK (some referenced in this report), concluding with a high-level evaluation of the options, based on the criteria set out in Chapter 2. The detailed scoring of the evaluation is given in Appendix C.

In carrying out the evaluation, the working group considered each of the Community Outcomes set out in Chapter 2, comparing and ranking each option, assigning a score based on the achievability of the relevant outcome. The main advantages of using this approach are:

- It provides a simple structure which facilitates discussion about each option
- It directly facilitates discussion about the relative merits of the options

- It allows an overall ranking to be produced, representing the conclusions of the working group

It has a number of inherent drawbacks:

- The scale of scoring against each option is limited. For example, the method would not necessarily produce a very much higher score if financial benefits were orders of magnitude more significant.
- With a limited number of potential scores for each criterion, the precision of the scoring is limited. However, it is probably the case that the depth of the analysis during the considerations of the working group would not justify a more sophisticated approach.

Given these limitations, the output from the numerical evaluation has to be taken as a guide, the main value coming from discussion it provoked.

Considering the criteria

Public Safety

The working group confirmed that the underpinning legislative and regulatory framework would be unaffected by a change in governance. Public Safety could be effected if the strategic objectives of the Fire Service were compromised, as these are focused on public safety. The extent of any compromise could only be assessed and managed through any change in governance.

The working group considered that there was essentially no additional risk to public safety in the Do Nothing, Reformed Fire Authority or Fire/Fire options.

The working group made it clear that it had no evidence to suggest that a PCC or a Mayor would ever knowingly consider compromising public safety. But in any organisation with newly competing strategic priorities, there was a risk that the strategic objectives of the Service could be compromised.

The novelty of the programme and governance of the WMCA, and the impact of a multi-stage option, was recognised in a lower score for these options.

Collaboration

The working group recognised that there was scope for better collaboration across the public sector. There is existing and increasing collaboration with the Police. The working group considered that there are greater opportunities for collaboration with Local Authorities and the Health Service, because of the Service's focus on vulnerability.

A structure which enables the broadest collaboration particularly including Local Authorities and Health attracted the highest evaluation score. The WMCA comes closest to this. The group recognised the scope for further collaboration through a PCC combination, with a Reformed Fire Authority enabling some further collaboration.

Scrutiny and Transparency/Accountability

These criteria rely on the existing legal and regulatory structures and how they operate in practice. Essentially the three models for the working group to consider were:

- The arrangement put in place in 1985 for Fire in the context of Local Government
- The PCC governance arrangements
- The WMCA governance arrangements

There was extensive discussion on the pros and cons of these, particularly focusing on the single point accountability of the PCC and a Mayor, and the S41 arrangements under which representative local councillors represent the Fire Service through their Local Authority's accountability. The group also recognised that Government currently sees single point accountability as a policy priority.

Because the PCC and WMCA governance arrangements are so new, there is little or no comparative research, although the PCC arrangements are increasingly reviewed and favourably commented on.

In the end, the group concluded that there was insufficient compelling evidence to allow it to score these criteria.

However, it noted that the WMFRA recognises that more can be done to use the S41 arrangements more effectively. This could form a feature of a Reformed Fire Authority if this option were selected.

Savings

It was clear to the working group that multi-million pound savings are available through combination. Back office and estate savings in particular can be realised in any combination option. Additional factors are:

- Combination with another Fire and Rescue Service will generate additional operational economies
- The scale of savings increases with the scale of the combination, with the WMCA option providing the greatest opportunity for savings

It was assumed that essentially little or no savings would be realised in the Do Nothing and Reformed Fire Authority options.

Costs

The working group concluded that the costs ranged from essentially zero in the Fire options to very significant if more than one transition took place. Any of the single-stage changes would involve significant cost, recognising that a Fire/Fire combination would involve a scale of integration which might not be required in a Police/Fire or CA model.

Risks

The working group considered the risk to continuity and the possibility of disruption as a result of change. Broadly, a two stage process resulted in a higher risk, the Fire options providing little risk, and the other options equally affected.

Results

Appendix D provides the detailed scoring from the exercise. The numerical evaluation resulted in the following ranking of the options, which have been grouped into classes for convenience:

	Score	Rank	Class
Fire/Fire	18	1	Fire options
RFA	17	2	
CA	16	3=	CA options
RFA to CA	16	3=	
Do nothing	15	5	Do nothing
PCC	14	6=	PCC options
RFA to PCC	14	6=	
CA to Fire/Fire	13	8	Multi-stage options
RFA to PCC to CA	10	9=	
PCC to CA	10	9=	

The group considered the scores at the top of the table to be sufficiently close that it could not be said to show a “stand out” option. However, there is sufficient difference in scores in the table overall for it to provide enough comparison for conclusions to be drawn. In particular, the multi-stage options and the bottom of the ranking have much lower scores.

Fire options

Fire/Fire

There is already evidence that significant savings can be made from this kind of combination. The combination of Dorset/Wiltshire in 2016 is predicting £6m savings pa by 2017/18, and there is a draft local business analysis which shows that much larger sums can be saved with a more sizeable combination across the West Midlands. Having said that, a Fire/Fire combination would need to be agreed locally before the Home Office could consider it.

It is perhaps not surprising this option scores well, given that there is likely to be less risk of disruption to public safety when two organisations with the same remit

combine. It is also worth noting that there is already significant collaboration between the West Midlands and Staffordshire in the shared fire control room. There would potentially be boundary and council tax equalisation issues to surmount here.

Reformed Fire Authority

This option recognises that further collaboration could be enabled if the Authority itself reflected the extent of existing and desired collaboration in the service, readily acknowledging that the service itself has made good progress in collaborating with other public services. The working group reflected that, without any authority, the group had meaningful conversations about future collaboration options, drawing on the experience of representatives from across the public sector.

Again perhaps the scoring is not too surprising, given that there is essentially no risk in continuing to have a Fire Authority but with more collaboration. The working group took this as a signal that, if nothing else, WMFRA should look at its constitution and at options for membership and co-option which might engender further collaboration. If nothing else, this could be an interim option with benefits accruing immediately. The shape of the Authority could be moulded as a precursor to a future governance option.

Combined Authority options

WMCA and Mayor

The benefits of this model include the ability to work directly with all 7 of the Metropolitan Borough Councils, as well potentially as the Police, and the non-constituents in enhancing public safety and demand management. There are already good examples of this, for example in the Telecare service, and the working group discussed the potential for a regional emergency planning function. The cost base of the WMCA is as large as it could be, providing opportunities to spread cost and outcomes as widely as possible.

Although health organisations are not within the WMCA boundary, health is already deliberately a central issue for the WMCA through its Mental Health Commission. As public sector reform is pursued, effective working across the local authority/health boundary will be required, as is hoped for in the STP process. The Mayor will also have convening powers which will at least require health to be at the table. There is certainly further collaboration opportunity for the Service with Health, with several good examples from elsewhere.

The funding and governance models of the WMCA will no doubt develop with the organisation over time, but there is uncertainty as to how funding might work within the WMCA. However, the Mayor may choose to exercise tax raising.

Savings were reflective of those that could be achieved through a PCC, however have the potential to reach wider as the WMCA will have a larger cost base and the possibility for integration of services is wider.

Police and Crime Commissioner options

The delivery of outcomes through this governance model are fairly even across the board, in that reasonable achievability of all outcomes can be achieved.

The working group saw the most significant benefits in operational collaboration addressing vulnerability and back office collaboration. While the role of the PCC is still relatively new, the recent report of the Home Affairs Committee points to how PCCs have already had a beneficial effect on public accountability and clarity of leadership, a marker of achievability. The Office of the Police and Crime Commissioner in the West Midlands has recently been awarded a Transparency Quality Mark by CoPaCC, the independent body that monitors police governance.

The PCC model would enable better collaboration with the Police – there are already good examples of this and more could be achieved. The working group noted that wider collaboration could be achieved as easily under a PCC as by a reformed Fire Authority, but that the WMCA model offers the potential for broader collaboration with Local Government in particular, both in improving community outcomes, and in reducing cost.

Multi-stage options

The group concluded that the multi-stage options will cost more and be riskier, simply because in principle two changes cost more and are riskier than one. The group recommend that WMFRA should be clear about the costs and benefits of its chosen governance end state and should avoid two-stage change if that is possible. Time and politics may be a factor here – the decision for the Fire Authority will be significantly different if the Mayor makes control of Fire a priority, and/or it is included in a Devolution Deal. If this is not the case, the Authority will need to consider its other options for securing the benefits of greater collaboration.

The full scorings for each option can be seen in the table below:

Outcomes Options	Public Safety (4)	Better Collaboration (3.5)	Scrutiny & transparency (1 & 2)	Accountability (3.5)	Savings (3.5)	Costs (3.5)	Risks (3.5)	Total	Ranking
1. Do Nothing	5	0			0	5	5	15	5
2. RFA	5	2			0	5	5	17	2
3. RFA to WMCA	2	5			3	3	3	16	3
4. RFA to PCC	3	3			2	3	3	14	6
5. RFA to PCC then WMCA	2	5			3	0	0	10	9
6. CA	2	5			3	3	3	16	3
7. CA to Fire/Fire	2	3			5	0	3	13	8
8. Fire/Fire	5	3			5	2	3	18	1
9. PCC	3	3			2	3	3	14	6
10. PCC then CA	2	5			3	0	0	10	9

Summary from options

The Working Group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years, and the group felt that the Authority would benefit from considering its constitution and how it might enable further collaboration.

A Fire/Fire combination would realise significant benefits at lower risk than other options. This would require local consensus and a formal business case, approved by the Home Office. The associated Council tax consequences, and any boundary issues would need to be considered.

The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefits. A number of business cases are being prepared nationally for such combinations. The WM PCC is able to make a case with local agreement for consideration by the Home Office.

The Mayoral and WMCA model is even newer, and the first Mayor is yet to be appointed, so there is as yet lack of clarity about its programme. There is further risk here. Additional benefits of this option could include better opportunity for further collaboration with constituent and non-constituent members. The Service has already made progress here. Although health is not within the WMCA boundary, the WMCA already has a Mental Health Commission, and the Mayor will have convening powers which could enable further collaboration with the NHS. The Mayor will also have tax-raising powers. A scheme for Fire to be governed by a Mayor could be made by ministers.

Time and politics are key factors – it is not clear currently how the options might continue to be relevant, particularly because:

- The Mayor's programme is not set
- Additional Devolution deals might present an opportunity to advance the CA options
- The PCC can at any time make a business case

The Working Group recommended that WMFRA should be prepared for all options, particularly those which it will find less able to influence.

There is no “stand out” option, a two-stage process should be avoided, but there is considerable potential change in the next year or so:

- PCC business cases
- The development of the CA model in Manchester and London
- The programme of the Mayor and the CA
- Additional Devolution deals

The Authority needs to ensure it engages with stakeholders so that it could fully consider its position and the options available to it.

CHAPTER 4 - Conclusions

1. There is no “stand out” option, but the analysis suggests that a two-stage process increases costs, risk and reduces benefits and as such should be avoided. There is considerable potential change in the next year or so:

- PCC business cases
- The development of the Combined Authority model in Manchester and London
- The programme of the Mayor and the WMCA
- Additional Devolution deals

The WMFRA needs to ensure it continues to engage with stakeholders to ensure it can fully consider its position and the options available to it.

2. The Working Group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years, and the working group felt that the Authority would benefit from considering its constitution and structure and how it might change enable further collaboration.

3. The Mayoral and WMCA model is just emerging and the first Mayor is yet to be appointed, so there is as yet lack of clarity about its programme. However, change with a new Mayor will happen and this will create opportunity in improving public services. The WMFRA need to ensure that they remain engaged in this to ensure the best opportunity for delivery of outcomes for future.

4. If a mayoral option is not available in the medium term for police or fire, then the options would need re appraised to ensure the benefits of collaboration across the emergency services and wider public services are realised.

5. The Act does not enable governance changes with the Ambulance Service which may prevent full collaboration to be realised as well as the benefits from this.

6. Ambulance sits outside of governance analysis however the opportunities for collaboration are significant

7 A Fire/Fire combination would realise significant benefits at lower risk than other options. This would require local consensus and a formal business case, approved by the Home Office. The associated Council tax consequences, and any boundary issues would need to be considered.

8 The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefits.

APPENDIX A

West Midlands Fire and Rescue Authority

Future Governance Working Group

Terms of Reference

Background

There is a growing pace of change that is taking place across the West Midlands public sector, with the developing West Midlands Combined Authority and a developed recognition of the need to join up the delivery services to create maximum impact for local communities. This, along with Home Office expectations around increased and closer collaboration and public service reform, has signalled a clear opportunity for West Midlands Fire and Rescue Authority to review its current governance arrangements. The West Midlands Fire and Rescue Authority (WMFRA) report: Future Governance of West Midlands Fire Service (WMFS) sets the background to the commissioning of this working group.

This review will seek to understand how in the future these priority areas can be delivered against, whilst maintaining and enhancing the delivery of (statutory) prevention, protection and response services to our communities in a risk based way, aligned to our Integrated Risk Management Plan.

Purpose

To consider how the future governance of WMFS can support the delivery of services to local communities, with increased scrutiny, transparency and accountability of decisions; in a value for money way.

Outcome

An evidence based options appraisal for the future governance of WMFS, providing the best approach to governance, which supports the delivery of services across the West Midlands.

Key Areas for Challenge

The focus of the working group in achieving its objectives will centre on the delivery of current and future services to the community. Alongside this the priorities of the Home Office (efficiency, effectiveness, economy and public safety) will form key areas of challenge. The following questions have been drafted to guide the progress of the working group. These will be finalised, following feedback, at the outset of the second meeting of the working group.

1. What benefits can be delivered through increased collaboration and a wider focus on the delivery of public services across the West Midlands?
2. How can these benefits deliver enhanced services and outcomes to the communities of the West Midlands?
3. How can these deliver against the Home Office expectations of reform: efficiency, effectiveness, economy and public safety?
4. How can each of the possible governance options for WMFS support the delivery of these benefits?

Governance

To enable a joint understanding of what governance means the six 'Principles of Good Governance' will provide overarching guidance to the working group, when considering the above challenge areas and what the outcomes of the working group should be measured against. For example in accordance with principle 2, good governance means performing effectively in clearly defined functions and roles – does the options appraisal and preferred governance route enable clarity in roles. Then in accordance with Principles 4, does this enable good, transparent and effective decision making?

The six principles are set out below:

- 1. Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users**

This focuses on being clear about the organisation's purpose and its intended outcomes for communities and service users. Ensuring that this is received in a high quality and value for money way.

- 2. Good governance means performing effectively in clearly defined functions and roles**

This section focuses on being clear about the functions of the governing body, the Chief Executive the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out in a way which provides clarity for others in who is responsible for what.

- 3. Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour**

This focuses on putting organisational values into practice across decisions and actions taken. Individual governors behaving in ways that uphold and exemplify effective Governance.

4. Good governance means taking informed, transparent decisions and managing risk

A critical part to the government agenda, this section focuses on being rigorous and transparent about how decisions are taken, Scrutinising at an early stage through having and using good quality information, advice and support. Making sure that an effective risk management system is in operation.

5. Good governance means developing the capacity and capability of the governing body to be effective

Critical to the future of the Authority this section focuses on making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group. Striking a balance, in the membership of the governing body, between continuity and renewal.

6. Good governance means engaging stakeholders and making accountability real

This section focuses on understanding formal and informal accountability relationships with the public, staff and institutional stakeholders. Taking an active and planned approach to dialogue with and accountability to the public.

Working Group Timeline

The working group will operate from July 2016 to February 2017.

It is envisaged that members of the working group will attend all core workshops. The Independent Chair and Clerk to the Authority will represent the working group at Sounding Board meetings.

26 July 16 (1 session)	Aug 16	19 Sept/ 4 Oct 16 (2 sessions)	14 & 20 Nov (Dec) 16 (2 sessions)	Jan/ Feb 17
Group dynamics TON Outcomes Expectations	Reading Reflection Planning	Insights into what is and could be – Service Design and Community outcomes	Governance and how this will support the outcomes for the community for the future	Outcomes & recommendations to Policy Planning Forum
		10 th October Sounding Board	12 th December Sounding Board	20 th February Authority approval

Membership and Stakeholders

Authority Members	External Members
<p>Councillor John Edwards (Labour Chair to Authority)</p> <p>Councillor Mohammed Idrees (Labour Vice Chair)</p> <p>Councillor Lynda Clinton (Labour)</p> <p>Councillor Greg Brackenridge (Labour)</p> <p>Councillor Davis/Barrie (Conservative lead)</p>	<p>Brian Nash (Home Office Crime, Policing and Fire Group)</p> <p>Judy Foster (Assistant Police and Crime Commissioner)</p> <p>(Jonathan Jardine advising and substitute if required)</p> <p>Keith Ireland (Wolverhampton MD, Governance lead to West Midlands Combined Authority)</p> <p>Nick Page – Solihull LA CEO</p> <p>Simon Brake - C&RGPA Chief Executive & Director of Primary Care</p> <p>Barbara Watt -</p> <p>Paul Faulkner (CEO Birmingham Chamber of Commerce)</p> <p>Tony Yeaman – Ambulance Board Deputy Chair/Non Executive Director</p>
<ul style="list-style-type: none"> • Chief Fire Officer, Phil Loach – WMFS Advisor • Richard Bacon (Partner, Price Waterhouse Coopers PWC) - Independent Chair • Karen Gowreesunker, Clerk to Authority – Support • WMFS Officers – support to working group • Satinder Sahota – Deputy Monitoring Officer and legal advisor 	

The following key stakeholders (though not exhaustive of all stakeholders) will be engaged in the review as appropriate:

- 7 Local Authority Chief Executive Officers and Local Authority Leaders
- Representative Body Union Officials – Association of Principal Fire Officers (APFO), Fire Brigades Union (FBU), Fire Officers Association (FOA), Unison and Unite
- Partner organisations
- WMFS Officers/staff
- Chief Fire Officers Association (CFOA), Local Government Association (LGA) and Department of Communities and Local Government (DCLG)
- Chief Fire Officers from regional fire services

- Grant Thornton (external auditors)

Sounding Board members:

All section 41 members

Roles and Responsibilities

Working Group Members:

- To actively and constructively participate and commit to the working group and sounding board meetings.
- To work with the Independent Chair and other working group members, to achieve the objectives and outcome of the working group
- To optimise the relationship between the working group and stakeholders
- To enable effective consideration and progression of the 'key areas for challenge'

Independent Chair:

- To support, guide and challenge the working group in the achievement of its outcomes and objectives
- To promote a culture of openness and constructive debate
- Facilitate effective contribution from all members of the working group, ensuring evidence is considered in an accurate and timely way
- Sets the agenda and work programme of the working group with support from the Clerk.

Working Group CFO Advisor:

To provide professional strategic advice and guidance to the working group regarding organisational and operational structure, performance and decision making of West Midlands Fire Service.

Legal Advisor:

To provide the Independent Chair and Clerk with professional advice regarding possible legal impacts and risks of options discussed and recommendations proposed.

Working Group Conventions

To enable members of the working group and ultimately the communities of the West Midlands to get the most from the working group, we would ask you to enable and promote the following conventions.

Be open – and open-minded (objectivity)

Be prepared to hear views that you may not normally wish to hear - and be willing to learn something from them. Be conscious of your biases as you may hear views expressed from other participants with whom you deeply disagree. The working group will need to know what other people are thinking, if they are to work effectively across boundaries.

Also be prepared to share your views and be accountable for the decisions and actions you take.

Selflessness

Members of the working group should take make recommendations solely, in terms of the priorities and outcomes that WMFS aims to achieve as set out in the 3 year rolling Plan and the wider priorities of the public services across the West Midlands.

Avoid both giving and taking offence

It is important that everyone feels able to say what they really think. When other people's views are articulated bluntly or clumsily, you are asked to suspend instant judgment and enter into constructive discussion on them. Remaining self-aware and communicating in a respectful way, listening to any feedback as to why your ideas or language might cause offence.

Be a leader

Make sure that your contributions are to the point - and be prepared to ask the difficult questions. Speak as yourself.

Be engaged – and positive

Show commitment. Make arrangements so that you can attend each event in full, keep to the timings given, prepare yourself well and ensure that you are not interrupted. Be fair and respectful in your dealings with other members of the working group and contributors. Use shared knowledge and experience for positive ends.

Communications - Social Media

Ensuring that all actions in communicating progress and outcomes are aligned to the agreed approach of the working group. Communications of progress of the working group will be agreed and provided through the Independent Chair and Clerk to the Authority.

Confidentiality

For the learning, understanding and review process to be effective, contributors and participants of the working group must feel that they can talk openly and gain insights from each other. The working group have agreed to maintain confidentiality of specific areas discussed and communicate as outlined in the above convention.

APPENDIX B – Legislative and Governance Considerations

Current legislation which guides the role of the Fire and Rescue Service:

FRSs in England work under the following primary legislation:

- Fire and Rescue Services Act 2004
- The Regulatory Reform (Fire Safety) Order 2005
- The Civil Contingencies Act 2004

Fire and Rescue Services Act 2004

The Act (which replaced the Fire Services Act 1947) sets out the role and functions of a Fire Service placing prevention at the heart of what Fire and Rescue Services do. Within that is a duty to promote fire safety – and other powers to help create safer communities, particularly for the most vulnerable in society. The Act also formally recognises that the role of the service has broadened beyond the traditional firefighting role in recent decades and now includes rescues from road traffic accidents as well as responding to other serious incidents such as major flooding and the threat of terrorism.

The Act also recognises the role of the Authority from a governance perspective. This Act provides the gateway for the Secretary of State to combine FRA's. A Combined FRA constituted under a scheme must be constituted as a body corporate. A scheme under section 2 of the Act may make provision for:

- The composition of the combined authority
- The proceedings of the combined authority
- The financing of the combined authority
- The discharge of functions of the combined authority
- The acquisition of land by the combined authority
- The transfer of staff, property and rights from the combined authority

Fire and Rescue National Framework for England

As a requirement of the Fire and Rescue Services Act, the Government published the Fire and Rescue National Framework. The Framework sets out the government's priorities and objectives for Fire and Rescue Authorities and all Fire and Rescue Authorities must have regard to it in carrying out their duties. The Framework places responsibility on Fire and Rescue Services to prepare an Integrated Risk Management Plan. The plan must include targets and objectives for reducing risks, balancing prevention and intervention, and determining response standards and resource allocation. In West Midlands this is called [The Community Safety Strategy](#).

Regulatory Reform (Fire Safety Order) 2005

The Regulatory Reform (Fire Safety Order) 2005 places emphasis on business continuity and containing and preventing the spread of small fires.

It provides a minimum fire safety standard in all non domestic premises. It designates a person (e.g. employer, manager or owner) as a responsible person who is then required to carry out certain fire safety duties, which include ensuring that general fire precautions are satisfactory and that fire risk assessments are conducted.

Fire Authorities are the primary enforcing agencies for all fire legislation in non-domestic use. Resources and inspections are targeted at those premises that present the highest risk. Where breaches of the Regulatory Reform Order occur the Fire Authority can provide practical advice or, where the risk is serious, formal notices (including notices preventing use). West Midlands Fire and Rescue Authority (the Authority) has delegated the power to prosecute to the Chief Fire Officer.

The Fire and Rescue Services (Emergencies) (England) Order 2007

As a requirement of the Fire Rescue Services Act 2004, s.58 specifies other emergencies for which fire and rescue authorities must make provision. These are set out in The Fire and Rescue Services Order 2007. This Order specifies functions in connection with emergencies involving chemical, biological, or radio-active contaminants, structural collapse or a train, tram or aircraft ("transport emergencies"), but does not apply in relation to transport emergencies unless the incident is likely to require a Fire and Rescue Authority to use resources beyond the scope of its normal day to day operations.

In addition, where a Fire and Rescue Authority has specialist resources, including specialist trained personnel, to enable it to deal with emergencies of a kind described in this Order, and such an emergency occurs or is likely to occur in the area of another Authority; this Order requires the Authority with the specialist resources, if asked to do so, to use those resources in that other Authority's area so far as is reasonable for the purpose of dealing with the emergency.

Civil Contingencies Act 2004

The Civil Contingencies Act 2004 delivers a framework for civil protection. It focuses on local arrangements for civil protection, establishing a statutory framework of roles and responsibilities for local responders; and on emergency powers, establishing a framework for the use of special legislative measures that might be necessary to deal with the effects of the most serious emergencies. The Act also divides local responders into two categories. The Fire and Rescue Service is a Category 1 responder. This means that it is at the core of emergency response working with other blue light and public service agencies.

West Midlands Fire and Rescue Authority's current governance arrangements and legislative requirements

In order to understand the potential for change in the Authority's governance arrangements it is important to understand the legislative landscape which defines both how the Authority is governed and how the work is delivered on behalf of the Authority through the work of West Midlands Fire Service.

Legislation that drives Governance

Clearly there is a lot of legislation that all public bodies are required to be compliant with. The pieces of legislation detailed below are deemed to be most pertinent to informing the governance arrangements and the core activities of the fire and rescue service nationally.

Local Government Act 1985

The Authority as we know it was legally created by the LGA 1985, which as part of its provisions created joint fire authorities. As part of the Act, it was determined that the Authority would be made up of Members appointed from the constituent councils covered by the (Fire) Authority. The number of Members the Authority has (27) and how many are provided by each constituent local authority, is referred to in s.29 and is set out in Schedule 10 of the Act and reflecting proportionality across the West Midlands. Since its inception the Authority has always been compliant with this aspect of the Act.

The Act makes provision for the variation of Members. Section 29 allows for the Secretary of State to change Members by Order subsection 3 states *'In making any alternation in the number of members to be appointed to a joint authority by any of its constituent councils the Secretary of State shall have regard to the number of local government electors in the areas of those councils respectively'*.

Similarly, the Act provides an avenue for the Secretary of State to combine *'any area of a fire authority'*. This power is also set out in the Fire and Rescue Act 2004, as highlighted above.

Section 34 of the Act requires the annual appointment of the Chair and Vice Chair and this should be the first business of the AGM. Similarly, a Clerk is required to be appointed.

Each Authority is required in the Act to ensure that one of its officers has responsibility for ensuring the appropriate administration of financial affairs- the Chief Financial Officer (Section 151 of LGA 1972).

Local Government and Housing Act 1989.

This Act requires the designation of one of WMFS's officers as Head of Paid Service (the Chief Fire Officer) and outlines the specific responsibilities of this role. The requirement is set out in this Act to appoint a Monitoring Officer.

These two pieces of legislation primarily inform our approach to Member numbers and proportionality as well as the appointment of Statutory Officers.

It is useful to note that these pieces of legislation will guide the governance of all Local Authorities.

[The legislative and political considerations in relation to governance arrangements within a regional FRS](#)

As highlighted earlier under the Fire and Rescue Services Act 2004, Part 1 section 2 the Secretary of State has the ability to combine Fire and Rescue Authorities. This can be the combining of two or more Fire Authorities. The Secretary of State can only do this in the interest of:

- Economy, efficiency and effectiveness, or
- Public Safety

To do this the Secretary of State should have consulted with:

- The existing Authorities in question
- Any local authority all or part of whose area forms part of the combined area
- Any other persons considered appropriate

Any change in scheme may include provision for the transfer of staff, property, rights and liabilities from the Combined Fire and Rescue Authority to any other Fire and Rescue Authority. Prior to any action is taken the Secretary of State must hold an inquiry before making any changes unless:

- The existing Authorities agree to making the changes
- The Secretary of State considers that, in the interests of public safety, the scheme should be made, varied or revoked without delay

Under section 250 of the Local Government Act 1985, this inquiry will involve relevant parties being summoned to provide evidence including any relevant documentation. The cost of this inquiry can be charged to the relevant Authority.

A Combined Fire and Rescue Authority constituted under a scheme must be constituted as a body corporate. A scheme under section 2 of the Fire and Rescue Services Act 2004 may make provision for:

- The composition of the combined authority
- The proceedings of the combined authority
- The financing of the combined authority
- The discharge of functions of the combined authority
- The acquisition of land by the combined authority
- The transfer of staff, property and rights from the combined authority

The combining of Fire and Rescue Authorities is therefore legally achievable and the following actions would need to be taken. The newly formed combined authority would become a body corporate.

In considering the potential for a regional approach to governance, the type of fire and rescue service would need to be taken into account. More specifically in relation to the West Midlands region (which consists of Staffordshire, Shropshire, West Midlands, Hereford and Worcester and Warwickshire), four out of these five Fire and Rescue Service's in the region have the same governance structures in place (Combined and Metropolitan). The only exception being Warwickshire Fire and Rescue Service which is incorporated into the County Council (a County Fire and Rescue Service).

Other considerations as part of a regional approach should include the NHS and Ambulance Service delivery areas. Currently the service delivery areas for the NHS and the Ambulance Service in the West Midlands differ from Fire Service delivery areas. Should regionalisation across the five Fire Authorities occur then delivery areas would become the coterminous. The local police forces would still have differing delivery areas unless they too were included in this regionalisation process.

Another key consideration would need to be Council Tax equalisation. In the West Midlands Region there is a £39.55 gap between the highest band D charges of £92.42 in Shropshire and the lowest band D charge of £52.87 in the West Midlands (2015/16).

[The legislative and political considerations in relation to governance arrangements under a Police and Crime Commissioner](#)

It should be recognised that 36 pieces of primary and/or secondary legislation were either amended or introduced to reflect the introduction of the Police and Crime Commissioner (PCC) role. This highlights the desire and ability of the Home Office and Government to enable the introduction of PCCs. Below outlines some of the more relevant sections in relation to governance.

The Police Reform and Social Responsibility Act 2011

This piece of legislation sets out (chapter 1 part 1) the requirement for each police area (outside of London) to have an elected Police and Crime Commissioner.

This Police and Crime Commissioner must:

- Secure the maintenance of the police force area
- Ensure that the police force is efficient and effective
- Hold the Chief Constable to account

In accordance with Schedule 1 a Police and Crime Commissioner is to be paid a salary as determined by the Secretary of State and this can be different for each policing area. They will also be paid authorised allowances.

A PCC must appoint:

- a person to be the head of the commissioner's staff (referred to in this Part as the commissioner's Chief Executive); and
- a person to be responsible for the proper administration of the commissioner's financial affairs (referred to in this Part as the commissioner's Chief Finance Officer).
- A monitoring officer

A PCC may also appoint such other staff as the commissioner thinks appropriate to enable the Commissioner to exercise the functions of Commissioner.

The Policing Protocol Order 2011

The 2011 Act establishes PCC's within each force area in England and Wales with the exception of the City of London. The 2011 Act gives these PCC's responsibility for the totality of policing within their force area. It further requires them to hold the force Chief Constable to account for the operational delivery of policing including in relation to the Strategic Policing Requirement published by the Home Secretary.

From an operational perspective this legislation states in section 18 that 'the PCC must not fetter the operational independence of the police force and the Chief Constable who leads it.'

Section 30 states the operational independence of the police is a fundamental principle of British policing. It is expected by the Home Secretary that the professional discretion of the police service and oath of office give surety to the public, that this shall not be compromised. Section 35 goes on to say that the PCC and Chief Constable must work together to safeguard the principle of operational independence, while ensuring that the PCC is not fettered in fulfilling their statutory role. The concept of operational independence is not defined in statute, and as HMIC has stated, by its nature, is fluid and context-driven.

The Local Policing Bodies (Consequential Amendments) Regulations 2011

The Act abolished Police Authorities in England and Wales, outside of London, and replaced them with Police and Crime Commissioners. It also replaced the Metropolitan Police Authority with the Mayor's Office for Policing and Crime. The Act made no change to the role of the Common Council of the City of London as the Police Authority for the City of London police area. The Act amended the Interpretation Act 1978 with the effect that the words "local policing body" are defined as a Police and Crime Commissioner, the Mayor's Office for Policing and Crime and the Common Council in its capacity as a police authority.

The Elected Local Policing Bodies (Specified Information) Order 2011

The PCC is elected by the public and will be held to account by the public during their term of office. The Order requires minimum information about the PCC to be published, which the public can use when holding PCCs to account. A consistent set of published basic information will also allow the public to compare across police force areas. PCCs are encouraged to publish more than the minimum; transparency is at the heart of the government's agenda, and to make certain that the public are in a

position to hold them to account, PCC's may, as specified in the Order (s11, (5)) make available *any additional information* they wish to, "regarding the exercise of the body's functions, and the exercise of the functions of the relevant Chief Officer of Police".

The Policing and Crime Act 2017

As an outcome of the Government consultation 'Enabling closer working between the Emergency Services' the *Policing and Crime Bill* proposed placing a new duty upon all three emergency services to collaborate with each other.

This Bill supported the implementation of the Government's manifesto commitment to "*enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners*".

The Bill received Royal Assent on 31 January 2017 and the new Act:

- a) Introduces a duty to collaborate on all three emergency services, to improve efficiency or effectiveness.
- b) Enables PCCs to take on the governance functions and duties of Fire and Rescue Authorities, where a local case is made in the interests of economy, efficiency, effectiveness, or public safety
- c) Enables PCC representation on a Fire Authority – where the PCC does not take on the functions and duties of the Fire Authority upon request the PCC can attend a Committee or sub-committee of a Fire Authority with full voting rights.

However, the Fire Authority does have the power to refuse such a request but in doing so must 'publish' those reasons.

- d) Establishes a London Fire Commissioner as a corporation sole and abolishes the London Fire and Emergency Planning Authority (LFEPA), giving the Mayor of London direct responsibility for the fire and rescue service in London, to whom the Fire Commissioner must report to.

Where a PCC is interested in taking on governance of the fire and rescue service they would be required to adopt the following process:

1. Work with the Fire and Rescue Authority to prepare and publish a business case.
 2. Where the Police and Crime Commissioner and all the relevant Constituent Authorities for the area are in agreement that the Fire and Rescue Service should transfer to the Police and Crime Commissioner, then this would be subject to the outcome of the public consultation.
 3. The Police and Crime Commissioner would require that the Government introduces secondary legislation to give effect to the transfer.
-
1. Where all parties are not agreed that the governance of the FRS should transfer to a Police and Crime Commissioner, it would, upon the submission of a business case by the Police and Crime Commissioner, be for the Secretary of State to consider the local business case and decide whether the governance change would be in the interests of economy, efficiency and effectiveness or public safety.

2. To inform that view, the Home Secretary would take into account the outcome of the local consultation and is required to seek an independent assessment of the local business case before any decision to proceed.

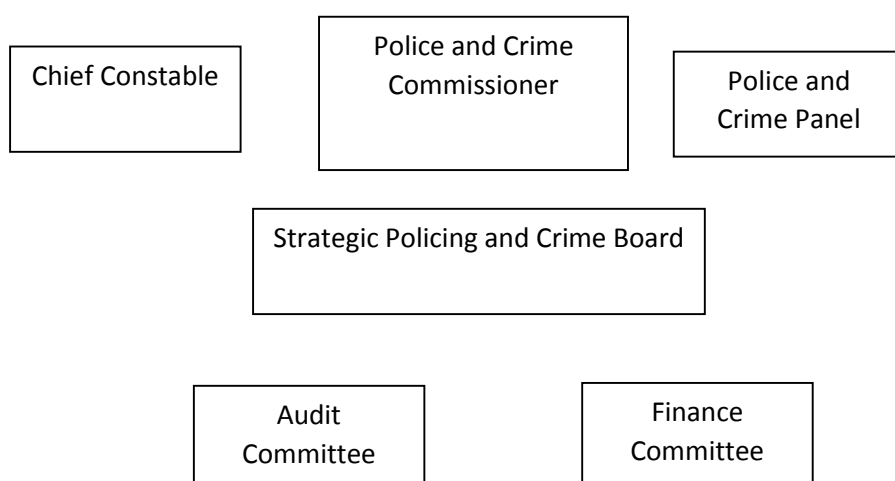
Implementation in each area would be via secondary legislation which would be subject to Parliamentary scrutiny.

There is a requirement that:

- Fire and Rescue Authorities provide Police and Crime Commissioner with all necessary information to help prepare the business case.
- The Police and Crime Commissioner would consult locally on the business case and seek views on whether the transfer should take place. The business case would need to consider any equality issues as a result of the proposals in accordance with the Equality Act 2010.

Police and Crime Commissioner governance structures

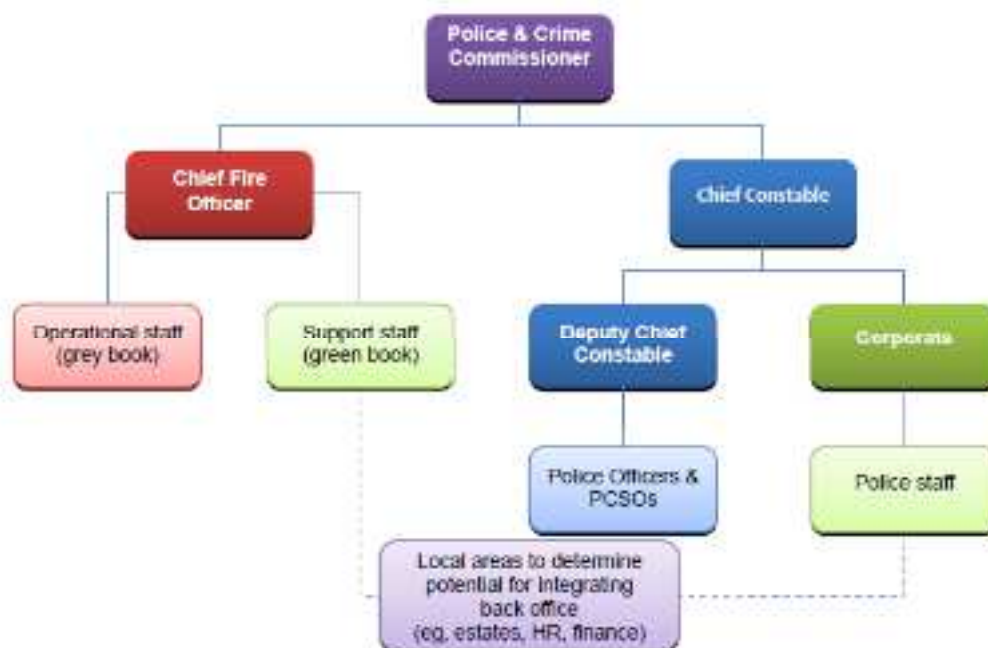
The current governance structure of a Police and Crime Commissioner is set out in the diagram below. The Police and Crime Commissioner is directly elected by the community and is therefore primarily accountable for policing services across the areas they serve.



Management Structures

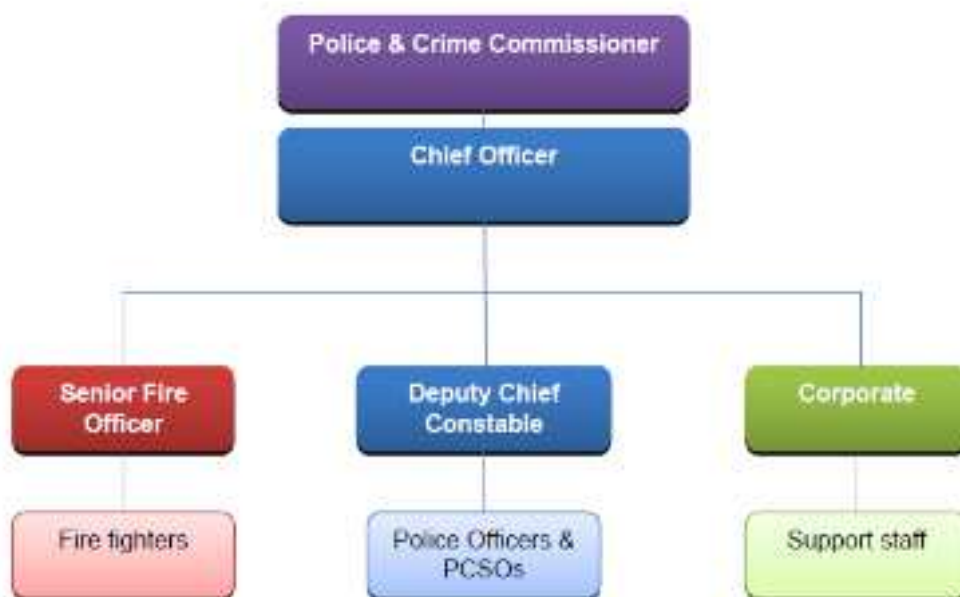
In incorporating fire, the consultation gives an indication of the two potential approaches to managing the police and fire services under Police and Crime Commissioner governance:

Option 1: Separate Chief Officers (Governance only)



A Police and Crime Commissioner would provide the governance for the Police Service and Fire Service who would remain separate services with separate management structures. The Police and Crime Commissioner would become the employer of FRS staff from the FRA, whilst the Chief Constable would continue to employ Police staff.

Option 2: Single Chief Officer (Single Employer Model)



The Police and Crime Commissioner would provide the governance for the Police Service and Fire Service. A Chief Officer would become the single employer for both services with a shared management structure.

Elections:

In May 2016 the Police and Crime Commissioner elections took place for the second time. These elections currently take place every 4 years meaning that a further election, should the Police and Crime Commissioner role continue to exist, would be scheduled for May 2020.

During the passage of the Policing and Crime Bill through Parliament amendments included: :

- That the Metro Mayor of a Combined Authority may exercise functions which are conferred on a Fire and Rescue Authority
- That where the Police and Crime Commissioner successfully submits proposals to become the Fire and Rescue Authority and exercise functions which are conferred on a an Authority, the Police and Crime Commissioner may by virtue of an order by the Secretary of State delegate these responsibilities to the Chief Constable, who may in turn delegate those further.

A Mayor is empowered to take on the functions of a Police and Crime Commissioner where there is a Mayor in the same area as the PCC. s107D of the *Local Democracy, Economic Development and Construction Act 2009* as inserted by the s4(1) and Schedule 2 of the *Devolution Act 2016*

The legislative and political considerations in relation to governance arrangements within the West Midlands Combined Authority and/or under a Mayor

The *Local Democracy, Economic Development and Construction Act 2009* places a duty on local authorities to promote understanding of the functions and democratic arrangements of the authority among local people. It establishes the framework for the establishment and functioning of the local authority leaders' boards that have been set up in the eight English Regions outside London.

It allows for the creation of appointed combined authorities covering multiple local authority areas, the first of which is the Greater Manchester Combined Authority.

The Cities and Local Government Devolution Act 2016 is an Act of the Parliament of the United Kingdom designed to introduce directly-elected mayors to combined local authorities in England and to devolve housing, transport, planning and policing powers to them.

In October 2015, the seven West Midlands 'Constituent' Councils (those authorities with full voting rights on West Midlands Combined Authority) approved a Scheme document which provided the legal basis for the establishment of a Combined Authority for the West Midlands and contains the membership, powers, functions and voting arrangements.

Following the publication of the Scheme document a proposed devolution deal was signed by the Leaders of the seven constituent councils and the three Local Enterprise Partnership Chairs in November 2015. The devolution deal was approved by each Constituent Council.

The proposed agreement with government will see it make an annual contribution worth £40 million for 30 years to support an overall investment package worth £8 billion, alongside the creation of up to half a million jobs.

The proposed deal will give the emerging West Midlands Combined Authority, working across the geography of the three LEPs, the funding and the powers to further grow the regional economy and focus on the issues that really matter to the people and businesses of the region; transport, jobs, skills and homes.

A key part of this agreement was that the WMCA should have a directly elected Mayor, whom the government believed would be an accountable individual who has ultimate responsibilities for decision making on major projects.

The Mayor will act as Chair to the WMCA and would be a constituent member of the WMCA. Subject to parliamentary timings, the first election for Mayor is expected be held in May 2017.

The Mayor will chair a Cabinet made up of the 7 'Constituent' Local Authority Leaders, who will each lead on a particular WMCA priority. Each of the Leaders are democratically elected through the council election process.

The Cabinet will examine the Mayor's draft annual budget, plans and strategies and will have power to veto them. There will also be overview and scrutiny arrangements in place.

Whilst there is direct entry for the Fire and Rescue Service into the WMCA, scope for potential may be facilitated through further devolution deals as highlighted in paragraph 52 of the WMCA Devolution Agreement:

"This deal represents a first step in a progressive process of devolution of funding, powers and responsibilities to the West Midlands Combined Authority (subject to its establishment). As well as the areas set out in this deal, the West Midlands Combined Authority Shadow Board and government will consider further opportunities for devolution and will continue to discuss these. These will include but not be limited to:

Proposals for an appropriate relationship between the functions of a Mayor and future role of the Police and Crime Commissioners (PCCs), including in relation to fire services, to be developed, subject to local consent and a business case developed jointly by the PCC and council leaders, and in consultation with the Fire and Rescue Authorities.

WMFRA has been granted observer status to the WMCA, which means the Chair of the WMFRA is able to attend and engage in board meetings. However, the arrangements do not presently afford voting rights. The board has also granted the Chief Fire Officer of WMFS entry onto the programme boards where service delivery will be formulated.

WMCA Programme Structure:



Governance Changes across the Fire and Rescue Sector:

The following case studies demonstrate the differing approaches taken or being taken to govern Fire and Rescue Services across the UK and Scotland. Most changes have focused on reform which provides a more efficient and effective approach to providing governance, securing value for money and public safety.

Case Study 1: Scottish Fire and Rescue Service – A National Service

The Scottish Fire and Rescue Service (SFRS) was established by the Police and Fire Reform Act (Scotland) 2012 (the Act) and came into being on 1st April 2013. The Scottish Government appointed a Chair and 11 other members to serve as members of SFRS, collectively referred to as the Board. The Act allows for the appointment of up to a total of 15 members.

The main purpose of the Scottish Fire and Rescue Service is to work in partnership with communities, the public and private sectors and other agencies on fire safety,

prevention, protection and emergency response to improve the safety and wellbeing of people throughout Scotland.

The Board provides strategic direction, support and guidance to the SFRS ensuring that it operates effectively and that the Scottish Government's priorities are implemented. Board members are personally and corporately accountable for the Board's actions and decisions. They also scrutinise plans and proposals and hold the Chief Officer and Senior Leadership Team (SLT) to account.

The Board is able to establish its own committee structure and delegate responsibilities to such committees as it considers fit. In addition to giving leadership and strategic direction, a very important role for the Board is the scrutiny of risk, financial management and performance.

The committees are as follows:

- Audit and Risk Assurance Committee
- Engagement Committee
- Performance Committee
- Service Transformation Committee
- Staff Governance Committee

Case Study 2: Manchester Fire and Rescue Service to be governed by the Greater Manchester Mayor

Greater Manchester is the area covered by ten neighbouring local councils. Around 2.7m live in Greater Manchester's 500 square miles. It has an economy bigger than Wales. The ten councils have worked together voluntarily for many years on issues that affect everyone in the region, like transport, regeneration, and attracting investment.

In 2011 the relationship was made official with the formation of the Greater Manchester Combined Authority (GMCA). The GMCA has formal powers and responsibilities set out in law. They have their own budget and employ staff to run the organisation and to work full-time on our objectives.

The GMCA gives more local control over issues that affect people who live in the area. It means the region speaks with one voice and can make a strong case for resources and investment. It helps the entire north of England achieve its full potential.

The GMCA is run jointly by the leaders of the 10 councils and its 'interim' GM Mayor. In 2017 it will have a fully elected Mayor with more powers and responsibilities.

A variety of boards, panels and committees look specifically at areas like transport, health and wellbeing, planning and housing.

Meetings of the GMCA:

- AGMA Executive Board
- Joint GMCA/AGMA Executive Board
- Other Papers in Relation to Policy Developments Discussed by Leaders
- GMCA and AGMA Joint Scrutiny Committee
- GMCA and AGMA Joint Audit Committee
- AGMA Statutory Functions Committee
- Greater Manchester Health and Wellbeing Interim Board
- Greater Manchester Joint Health Scrutiny Committee
- Low Carbon Hub Board
- Transport for Greater Manchester Committee
- Transport for Greater Manchester Sub-committees
- Planning and Housing Commission
- Greater Manchester Local Enterprise Partnership
- Police and Crime Panel
- GM Health and Social Care Strategic Partnership Board

They have teamed up with various public, private and voluntary partner organisations to help.

The Local Enterprise Partnership (LEP) is one of those major partners. It's a private sector-led voluntary board of business people and council representatives with a range of powers and responsibilities.

The other major partners with a place on its leadership team are:

- Greater Manchester Police (Greater Manchester Police website)
- Greater Manchester Police Commissioner (Greater Manchester Police and Crime Commissioner website)
- Greater Manchester Fire Service (Greater Manchester Fire and Rescue Service website)
- the NHS (NHS Choices website)

On the appointment of a Mayor in 2017 Greater Manchester Fire and Rescue Authority will be abolished and the responsibility for Greater Manchester Fire and Rescue Service will come under the elected Mayor who will also run Greater Manchester Police. A Fire Committee of 15 consisting of 10 councillors, 1 from each of the 10 Local Authorities and 5 further members at the Mayors choice will support the Mayor in holding the Fire Service to account, through delegated responsibilities.

Case Study 3: Cleveland Fire and Rescue Authority – A Reformed Authority

Cleveland FRS has recently reduced the Membership of its Authority. Essentially they have based their evidence for change around building their understanding of Member/ to Elector Ratio and Member to Population Ratio.

In submitting its proposal for change to the Authority, staying the same was not presented as an option. A number of options ranging from a 12-16 Member solutions were presented to Authority. The option that would have enabled the Authority to closely align to the Average Member to Elector/Population ratios for combined fire authorities, would have been 12 Members based upon the evidence provided. Cleveland settled on a not below 16 Members approach, which whilst representing a significant increase in Member to Elector/Population ratio of 1: 27,380 and 1:35, 984 respectively from its original Member Elector ratio (1:19,047) and Member to population ratio of 1:24,336, this still places them lower quartile within their family group. Significantly the '16 Member solution' was the highest number of Members detailed within the proposals submitted by Officers for consideration.

Similar information regarding Metropolitan FRS (Mets) was supplied by Cleveland. Mets operate at significantly different levels in terms of Members being required to represent greater numbers of electors/population. Should the figures detailed below be reliable.

Elected Member/Population and Elected Member/Elector Ratios for Metropolitan Fire Authorities in England and London					
Metropolitan Fire Authority	Population	No of Members	Member Population Ratio	No of Electors	Member Elector Ratio
Greater Manchester	2,714,944	30	1:90,498	2,103,545	1:70,118
Merseyside	1,386,589	18	1:77,033	1,107,517	1:61,529
South Yorkshire	1,358,153	12	1:113,179	1,072,962	1:89,414
Tyne & Wear	1,113,577	16	1:69,599	893,551	1:55.847
West Midlands	2,738,100	27	1:103,092	2,119,756	1:78,509
West Yorkshire	2,252,192	22	1:102,372	1,742,801	1:79,218

London	8,416,535	17	1:495,090	6,529,750	1:102,518
Cleveland	559,745	23	1:24,336	438,089	1:19,047
Average Met (exc London and CFA)	1,654,758	21	1:79,428	1,506,689	1:72,321

Case Study 4: Hampshire Fire and Rescue Authority – A Reformed Authority

Hampshire FRA commissioned a cross party Member led Working Group in December 2015 to review its governance arrangements and framework.

The aim of the work was to ensure that the Authority was in the best position to continue to lead Hampshire FRS in delivering the best possible services possible its residents whilst remaining resilient and responsive to change and challenges in the future.

The report of the Working Group was considered at the Authority's June 2016 meeting. A number of actions relating to engagement with the Police and Crime Commissioner, strategic integration with South Central Ambulance Service and improvements to the effectiveness of the Authority were agreed.

In considering the efficiency of the Authority, the Working Group evaluated the current size of the overall Authority, as well as the current size and number of each of the Committees. There was a consensus that, for a number of reasons, at 25 Members the Authority in its current configuration was too large.

In reviewing the efficiency of the Authority, the Working Group considered factors such as the size and dynamics of the current Committee structure and also the costs associated with the Authority. The Working Group evaluated two alternative governance models, based on the provisions within the Hampshire Fire Services (Combination Scheme) Order 1996 ("the Combination Order") relating to the appointment of Members:

1. The first governance model being a reduction in size to 19 Members (including the Police and Crime Commissioner), broadly retaining the existing structure and approach of the existing arrangements with enhanced efficiency;
2. The second governance model being a reduction to 11 Members (including the Police and Crime Commissioner), to establish the Authority in the style of a corporate Board with all Members involved in the majority of decision making.

These two governance size models were selected on the basis of their conformity with the principle of relating the number of Members appointed from each Council with the electorate size in that area.

The Working Group also considered the implications of the Policing and Crime Bill, in particular the duty to seek collaboration opportunities and considered the adoption of a strategy to include the Police and Crime Commissioner as a Member of the Authority from the beginning of the 2017/18 municipal year.

Following agreement by the Fire Authority it was resolved that option 2 above would be implemented in the new Authority year.

Case Study 5: Dorset, Wiltshire and Swindon Fire Combination

There are a number of examples of Fire Authorities combining. In December 2013 elected members of the Dorset, Wiltshire & Swindon Fire Authorities agreed to work towards developing a business case to merge the Services and Fire Authorities. This was subsequently approved by the two Fire Authorities. In March 2015 the Government released its response to the consultation, with the Secretary of State approving the merger bid. The combined Dorset and Wiltshire Fire and Rescue Service officially came into being in the form of a Joint Committee/Shadow Board from 1 April 2015 and started its one-year journey to replace the two existing Authorities on 1 April 2016. Until a structure is implemented which can jointly govern the Combined Authorities, both Authorities continued to run independently. The new Combined Fire and Rescue Authority will comprise 30 members in total in accordance with the table set out below. This represents an approximate 7% increase in membership, with a full governance review scheduled to take place by April 2018. As another example Devon and Somerset Fire and Rescue Service was founded on 1 April 2007, following the merger of Devon Fire and Rescue Service with Somerset Fire and Rescue Service.

It is anticipated that this merger will realise savings of around than £6 million in the coming financial year 2017/18. With an annual budget of £55 million the service is the fourth largest combined Fire and Rescue Service in England.

In addition to these savings a recent article in the Dorset Echo has quoted Rebecca Knox Chairman to Dorset and Wiltshire Fire and Rescue Authority: "What we are seeing even before our first year is complete is high level s of joint working and some excellent partnership projects that ae benefitting the communities that we serve."

Case Study 6: London Fire and Rescue Service – A Mayoral arrangement

London's legislative and political considerations in relation to governance arrangements under a Mayor and PCC. Commissioner

Under Chapter 2 part 3 London, the metropolitan police district will have a body with the name "The Mayor's Office for Policing and Crime". The person who is Mayor of London for the time being is to be the occupant for the time being of the Mayor's Office for Policing and Crime.

This legislation also states that where a person is the occupant of the Mayor's Office for Policing and Crime by virtue of a particular term of office as Mayor of London (the "relevant mayoral term"), the person's term as the occupant of the Mayor's Office for Policing and Crime so long as:

- begins at the same time as the relevant mayoral term, and
- ends at the same time as the relevant mayoral term.

The Mayor's Office for Policing and Crime has the functions relating to community safety and crime prevention conferred and the other functions conferred by this Act and other enactments. In London, for example, the person who is Mayor of London for the time being is to be the occupant of the Mayor's Office for Policing and Crime.

The Mayor's Office for Policing and Crime must:

- Secure the maintenance of the police force area
- Secure that the police force is efficient and effective
- Hold the to account Commissioner of Police to account

London Fire Commissioner

Under the Policing and Crime Act 2017 the London Fire and Emergency Planning Authority (LFEPA) will be abolished, with the London Fire Brigade (LFB) being brought under the direct responsibility of the Mayor of London who will set its budgets and strategic direction.

The London Fire Commissioner (LFC) will become a '**corporation sole**', with the abolished functions of the LFEPA being transferred to the LFC. The LFC **will have the functions of the FRA for Greater London** under the Fire and Rescue Services Act 2004 and will be responsible for ensuring that LFB is efficient and effective.

This includes personnel, services and equipment secured by the London Fire Commissioner for the purpose of carrying out the commissioner's functions under:

Section 6 of the FRS Act (Fire Safety)

Section 7 of the FRS Act (Firefighting)

Section 8 of the FRS Act (RTCs)

A new **Fire and Emergency Committee** will be formed by the London Assembly who will be responsible for scrutinising the LFC, LFB and the Deputy Mayor for Fire (if appointed).

The Mayor may appoint a Deputy Mayor for Fire and arrange for them to exercise any function of the Mayor relating to Fire & Rescue. For this the Greater London Act will be amended to allow the Mayor to appoint 11 as opposed to the current 10 members of staff to support him/her in running their office. The Mayor of London, either directly or through the deputy, will hold the LFC to account and be able to give guidance and direction to them. In exercising any powers, the Mayor must have regard to the Fire & Rescue National Framework and Fire Safety Enforcement (Regulatory Reform (Fire Safety) Order 2005). Where the direction of the Mayor could be seen as inconsistent when set against the F&R National Framework or Fire

Safety Enforcement, then the Secretary of State may direct the Mayor to reconsider such direction.

The F&E committee will have the power veto the appointment of a person for either the LFC or Deputy Mayor for Fire role by the Mayor.

These arrangements mirror the 2012 changes to Police governance when the Metropolitan Police Authority was replaced with the Mayor's Office for Policing and Crime (MOPAC) and a new Assembly Police and Crime Committee established to hold Met and MOPAC to account. The Mayor takes on the role of Police & Crime Commissioner in London.

Sadiq Khan, Mayor of London commented: *"I welcome the Mayor taking over direct responsibility for the city's fire services."*

The current position in the West Midlands:

Need to cover:

- **WMCA and further devolution to come – although cannot really include possibility of us in next Devo deal**
- **P&C bill enabling PCC to take on us if this is desired**
- **Talk about other possible governance options and likelihood**
- **Talk about timeline for Mayor and then Mayor and PCC combining**
- **What options these scenarios then present!**

The current governance model for West Midlands Fire Service as highlighted above is through a Fire Authority. This is typical of most Fire and Rescue Services across the UK and provides for effective scrutiny, accountability and transparency in the delivery of services to local communities. This governance model has enabled the effective delivery of services to local communities reaching wider than the traditional fire service norm. This has included effective collaboration with a number of agencies to deliver community wide priorities.

As the provision of public services changes across the country the West Midlands sees itself as one of the early adopters of devolution to support the transfer of powers, funding and responsibilities from central government to local authorities and ultimately local communities. As a combined authority should enable better collaboration across joint priorities, this change in local decision making will continue to shape the provision of local services to local communities for future years.

The Combined Authority and the pending Policing and Crime legislation opens up both short and long terms opportunities for the future governance of West Midlands Fire Service, through a Mayor and/or a Police and Crime Commissioner.

As metropolitan region the West Midlands has recently seen the formalisation of the West Midland Combined Authority and this will progress further to support further devolution to the region with the election of a Mayor in May 2017.

So within the West Midlands many opportunities exist which will impact on the future governance of West Midlands Fire Service.

The Combined Authority has agreed a number of devolution priorities, which includes the need for public service reform. This aims to improve public services to help people into the labour market and reduce the public finance gap through a number of work streams such as Multiple Complex Needs Individuals, Mental Health and Reformed Youth Justice.

The Combined Authority have also prioritised economic development. It plans to use its extensive economic market area covered by the three Local Enterprise Partnerships (LEPs) to jointly create an economy which is the strongest outside London and contributes fully to the Government's vision of a wider "Midlands Engine for Growth".

Through collaborating together as a region the seven councils can accelerate the region's economic growth, by encouraging both inward and outward investment; creating more jobs for local people and providing the high-level and necessary skills and training needed to fulfil these roles.

APPENDIX C

Future Governance Working Group – Governance Options Appraisal

Governance Options - Assessing the Achievability of Community Outcomes

Introduction

This briefing document is intended to support the assessment of achievability of the community outcomes agreed by the Future Governance Working Group (FGWG) against each of the four governance options by members of the FGWG during its final meeting on the 13th January 2017.

Section 1

The FGWG in its second meeting agreed the following options for the future governance of WMFS:

- A Reformed Fire Authority (RFA)
- West Midlands Combined Authority and elected Mayor (WMCA and Mayor)
 - A number of similar options exist under this model
- Police and Crime Commissioner **3 models:**
 1. Shared Governance and Employers Model
 2. Shared Governance and Single Employer Model
 3. A Representative Model:
(PCC 1, 2, 3)
- Combination of Fire and Rescue Services (within the West Midlands region)
(Fire/Fire)

The last two meetings of the working group have enabled each of these governance options to be presented and discussed, against a backdrop of current and potential future collaboration across the emergency services, local authorities and NHS. This has provided a level understanding of the legal, organisational, governance and importantly collaborative delivery of service implications of each of the options.

In its consultation response to the Policing and Crime Bill, West Midlands Fire and Rescue Authority (WMFRA) signalled that in the event of future governance changes, it would prefer to be taken under a Mayoral arrangement, having taken the view that it provided the best vehicle for the delivery of its strategic objectives. WMFRA also recognised the need to appraise all relevant options in an equitable way, as a potential starting point for local agreement on the way forward, and established the FGWG, including relevant stakeholders, to start this appraisal.

The Bill seeks to enable better collaboration between organisations, where this improves value for money. The approach of the FGWG has been to consider opportunities for further collaboration, and then how the governance options might enable these.

In support of assessing and appraising each of the options further, the group agreed a set of outcomes and weightings for each of these. These are set out below:

VFM (E,E,E) 4
Public Safety 4
Better Collaboration 3.5
Increased Scrutiny 1
Increased Transparency 2
Increased Accountability 3.5
Costs and Savings 3.5
Risks 3.5

4.0 = Outcome imperative
3.5 = Very important
2 = Desirable by-product, Important
1 = Least desirable outcome

An achievability criteria has also been set as a guide for assessing each of the governance options against each of the outcomes. This is set out below:

The achievability score will range from 0 to 5 for all criteria:

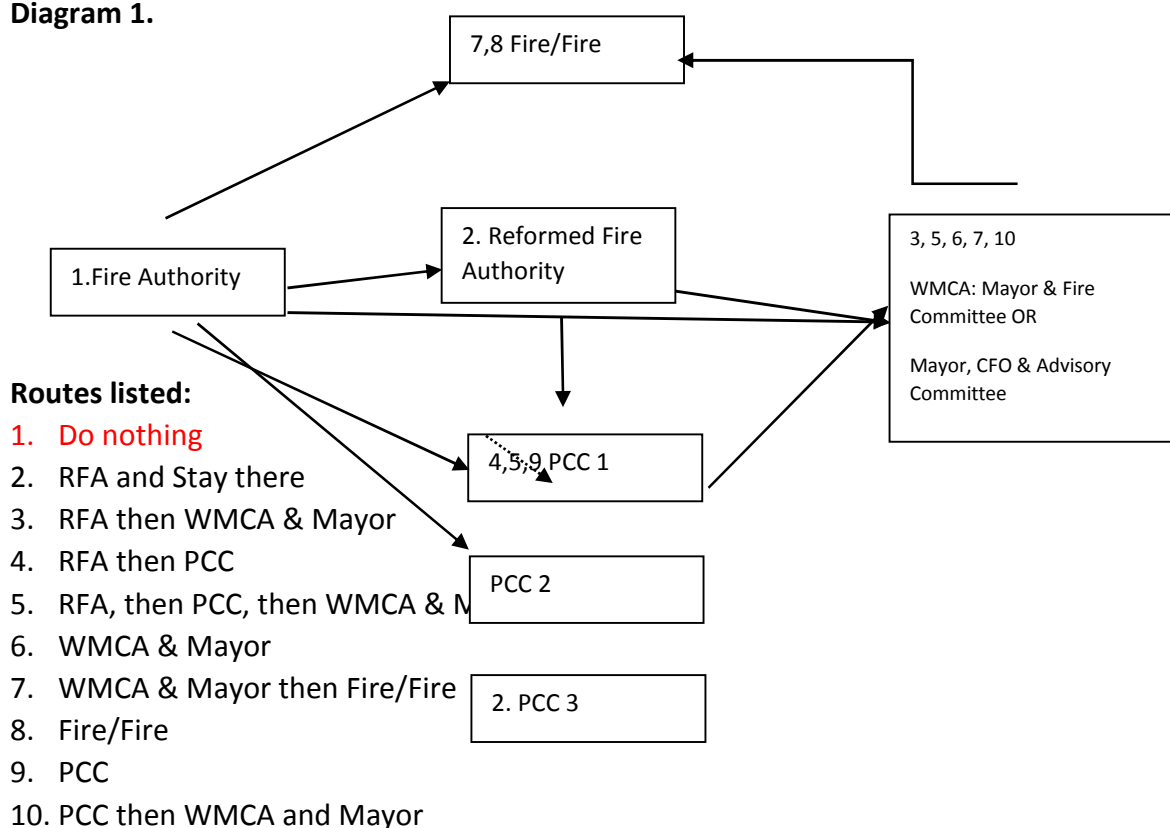
High	5	(100 - 75% confident it will achieve most of this particular criterion)
Medium	3	(74 – 35% confident it will achieve some of this particular criterion)
Low	2	(34% or lower achievability will be limited by this particular criterion)
D	0	(Don't know, further work required)

Section 2

The next meeting of the FGWG will enable all members to assess each of the governance options to provide an options appraisal; as well as reach conclusions regarding the way forward for the future governance of WMFS.

To support the progress of the next and final meeting on the 13th January, all the possible 'routes' to achieve the future governance of WMFS as part of WMCA and Mayor (2020) are set out diagrammatically and listed below. These routes are based on the four options outlined above, but the diagram clearly sets out the possibilities each option provides.

Diagram 1.



Section 3

In considering the options and possible 'routes' (set out in diagram 1) as a group, we agreed to consider the outcomes against which we will assess achievability in a more informed way.

In this section some principles for consideration of each outcome area are proposed to support our individual assessment of each of the governance options.

Public Safety

How will the governance option maintain and enhance public safety?

Taking each of the four options public safety will consider the widest provision of services to the communities of the West Midlands. As we have learnt WMFS are legislatively required to provide prevention, protection and response services, but critically WMFS's strategy also enables this to reach wider and deliver services which cross organisational boundaries, seeking to meet wider public service priorities.

Legislative duties are unlikely to diminish, but the way in which WMFS will be funded to provide these services as part of each of the four governance options does need to be considered in this section. Will future funding structures provide opportunity and/or risk in the provision of services as part of WMFS strategy?

A RFA governance model would, all other things being equal, continue (as far as we can project) the current funding structure of a majority central government grant (approx. 60%) and a smaller proportion of precept and council tax (approx. 40%), directly to fund the WMFS strategic plan. Although funding cuts are likely to continue this option imposes no additional financial risk on the Service and enables WMFS to continue allocating funding to service priorities to meet its strategic direction and vision.

A PCC governance model (1 and 2) will provide for a similar funding structure. However if future governance for WMFS through the single employer model, there is a possibility that funding for WMFS will be absorbed into overall Police funding structures. Essentially, WMFS could lose its ability to control the raising of dedicated revenue for the Fire Service. This could present risk to how funding is allocated to service priorities and to the maintenance of the WMFS Service Delivery Model, including the provision of integrated prevention, protection and response services to the communities.

A PCC 3 governance model would present the same structure and risks as a RFA.

WMCA and Mayor governance model may provide funding structures that will operate on a business rates structure. The way in which this will work locally is uncertain as the approach for business rates is currently being consulted upon and will not be implemented until 2020. The West Midlands was announced as a 'trial' region for business rates on the 15th December, which will enable early engagement and the generation of learning. It is also possible that as part of a Mayoral structure the funding structure for WMFS will continue as is.

Either approach will present similar risks to the PCC option above, in how funding could be allocated to service priorities and the maintenance of the Service Delivery Model.

It should be recognised that both the WMCA & Mayor and PCC options are yet untried and both will present opportunities as well as risks locally. Opportunities should exist in influencing strategy and the delivery of services through the better collaborative provision of services to the public, therefore delivering better public safety in a value for money way. The risks to this lie in, as identified above, how funding is aligned to wider priorities as the PCC and WMCA and Mayor as governing bodies will be responsible for other public services.

A Fire/Fire Combination governance structure will provide the same funding structure as the current Fire Authority and a RFA. However issues will exist around council tax equalisation these are detailed in the 'costs' outcome.

Collaboration

How will the governance structure enable better collaboration?

This outcome needs to consider the extent to which each of the governance options can support current and future collaboration across emergency services and other public services (organisations), in way which is aligned to WMFS's and wider strategic priorities, as well as the expectations of the 'duty to collaborate'.

The assertion here is that the closer together the governance of organisations, the more likely they are to collaborate effectively. This is an uncomplicated assertion and there will probably be excellent examples of it being the case, and some exceptions.

When considering the extent of collaboration the following 'levels of collaboration', can provide a broad guide. Level 1 is the least collaborative, with level 3 demonstrating full collaborative working.

4. Organisations are in dialogue with each other and/or work together – partnerships
5. Representatives from organisations are part of the governance structure
6. Organisations operate together – part of the same organisation

The potential for these levels of collaboration to achieve efficiencies can also be broadly considered as part of this outcome.

Throughout the first few meetings of the working group we sought to understand how WMFS currently collaborates across the emergency and wider public services, as well as identifying what collaboration could exist for the future. There are areas of great collaboration existing such as Telecare Falls Response, Multiple Complex Needs and Fire Control to name a few and the potential for further collaboration (at all levels) such as those we reviewed for co-responding, data sharing, emergency planning and patient transport.

Scrutiny and Transparency

How will scrutiny of decision making and transparency in governance and decision making be maintained and possibly enhanced through each of the four governance options?

The 'principles of good governance' describe the ability to make informed, transparent decisions and managing risk as being critical to governance. This is about being rigorous and transparent about how decisions are taken. Scrutinising at an early stage through having and using good quality information, advice and support and making sure that an effective risk management system is in operation.

In considering this outcome and the requirements of scrutiny and transparency across the public sector (particularly for local authorities), it is useful to consider the structures in place to enable the scrutiny of decisions making and approaches to making key information transparent to the public. All local authorities are required to meet statutory expectations regarding the scrutiny of decision making and the transparency code. It therefore unlikely

that any one of the four governance options is going to reduce scrutiny or transparency to the public.

It should be noted that the West Midlands PCC has recently been presented with an OPCC Transparency Quality Mark by CoPaCC (the independent body that monitors police governance) for reaching a high standard in having accessible information for the public.

Accountability

How accountable is the governing model and the 'persons' to stakeholders and importantly to local communities?

Within the four governance options being considered by the FGWG there exists two approaches to accountability:

- Single accountability through a PCC or Mayor
- Section 41 accountability through 'lead' members for local authorities, through a RFA or Fire/Fire

Current government policy is a model of single accountability - holding one person to account for decisions taken. The principle around this approach is that one accountable person is visible and easily identifiable to local communities across a whole region and therefore more accessible.

The model of 'lead' members enables this accountability amongst a number of persons responsible for decisions taken along with a 'Chair'. Here accountability is spread more evenly across a region, with accountable persons being easily identified and accessed by citizens in their local community.

It should be noted that a review of the PCC model was undertaken in 2014 by the National Audit Office, Police Accountability: Landscape review 2014, just over a year following its implementation. At the time this review identified a number of gaps in the Home Office's policing oversight framework, which could limit the public's ability to hold elected police and crime commissioners to account. However, at the time whilst PCCs had been in place for only a year, the new framework has the potential to be an improvement on the system it has replaced.

The timing of this review should be recognised as well as the development of the PCC model since.

There is no one substantial piece of evidence which demonstrates that one approach is more effective than the other. Within the Working Group there was a diversity of view, but a recognition that:

- more could be done to support S41 members in their roles with individual local authorities
- the Combined Authority model is entirely untested
- the PCC model is still relatively new and as yet untested for Fire and Rescue Authorities

Savings

What is the potential for cashable savings to be realised through a change in governance?

Each of the governance options will provide for some element of cashable savings to be achieved through a reduction in money spent on maintaining the governance structure and/or through the merging of front and/or back office services.

A RFA – from a simplistic approach a reduction in fire authority members of 50% could realise savings of approximately £125,000. There is the possibility to make further savings through an enhanced approach to collaboration in the delivery of services supported by this governance option. However maintaining this governance option will not in itself lead to further cashable savings.

PCC 1 and 2 would realise savings of £250,000 as a Fire Authority would no longer exist. **PCC 1** could deliver further savings through efficiencies in merging Office of the PCC and WMFS back office functions such as Communications, Finance, Human Resources, etc. Further savings could also be generated through further merger of Police and WMFS systems and functions.

PCC 2 could deliver further savings as a result of this governance change, in addition to PCC 1, through efficiencies in management as well as potential mergers between back office functions wider than just Communications, Finance, Human Resources, etc, across the wider police force.

PCC 3 would not deliver any additional efficiencies as there would be no change in governance from a Fire Authority.

WMCA and Mayor – alike the PCC option (1&2) governance through a Mayor could deliver savings in governance structures of around £250,000; however there is also the potential to deliver wider back office and service delivery (prevention and protection) savings across public services. As an example Hampshire Fire, Police and Local Authorities have entered into a shared approach to the delivery of some of their back office services, resulting in savings of circa £4,000,000 per annum.

Fire/Fire – the combination of the five Fire and Rescue Authorities which serve the communities of the West Midlands region, has the potential to deliver savings in the region of £ 15,677,483 whilst maintaining and/or improving the delivery of fire and rescue services to its communities. Such a change would involve combining fire authorities, merging back

office functions, corporate and managerial structures, as well as potentially re shaping front line services.

Costs

What costs would a change in governance incur as part of the change?

A key consideration for this outcome would be the costs incurred and the value this provides from a community perspective. In principle a single route to a long term change in governance (see diagram 1 and listings) will incur less costs to enable the change, than a route which involves more than one change, i.e. routes 5, 7 & 10. The exception to this would be the RFA as this change in governance as a short, medium or long term route is unlikely to incur additional costs.

RFA – a RFA is unlikely to incur any costs

PCC 1 and 2 – would incur costs around the transfer of staff from one employer to another.

PCC 3 alike the RFA governance model is unlikely to incur any costs

WMCA and Mayor – would incur costs around the transfer of staff from one employer to another.

Fire/Fire – would incur costs around the transfer of staff from one employer to another, but is likely to be lessened due to the fact that the terms and conditions of ‘grey book’ (operational) staff are the same. The need to harmonise or equalise council tax across the areas the combined Fire Authorities cover could be a significant cost and would impact on household spend. In the West Midlands Region there is approximately a £39.55 gap between the highest band D charges of £92.42 in Shropshire and the lowest band D charge of £52.87 in the West Midlands (2015/16 figures).

Risks

How will a change in governance impact on the delivery of services and what would the perceived impact be on engagement with staff, community and trust?

It is reasonable to consider this outcome not only in terms of the distraction from a staff engagement and community perception perspective, but also linked to Public Safety as possible changes in priorities of WMFS may present risks to the delivery of services, which will in turn impact on community and trust.

A RFA provides little if no risk/impact on engagement with staff, community and trust. This governance option can provide a more robust and streamlined approach to governance, but it will not mean any change to the way in which staff are employed, services delivered, or brand and image in the community.

PCC 1 and 2 will provide for risks internally as staff move from one employer to another, which has the potential to cause a distraction which may impact on the delivery of services.

WMFRA currently collaborates effectively with the Police Service in a number of areas to enable the effective delivery of services but the two services are distinctly different and there is a perceived risk to the brand and image of WMFS if the two services begin to merge as one.

PCC 3 as with a RFA

WMCA and Mayor will provide for risk internally from a staff engagement perspective as highlighted above with the PCC 1 & 2 option. WMFRA also collaborates effectively with both Local Authorities and the WMCA. The levels of engagement and collaboration with the WMCA has increased over the last 6 months as WMFS have taken a key role in leading the Multiple Complex Needs work stream and the Chief Fire Officer recently taking on the role of CEO for Public Service Reform. These developments are directly aligned to the delivery of WMFRA strategy and service priorities as involvement in WMCA continues the level of risk internally as well as externally in engaging with communities and maintaining trust, may cause a lower level of impact and distraction.

Item 14

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

20 FEBRUARY 2017

**1. ROUTE MAP TO A WEST MIDLANDS COMBINED AUTHORITY
MAYORAL WMCA GOVERNANCE REPORT**

Report of the Clerk to the Authority

RECOMMENDED

1.1 THAT the Authority approves: -

1.1.1 the strategy proposed in this paper concerning the reform of West Midlands Fire and Rescue Authority (the Authority), namely the route required for the Mayoral WMCA of the West Midlands Combined Authority (WMCA) to assume governance of West Midlands Fire and Rescue Service (the Service) from the Authority.

1.1.2 the outcomes, purpose, approach and timeline as set out in this paper.

2. PURPOSE OF REPORT

This report proposes that:

- 2.1 The route and approach required for West Midlands Combined Authority (WMCA) and the Mayoral WMCA to assume governance of the Service be approved. This will accord with Home Office expectations regarding accountability and improved scrutiny in governance arrangements, as well as measuring the outcome of current and future service delivery to the communities of the West Midlands and beyond.
- 2.2 Consultation with the elected WMCA and elected Mayoral WMCA will be enabled to reform the Authority to provide a more streamlined and flexible arrangement to a Mayoral WMCA. Possible future Combination options can be initiated as an interim measure until such date as is reasonably practicable for the functions exercisable by the Authority to become functions of the Mayoral WMCA.

3. BACKGROUND

3.1 WMFS's Approach to Service Transformation

- 3.1.1 The Authority has fully supported service wide transformation and has embraced plans to meet the circa 50% (£38m) reduction in central government grant (core) over the course of the Comprehensive Spending Review (CSR) covering the period 2011/12 to 2019/20.
- 3.1.2 Ongoing transformation over the past 6 years has impacted on both service support and service delivery functions. The Service has met the required reductions in funding through exploring and implementing more challenging and innovative approaches to the delivery of internal and external community facing services. Whilst the Service has had to make decisions that have increased risk in some areas of response, prevention and protection, these have been assessed through an evidence based approach using Integrated Risk Management Plan (IRMP) analysis to minimise the impact on services to the community.
- 3.1.3 Service transformation in this way reinforces the Service's priorities and outcomes as set out in the 3 year rolling corporate strategy, The Plan. The Service Delivery Model (SDM) sits at the heart of The Plan underpinned by planning and analysis that determines the level of resources needed to be able to respond to high risk (life and property) incidents within a risk based 5-minute attendance standard. This attendance standard evidentially enables the Service to reduce risk to firefighting and increase the survivability of the victim, as well as reducing the impact of fire on the local community and economy.
- 3.1.4 The SDM, underpinned by analysis and planning, is the lynch pin to supporting an integrated approach to the delivery of the Service's prevention, protection and response services to the communities of the West Midlands. The evidentially proven 5 minutes risk based attendance standard is at the heart of the SDM. Amidst the challenges that the CSR presents to the Service, the SDM cannot be compromised.

3.2 Delivering Service Transformation

- 3.2.1 Since the beginning of the CSR the Service has worked alongside staff, representative bodies, partners and communities to implement changes which have delivered public service transformation. Through innovation and reform new concepts and ways of working have been

introduced. This has led to efficiencies and, just as importantly, to the maintenance and improvement of services to the communities, especially the most vulnerable.

- 3.2.2 Management reviews of the corporate team have enabled the Service to downsize and reorganise its management structure whilst creating a much leaner and more accountable approach to leadership. As a result, the Service has realised savings of approximately £1.5 million per year.
- 3.2.3 Across service delivery the Service will have reduced front line firefighting staff by 25% in total by May 2017. The SDM and the delivery of a 5 minute attendance standard relies on a front line resource of 1,322 firefighters. This reduction in resources, driven by the need to meet reducing budgets, presents a risk to the delivery of services to the community which has been met through more innovative approaches to the flexible deployment of front line resources, such as introducing a blended fleet of vehicles crewed at different levels, a new staffing model designed to address the gap in numbers of firefighters and the use of dual staffing to crew specialist vehicles.
- 3.2.4 Such flexibility comes attached with additional risks in relation to the impact on services to communities, partner relationships and employee engagement. The Service has managed, controlled, mitigated and, where possible, removed these risks through effective and robust planning, change management, leadership and communication.
- 3.2.5 Service Support functions have and continue to undergo rigorous review in terms of improved efficiency and effectiveness and the opportunities for collaborative working with other partners.
- 3.2.6 The Authority is set to receive further cuts to core funding of approximately £10 million over the four year period 2016/17 to 2019/20. This means by 2019/20 core funding will have reduced by approximately £38 million since the cuts began in 2011/12. This is an unprecedented reduction, taking total cuts in core funding to circa 50% in this nine-year period.

3.3 Delivering Services Differently

- 3.3.1 By garnering a deep understanding of risk and vulnerability, the Service has sought to tackle the 'causes of the causes' and integrated the findings of Sir Michael Marmot's Review and the six Marmot policy objectives as a baseline for delivering all community services and protecting the most vulnerable communities and individuals.
- 3.3.2 Over the past 18 months the Service has developed a 'commissioned' approach to maintaining the SDM whilst delivering wider prevention based services. This approach has seen the implementation of three Falls Response services across Coventry, Wolverhampton and Dudley in addition to a Hospital Discharges trial in Coventry. Extending its prevention based services to support the wider priorities of the 7 West Midlands Local Authorities and the NHS not only provides the Service with flexible and sustainable income opportunities to support the maintenance and improvement of the SDM but also supports its priorities in Making the West Midlands Safer, Stronger and Healthier.
- 3.3.3 Collaboration across a range of partners is critical to the services delivered both nationally and to local communities. The Service benefits from positive collaborative relationships with a number of emergency and public sector services. Some examples include: Joint Emergency Services Interoperability Programme (JESIP), West Midlands Police (WMP) – Fire Investigation and a joint Fire Control with Staffordshire Fire and Rescue Service - this particular area of collaboration has resulted in £1.5 million joint savings per year with a joint saving of £11.6 million projected to 2020.
- 3.3.4 The Service is committed to collaboration which extends wider across the emergency services and other agencies (such as the NHS, Local Authority and the third sector). This will enable the achievement of better joint outcomes aligned to The Plan designed to improve outcomes for local communities in a more efficient and effective way such as enhancing independent living for the most vulnerable and supporting economic growth through strategic regulation.
- 3.3.5 This commitment can be seen in how the Chief Fire Officer (CFO) and other officers have engaged, as key stakeholders and service delivery providers to 7 Local Authority Constituent Members, with the WMCA from its shadow stages through to inception.

Initially this was through the Public Sector Leadership Board and more recently by establishing the Authority as an 'Observer' through the WMCA Board and the Programme Board.

- 3.3.6 This engagement has provided the Authority and the Service with an invaluable opportunity to develop the understanding of the WMCA around the merits of a 21st century metropolitan fire and rescue service and the benefit its integrated, whole time, service delivery model has on the wider footprint and priorities of the WMCA.
- 3.3.7 The Service has recently agreed to lead on Public Service Reform (PSR) and the 'Multiple Complex Needs (MCN) Individuals' work programme on behalf of the WMCA, a clear signal and acknowledgement that through their experience, brand and skills WMFS can lead and support these wider agendas.

3.4 Improving Performance

Despite these challenges there has been improvement in the performance of the Category 1 (5 minute) attendance standard for the highest risk incidents (life and property). During 2015/2016 achievement of this attendance standard performed positively throughout the year with a median attendance of 4 minutes 42 seconds in the last two quarters of the year. This is the best performance seen in several years.

3.5 The Future for Fire

- 3.5.1 It is clear there have been many challenges for the Fire Service over the last 10 years both financially throughout the CSR period and policy making with reviews such as those conducted by Sir Ken Knight (Facing the Future 2013) and Adrian Thomas (Independent review of conditions of service for fire and rescue staff in England February 2015). These reviews continue to set the backdrop for the reform of the Fire and Rescue sector as is reflected in the Home Office's policy development.
- 3.5.2 On 11 September 2015 the Government released a consultation entitled 'Enabling Closer Working between the Emergency Services'. This was followed by a move of government department for the Fire and Rescue Service on 5 January 2016 from the Department of Communities and Local Government to the Home Office. The fire reform programme has also encapsulated the Chief Fire Officers'

Association (CFOA) with the Home Office steering its priorities. The outcomes to the above consultation introduced the Policing and Crime Bill, which received Royal Assent in January 2017, and proposes a new duty to collaborate on each of the blue light emergency services as well as new powers for PCCs to take on the governance of Fire and Rescue Services.

- 3.5.3 The statement made by the then Home Secretary, Theresa May, on 24 May 2016 outlined a clear desire from central government to affect a change which will create an impetus for further reform wider than the delivery of services - reform of Fire and Rescue Authorities. The Government and Home Office are committed to implementing governance structures which provide more scrutiny, transparency and accountability of decision making.

3.6 Changing Governance and Future Opportunities

- 3.6.1 In view of the national policy developments, the Authority recognised that staying the same was not an option and that there are four future possible routes for potential future governance structures for the Service:

1. A Reformed Fire Authority,
2. A Police and Crime Commissioner (PCC),
3. A Mayoral WMCA as part of the WMCA and and/or
4. A Combination of regional Fire Services.

A more detailed description of each of these governance models is provided in Appendix 1.

- 3.6.2 Governance through a PCC or a Mayoral WMCA as part of a Combined Authority are the main options being proposed by Government through the Policing and Crime Act. However, the Home Office and the former Minister of State for Policing and the Fire Service Mike Penning, confirmed there would not be a single governance approach for all Fire and Rescue Services and that a combination of regional fire services would be considered as a possible structure, as would the continuation of Fire Authorities.

3.7 WMFRA Commitment to Future Governance

- 3.7.1 In view of Home Office expectations around the reform of the Fire Service developing apace, the Authority has considered how it works with, responds to and influences the changes. As the Government pushes forward local devolution and public sector reform, the Authority has acknowledged that a failure to address this could potentially cause the Service to lose relevance, credibility and public confidence (an emerging corporate risk) from the uncertainty around the future governance of the Service with the potential to impact on the priorities in The Plan.
- 3.7.2 The Authority committed itself to exploring an evidence based approach to understanding how each of the future governance options (in light of the changing external influences highlighted in this report), can support the delivery of services to local communities, with increased scrutiny, transparency and accountability of decisions; in a value for money way.
- 3.7.3 For this purpose the Authority commissioned a Future Governance Working Group (The Group). The outcomes of The Group were to provide an options appraisal for the Authority to be able to make an evidence based decision on the best case for governance for the Service in the future and the best approach to achieving this.
- 3.7.4 The approach to assessment:**
Initially The Group considered how collaboration currently exists, as well as the potential for the provision of future collaborative services across blue light emergency services as well as Local Authorities, WMCA and NHS. A critical part to this was the impact this would have on the community and the ability to deliver public service priorities across the West Midlands.
- 3.7.5 As a result of this work, The Group agreed a set of high level community outcomes against which each of the governance models were assessed. The Group undertook an options appraisal to assess the achievability of these outcomes against the merits of each of the four governance options. This provided an evidence base to the Group's conclusions and a way of provoking debate about the relative merits of the options. (The Group conclusions can be found in Appendix 2).

3.8 The Direction for the Future Governance of WMFS

- 3.8.1 The Authority has been clear in its intention to seek alignment to a Mayoral WMCA governance model. The Authority believes that this route provides the best approach for the future delivery of the services delivered to the communities of the West Midlands.
- 3.8.2 The options appraisal undertaken by the Group together with the outcome of the recent WMFRA public consultation, the current and future strategic directions of the Service, the WMCA and the overall direction set by the Government (both policy and legislation) reinforces the overall direction the Authority seeks for the future governance of the Service through the Mayoral WMCA as part of the WMCA. All these provide an evidence base for the recommendations within this report.
- 3.8.3 Whilst it is acknowledged that a Mayoral governance model for Fire and Rescue Services is still untested across the UK, there are emerging models in London and Manchester as to potential pathways. The Authority maintains its belief that direction through a Mayoral WMCA arrangement as part of devolution represents the most logical and efficient route to achieve sustainability of and improvements in the SDM, whilst also seeking to support and deliver against wider public service priorities.
- 3.8.4 This option could provide the pathway for the Service to combines with other regional fire services and scale up the collaborative delivery of services to local communities with increased scrutiny, transparency and accountability of decisions; in a value for money.
- 3.8.5 Public safety in its widest context can be enhanced through better collaboration delivering better integrated services in a value for money way across the West Midlands area without adding pressure to the public purse. The Service is leading on PSR and MCN as key elements of the WMCA devolution deal providing clear benefits of a 21st century professional whole-time, integrated SDM to the wider public services.
- 3.8.6 A critical element to a change in governance to a Mayoral WMCA will be the interim governance arrangements in continuing to provide the highest levels of public safety supporting increased collaboration without the associated costs and unnecessary change of governance option would incur; as well as the risk of impact on engagement with

staff, community and trust. The Authority believes that a Reformed Fire Authority (RFA) option can provide a more robust interim approach to governance. A RFA was a key consideration of the Group. In its conclusions the Group determined that, *'the Authority should consider how its own governance should change, to enhance opportunities for further reform and collaboration'*.

3.8.7 The proposals within this paper include the reform of the Authority to enable a more streamlined and flexible arrangement to a Mayoral WMCA and possible future Combination options. A RFA would maintain proportionality across the West Midlands, reflect changing approaches to governance and include invitations for non-executive membership to enhance collaboration, scrutiny, accountability and transparency to improve outcomes for the community.

3.8.8 Whilst the WMCA provides a progressive governance option for the Authority, the Chair and CFO maintain regular discussion with the PCC and other partners which enables two-way communication and a continued approach to collaboration with partners such as West Midlands Police.

3.8.9 **The IRMP Consultation:**

The Service's engagement with the community as part of the Integrated Risk Management Consultation (the Consultation) revealed the route to a Mayoral WMCA to be amongst the popular options. This was along with a RFA, which was identified as a 'highly desirable' governance option for local citizens, along with Combined Fire Services for best supporting the delivery of its prevention, protection and response services to the communities of the West Midlands.

3.9 **THE WAY FORWARD:**

Legislation enables a change in governance

3.9.1 The main pieces of legislation (and draft legislation) enabling the Mayoral WMCA to enact a change in governance have been captured in this report and can be listed as follows:

- The Local Democracy, Economic Development and Construction Act 2009
- The Cities and Local Government Devolution Act 2016, and
- The Policing and Crime Act 2017

3.9.2 This translates into 3 possible routes of governance:

- 1) The Cities and Local Government Devolution Act 2016 enables the WMCA and Mayoral WMCA to take on additional functions which may be either local authority or other public authority functions.
- 2) The Policing and Crime Act 2017 enables the PCC to make a business case to take on the governance of the Service where this can be locally agreed.
- 3) The Policing and Crime Act 2017 also enables the Mayoral WMCA to take on the governance of the Fire Service, again where locally agreed.

3.9.3 As referenced earlier in this report the Authority has been clear in its intention to seek alignment to a Mayoral WMCA governance model. The route to a Mayoral WMCA will have an impact on a number of pieces of legislation affecting both governance and services delivered.

4. THE IMPACT OF THE CHANGE ON THE CONSTITUTION AND THE LIABILITIES FOR THE MAYORAL WMCA

4.1 With the proposed changes in governance for the Service, the current Authority will cease to exist and a new model will be enabled. Currently there are two Mayoral governance models emerging such as:

- the London Mayoral and the London Fire Commissioner (LFC) and
- Greater Manchester Combined Authority (GMCA) and Mayoral.

4.2 Each model will represent different approaches to the discharge of statutory responsibilities and liabilities. The categories below are amongst the most pertinent responsibilities and liabilities and their discharge will be dependent on the model adopted in the West Midlands:

- functions relating to statutory plans (the IRMP),
- the budget and
- the setting of the council tax precept.

4.3 The responsibilities as set out in the following pieces of legislation will need to be transferred on abolition of the Authority.

- **Local Government Act 1985**

The Authority as it stands was legally created by the LGA 1985 which created joint fire authorities and stipulated the number of Members appointed from constituent councils to the Fire Authority (27). Section 34 also sets out the annual appointment of the Chair, Vice Chair and Clerk. The responsibilities of this Act and their transfer will depend on the governance model adopted.

- **Local Government and Housing Act 1989**

This Act requires the designation of one of WMFS's officers as Head of Paid Service (the Chief Fire Officer) and outlines the specific responsibilities of this role. It also stipulates the requirement to appoint a Monitoring Officer. The responsibilities for the appointment of the Head of Paid Service will be transferred to the Mayoral WMCA for discharge, subject to the detail set out in the Scheme and the WMCA's Constitution. The requirement to appoint a Monitoring Officer will depend on the governance model adopted.

- **Local Government Act 1972**

The Local Government Act 1972 (Section 151) requires the appointment of a Chief Finance Officer.

4.4 **Impact on services:**

There are a number of core service activities delivered by the fire service that are prescribed in legislation, assurance for which is provided through the Authority. These responsibilities will need to be transferred to the Mayoral WMCA for discharge. The most pertinent pieces are detailed below:

- **Fire and Rescue National Framework for England (2012)**

As a requirement of the Fire and Rescue Services Act 2004, the Government published the Fire and Rescue National Framework for England setting out the its priorities and objectives for Fire and Rescue Authorities, who must have regard to it in carrying out their duties. The Framework places

responsibility on Fire and Rescue Services to prepare an Integrated Risk Management Plan (IRMP). The plan must include targets and objectives for reducing risks, balancing prevention and intervention and determining response standards and resource allocation. In West Midlands this is called The Community Safety Strategy. The CFO will manage and advise the Mayoral WMCA on the IRMP who will approve plans.

- **The Fire and Rescue Services (Emergencies) (England) Order 2007**

Section 58 of the FRS Act 2004 specifies other emergencies for which fire and rescue authorities must make provision. These are set out in the above Order and specifies functions in connection with emergencies involving chemical, biological, or radio-active contaminants, structural collapse or a train, tram or aircraft (“transport emergencies”) but does not apply in relation to transport emergencies unless the incident is likely to require a Fire and Rescue Authority to use resources beyond the scope of its normal day to day operations.

In addition, where a Fire and Rescue Authority has specialist resources, including specialist trained personnel to enable it to deal with emergencies of a kind described in this Order and such an emergency occurs or is likely to occur in the area of another Authority; this Order requires the Authority with the specialist resources, if asked to do so, to use those resources in that other Authority’s area so far as is reasonable for the purpose of dealing with the emergency. The CFO will manage the configuration of the resources as part of day to day business; however, the Mayoral WMCA will retain oversight and be able to provide time critical resilience to emergencies on a regional and national scale.

- **Regulatory Reform (Fire Safety Order) 2005**

This places emphasis on business continuity and containing and preventing the spread of small fires. It provides a minimum fire safety standard in all non domestic premises. It designates a person (e.g. employer, manager or owner) as a responsible person who is then required to carry out certain fire safety duties which include ensuring that general fire precautions are satisfactory and that fire risk assessments are conducted.

Fire Authorities are the primary enforcing agencies for all fire legislation in non-domestic use. The Authority has delegated the power to prosecute to the Chief Fire Officer. However, the Mayoral WMCA will retain oversight.

- **Civil Contingencies Act 2004**

The Civil Contingencies Act 2004 delivers a framework for civil protection. It establishes a statutory framework of roles and responsibilities for local responders of which the Authority is one and on emergency powers establishing a framework for the use of special legislative measures that might be necessary to deal with the effects of the most serious emergencies. The Act also divides local responders into two categories. The Fire Authority is a Category 1 responder. This means that it is at the core of emergency response. Upon transfer of governance the CFO will continue to manage operational handling and the Mayoral WMCA will retain oversight.

4.5 The Process and Timeline:

- 4.5.1 The Home Office have clearly stated its intention for Fire Service reform. Whilst accepting that a great deal of self-initiated reform has already taken place, the expectation has been set that change will impact on fire services, as well as their governing bodies.
- 4.5.2 In support of these expectations the introduction of the Policing and Crime legislation this year and developing approaches to devolution across the country, has set the vehicle for change.
- 4.5.3 On 4 May 2017 the West Midlands will be electing a Mayor to the WMCA which presents an opportunity for the Authority to work with the WMCA to determine the future approach to governance of the Service.
- 4.5.4 The Authority seeks to move under the WMCA Mayoral model at the earliest possible opportunity. It is anticipated that following the election of a Mayoral WMCA the earliest opportunity for the Mayoral WMCA to assume governance of the Service would be around May 2018. It is also anticipated that this change would be enabled through the inclusion of the Service in the second devolution deal which is due to be presented to the Government at the end of March 2017. A change in governance to a Mayoral WMCA would follow a period of government consultation and decision making, local

consultation as well as the development of a scheme to enable the change.

- 4.5.5 There will be a three year elected period for the Mayoral WMCA from May 2017 to May 2020 at which point Mayoral elections will take place. The PCC also has a mandate until 2020. It is reasonable to assume that beyond 2020 the Mayoral WMCA will incorporate both functions of the PCC and the Service should this not take place for either beforehand. This would then reflect both the Manchester and London routes for governance of Police and Fire and align to the government's aspirations around devolution and single accountability.
- 4.5.6 The Authority believes that enabling this change in governance at the earliest opportunity is necessary to ensure that outcomes for local communities can be delivered in the most efficient and effective way, whilst also enhancing public safety and delivering improved collaboration across the West Midlands' public services.
- 4.5.7 A key point to consider as highlighted is the introduction of the Policing and Crime Act, which enables the PCC to develop a business case for the Service.
- 4.5.8 Proposed changes in governance to a Mayoral WMCA will need to navigate through some key milestones:
- i) The Authority's approval – 20 February 2017
The Authority would have approved the strategy to pursue the route to a Mayoral WMCA for future governance of the Service and instigate reform of itself.
 - ii) WMCA Board – 3 March 2017
The Authority will need to secure the approval of the WMCA Board in order to form part of the formal discussions for further devolution. The Board is scheduled to meet on **3 March 2017**.
 - iii) Further Devolution – March 2017
Once the WMCA Board has confirmed its intent to include the transfer of the Service as part of its devolution discussions, the WMCA will begin discussions with HM Government over further devolution in March 2017 and, if agreed, it will form part of the second devolution deal. The inclusion of the Fire Service in the second devolution deal is critical to enabling change in

governance to a Mayoral WMCA at the earliest opportunity (May 2018).

iv) Governance Review, Scheme and Consultation – July to September 2017

A Governance Review, Scheme and Consultation will enable the transfer of governance to the Mayoral WMCA drafted by way of an Order and will be subject to Parliamentary approval pursuant to the legislation detailed above. The Scheme would set out how the Mayoral WMCA's power is to be exercised in relation to the Service.

It is envisaged that the public consultation would begin in July 2017 and last for up to eight weeks, after which time it will then proceed to the Government who will draft the Order based on the above. Once drafted the Order would require approval by all Constituent Councils. It is envisaged that the transfer of powers would take 12 months to complete from the signing of the second devolution deal. It is estimated that this would take us to March 2018. At this point the responsibilities and liabilities of the Authority would transfer dependent on the governance model adopted.

- v) The Service would then become incorporated into the WMCA and this would warrant a review of its current Observer membership status to reflect its engagement.

4.6 The RFA will be enabled irrespective of a timeline to a Mayoral WMCA. The proposed changes will need to navigate through some key milestones:

i) **The Authority's approval for A Reformed Fire Authority**

The Authority will approve the commencement of the dialogue around the process to reform the Authority.

ii) **Consultation**

The Authority will then begin consultation with the WMCA who will be asked to commence this reform process with a view to introducing the Mayoral WMCA to the dialogue following his/her election. This will be achieved via a report to the WMCA Board on 3 March 2017. Consultees will also include the Home Office and other key stakeholders. It is envisaged that the public consultation would last for up to eight weeks

iii) **Secretary of State makes Order**

On the conclusion of the consultation the matter will proceed to the Government, who will draft the Order based on the above. The Authority's Constitution, subject to amendments, would set out how the Authority's power is to be exercised in relation to the Service.

iv) The Service would then become incorporated into the WMCA at the earliest possible time and in line with the Mayoral milestones.

5. **EQUALITY IMPACT ASSESSMENT:**

In preparing this report an initial Equality Impact Assessment is not required.

6. **LEGAL IMPLICATIONS:**

The legal implications are as detailed in this report.

7. **FINANCIAL IMPLICATIONS:**

There are no direct financial implications at this stage, however, it is recognised that further reports will be required which will highlight any financial implications if and when identified.

8. **ENVIRONMENTAL IMPLICATIONS:**

There are no environment implications.

BACKGROUND PAPERS:

Future Governance of West Midlands Fire Service, 27.06.16

WMFRA Response to the Enabling Closer Working Consultation between
Emergency Services, 23.10.15

The contact name for this report is Karen Gowreesunker, telephone
number 0121 380 6678.

Karen Gowreesunker
Clerk to the Authority

The Governance Models

1. A Fire Authority:

Currently all Fire and Rescue Services (excluding Scotland and London) whether Metropolitan, Combined or County Council are governed through an Authority and Committees. These provide democratic accountability and governance of Fire Services to the communities they serve.

A Fire Authority is a statutory body. The Local Government Act 1985 and Local Government and Housing Act 1989 provides the basis for these arrangements. More specifically for West Midlands Fire Service as a Metropolitan Service schedule 10 of the 85' Act sets out the number of Members that should sit on the Authority, apportioning this amongst each of the 7 West Midlands Local Authorities.

The purpose of a Fire Authority is to provide policy and political direction to the Service and to approve the Authority budget.

2. A Police and Crime Commissioner (PCC):

The introduction of the Policing and Crime Act 2017 (the Act), as an outcome of the 'Enabling Closer Working' consultation, introduced two key proposals:

- It places a duty on each of the emergency services to consider collaboration.
- The Act also enables for the governance of the Fire and Rescue Services to be provided for through a single elected accountable person, a PCC, where this is locally determined or following recent amendments, a Mayoral WMCA. The PCC now has the ability to submit a business case to the Secretary of State to take over the governance of Fire and Rescue Services in their areas.

Any business case must be able to demonstrate the benefits of this change against the delivery of improved efficiency, effectiveness, economy and public safety.

The Act provides two options for the future governance and management of both organisations (Police and Fire).

The first is where the PCC provides the governance for both the Police and Fire, with Chief Officers from both organisations reporting in through their separate management structures. This would lead to the disbanding of the Authority and the transference of the Employer status for fire and rescue staff to the PCC.

The second also enables the PCC to provide governance for both Services but appoints a 'single employer', a Chief Officer, to oversee both organisations (Police and Fire). In this option the Chief Constable becomes the employer of fire and rescue staff.

The Act also makes provision for differing arrangements in London where the London Fire and Emergency Planning Authority (LFEPA) will be abolished and the London Fire Service will be brought under the direction of the Mayoral WMCA of London who will set its budgets and strategic direction. The London Fire Commissioner will become a 'corporation sole' with the functions of the abolished LFEPA being transferred to the Commissioner. The Commissioner will have the functions of the Fire and Rescue Authority for Greater London.

A Fire and Emergency committee will be formed with the purpose of scrutinising the Commissioner, Fire Service and Mayoral WMCA.

3. West Midlands Combined Authority and the Mayoral WMCA:

As part of public sector reform, handing down power and money from central government to local authorities through devolution deals means that decisions and spend can be made locally for the benefit of the region. This can be achieved through the joining of services to deliver better outcomes for the community. Devolution is a critical agenda for central government and through the Cities and Devolution Act 2016 will be delivered through a Mayoral WMCA as the single accountable leader of a Combined Authority.

Mayoral elections for WMCA are due to take place on 4 May 2017 which provides an opportunity through engaging as part of the WMCA (as we currently are) to influence the route that the Service can take.

Following recent amendments to the Act at Bill stage, provisions have been made for the Mayoral WMCA of a Combined Authority to have the direct power to "exercise the functions of Fire and Rescue Services". This will

require further amendments to the Local Democracy, Economic Development and Construction Act 2009. Therefore there exists the possibility that governance of the Service can move to the Mayoral WMCA as part of the WMCA and be provided for through this structure.

4. Combination of Fire:

Governance as part of the WMCA and Mayoral structure provides an opportunity for greater collaboration and possibility of the combination of neighbouring Fire Services within the WMCA footprint. Both Warwickshire and Shropshire County Councils are non-constituent members of the WMCA. These Councils cover two of the four neighbouring Fire Services and, as such, this could provide a basis for exploring further the case for combination. Research undertaken during 2015 led by the Service highlighted that the combination of neighbouring Fire Services has the potential to deliver wider efficiencies whilst delivering the same or improved performance standards within each Fire Service.

This change could be instigated by the Mayoral WMCA initially taking over the governance of the Service as enabled by the now Policing and Crime Act and proceed to bring into focus the regional fire services through the footprint of the WMCA, which stretches across the wider West Midlands' regional geography to incorporate the regional fire services. The power to combine fire services rests with the Secretary of State.

The Act enables the West Midlands' PCC and a Mayoral, once elected, to make a case for the governance of West Midlands Fire Service. Mayoral elections are scheduled to take place in May 2017 with campaigns underway.

Appendix 2

The Group Conclusions

1. There is no “stand out” option, but the analysis suggests that a two-stage process increases costs, risk and reduces benefits and as such should be avoided. There is considerable potential change in the next year or so:

- PCC business cases
- The development of the Combined Authority model in Manchester and London
- The programme of the Mayoral WMCA and the WMCA
- Additional Devolution deals

The WMFRA needs to ensure it continues to engage with stakeholders to ensure it can fully consider its position and the options available to it.

2. The Working Group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years and the working group felt that the Authority would benefit from considering its constitution and structure and how it might change enable further collaboration.
3. The Mayoral and WMCA model is just emerging and the first Mayoral WMCA is yet to be appointed so there is, as yet, lack of clarity about its programme. However, change with a new Mayoral WMCA will happen and this will create opportunity in improving public services. The WMFRA need to ensure that they remain engaged in this to ensure the best opportunity for delivery of outcomes for future.
4. If a Mayoral WMCA option is not available in the medium term for police or fire, then the options would need to be re-appraised to ensure the benefits of collaboration across the emergency services and wider public services are realised.
5. The Act does not enable governance changes with the Ambulance Service which may prevent full collaboration to be realised as well as the benefits from this.
6. Ambulance sits outside of governance analysis; however the opportunities for collaboration are significant.

7. A Fire/Fire combination would realise significant benefits at lower risk than other options. This would require local consensus and a formal business case approved by the Home Office. The associated Council tax consequences and any boundary issues would need to be considered.
8. The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefits.

20 FEBRUARY 2017

1. **PUBLIC CONSULTATION (IRMP) OUTCOMES**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority note the results of the recent public consultation have been considered as part of the preparation of The Plan 2017 – 2020.

2. **PURPOSE OF REPORT**

This report sets out the high level results from the public consultation exercise carried out during December 2016 to January 2017, and how they support The Plan 2017-2020.

3. **BACKGROUND**

3.1 In support of the organisation's commitment to open and transparent engagement, coupled with the ever fast moving external landscape and our legal requirement to consult upon our Integrated Risk Management Plan (IRMP) every three years, the West Midlands Fire and Rescue Authority (The Authority), together with the Consultation Institute, engaged in a six week public consultation exercise from 1 December 2016 to 10 January 2017.

3.2 The purpose of this exercise was to engage with local communities, partners and businesses to understand their views and opinions about how The Authority currently provides its services, as well as how this could continue within The Authority's three year (rolling) planning period, 2017-2020. Questions were asked about three key areas:

- a) IRMP
- b) Governance
- c) Finance

- 3.3 The public consultation survey is included at Appendix 1. The questions from the consultation also enabled us to determine if our strategic approach is understood by our communities, partners and businesses. The outcomes of the survey provide The Authority, the Chief Fire Officer and the Strategic Enabling Team with meaningful responses which can be used when considering the content of our three year rolling Corporate Strategy, The Plan 2017–2020.

4. **HEADLINE RESULTS**

The consultation process collected 5,768 responses of both a quantitative and qualitative nature, which amounts to over 3,500 more responses than our previous consultation exercise in 2013.

4.1 **IRMP questions and responses**

Three questions were asked which focused on our IRMP and the delivery of our priorities of Prevention, Protection and Response.

- 4.1.1 Q1: We know that getting to people, homes and businesses in 5 minutes means they are more likely to survive serious incidents. Do you agree we should continue to protect our 5-minute target?

Of those that responded:

96% said 'yes',
2% said 'no' and
2% said 'I don't know'

- 4.1.2 Q2: Our plans include a 1.99% increase in council tax which amounts to £1.11 to an average band 'D' property per year. Would you support consideration of a further increase of up to £5 per year in order to protect our 5-target target?

Of those that responded:

82% said 'yes',
10% said 'no'
8% said 'I don't know'

The responses to these two questions show a considerable support and understanding to our 5 minute response target, even when asked to pay £5 more per year.

- 4.1.3 Q3: Do you agree that our Prevention, Protection and Response work will make the communities and businesses of the West Midlands Safer, Stronger and Healthier?

91% said 'yes'

2% said 'no'

7% said 'I don't know'

The responses to this question strongly support how our priorities as set out in The Plan, namely Prevention (Safer and Healthier Communities), Protection (Stronger Business Communities) and Response (Dealing Effectively with Emergencies), are being provided now and over the next (rolling) three year planning period.

4.2 **Governance questions and responses**

Two questions were asked which focused on the future governance of West Midlands Fire Service and how this could support the future delivery of our services to local communities.

- 4.2.1 Q1: What do you think are the most important things to consider when it comes to how we are governed?

- 1) Safety
- 2) Provides Value for Money
- 3) Working with other organisations
- 4) More Transparency
- 5) More Accountability
- 6) More Scrutiny

The results from this question identified that the outcomes of 'public safety', 'value for money' and 'working with other organisations' were priorities for our communities, partners and businesses. With the latter options of 'transparency', 'accountability' and 'scrutiny' being much less a priority.

4.2.2 Q2: Which of these (governance) options would best support the delivery with our partners of our Prevention, Protection and Response services to you?

- a) A Reformed Fire Authority
- b) A Police and Crime Commissioner
- c) West Midlands Combined Authority and Mayor
- d) A combination of regional Fire and Rescue Authorities

The response to this question showed the highest strength of feeling towards a 'Reformed Fire Authority', secondly a 'combination' with other Fire and Rescue Services, thirdly an association with the 'elected Mayor and Combined Authority' and lastly to fall under the governance of the 'Police and Crime Commissioner'.

4.3 **Finance questions and responses**

4.3.1 Two questions were asked which focused on how the Authority continues to fund the delivery of our priorities of Prevention, Protection and Response.

4.3.2 Q1: Considering we already get a Government grant and money from Council Tax, should we continue to look at alternative ways of bringing in money?

81% said 'yes'
12% said 'no'
7% said 'I don't know'

The response to this question demonstrates the support from our communities in looking at alternative approaches to funding to support our key priorities in The Plan, in order to maintain our Service Delivery Model

4.3.3 Q2: Do you think your Fire Service's funding should be linked to the business rates collected by the West Midlands' seven councils, or come from a completely new Government grant which has no link to local business rates collections?

36% said 'business rates'

41% said 'Government grant'

23% said 'I don't know'

The responses to this question do not show a strong view for either funding option. The funding option for the Fire Service beyond, 2019/20 has not been determined and will be clarified as the Government determines proposed changes to the Local Government finance system.

4.4 The outcomes of this public consultation provide The Authority with a clear understanding of the opinions of our communities, partners and businesses in relation to the delivery of our services, our IRMP, our funding and the future governance of West Midlands Fire Service.

These outcomes have influenced the development of:

- The Plan 2017-2020, which is contained in the same titled Authority paper.
- Considerations concerning the future governance of West Midlands Fire Service, which are contained in the 'Route Map to Mayoral Governance' Authority paper.

The outcomes of the public consultation governance questions also support the conclusions of the Future Governance Working Group, contained in the 'Outcomes of the Future Governance Working Group', Authority paper.

5. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an 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.

6. **LEGAL IMPLICATIONS**

The public consultation of an IRMP is a legal requirement (as per The National Framework for Fire and Rescue Services England 2012), every three years and the recent exercise undertaken during December 2016 and January 2017 complies with this requirement.

7. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

8. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications as an outcome of the proposals in this report.

BACKGROUND PAPERS

Policy Planning Forum presentations 7 November 2016 & 16 January 2017

The contact name for this report is DCFO Phil Hales, telephone number 0121 380 6907

PHIL LOACH
CHIEF FIRE OFFICER

CONSULTATION 2016/17

21

1

1

Freepost RRZE-ZCGJ-ZCSR
WMFS Consultation
Registry Department
West Midlands Fire Service
99 Vauxhall Road
Birmingham
B7 4HW



PLEASE COMPLETE THE DETAILS BELOW BEFORE TAKING THIS SURVEY.

Please tell us where you heard about this survey:

Local Station (please state)

West Midlands Fire Service Department/Partnership (please state)

Fire Safety ☐

ABOUT YOU

Have you signed up to our Community Membership scheme?

Yes ☐ No ☐

Postcode:

Email:

Telephone:

GENDER AND AGE

Male ☐ Female ☐

16-24 ☐ 25-44 ☐ 45-64 ☐ 65+ ☐ I do not wish to disclose ☐

ETHNICITY

Asian British ☐ Indian ☐ Pakistani ☐ Bangladeshi ☐

White and Black ☐ White and Asian ☐ Other Mixed ☐

Black British ☐ Caribbean/African ☐

White British/Irish ☐

Other (please state)

RELIGION AND BELIEF

None ☐ Christian (all denominations) ☐ Hindu ☐ Muslim ☐ Sikh ☐ Other Religion ☐

I do not wish to disclose ☐

INTRODUCTION

West Midlands Fire Service serves a population of 2.8 million people. We're dedicated to making our communities and businesses Safer, Stronger and Healthier - across Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

We hope our survey will help you understand how we are organised and how we operate, so we can get your valued feedback.

It covers three main areas:

- our services
- our accountability to our communities
- our funding

Just by answering our few short questions, you'll be helping us to make the West Midlands Safer, Stronger and Healthier. Thank you!

THE SERVICES WE PROVIDE

You might be surprised by the number and variety of services we provide – far more than responding to fires and traffic collisions. We split our work into three categories:



To be able to provide these services we need to make sure we've got the right people and resources in the right place at the right time. If not, we'd struggle to get to the most serious incidents within our target of five minutes. We aim for five minutes because our research and experience tells us that getting there quickly and safely increases the chances of a person or business surviving.

To help us decide what resources we need, where and when we analyse the risks faced by our communities. As an example, imagine we identify a road where lots of collisions are happening. We look at the facts and figures – things like our own data, studies done by universities, information from our 'partner' organisations like the other emergency services and councils. Then, using our professional skills and judgement, we come up with a plan of action to keep the road's users safer.

We get £56 per year from the council tax paid on a band 'D' property. We're also part-funded by a grant from the Government – but this has been reducing by millions and there might come a time when we have to sacrifice our five-minute target.

Question 1a

We know that getting to people, homes and businesses in 5 minutes means they are more likely to survive serious incidents. Do you agree we should continue to protect our 5-minute target?

Yes ☐

No ☐

Don't know ☐

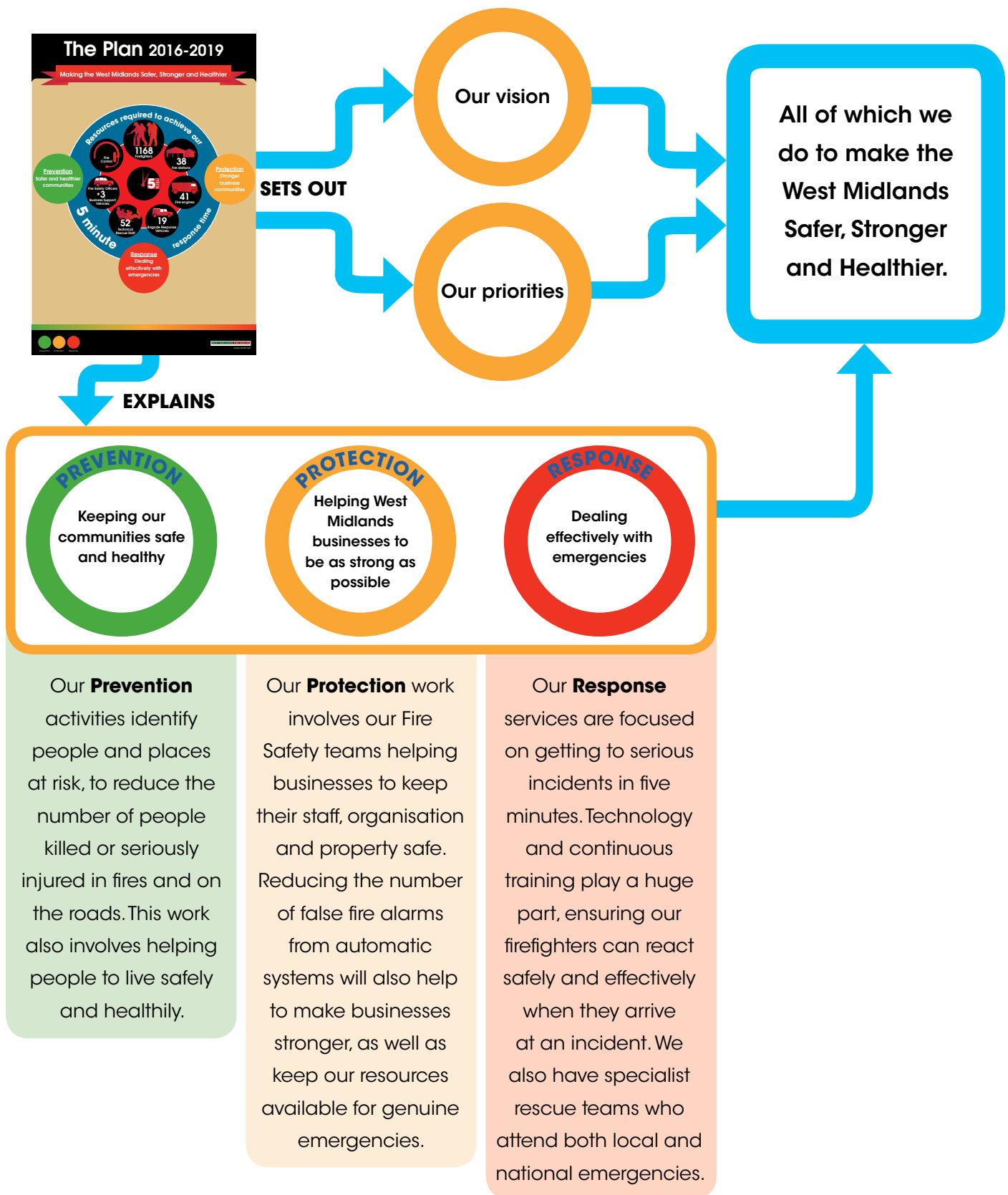
Question 1b

Our plans include a 1.99% increase in council tax which amounts to £1.12 to an average band 'D' property per year. Would you support consideration of a further increase of up to £5 per year in order to protect our 5 minute target?

Yes ☐

No ☐

Don't Know ☐



Question 1c

Do you agree that our Prevention, Protection and Response work will make the communities and businesses of the West Midlands Safer, Stronger and Healthier?

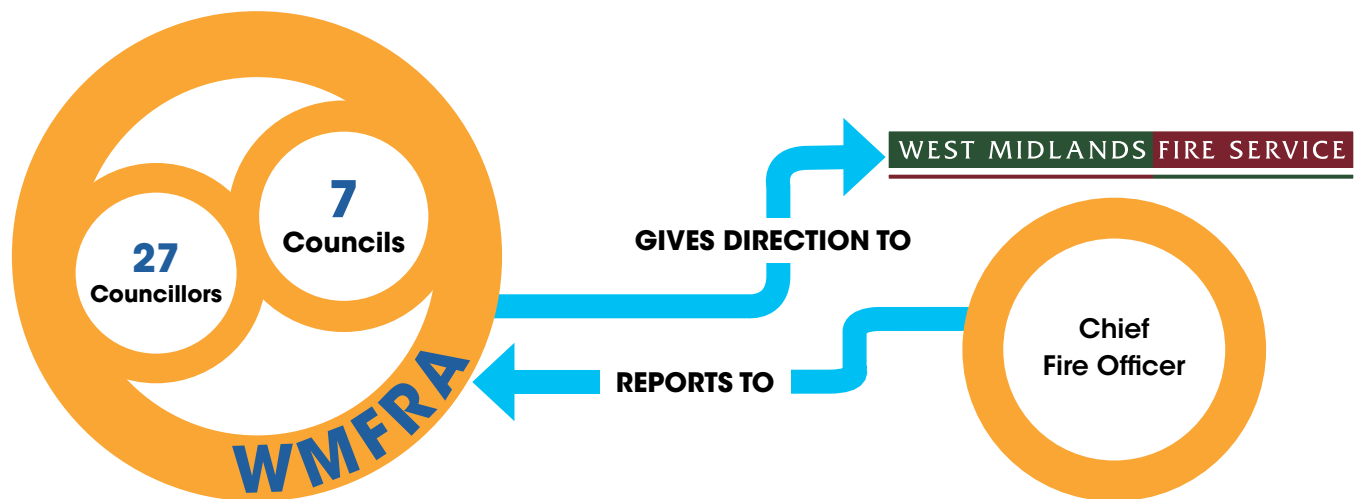
Yes ☐

No ☐

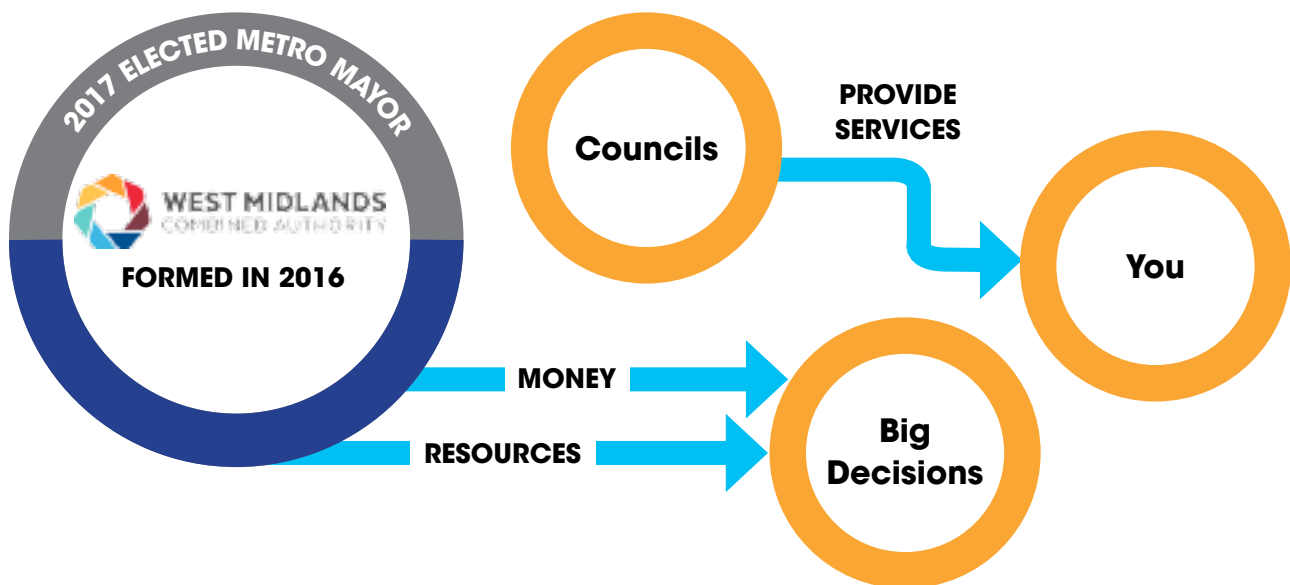
Don't know ☐

HOW WE'RE ACCOUNTABLE TO OUR COMMUNITIES

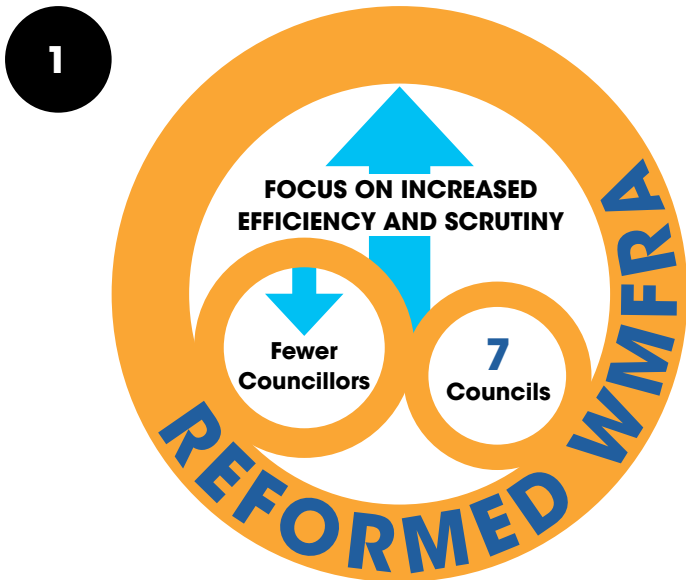
Our work and the way we deliver our services to you is governed, and we're accountable to the public, via West Midlands Fire and Rescue Authority (WMFRA).

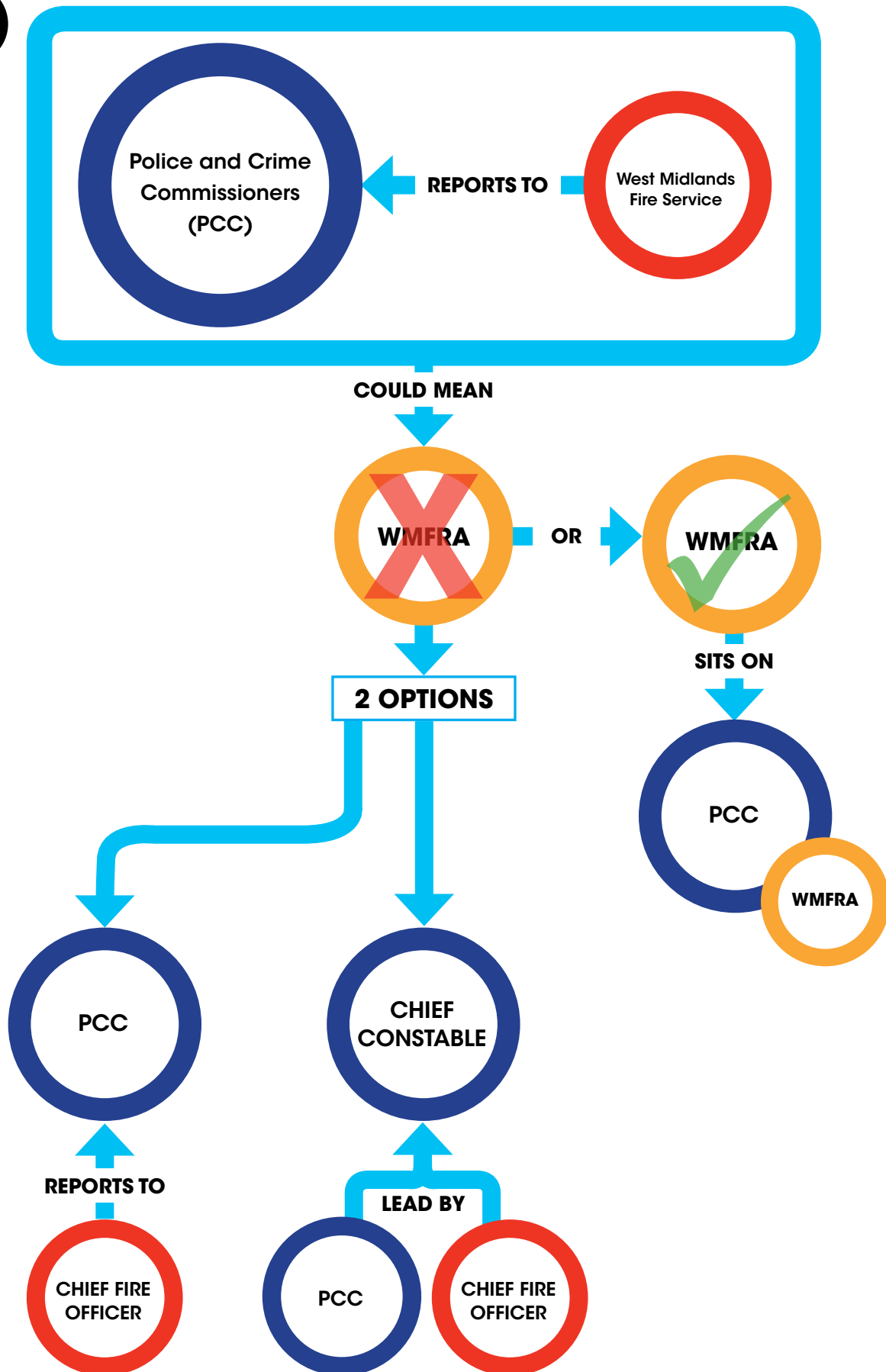


New legislation currently being proposed aims to encourage closer 'partnership' working between the emergency services and other organisations. It also proposes changes to the governance of Fire and Rescue Services, where locally agreed.

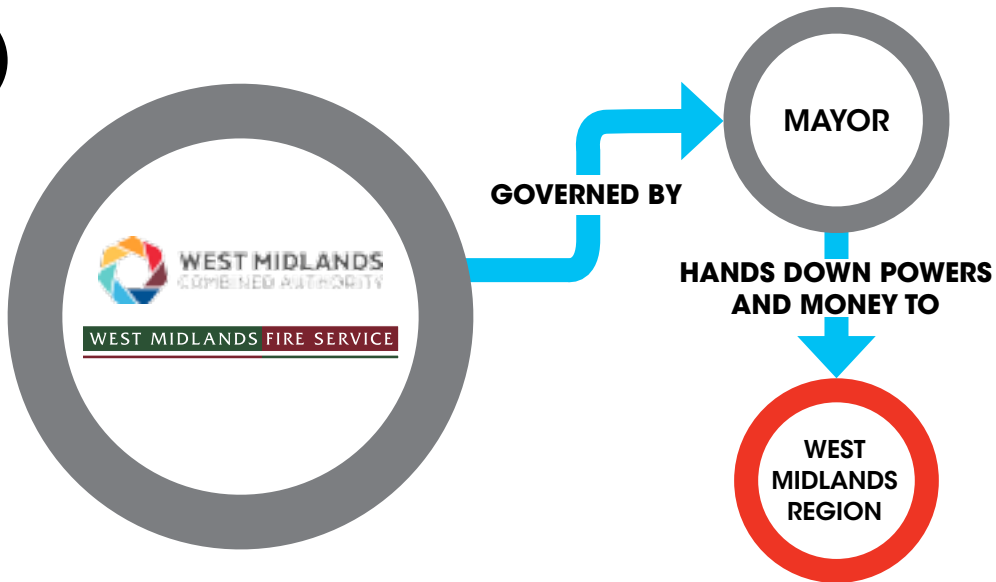


This provides an opportunity to explore different options for how West Midlands Fire Service is governed and held accountable. There are four options:

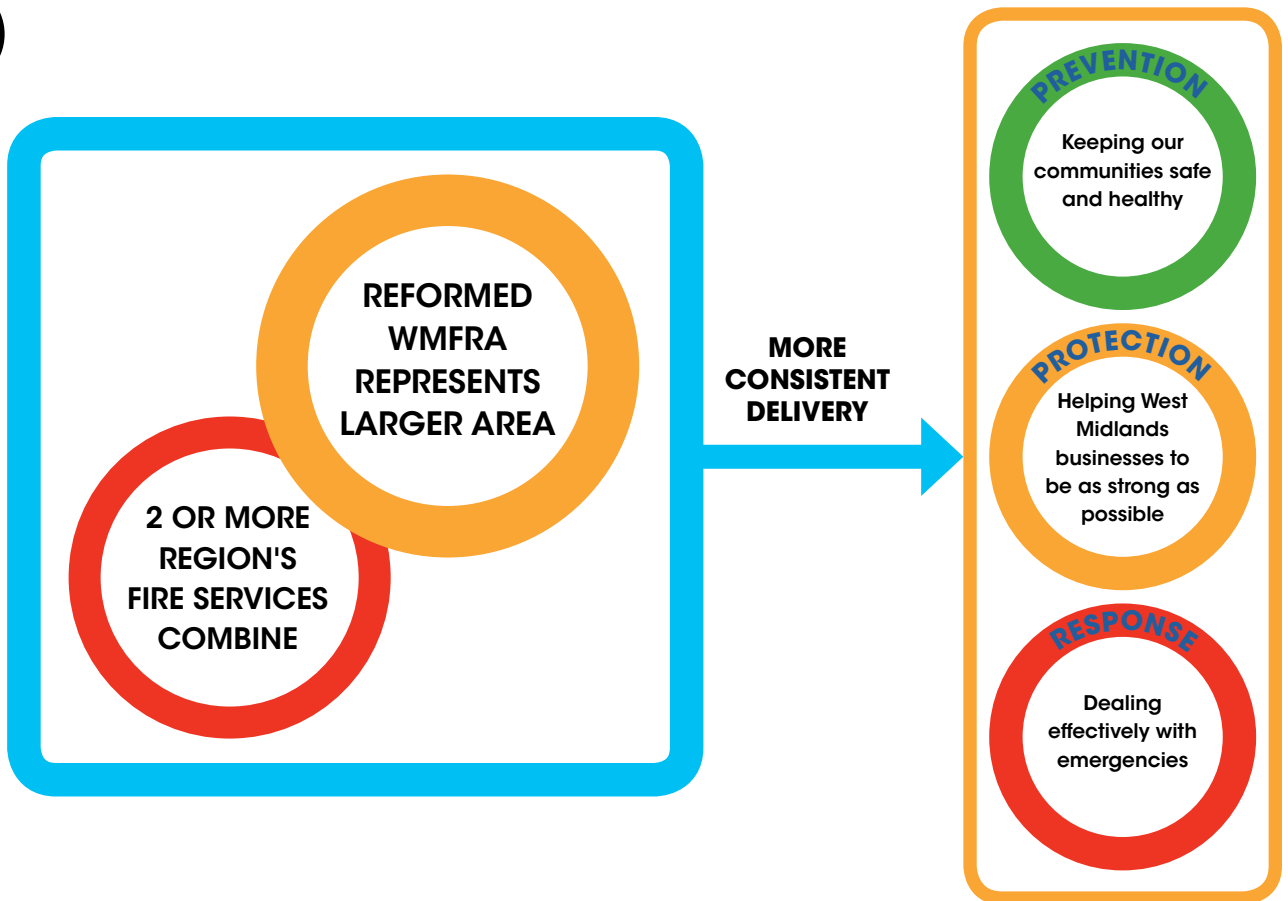




3



4



Question 2a

What do you think are the most important things to consider when it comes to how we are governed?

(1-6 priority order)

Provides value for money ☐

Safety (prevention, protection, response) ☐

Working with other organisations ☐

More scrutiny ☐

More transparency ☐

More accountability ☐

Question2b

Which of these options would best support the delivery with our partners of our prevention, protection and response services to you? Please rank priority order (1-4).

Option 1 ☐

Option 2 ☐

Option 3 ☐

Option 4 ☐

Don't know ☐

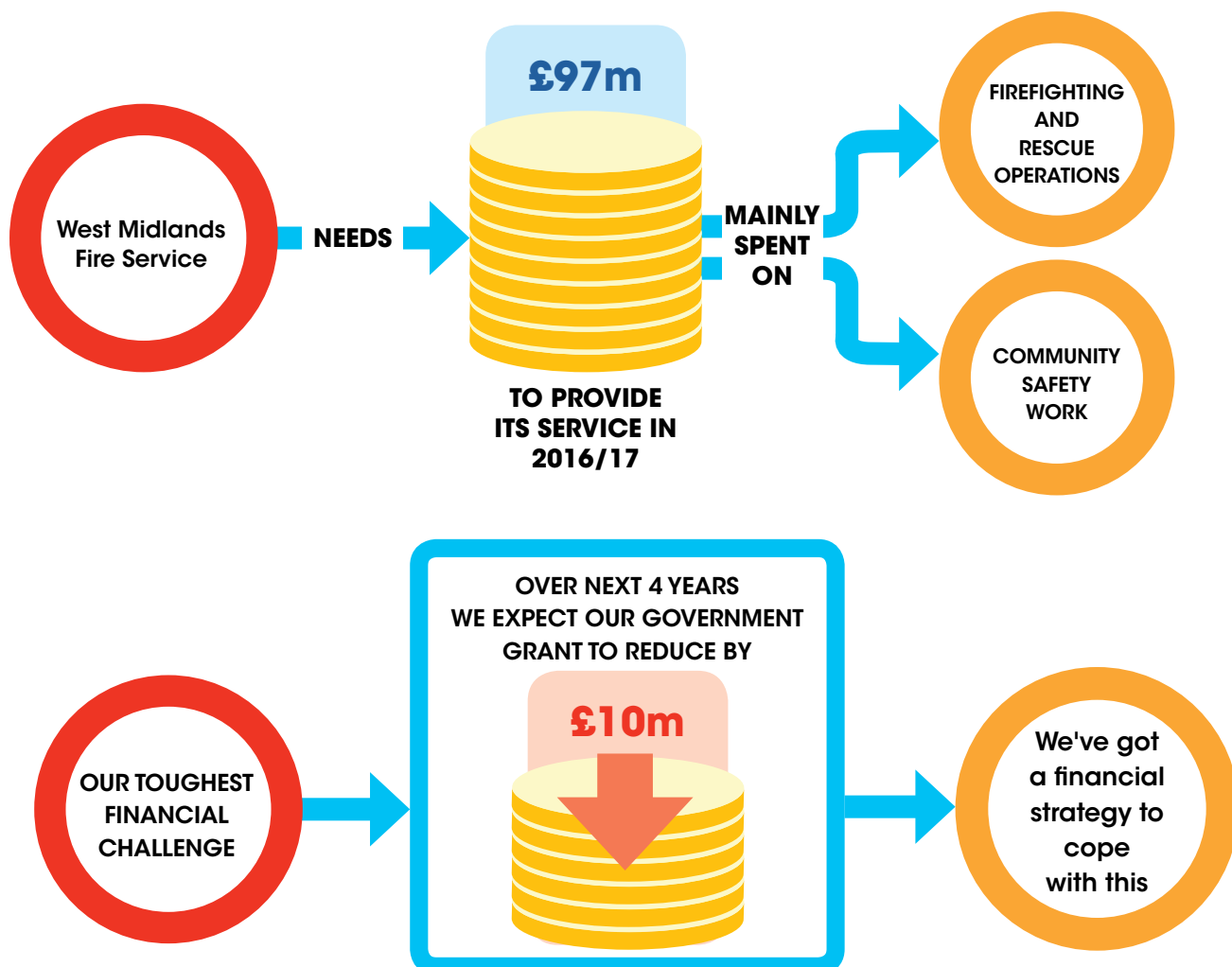
FUNDING

West Midlands Fire Service will need £97m to provide its services in 2016/17. It will be spent, in the main, on firefighting and rescue operations plus community safety work.

We're facing our toughest financial challenge ever. Over the next four years we're expecting to see our Government grant reduce by around £10 million – but we've got a financial strategy to cope with this.

However, to continue delivering excellent services to our communities, like getting to you within 5 minutes, beyond the next four years we'll need to look at alternative funding opportunities.

We are currently being paid by some councils to respond to vulnerable people who have fallen at home, or by hospitals to support people who are being discharged and getting home, but we may look at getting additional funding for example working with private enterprises as well.



However, to continue delivering excellent services to our communities, like getting to you within 5 minutes, beyond the next four years we'll need to look at alternative funding opportunities.

We are currently being paid by some councils to respond to vulnerable people who have fallen at home, or by hospitals to support people who are being discharged and getting home, but we may look at getting additional funding for example working with private enterprises as well.

Question 3a

Considering we already get a Government grant and money from Council Tax, should we continue to look at alternative ways of bringing in money?

Yes ☐

No ☐

Don't Know ☐

The Government is asking people what they think of letting councils keep all of the business rates they collect. At the moment, half goes to the Government and part of the money they give us comes out of this.

Question 3b

Do you think your fire service's funding should be linked to the business rates collected by the West Midlands' seven councils, or come from a completely new Government grant which has no link to local business rate collections? (Please select one option)

Business rates ☐

Government grant ☐

Don't know ☐

Do you have any other comments you would like to share?

Find out more about what we do to make the West Midlands



follow us on:



@WestMidsFire

or visit

www.wmfs.net

Do something great today

**Become a
West Midlands
Fire Service
Community Member**

www.wmfs.net

  **WestMidsFire**

Once completed please seal the document using the tab provided and post back to us.

Thank you for helping us make the West Midlands Safer, Stronger and Healthier.



CONSULTATION
2016/17

20 FEBRUARY 2017

1. **RESULT OF RECENT FIRE SAFETY PROSECUTIONS**

Report of the Chief Fire Officer and Clerk

RECOMMENDED

THAT the details of the fire safety prosecutions be noted.

2. **PURPOSE OF REPORT**

This report is submitted to inform the Authority of the result of prosecutions under the Regulatory Reform (Fire Safety) Order 2005.

3. **BACKGROUND**

3.1.1 This section of the report relates to 551 Foleshill Road, Coventry and the prosecution that was pursued by this Authority of four defendants who were jointly charged with a range of offences contrary to the Regulatory Reform (Fire Safety) Order 2005. This was as a result of concerns raised by Coventry City Environmental Health Team over the poor fire safety measures within.

3.1.2 The defendants were Mushtaq's Limited who leased the premises from Mr Bashir Ahmed who, in turn, is the sole director of Mushtaq's Limited; Mr Bashir Ahmed, Mr Israr Raja and Mr Akbar Jan. Messrs Raja and Jan sub-let part of the premises from Mushtaq's Limited. The offences included poor maintenance of fire doors, no working fire alarm, no fire risk assessment and no maintenance of the fire extinguishers.

3.1.3 On 16th December 2016 at Leamington Crown Court, Mushtaq's Limited pleaded guilty to offences and was fined £60,000. It was ordered to make a contribution of £5,000 towards costs.

3.1.4 At the same court Mr Bashir Ahmed pleaded guilty to 8 offences and was sentenced to 30 weeks imprisonment suspended for 2 years and 200 hours unpaid work. He was ordered to make a contribution of £2,000 towards costs.

3.1.5 Mr Raja pleaded guilty to 13 offences jointly with Mr Jan and was sentenced to 6 months imprisonment suspended for 2 years and 240 hours unpaid work. He was ordered to make a contribution of £1,000 towards costs.

3.1.6 On 21st December 2016 at the same court Mr Akbar Jan pleaded guilty to 13 offences jointly with Mr Raja and was sentenced to 9 months immediate custody for breaching the prohibition notice which had been served on the premises; 6 months concurrent for fire separation issues and 4 months concurrent for maintenance issues. He was ordered to make a contribution of £750 towards costs.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as the matters contained in this report do not represent a change in policies or functions of the Authority.

5. **LEGAL IMPLICATIONS**

The Regulatory Reform (Fire Safety) Order 2005 places a general duty on 'responsible persons' to provide general fire precautions to keep people safe in case of fire. The Order extends to the common areas of domestic premises. The Order imposes a statutory duty on Fire and Rescue Authorities to enforce the provisions of the Order. The Authority is responsible for ensuring public safety by monitoring compliance with the law and, as appropriate, enforcing the requirements of the legislation.

6. **FINANCIAL IMPLICATIONS**

The award against the defendants partly covers the legal costs incurred by the Authority in preparing the relevant prosecution files. The total costs incurred were £18,920. The costs within that sum for the officers' time were £7,026.25. The total awarded by the court was £8,750.

BACKGROUND PAPERS

Fire Safety files.

The contact name for this report is Gary Taylor, Assistant Chief Fire Officer, 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

**10 October 2016 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Members of the Authority
Councillor Edwards (Chair)
Councillor Idrees (Vice Chair)
Councillors Allcock, Atwal Singh, Barlow, Barrie, Bennett, Booth, Brackenridge, Cartwright, Clinton, Craddock, Dad, Davis, Eustace, Hogarth, Sealey, B Singh, P Singh, T Singh, Skinner, Spence, Tranter, Walsh and Young
Mr Ager.

Officers: West Midlands Fire Service
Deputy Chief Fire Officer (P Hales)
Assistant Chief Fire Officer (G Taylor)
M Griffiths (Treasurer),
A Afsar, J Connor, K Harris, M Lewis, S Timmington,

Clerk and Monitoring Officer
K Gowreesunker (Clerk)
S Sahota (Monitoring Officer)

Apologies: Councillors: Aston, Mottram
Mr Ager
Chief Fire Officer (P Loach)

Observers: Nil

18/16 Chair and CFO Announcements

The Chair and Deputy Chief Fire Officer welcomed all attendees to the Policy Planning Forum.

The Fire Peer Challenge was due to commence the week commencing 17 October with the visit due to take place over four days. Members were reminded that Lead Members and Deputies, plus members of the two minority political groups, had been invited to a focus group with Councillor Rebecca Knox, Dorset and Wiltshire Fire & Rescue Service, who was the lead political members of the peer challenge team.

The deadline for nomination forms to be submitted for the Reward and Recognition event was 14 October.

Policy Planning Forum 10 October 2016

Members were reminded that any outstanding skills grids needed to be completed and returned.

An update was provided on the progress of the Future Governance Working Group:

- Policing and Crime Bill was due to be passed in January 2017.
- Discussions had been held with the Police and Crime Commissioner, the West Midlands Combined Authority (WMCA), and the Labour mayoral candidate. It was noted that the Authority would be happy to hold similar discussions with all of the mayoral candidates should they be requested.
- Whilst the pending Policing and Crime Bill will provide a mayor with the legislative route to take on the governance of a FRA, currently there is no legislative route for the Authority to come under an elected mayor.
- As a result, the possibility of including such an option within any second devolution agreement, allowing for The Authority to have closer collaboration with WMCA, was being explored.
- The second devolution agreement would be explored during the autumn and winter period of 2016/17.

Members were informed that the Chief Fire Officer had accepted the role of Chief Executive Officer of Public Sector Reform, which would report into the WMCA.

The Deputy Chief Fire Officer reported that Station Commander Lee Baker had received an award for bravery at the 'Brummies' awards event in recognition of the rescue of a family whilst on holiday in Mexico.

The National Breathing Apparatus Challenge had been held at the Fire Service College. Watch Commander Stephen Franklin had received best leading officer.

The national competition for Fire Cadets had been hosted by WMFS during the weekend and Wednesday Fire Cadets had been awarded British Champions. The Fire Cadets would be going forward to represent the UK at the CITF International Young Firefighter Games in Austria during 2017, along with Frome Fire Cadets of Devon & Somerset FRS who would be the second representative.

19/16 Fire Cadets

Mitchell Lee and Rob Turner, firefighters based at Bloxwich, joined by volunteer instructors Ben Herd and Alex Owen, Fire Cadet Ryan Dean,

Policy Planning Forum 10 October 2016

and a teacher of a local school, delivered a presentation on the Fire Cadets scheme:

Mitchell informed Members that the scheme at Bloxwich Fire Station had been started in 2015. The scheme was aimed at young people aged 11 to 16 years old. The Fire Cadets were trained to essentially do what firefighters do; they are taught skills including Breathing Apparatus and health and safety, along with community and community safety.

Approximately 10 students from Walsall College had been trained as volunteer instructors to assist with the running of the scheme. One of the aims of the scheme was that Fire Cadets would train to become volunteer instructors themselves, not only feeding back into the scheme, but also allowing them to receive support whilst they are at college, and helping with any difficulties at home and with peers.

As part of the scheme, there was a want to something different with the cadets and how to help in the community. This was achieved by building relationships with local schools, enabling cadets to be recruited from those schools. Two courses had been held so far during 2016, working with disadvantaged youth.

Two Fire Cadet Instructors and volunteers, Ben Herd and Alex Owen, informed Members about their experiences, how the courses had increased their confidence levels and those of the young people who attended the courses, as well as improving skills including team work and discipline.

Ryan Dean, a Fire Cadet at Bloxwich, informed Members about his experiences whilst on the scheme and how it had helped him.

Lisa Moran, a teacher at one of the schools that is involved with the scheme, informed Members how the scheme had proved to be a huge success. Lisa managed a learning hub which was where pupils with education issues interact with school. Approximately eight pupils had attended the Fire Cadets scheme and their grades had rapidly increased, along with their own personal development. The learning hub became the highest achieving hub in the county on the back of the improvement achieved by the pupils participating in the Fire Cadets scheme.

In answer to Members questions, the following points were raised:

- The scheme was open to young people in general. The route that was taken, to engage with select schools / pupils, was chosen to achieve a quick impact on society.
- There are 13 Fire Cadet units across the Service, with access open to all. Young people gain from becoming Fire Cadets and then give back as volunteer instructors.

Policy Planning Forum 10 October 2016

- When setting up a new unit, local need and demand is looked at. It would be great achievement to have a Fire Cadet unit on every fire station.
- Information on the number of young people the Service interacts with is provided to the Government.
- A young person will finish the Fire Cadet scheme when they are 16 years old but not be able to join WMFS until they are 18. However, they would be eligible to train as an instructor and volunteer at a unit. This not only allows an individual to remain in contact with WMFS, but to also gain a good level of education e.g. at college.
- An important ingredient of the success of a unit is to get the local community involved e.g. a number of parents are involved with the Handsworth Fire Cadets.

Councillor Young, who had asked that the Fire Cadets attend the Policy Planning forum, noted that whilst in attendance at a local partnership meeting, the Councillor and the other attendees were informed about the scheme. This resulted in the attendees attending the unit at Bloxwich fire station to see what the Fire Cadets did and to find out more. All were incredibly impressed with what they witnessed. As a result, the group knew that could support the unit by applying for funding.

Councillor Ward, Walsall MBC, who had been invited to attend by Councillor Young noted that all present were aware of the cuts to youth services and that as a result, such schemes were very important. The Councillor encouraged all Members to visit their local fire stations and to find out if they have Fire Cadet units.

The Deputy Chief Fire Officer noted the excellent work that had been carried out. Indeed, the Fire Cadets scheme had been run in WMFS for 30 years. There was work being carried out nationally exploring areas such as a national uniform for Fire Cadets. There was a Chief Fire Officers Association (CFOA) group leading nationally to provide a single voice.

20/16 CFOA Change Programme and Fire Service Inspectorate

Phil Hales, Deputy Chief Fire Officer, delivered a presentation on the CFOA Change Programme:

Following the transfer of national Fire policy from the Department of Local Government to the Home Office in January 2016, and following the announcement of the continuation of the Fire Reform Programme in May 2016, the role of CFOA was looked at, including if it could be more aligned to that of the Police which had already gone through reform. However, it was found that CFOA was more fragmented e.g. by

Policy Planning Forum 10 October 2016

the time a person had taken on the role of president and the relationships and networks were in place, the person would move on, with a new president assuming the role.

CFOA consulted with its members at the start of 2016, responding to the consultation in June 2016. CFOA's response to the change programme included proposed changes to adapt the organisation to better reflect the fire sector in speaking with Government and other parties. The changes included:

- FRS Council to be renamed the National Fire Chiefs Council
 - Recommended that it would be redesigned to follow the reform undertaken by the former Police Chiefs Council, and for it to be re-named, mirroring the Police's National Police Chiefs Council
 - Each FRS would continue to be represented
 - An annual plan would be developed
- The CFOA directorates would be replaced by co-ordinating committees enabling greater influence (with each committee to be headed up by a Senior Fire Officer)
- The term of the CFOA president to be extended to three years, rather than the current one year term, and will be renamed as the Chair. This would allow greater consistency and a longer period to build relationships with stakeholders
- The CFOA Chair would be supported by two Vice Chairs.
- There would be a single membership for an organisation and no longer individual memberships.
- The intention would be for the changes to be implemented by April 2017, when the current president will stand down.

The Deputy Chief Fire Officer provided an update on the Fire Service Inspectorate:

An independent inspection of the Fire Service was an element of the Policing and Crime Bill. This function was currently undertaken in the form of the Operational Assessment (OpA) and Fire Peer Challenge, which was supported by CFOA and the Local Government Association (LGA). The Policing and Crime Bill would introduce a requirement for a Fire Service Inspectorate which would sit with the Home Office.

The Home Office had approached Her Majesty's Inspectorate of Constabulary (HMIC) to develop an inspectorate for fire. Additionally,

Policy Planning Forum 10 October 2016

Blue Light Works had also been approached, although that organisation were yet to provide any information.

HMIC had developed an option based around the PEEL programme (the police effectiveness, efficiency and legitimacy programme). It was noted that the Fire and Rescue Service was not short of assurance, for example Fire Authorities, Scrutiny arrangements, the Statement of Assurance. An analysis of the PEEL programme and OpA had identified that the majority of the processes and areas examined overlapped although the terminology used might differ. HMIC recognised that the processes the Fire and Rescue Service had in place was very good and acknowledged that the Police could learn from these.

OpA and the Fire Peer Challenge were seen as key components and complimentary to the process but will be separate to the inspectorate.

In developing and agreeing the inspectorate, HMIC had developed a set of principles:

- No new extra burden
- Recognise existing assurance
- No new money
- Must be proportionate
- All FRS will be inspected
- New Independent Standards Board
- Reform will be central

In terms of timelines, the options would be presented to the Home Office in November 2016, with agreement to be reached in the December. Pilot inspections would be due to commence in April 2017, with the aim that all Fire and Rescue Services would be subject to a full inspection by 2020.

In response to Members' questions, the following points were raised:

- In answer to a question of where would the elected mayor fit in with the proposals, it was noted that the LGA had asked the same question:
 - Under the HMIC, inspections are purely for the Police, not the Police and Crime Commissioner. However, there was a difference with Fire and Rescue Services due to the Fire Authorities being responsible for delivery of the service.

Policy Planning Forum 10 October 2016

HMIC had stated that they would not be looking at Fire Authorities but the actual Services.

- There would be a need to look at governance arrangements including any potential new ones, and it will need to be determined how one inspectorate would cover all the different governance models (it was noted that this was unlike OpA and the Fire Peer Challenge which did examine leadership and corporate capacity).

The meeting closed at 11:58 hours.

<p>Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680</p>

**7 November 2016 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

- Present:** Members of the Authority
Councillor Edwards (Chair)
Councillor Idrees (Vice Chair)
Councillors Allcock, Aston, Atwal Singh, Barlow, Booth, Clinton, Craddock, Dad, Davis, Eustace, Mottram, Sealey, B Singh, P Singh, T Singh, Skinner, Spence, Tranter, Walsh and Young
Mr Ager.
- Officers:** West Midlands Fire Service
Assistant Chief Fire Officer (G Taylor)
M Griffiths (Treasurer),
A Afsar, J Connor, J Danbury, M Hamilton-Russell, M Ward-White, S Timmington, S Warnes
- Clerk and Monitoring Officer**
K Gowreesunker (Clerk)
S Sahota (Monitoring Officer)
- Apologies:** Councillors: Barrie, Brackenridge, Bennett, Cartwright, Hogarth
Chief Fire Officer (P Loach)
Deputy Chief Fire Officer (P Hales)
- Observers:** Nil

21/16 Chair and CFO Announcements

The Chair and Assistant Chief Fire Officer welcomed all attendees to the Policy Planning Forum.

The Fire Peer Challenge had taken place week commencing 17 October. Alasdair Hay, Chief Fire Officer of Scotland Fire and Rescue Service, had led the diverse peer team who had undertaken a rigorous review of the self-assessments submitted as part of the Operational Assessment, along with information on the Service and how it operated.

It was clear that the Service was at the forefront of public sector reform and the peer team understood the aims of the Service and what it was doing to achieve these, including that the Service was based on personal responsibility and accountability with Members and staff at all levels buying into the Service's vision.

Policy Planning Forum 7 November 2016

The peer team not only assessed the Service, but stated that they would take a number of ideas back to their respective organisations.

A presentation and feedback session was provided by the peer team on the final day of the visit. The peer team provided positive feedback with some areas to focus on in terms of improvement. One such area was how the Service communicated what it was achieving and wanted to achieve with its communities and businesses, how the Service told 'our story'.

The full report would be submitted to the Service shortly, in time for a comprehensive presentation to be delivered to Members at the Policy Planning Forum scheduled for 12 December.

The Independent Review of Conditions of Service for Fire and Rescue Staff in England had been published by the Home Office on 3 November. The report represented a balanced view of the sector and contained a number of recommendations for the sector to consider. One such recommendation was unconscious bias, an area in which the Strategic Enabling Team had already committed to participating in a development programme.

The Service was mentioned twice within the report, firstly the Safeside facility and the Marmot principles with the work undertaken to establish fire as a health asset, and secondly acknowledging the complexity of the Service, being the second largest Fire and Rescue Service in England and having the closest risk profile to that of London.

A detailed assessment of the review including a gap analysis and work programme would form part of a presentation which will be delivered at the Policy Planning Forum scheduled for 12 December.

22/16 Integrated Risk Management Plan consultation

Mark Hamilton-Russell, Strategic Enabler of Communications delivered a presentation on the imminent consultation of the Service's Integrated Risk Management Plan (IRMP):

Background:

- The Fire Authority is committed to enabling our communities to gain a greater understanding in the risk based approach we take in our decision making in an open and transparent way
- Under the National Fire & Rescue Framework the Service is required to consult on our IRMP every three years, or at a time where there is a material change to it
- The last time the Service consulted on its IRMP was in 2013

Policy Planning Forum 7 November 2016

- It will be an appropriate time to complete an informative and meaningful consultation with our communities, partners and businesses

Aims and intentions for consultation:

- Primarily the Service wants to discover if our risk based evidential approach, whilst mapped against our financial achievability and driven through our delivery model is supported by our communities, partners and businesses.
- Additionally, feedback received through the Fire Peer Challenge stated that the Service is rooted in the heart of the community but has challenged the Authority to reflect on how well our communities understand our vision and has asked us to explore communicating our story more
- Therefore, it is also an ideal opportunity to ask our communities their view on our emerging issues such as governance and funding.
- The approach will take into account the findings from the Scrutiny Committee review in 2013/14 with three key areas to focus upon:
 1. Ensure questions are a more open approach and not intended to lead or be repetitive in nature
 2. Our community members will be a key stakeholder
 3. Authority members are actively involved in the consultation exercises

Key timings:

- 7 November: Policy Planning Forum
- 21 November: Fire Authority paper
- 1 December: consultation begins
- 14 January: consultation finishes
- 16 January: Policy Planning Forum to present plan and initial IRMP consultation outcomes
- 20 February: Fire Authority to sign off The Plan

Engagement Strategy:

Three main criteria for meaningful consultation:

1. Representative responses from our diverse communities, partners and businesses
2. Responses that can be used across the organisation when delivering level 3 plans and also used for consideration by CFO and SET when shaping our 3 year rolling strategy
3. The generation of qualitative and quantitative data for analysis

Policy Planning Forum 7 November 2016

- It is our aim to make this as accessible as is reasonably possible by utilising a multi-platform approach to generate both qualitative and quantitative responses
- Primarily using our website, there will be key responses that will come from social media, face to face conversations and meetings, focus groups and Authority Members.
- Officers will be providing material nearer the time of the consultation with relevant material to all members and members of staff that you will be able to use to your best effect as key members of the community.

Areas proposed for consultation:

- Three themes that will help us determine if our risk based evidential approach whilst mapped against our financial achievability and driven through our delivery model is supported by our communities, partners and businesses - whilst also engaging with members of the public around the key organisational issues - namely governance and potential future funding.

Governance:

- Proposed introduction of legislation around greater collaboration and devolution to the West Midlands Combined Authority (WMCA) through an elected mayor provides an opportunity for West Midlands Fire Service (WMFS) to explore the benefits for future governance options for WMFS. It is also an ideal timing for any findings to be introduced to the Future Governance Working Group ready for their findings to be published in Feb 2017

Potential areas that we may consider looking at in consultation:

- Reformed Fire Authority
- PCC
- Mayor
- combinations such as Fire / Fire

Funding:

- Medium term financial plan that takes us to 2020. This includes working with public sector partners - for example the falls response we do in Wolverhampton and Coventry
- What about the long term future? With all the uncertainties we face we need to consider how we are going to maintain and improve upon our SDM with a financial lens on. What do the public think about private/public partnerships for example?
- And what do the public think of the authority potentially getting its money through the Business Rate Retention Scheme where their fire service might have to fight with other public services for it?

Policy Planning Forum 7 November 2016

Service Delivery:

- The Authority deliver a range of services through an integrated approach where our prevention, protection and response work to make the West Midlands Safer, Stronger and Healthier
- Academic research provides evidence that communities have a greater chance of survivability in a life threatening incident with a 5 min response time. Do our communities, business and partners support our evidence based approach?
- How well understood is our vision and do our communities think that our priorities really do make the West Midlands Safer, Stronger and Healthier, and should we be doing anything else?

In answer to Members' questions, the following points were raised:

- More qualitative feedback would hopefully be achieved by engaging directly with Community Members as stakeholders, reaching out to them to create focus groups which would allow greater understanding and the collation of in-depth feedback. The Future Melting Pot / Youth Emergency Services would also be involved to ensure engagement with young adults.
- The Service would like Members to attend the focus groups.
- Partner organisations and agencies were also being involved in the consultation process.
- Members would be happy to help and to facilitate focus groups, in particular by utilising existing community events.
- Station Commanders would advise Members of any focus groups being held within their area to maximise engagement.
- Members agreed the proposals put forward and would support the process

23/16 Management of Information

Jason Danbury, Strategic Enabler of ICT, delivered a presentation on the Management of Information:

The purpose of the presentation was ensure Members remained informed of developments. A paper would be submitted to the Fire Authority at the meeting on 21 November which would include consultation on a revised standing order.

The Management of Information could be broadly split into four areas:

- Classification and marking
- Requests for information
- Data sharing
- Handling instructions

Policy Planning Forum 7 November 2016

The aim of the management of information was to provide a single approach, bringing everything together, and to make it simple for all, bringing requests together, ensuring that the right information is provided to the right people at the right time.

An evidence based approach had been taken to the use of data. The aim was to obtain the right balance between accessibility and legal duty.

The Information Commissioner's Office had the ability to fine organisations for breaches of the applicable regulations. Fines could be up to a maximum of £500k. Additionally, any such breach could cause significant damage to reputation and involve a strong media focus.

The Government Data Classification Scheme had been developed to assist the public sector in how it managed information. However, it had proved to be too prescriptive and as a result it had since been simplified, with the introduction of three classifications:

- Official
- Secret
- Top Secret

The majority of information and data held, used and shared by the Service fell within the Official classification. However, there was a huge variety of information and data within this classification and therefore, the classification had been broken down into four sub-categories:

- Official WMFS – Public
- Official WMFS – Low
- Official WMFS – Medium
- Official WMFS – High

Each organisation deciding its own sub-categories adds complexity of how the information and data is shared with other organisations with handling instructions being key to this area.

Progress to date had included the:

- revising of six standing orders into one
- creation of an information asset register
- allocation of the DCFO to the role of Senior Information Risk Owner
- Members of the Strategic Enabling Team (SET) allocated the roles of Information Asset Owners

Next steps would include the development of a 'request for information' system, the provision of classification tools, and the provision of awareness and training, including Member development.

Policy Planning Forum 7 November 2016

In answer to Members' questions, the following points were raised:

- Developments such as the live streaming of incidents via social media and the introduction of 999eye did represent some challenges in how the images are shared. There would be a duty to protect, but one size did not fit all. A member of SET would make the decision to share images captured by 999eye.
- Live streaming of incidents and the use of body worn cameras could potentially make the subject more complex, increasing the potential for something to go wrong. In theory the safest thing to do would be to not use such technology at all, but that would not be moving with the times. It may be a challenge, but it is a challenge that the Service needs to rise to.
- It was acknowledged that there was a need to ensure staff were comfortable with the use of such technology and fully aware of the associated procedures.
- The Service would always anonymise as many requests as possible and wherever practicable, to promote openness and transparency.

It was noted that the Management of Information would be brought back to the Policy Planning Forum in early 2017 for further Member development and familiarisation.

The meeting closed at 11:30 hours.

<p>Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680</p>

Minutes of the Audit Committee

Item 19

14 November 2016 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillors Aston, Barlow, Idrees, B Singh,
P Singh and T Singh (Chair)

Apologies: Mr Ager (Independent Member)
Cllr Sealey

45/16 **Minutes of the Audit Committee held on 5 September 2016**

Resolved that the minutes of the meeting held on 5 September 2016, be approved as a correct record.

46/16 **Annual Audit Letter 2015-16**

The Audit Committee received and noted the Annual Audit Letter (AAL). The letter is intended to communicate key messages to the Authority and external stakeholders including members of the public.

The key messages included the financial statements audit, (including audit opinion) the Value for Money conclusion and the Audit fees charged for audit and non-audit services and the titles and dates of when reports had been issued.

The report set out the key findings for the previous 12 month period and thanked the Authority for the assistance and co-operation provided by the Authority's staff. The letter looked forward to the changing landscape that the Authority faced and reflected on the low level of borrowing that had not increased for several years.

The Auditor referred to the significant savings following reductions in central government funding and the further reductions in core funding of approximately £10m over the next four years. The Authority had submitted its Efficiency Plan to the Home Office on the 14 October 2016 which was available on the internet.

The Audit of Accounts identified risks in the audit plan and how the Authority responded to the risks and the Auditor gave a favourable Value for Money conclusion.

The final fees charge for the audit and provision of non-audit services was just over £38,000.

47/16 **Annual Committee Update**

The Committee noted the contents of the Audit Committee Update. The Update included a summary of emerging national issues and developments that may be relevant to the Fire and Rescue Authority. The External Auditors progress to date for 2016/17 was reported. Work was in progress and dates had been set for interim and accounts works.

The information contained within the report included the CFOA Members vote to change the Articles of Association and the CFOA response to Home Office workforce statistics.

48/16 **Treasury Management Mid Year Review Report 2016-17**

The Committee considered the Treasury Management Mid Year Review Report 2016/17.

The Authority agreed its Treasury Management Strategy Statement and Annual Investment Strategy and its Prudential Indicators in February 2016 and part of the requirements of the Treasury Strategy and Prudential Code are that periodic reports are presented to Members. The Mid Year update was presented to the Audit Committee with the key areas being:

Capital expenditure was approved in February 2016 at £6.5m, this has been updated and now reflects the outturn position and financing decisions for 2015/16. The Forecast Outturn was revised to £7.3m, the increase due mainly to slippage from the vehicle replacement programme and the relocation of secondary fire control. There had been no borrowing in the first six months of this year to fund capital expenditure.

The Authority had outstanding Debt of £39.7m as at 31 March 2016. Borrowing of £36m has been undertaken with the Public Works Loan Board, (PWLb) the remaining £3.7m relates to the ex-West Midlands County Council. The estimated average rate of interest payable on this debt in the current financial year is 5.6%.

The Authority holds £76m investments as at the 30 September 2016 this is invested with Sandwell MBC as part of the pooling of bank accounts arrangement. The interest received for the first six months of the year is 0.41% which is favourable when compared against a benchmark, the average 7 day LIBID rate at 0.28%.

In response to a Members' enquiry about the interest rates, it was explained that the loans were taken out over a number of years and that there was a portfolio of loans with different interest rates for different amounts and the figure of 5.6% represents an average interest rate.

It was also explained that if debt restructuring was considered, the Authority would be required to pay a premium which often meant that this option was unattractive.

Any new loans in the future with the Public Works Loan Board would generally be for a fixed term up to 50 years, however, the Authority was not in a position where it needed to borrow to fund capital expenditure.

It was agreed to produce, for member's information, a schedule showing details of loan and interest rates, as part of the next Treasury Management Update. It was confirmed that Sandwell MBC undertook borrowing in previous years on behalf of the Authority.

In response to a Member's suggestion to lobby the government about the interest fees when paying off loans or changing them, the Treasurer stated that the PWLB rates would have been competitive at the time and that PWLB would assume a level of repayment over a period of time.

If borrowing is required a business case would need to be produced and interest rates would need to be considered at the time.

Resolved that the Treasury Management – Mid Year Review Report 2016/17 be noted and prudential and treasury indicators approved.

49/16 **Arrangements for the Appointment of External Auditors**

The Committee received a report on the options available for the Appointment of External Auditors following closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 Audit of Accounts. The Committee considered the options in order that a further report on the preferred approach would be presented to the Authority as its meeting on 20th February 2017.

On the 5th October 2015 the transitional arrangements were extended to include the Audit of Accounts to 2017/18. The current External Auditors (Grant Thornton) would continue to complete the accounts.

This was appropriate as the Public Sector Audit Appointments Limited (PSAA) who have taken over from the Audit Commission in managing the contract need to seek new national procurement arrangements. The Authority would need to determine its preferred approach by March 2017.

The Committee considered three broad options open to the Authority under the Local Audit and Accountability Act 2014 (the Act):

1. to make a stand-alone appointment
2. to set up a Joint Auditor Panel/local joint procurement arrangements
3. to opt-in to a sector led body

The Authority would want an External Auditor of the correct quality and who provided value for money and the Audit Committee considered the strengths and weaknesses of each Option.

The Treasurer had liaised with the other West Midlands authorities and five of the seven local authorities had indicated that they were intending to take the PSAA route in order to take advantage of a national procurement arrangement, although Members would not be directly involved in the appointment process.

The Committee considered the risks of appointing from a limited number of companies and also using companies based in the West Midlands.

It was noted that many of the larger companies are based in the West Midlands, they work with other fire authorities and many of their staff work and live in the area. The companies have standard terms of reference regardless of how they are appointed which may not be the case for smaller companies.

Members of the Audit Committee considered the options available and elected to recommend Supporting the Local Government Association (LGA) in setting up a national Sector Led Body by indicating intention to “opt-in” to the Authority.

50/16 Corporate Risk Briefing Report

The Committee noted and discussed the Audit Committee Corporate Risk Briefing Document.

The Deputy Chief Fire Officer stated that the update was provided to keep Members informed of a change to an overall risk rating and provided clarity.

The briefing document provided details for the increase in Corporate Risk 4.1, Delivery of Services – Protection. It was explained that an internal bespoke piece of software called the Intelligence Led Audit Programme (ILAP) serves the purpose of a risk based programme. The IT system is used by sixty members of staff and enables them to prioritise and determine risk scores and provides intelligence on business premises as within the National Framework for enforcing prosecutions under the Regulatory Reform (Fire Safety) Order 2005 (RRO) and a programme of Inspections. This system has helped reduce the number of prosecutions down from 100 to 60 in accordance with the Authority's aims of making the West Midlands Stronger, Safer and Healthier

There has been an increasing awareness of issues with the software in respect of data availability and data quality with mitigating steps put in place. However, it has been necessary to increase the likelihood factor associated with the risk from 2 to 3 with the impact of moving it from a low risk to a medium risk.

It was noted that arson fires had been increasing in business premises.

In order to respond to the risk, Officers will utilise Command Risk Profiles to provide information and intelligence for the Fire Safety Officers to identify risk within their command areas. They will collect performance information to understand how effective they are using the command risk profiles. A revised ILAP system will be developed to address the issues identified and enhance the current system. Work will continue with the data providers to understand what data they can provide.

The Fire Safety Strategy will be revised to determine a schedule of inspection over the next three years. Performance Monitoring of PI 13 and 14 will continue with the direction of travel moving forward.

The Service are focussing on educating businesses and have not reduced the number of its Fire Safety Officers with the aim of enabling businesses to comply with legislation. However, prosecutions do occur if advice is not adhered to. It was noted that many large companies have their own fire safety officers to enable them to comply with the RRO.

51/16 **Breach of Disclosure Regulations**

The Committee received a report in respect of a Breach of the Disclosure Regulations. The breach was caused by a failure to issue an annual Benefit Statement to all scheme members by the 31 August 2016.

A report was received by an extra-ordinary Pension Board on the 25th October 2016 setting out the details of a Breach of the Disclosure Regulations. The Annual Benefit Statements had not been issued by the 31

August 2016. The first Statements were issued on the 23rd September 2016. The software update to enable the statements to be prepared was not delivered until the 29 July 2016. As well as the additional work required to prepared the Benefit Statements, the Government Actuaries had asked for additional information by the 12 August 2016. This had also an impact on the workload of the pensions team.

An Employer representative had attended the Pensions Annual General Meeting and it was noted that the WMFS were not the only Service to issue their Benefit Statements after 31 August 2016 and the lateness of the specialist software was the main issue.

The software providers, Haywards plc, are used by 75 – 80% of fire services and 40% of police services.

It was noted that Members of the Pension Schemes were not informed, but in future it was felt advisable to flag up any possible issues to the Members. The Annual Benefit Statements have been received positively by Members and they will now be issues annually. There has been no adverse impact on Members of the Pension Schemes.

The Pension Board agreed to hold an additional meeting in May 2017 to ensure that the process was in place for the preparation of the 2017 Annual Benefit Statements.

Resolved that:

1. the processes, set out in Appendix 2 to the report, are in place to avoid a recurrence of the delay when statements are issued in 2017 and subsequent years.
2. the Scheme Administrator to consider the option of a self-service system.
3. the Pension Board, at their next meeting, to consider their Terms of Reference in respect of the reporting of breaches of the law to The Pensions Regulator.
4. a Risk Register is added as a Standing Item on future Pension Board agenda.

52/16 Internal Audit Progress Report

The Committee noted a report which detailed the progress made against the delivery of the 2015/16 Internal Audit Plan. The information contained within the report included a summary of the work completed with no significant issues.

53/16 **Minutes of the Pension Board held on 11 July 2016**

The Committee received the Minutes of the Pension Board held on the 11 July 2016.

The Committee noted that the Independent Chair was leaving his post with West Midlands Police, but his successor Mr Neil Chamberlain would be taking on the role on a temporary basis and would be attending the Pension Board scheduled for the 6 February 2017.

54/16 **Audit Committee – Self Assessment of Good Practice and Effectiveness**

The Committee noted the results of stage two of their self-assessment of good practice and effectiveness exercise.

Six responses had been received from the Members with an average score of 3, there was a good breadth of core knowledge. The specialist area of accountancy and internal audit scored 2, and there was good knowledge in the core skills, scoring 3.

The third and final part of the exercise, evaluating the effectiveness of the committee will be undertaken.

Members were interested in receiving information on training courses to meet their individual needs.

54/16 **Audit Committee Work Programme 2016/17**

The Committee noted its Work Programme for 2016/17 and that the next meeting of the Audit Committee would be on 16 January 2017.

55/16 **Update on Topical, Legal and Regulatory Issues**

There was no new information to be presented

(The meeting ended at 1130 hours)

Contact Officer: Julie Connor Strategic Hub 0121 380 6906

Item 20

14 November 2016 at 10.30pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Tranter (Chair);
Councillors Barrie, Brackenridge, Dad,
Skinner, and Spence

Apologies:

Councillors Hogarth and Young

Observer:

Nil

29/16 Declarations of Interest

There were no declarations of interest.

30/16 Minutes

Resolved that the minutes of the meeting held on 10 October 2016, be approved as a correct record, subject to the following amendment:

It was noted that Councillor Spence, and not Councillor Young, had noted that 24% of management roles were held by female and black and minority ethnic (BME) staff and had enquired how many members of staff the 24% equated to.

31/16 Diversity, Inclusion, Cohesion and Equality Update

Sarah Warnes, Strategic Enabler People Support Services, provided an overview of the Diversity, Inclusion, Cohesion and Equality (DICE) update:

West Midlands Fire Service (WMFS) had become members of Stonewall for Lesbian, Gay, Bisexual and Transgender (LGBT), and were awaiting the results and outcomes of the Stonewall Index. Initial feedback had indicated that the Service's policies and framework were very strong regarding the subject of LGBT. However, it had been recognised that the Service did not currently have a

network of LGBT representatives. As a result, the Service was looking to set up such a network and had a number of key role models within the organisation.

'Inspire', the recently renamed race equality forum, continued to develop its approach. A number of representatives from WMFS would be attending the forthcoming Asian Fire Service Association conference.

Work continued within the subject of unconscious bias; the Strategic Enabling Team (SET) had received input, developing their understanding. A training and awareness package was being developed which would be rolled out across the organisation. Training was also being provided to members of staff involved in the selection process to ensure any individuals carrying out interviews were trained in unconscious bias.

Workforce profiling indicated that the Service would have an ageing workforce going forward. A fitness policy for all uniformed staff would be launched in January 2017. A roll-out programme would ensure that all members of staff would be aware and be able to test their fitness levels and gauge where they were in terms of meeting the required standards. Following the launch of the policy in January, there would be a six month period for staff to test before the new standards would be applied. The fitness test itself would be comprised of a Chester treadmill test. All members of staff had access to fitness equipment including treadmills at stations and headquarters.

Work continued with West Midlands Police with regard to menopause awareness which had proven to be very successful to date.

The Community Safety Strategy assisted with an understanding of the communities the Service served, including the provision of a level of analysis. The Service would shortly be launching a public consultation on the Integrated Risk Management Plan. The Service's Equality Framework would drive how the Service communicated with its communities. Additionally, the Community Membership Model would enable two way engagement and aim to reflect the communities of the West Midlands,

via the composition of the Community Members (49% female, 45% male, 50% white, 23% BME).

In the recent Operational Assessment and Fire Peer Challenge, the peer team had noted that DICE was embedded within the organisation. The number of female uniformed staff within managerial roles was 18 out of a total of 75 female uniformed staff, with an increase observed following the promotion of two females into Station Commander roles. Of the 120 BME uniformed members of staff, 29 were in managerial roles.

A number of initiatives featuring positive action had been piloted as part of the current recruitment process. These included working in close liaison with Birmingham Metropolitan College and the Jobcentre to target job seekers, assisting individuals in gaining the required GCSEs in Maths and English, and the holding of a number of taster days allowing individuals to gain an understanding of the role of a firefighter. Additionally, WMFS had received and participated in coverage from the Sikh Channel for a week.

The Equality Framework demonstrated that the Service was good at making contact with individuals and communities, and communicating. However, going forward it was important that the Service knew what it communicated.

In answer to Members' questions, the following points were raised:

- A further breakdown in the composition of the BME staff was to be provided by Sarah Warnes
- The fitness standards were applied to all operational members of staff. There was an expectation for all uniformed staff to attain the required fitness level due to the expectation for staff to provide resilience.
- With regard to assessing fitness, there would be three levels: green, amber and failure. In situations where an individual fails the fitness test, the individual would be

removed from operational duties and provided a development plan via Occupational Health.

- In cases where a member of staff was to develop a disability, the Service would make any reasonable adjustments required wherever possible and practicable.
- The Service did anticipate potential issues as a result of having an ageing workforce (the average age of the workforce was currently 41). The new fitness policy would be timely in supporting members of staff going forward.
- It was noted that the Service should be congratulated in its recognition by Stonewall, particularly considering the number of large organisations who engage with the charity.
- It was raised that there was a need for more information to be collated on LGBT issues; analysis had been provided on females and BME, but nothing regarding LGBT. It was confirmed that such information was collated by the Service, but it was acknowledged that it should be reported more broadly, as well as disability.

Resolved that the Committee noted the progress made by the Service in relation to DICE.

Resolved that a breakdown of the percentage of staff who have disclosed sexual orientation is to be distributed to Members.

32/16 **Analysis of Progress of Quarterly Performance
Against the Plan - quarter two 2016/17**

ACFO Taylor and Sarah Warnes provided an overview of the Quarterly Performance against The Plan:

PI 1 ‘The risk based attendance standard’; performance continued to be very positive, with a slight increase of two seconds observed during quarter two. Over performance continued to be observed for category two, three and four incident types, although this could be due to the

introduction of a more flexible fleet resulting in quicker response times to such incidents.

PI 2 'The number of accidental dwelling fires', good performance continued with figures remaining below the tolerance levels for the quarter, and the year to date.

PI 3 'Injuries from accidental fires in dwellings (taken to hospital for treatment)', had increased due to a number of incidents involving multiple injuries.

PI 4 'The number of deaths from accidental dwelling fires', two fatalities had occurred during quarter two.

PI 5 'The percentage of Safe and Well visits referred by our partners', was on target with performance within the tolerance levels. This was the first year that the target of 40% had been reached, and it was considered that this was a direct consequence of how the Service had changed its ways of working.

PI 6 'The number of Safe and Well points achieved by the Brigade', performance had been very good with the figure above the tolerance levels.

PI 7 'The number of people killed or seriously injured in road traffic collisions', the delay in data continued. However, figures illustrated that numbers had been slowly increasing since early 2015. It was noted that the number of category 1 incidents was increasing due to the number of road traffic collisions. The increase in road traffic collisions was resulting in less fatalities due to modern vehicle safety, but more significant injuries were being experienced.

PI 8 'The number of arson fires in dwellings', performance was within the tolerance levels and rated green, however, the number of incidents was just one incident below the upper tolerance level.

PI 9 'The number of arson fires in non-domestic premises', PI 10 'The number of arson vehicle fires', and PI 12 'The number of arson fires in derelict buildings'; all three performance indicators had experienced under

performance against the tolerance levels and were rated as red.

PI 11 'The number of arson rubbish fires', had observed over performance against the tolerance levels and therefore rated as blue.

It was noted that the Service's arson plan was being reviewed. Although the number of incidents remained relatively small, the Service was conscious of the impact of anti-social behaviour, and the blight on communities.

PI 13 'The number of accidental fires in non-domestic premises' and PI 14 'The number of false alarm calls due to fire alarm equipment', performance remained positive for both performance indicators. The role of Fire Safety Officers in local commands and Business Support Vehicles continued to reduce the number of incidents.

PI 15 'The percentage of employees that have disclosed their disabled status', a very small increase had been observed and it was noted that the target was ambitious. Work continued with managers and individuals within this area.

PI 16 'The number of female uniformed staff' and PI 17 'The percentage of all staff from ethnic minority communities', both performance indicators remained on target. The current recruitment process had seen the conclusion of the online assessment stage. The recruitment process had featured a postcode requirement (individuals to reside within the service delivery area), and the proactive targeting of underrepresented groups. Approximately 1800 applications had been received by the Service. 312 applicants had passed the first stage, of which 45 were female (representing 14.5%) and 52 applicants came from BME backgrounds (nearly 17%).

It was acknowledged that it was important to keep those individuals within the recruitment process. An amber banding had been introduced into the process for practical sessions, allowing individuals who narrowly missed the required standard the opportunity to be re-assessed following the interview stage.

PI 18 ‘The average number of working days/shifts lost due to sickness – uniformed staff’, was over target and rated as red. There was a focus on long term sickness and restricted duties. The top five reasons for sickness were mental health (anxiety / depression), post-operative, joint problems, gastrointestinal, and hospital inpatient / treatment. Work was ongoing to understand the work undertaken by Occupational Health. Additionally, weight screening of employees had been introduced.

It was noted that positive attendance management continued across the Service.

PI 19 ‘The average number of days/shifts lost due to sickness – non-uniformed and Fire Control staff’, was over target and rated as red. This was an area that Business Partners continued to focus on.

PI 20 ‘The average number of days/shifts lost due to sickness – all staff’, reflected PI 18 and PI 19 and as a result, was rated as red.

PI 21 ‘The total number of injuries’, continued to show very good performance and was rated as green. The Safety, Health and Environment team were promoting personal responsibility and a focus continued on slips, trips and falls, which remained one of the most common causes of injury.

PI 22 ‘The total number of RIDDOR injuries’, demonstrated over performance against the tolerance, with a blue rating.

PI 24 ‘To reduce gas use of Fire Authority premises’ and PI 25 ‘To reduce electricity use of Fire Authority premises’; both performance indicators demonstrated over performance against the tolerance levels and were rated blue. The performance in both areas reflected the culture within the Service, and station upgrades and improvements.

In answer to Members questions, the following points were raised:

- With regard to increasing the percentage of all staff from BME communities, a number of initiatives had been undertaken including:
 - ‘Inspire’, previously the Race Equality Forum, proactively engaging with local communities.
 - The development of a school package to increase engagement with children and young people, to highlight that the Fire Service was a potential career choice.
 - Work with Job Centre Plus engaging with job seekers.
 - Taster days, allowing individuals to learn more about the work and role of a firefighter.
- It was acknowledged that the workforce remained under-representative of the Asian community.
- Issues regarding codes of dress, certain personal protective equipment and the standards for facial hair conflicting with some cultural and religious practices remained an issue and a potential barrier for applicants, and this was an area where a lot of work was still required, not just locally but for the Fire Service nationally. However, it was important that WMFS challenged itself on how to overcome such barriers.
- It was noted that the Asian Fire Service Association had stated that the current rules surrounding codes of dress, personal protective equipment, and facial hair, should not be relaxed.
- Members offered their support, in particular by assisting with local avenues that the Service had not tapped into yet.
- The Service’s positive action statement would be brought to the next meeting of the Committee.
- A further breakdown of the figures for PI 17 ‘The percentage of all staff from ethnic minority

communities' would be provided to Members, in terms of actual numbers and different groups.

- The provision of solar panels at stations was included within the Estates Strategy. New builds included solar panels, otherwise retrofitted where possible / practicable.
- All budgets had been devolved to stations who were accountable for any overspend or underspend. Anomalies in the use of gas or electricity was often due to the scale of the building.
- With regard to arson fires in derelict buildings, it was noted that it was often difficult to determine who was responsible for the premises, for example private owners. Pump priming funding used to be available which allowed the boarding up and securing of such premises but this funding is no longer available as budgets continue to shrink. However, this does not alleviate the problem that the Fire Service often keep visiting the same premises and other issues such as homelessness and drug abuse can compound the problem.
- As part of the new arson action plan, the Arson Task Force was being regenerated which would bring all of the stakeholders together.

Cllr Skinner informed the Committee that in his role of Shadow of Cabinet Services for Adult Services, he had met with the Chief Executive of the Carer's Trust at a meeting. During the meeting, it had become apparent that there was a lack of knowledge about the role of WMFS and the activities it carried out. ACFO Taylor acknowledged that each authority operated differently and asked if Members could advise the Service if and when they came into contact with any organisations where the Service could raise awareness of its activities and the services it provides.

Resolved that the Committee noted:-

- the status of the Service's key performance indicators in the second quarter of 2016/17
- the progress made in delivering the three strategic objectives contained in The Plan 2016/19
- the update on the performance information system detailed in section five of the report.

Resolved that the following actions be undertaken and submitted to the next meeting of the Committee:

- The WMFS Positive Action statement to be submitted to the Committee
- A breakdown of the figures for PI 17 'The percentage of all staff from ethnic minority communities' to be collated.

33/16 **Scrutiny Committee Update – Safeside Transport Funding**

Carol Morgan, Children and Young Peoples Manager, was welcomed by the Committee:

The provision of funding for transport to and from Safeside for schools had clearly made a difference, with a substantial increase in the number of pupils visiting the facility. However, the funding had proven to not be sustainable.

Staff at Safeside have spoken with schools during visits to obtain feedback from teachers and the cost and congestion in travelling to and from the Safeside facility had proven to be clear barriers.

To help alleviate concerns, and in an attempt to remove such barriers, Safeside were in the transition of changing funding and changing the programme which would allow schools to arrive later and leave earlier but the key messages would continue to be communicated.

The current funding arrangements would continue until March 2018 which would allow the Service to review them. It had proven difficult to obtain voluntary funding. The

Service had joined the West Midlands Funders Forum which included the Big Lottery; this was a new group set up to discuss how to access funding following concerns raised that organisations within the West Midlands were not necessarily drawing on the appropriate amount of funding when compared to other areas.

The Safeside facility now welcomed a lot of groups such as brownies and scouts, and the Service was exploring how to engage further with vulnerable groups and children who received home schooling and increase non-school visits by up to 100%.

Feedback received had also raised the fact that it was not always clear to people that Safeside was an educational facility. As a result, work was being carried out on publicity materials. However, it was proving difficult with the move to Academies to often get the information to the right person.

Overall, transport was a key factor but not the only one, external sponsorship would also be a key factor.

In answer to Members' questions, the following points were raised:

- All Members had been charged with publicising Safeside within their local authorities.
- A booklet and brochure on Safeside would be circulated to all Members to assist them.
- A short piece on Safeside would be drawn up and circulated to Members for circulation to the press.
- The Safeside logo would be circulated to Members for use with Twitter and other social media.
- It would be useful for Members to be provided with a breakdown of areas and the schools which had attended.
- Workshops had been introduced as part of the change to the Safeside programme which enabled

120 children and young people within the facility (60 in the village, and 60 in the workshop).

- Schools within deprived areas and schools which had not visited Safeside for three years would be targeted this year.

Resolved that the following actions be undertaken and submitted to the next meeting of the Committee:

- The Safeside booklet and brochure to be circulated to all Members.
- A short piece on Safeside would be drawn up and circulated to Members for circulation to the press.
- The Safeside logo would be circulated to Members for use with Twitter and other social media.
- Members to be provided with a breakdown of areas and the schools which had attended Safeside.

Resolved that the item plus an update on progress would be brought back to the Committee in March 2018.

34/16 **Update on Progress of the Data Sharing Review**

Michele Pym, Strategic Hub, provided an update on the Scrutiny Committee review of data sharing:

Initial findings included:

- The Service lacked a strategy or clear policy for data sharing.
- Data was being shared but there was no evidence of what procedures staff were following
- Data sharing agreements had been shared by Data Management but the agreements were very long.
- ICT systems did not assist data sharing.
- A number of examples of best practice which WMFS could learn from including best practice carried out

by Merseyside FRS and Cheshire FRS, plus the Centre of Excellence for Information Sharing.

The following outcomes were required:

- Establishing a clear policy and guidance.
- Identifying what data was being shared by the Service.
- Developing data sharing agreements.
- Examining how ICT can support data sharing.

It was noted that it was expected that the review would be completed by March 2017.

In answer to Members' questions, the following points were raised:

- West Midlands Police had received funding from the Government to examine data sharing. West Midlands Police were investigating the possibilities of creating a single portal for all organisations to share data. As well as examining security and a single place of storage. WMFS may wish to discuss with West Midlands Police in more detail.
- In terms of security, users could be an issue, not just hackers.
- A large element of data collected by Fire Services may be location based, rather than person based, and therefore could present a subtle difference compared to data collected by some other organisations.
- Some people and organisations might hide behind regulations and legislation such as the Data Protection Act, presenting barriers to data sharing.

35/16 **Consideration of Scoping Document for Review of XXXX**

ACFO Gary Taylor advised the Committee that the Service had been reviewing and revising organisational policies

and procedures, in particular People Support Services policies, particularly surrounding the subject of positive action.

Based on the focus of the Thomas Review, the Police and Fire Minister, and Fire Reform, it was suggested that the next Scrutiny Committee review focussed on positive action and recruitment including outcomes.

This would allow the opportunity to look at other organisations and the approaches taken by them in this area, including organisations from both the public and private sectors.

External support would be considered to provide a fresh perspective.

Resolved that Members are to consider if the next Scrutiny Committee review is to be focused on positive action and recruitment.

Resolved that terms of reference to be circulated to the Committee.

36/16 **Scrutiny Committee Work Programme 2016/17**

The Committee noted the progress of the work programme for 2016/17.

(Meeting ended at 12:26 pm)

Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680

**12 December 2016 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

- Present:** Members of the Authority
Councillor Edwards (Chair)
Councillor Idrees (Vice Chair)
Councillors Allcock, Aston, Atwal Singh, Barrie, Booth,
Brackenridge, Clinton, Craddock, Davis, Mottram, P Singh, T
Singh, and Tranter
- Officers:** West Midlands Fire Service
Chief Fire Officer (P Loach)
Deputy Chief Fire Officer (P Hales)
Assistant Chief Fire Officer (G Taylor)
M Griffiths (Treasurer),
J Connor, M Ward-White, S Timmington, S Vincent
- Clerk and Monitoring Officer**
K Gowreesunker (Clerk)
S Sahota (Monitoring Officer)
- Apologies:** Councillors: Barlow, Bennett, Cartwright, Dad, Eustace,
Hogarth, B Singh, Sealey, Skinner, Spence, Walsh and Young
Mr Ager
- Observers:** Nil

24/16 Chair and CFO Announcements

The Chief Fire Officer welcomed all attendees to the Policy Planning Forum.

The Chief Fire Officer thanked all who had attended the Recognition and Awards event, and the West Midlands Fire Service carol service.

The recent National Fire Awards had seen West Midlands Fire Service collect the award for training provider of the year, and Preith Shergill, Strategic Enabler Business Development had received the award for most influential BME person in the UK.

Policy Planning Forum 12 December 2016

25/16 Conditions of Service for Fire and Rescue Staff: Independent Review – ‘The Thomas Review’

Steve Vincent, Strategic Enabler Organisational Assurance, delivered a presentation on the Adrian Thomas Review, ‘Conditions of service for fire and rescue staff: independent review’:

The review was commissioned by the former Fire Minister, MP Penny Mordaunt, and formally launched in October 2014. The report was originally to be published in the spring of 2015 but was published in autumn 2016.

The review covered the following areas:

- The working environment
- Conditions of service
- Industrial relations
- Retained duty system, ‘On Call’
- Management of the Fire and Rescue Sector

The findings of the review included:

Working environment

- Culture and trust are key to creating high performance but there was a perception that it was mixed in the Fire and Rescue sector. It was highlighted that culture and trust should be explicit in management objectives. It was noted that the OpA Fire Peer Challenge Team found the leadership of the Service to be strong and unique.
- Engagement with representative bodies was important. It was noted that the Service had excellent relationships with all representative bodies.
- Working relationships and communication was key. The Service had increased the ability and choice of styles of communication through technology, enabling its employees further. Examples included the ‘What’s Happening’ intranet site, station visits and the increased use of software such as Skype. The review also cited the need to undertake the analysis of the effectiveness of communications.
- A need to understand unconscious bias was recognised. It was noted that the Service had already commenced work within this subject, particularly within SET and through the leadership programme.
- The review claimed that 40% of firefighters (16,000) had suffered from bullying and harassment during their service. It

Policy Planning Forum

12 December 2016

was noted that this statistic did not bare any resemblance to the analysis undertaken by WMFS.

Conditions of Service

- The review questioned the need for the National Joint Council (NJC). It was noted that WMFS fully supported the NJC. It was also referenced that not all trade unions had a voice at the NJC, although this had not been the experience of WMFS.
- Adrian Thomas views the 'Grey Book' as a collective agreement and not a set of conditions, and that it is seen culturally as a barrier to alternative staffing models and the role map is seen as restrictive in undertaking wider areas of work. Indeed, the review questions if the sector needs the Gold, Grey and Green book of conditions.

Industrial Relations

- The review suggested that firefighters should not have the right to strike with reference to attending 999 incidents, but that such a proposal should not lead to the right to strike being removed fully. It was noted that the Home Office had subsequently indicated that the Government did not wish to pursue such an option.

Retained Duty System – 'On Call'

- The review recommends the need for an annual return to be provided by Fire and Rescue Services recording the number of retained duty system staff or reasons why such staff were not used.
- The review suggests that the use of the retained duty system may be a way of creating a more diverse workforce. It was noted that this was often not the experience of services who used staff on the retained duty system.
- It was noted that WMFS was willing to adopt flexible working and open minded to establishing more effective and efficient shift systems, but analysis had shown the Service would be unable to adopt the retained duty system model and maintain the Service Delivery Model and deliver assertively, safely and effectively the range of services it provides to support communities.
- Additionally, the risk based attendance standard (five minute response time for category one incidents) cannot be supported by a retained duty system.

Policy Planning Forum 12 December 2016

Management of the Fire and Rescue sector

- The review considered governance, multi-tier entry, and the potential for collaboration and mergers, asking if some fire services were large enough to remain sustainable.
- The review recognised the differing levels of complexity of different services, ranking WMFS second only to London Fire Brigade in terms of management of complexity.

In answer to Members' questions, the following points were raised:

- With regard to the statistics on bullying and harassment, the review provided no comparison with other sectors. Indeed, the report provided very little detail to support the claims made regarding the figures of bullying and harassment.
- A key factor was the 'perception' of bullying and harassment; 'perceived' was not necessarily in line with the legal definition of bullying and harassment. It was noted that the legal definition was quite narrow, and that it was not uncommon for employees to claim they were bullied / harassed when in fact this was not the case legally.
- A significant period of time had passed since the review was launched and eventually published, and the sector had moved on in that time. In many ways the report was out of date. WMFS, as with a lot of services, had gone past what the report says, and had already addressed or implemented many of the areas for improvement / recommendations, or were in the process of doing so.
- The Home Office had not marked the publication of the review with any announcement or press release.
- The Home Office would be taking into account the findings of the review with regard to the implementation of the forthcoming Fire Service Inspectorate. Reports from Her Majesty's Inspectorate of Constabulary and Blue Light Work were due to be submitted to the Home Office before the end of the year, and the Home Office would consider the reports and decide which option to take forward. This would start to see what form the Fire Service Inspectorate would take in early 2017.

26/16 Operational Assessment

Karen Gowreesunker, Strategic Enabler Strategic Hub, delivered a presentation on the outcomes of the Operational Assessment and the Fire Peer Challenge:

Policy Planning Forum 12 December 2016

SET had received feedback from the Fire Peer Challenge team on the fourth and final day of the peer challenge which had took place in October. The Service had now received the initial draft report from the peer team and SET were currently in the process of providing feedback on the report for consideration by the peer team.

The findings within the initial report included:

Strategic Leadership and Governance

Strengths:

- Strong strategic leadership effective for enabling decisions
- Clear vision, which was bought into by staff
- Future Governance Working Group was ambitious

Areas for consideration:

- Clarity of the Scheme of Delegations
- Enhancing elected Member roles
- Engagement plan around future reform

Local context and priorities

Strengths:

- The wider prevention agenda was embedded within the organisation, across all staff
- WMFS was highly visible in partnership arrangements and considered a valued resource by partners
- The Service was outward facing, supported by delegation to middle managers

Areas for consideration:

- Retention of organisational memory
- Ensuring that our communities and the wider fire sector understood the value of five minute response target
- Combination of regional fire services

Financial strategy

Strengths:

- Strong focus on future funding and long term sustainability
- Budget mechanisms understood
- Track record of delivering savings

Policy Planning Forum 12 December 2016

Areas for consideration:

- Budget strategy versus longer term financial planning
- Further understanding of risk associated with income generation

Service delivery

Strengths:

- Integrated service delivery model
- Genuinely focussed on understanding the health agenda
- Frameworks delivering flexibilities and freedoms for operational staff

Areas for consideration:

- A more systematic approach to transformational change
- Clarity of interdependencies across the organisation
- The Service to tell 'its story' more

Fire Control

Strengths:

- Impressive leadership
- Overcome significant challenges
- Staff recognised recently developed vision and their involvement

Areas for consideration:

- Lessons learnt for future
- Aligning mobilisation protocols
- Innovation in resilience of service fall back arrangements

Training and development

Strengths:

- The Service recognised the importance of training
- High levels of confidence around professional assurance
- Clear personal ownership of training responsibilities

Areas for consideration:

- Further training – part of Telecare service
- Succession planning and talent management
- Consider ability to maintain optimum crewing levels against need for training

Policy Planning Forum 12 December 2016

Equality and diversity

Strengths:

- Open and transparent – the Service challenges and opens itself up to external scrutiny
- The Service understand positive action
- Equality forum leads are a great asset

Areas for consideration:

- Resource allocation for positive action and other DICE activities
- Develop a long term strategy for having a representative workforce
- Analysis of data from recruitment programmes

The next steps in the process:

- The Service to feedback to the Local Government Association around areas identified and the report to be finalised by the peer team
- The Service to publish the report in full
- An improvement plan to be scrutinised through the Fire Authority

The meeting closed at 11:45 hours.

<p>Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680</p>

Minutes of the Executive Committee

12 December 2016 at 1000 hours
Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Edwards (Chair)
 Councillor Idrees (Vice Chair)
 Councillors Allcock, Aston, Barrie, Singh-Atwal,
 Cartwright, Mottram, Davis and P Singh

Apologies: Councillors Cartwright and Sealey

10/16 **Minutes of the Executive Committee held on 10 October 2016**

Resolved that with the addition of Councillor Aston to the list of apologies, the minutes of the meeting held on 10 October 2016, be approved as a correct record.

11/16 **Declarations of Interest**

There were no Declarations of Interest.

12/16 **Future Governance Working Group Update**

Richard Bacon, Chair of the Future Governance Working Group, attended the meeting. The Group had met twice since the last Executive Committee where he had updated the Members on the progress to date.

The Working Group had been asked by the Authority to develop an options appraisal for the future governance of West Midlands Fire Service and make recommendations to the February 2017 Authority meeting.

It was explained that the Police and Crime Bill sets out the duty for collaboration and efficient and effective working. It

also enabled the Police and Crime Commissioner to put forward a business case for Police and Fire collaboration which extends to a Police and Crime Commissioner taking on the future governance of Fire and Rescue Services. The Working Group looked at the areas for collaboration first of all and how efficiency and effectiveness could be achieved. There had been full involvement from representatives of the Home Office, Combined Authority and Emergency Services and the Chief Executive from Solihull MBC had also attended two meetings. The focus of the first meetings was improved outcomes for the people of the West Midlands.

The Group then went on to look at the four possible Governance options:

Combination of Regional Fire Authorities
Combined Authority & Mayor
Police and Crime Commissioner/Fire Merger
A reformed Fire Authority

A presentation had been received from a senior representative of each option on the legislative and structural considerations of each governance options as well as how they would deliver future governance. The Working Group had been pleased with the quality of thought and analysis provided in the presentations.

Whilst the final assessment and conclusions of the working group are scheduled for the 13th January 2017, the following

Combination of Regional Fire Authorities

The Working Group were in no doubt that this option could provide significant value for money but felt there was little appetite for this option. An opinion shared by Home Office Ministers. The disadvantages of this option were the boundaries and shape of the West Midlands region and the different service delivery models.

Combined Authority and Mayor

The Working Group noted the fixed dates of the Combined Authority and the Mayoral elections would be taking place in May 2017. Mayoral candidates had begun to talk about their campaigns and how they would lead the Combined Authority.

The PCC term will last until 2020 and this may or may not be a factor to be considered. However, the Metropolitan District Councils are Constituent members and the Fire Service and many other councils are Non-Constituent members which is good for collaboration. Currently, Health is not part of the Combined Authority but with the Mayor this may change and there are links to be made but this maybe some way off.

Police and Crime Commissioner/Fire Merger

It was felt that this could be bought about fairly quickly and the Home Office have been made aware of the nine business cases around the country where the PCC wishes to provide governance for the Fire Service. It isn't known how this will engender better collaboration with Authorities and the Health Service and would not be as easy in the West Midlands, but the option is still there.

It was noted that the PCC Governance structure is new and the Combined Authority governance structure is still forming and there are many questions and issues to be resolved. The Group were unaware of any hard evidence on how PCC governance would be more or less effective than other forms governance.

Reformed Fire Authority

It was noted that there was a lot taking place nationally and the Authority has always focussed on value for money, despite the potential for future changes in governance.

The Chair of the Working Group thanked the Clerk and the team for contributing excellently to the work of the Group and for their research in preparing detailed information about future governance options.

The Working Group had carried out a really useful exercise that had focussed their minds on the current position, identifying the governance options and what services and collaboration the Fire Service could deliver in the future. The focus had been on efficiency and effectiveness, as well as operational excellence. The group wanted to preserve this for the future and didn't want to dilute the current excellent service provided to the communities of the West Midlands.

Local accountability and the ability of Members to impact on holding the Service to account and scrutinise decisions was important.

It was noted that Brandon Lewis, MP, the Home Office Minister had made a speech recently where he had set out an expectation for PCCs through the PCCs Association to use the power they have been given through legislation and there was some momentum behind this.

The Working Group had looked objectively at this and felt that the Fire Authority saw its future with the Combined Authority and the Mayor going forward to support the best delivery of services for the future.

The Working Group would be looking at the options in January 2017 to help the Authority shape the way forward. The outcomes would need to be taken into account in any future business cases.

In respect of the Fire/Fire collaboration option, other fire and rescue services appear cautious about deeper collaboration or combination. It may become a more realistic option in the future as budgets come under further pressure. All services would want to avoid any degradation of services to the public.

Any outline business case would need to include options in terms of value for money and inter-operability and more details would be required.

In response to a Member's enquiry about attendance standards, the CFO explained that the Integrated Risk Management Plan provides evidential proof of survivability and that the 5 minute attendance standard to high risk incidents make a difference to survivability, but this is considered in the light of financial constraints.

It was noted that London Fire Brigade and Manchester Fire and Rescue Service are the nearest comparators to the West Midlands and both will be governed under Mayoral arrangements, signalling that change and/reform were inevitable and not optional.

It was noted that both Hampshire and Cleveland Fire and Rescue Services had reformed the size of their Fire Authorities and eight fire services in Scotland had been merged into one national service.

A report on the future Governance of the Fire Authority would be prepared for the meeting of the Fire Authority scheduled for the 20 February.

The Chair of the Group, Richard Bacon, stated that he had worked with local government for a number of years at a strategic level and he felt that the Fire Service's link back to the people of the West Midlands is the best example he has seen. There were threats to the future of Fire Authority, but he felt that the Authority should continue to collaborate with other services and to look afresh at how these continue to improve in the future, following the approval of the Report and in the months that follow.

The Chair thanked Richard for his work and his commitment to the Working Group.

The meeting concluded at 1030.

Contact Officer: Julie Connor Strategic Hub West Midlands Fire Service 0121 380 6906

Minutes of the Audit Committee

Item 23

**16 January 2017 at 1230 hours
at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW**

Present: Councillors T Singh (Chair), A Aston, M Idrees, B. Singh, P. Singh, R. Sealey and Mr Ager (Independent Member)

Apologies: Mr Peter Farrow

1/17 **Minutes of the Audit Committee held on 14 November 2016**

Minute No. 52/16 should read 2016/17 and not 2015/16.

Resolved that the minutes of the meeting held on 14 November 2016, be approved as a correct record.

2/17 **Audit Committee Update for West Midlands Fire and Rescue Authority**

The Committee noted the Update from the External Auditor. The Auditor confirmed that the Fee Letter was issued in April 2016, the Accounts Audit Plan was planned for the Audit Committee scheduled for the 27 March 2017. The External Auditor's team had commenced their interim audit of accounts on the 16 January 2017 and would be sampling key areas of operating expenditure and payroll. The final accounts audit would be conducted during June/July and discussions would take place with the Deputy Treasurer to ensure that the outcomes are used to streamline the final accounts.

The External Auditor was continuing to work on the Value for Money conclusion and the report will provide the Authority with information to assist with its collaboration with other organisations and how to position itself.

The External Auditor informed the Committee of the CIPFA "Telling the Story" project, which has resulted in changes to CIPFA's 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom. The main changes affect the presentation of the Comprehensive Income and Expenditure Statement.

The External Auditor had had some discussions with CIPFA to see how this can be applied to the Fire Authority, as there are fewer internal reporting areas within the budget, whilst maintaining consistency and within the spirit of the Code. Discussions will continue with the Deputy Treasurer and a further update will be provided to the March Audit Committee.

The Committee also noted the Future Control Room Improvements Report on the improvements being delivered by the 22 local Future Control Room projects. The Staffordshire and West Midlands Fire Control project had received a favourable write up in the report.

It was noted that a meeting of the Fire Control Governance Board was due to meet that afternoon where the report of the Staffordshire Police and Crime Commissioner would be discussed particularly in relation to Control Rooms.

3/17 **Internal Audit Charter**

The Committee reviewed the Internal Auditor Charter and noted the updates reflecting the introduction of a Mission of Internal Auditor and Core Principles for the Professional Practice of Internal Auditing added to the latest version of the Public Sector Internal Audit Standards.

4/17 **Internal Audit Progress Report**

The Committee noted the Internal Auditor's regular Progress Report on the 2016/17 Audit Plan. The Committee were pleased to receive the outcomes of the audits that had been undertaken so far and noted the other audits to be completed by the end of the financial year.

5/17 **Audit Committee Work Programme 2016/17**

The Committee noted its Work Programme for 2016/17 and that the next meeting of the Audit Committee would be on 27 March 2017.

6/17 **Update on Topical, Legal and Regulatory Issues**

The Treasurer informed the Committee that the Authority had received a letter from the Minister in December 2016 regarding the offer outlined in the provisional Finance Settlement. The scale of funding reductions were in line with those previously notified i.e. a reduction in core funding of approximately £10 million over the four year period and consistent with the assumptions made within the Authority's Efficiency Plan

(The meeting ended at 1248 hours)

Contact Officer: Julie Connor
Strategic Hub
0121 380 6906

