



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Monday, 05 October 2020 at 11:00

To be held digitally via Microsoft Teams

Distribution of Councillors	
<u>Birmingham</u>	D Barrie Z Iqbal K Jenkins S Spence
<u>Coventry</u>	C Miks S Walsh
<u>Dudley</u>	N Barlow P Miller
<u>Sandwell</u>	J Edwards M Singh Gill
<u>Solihull</u>	P Hogarth MBE
<u>Walsall</u>	S J Cooper A Young
<u>Wolverhampton</u>	G Brackenridge J Dehar
<u>Police & Crime Commissioner Representative</u>	Gurinder Singh Josan CBE
<u>Co-opted Members</u>	Professor S Brake S Middleton
<u>Independent Member</u>	Mr M Ager
<u>Observers</u>	Maurice Carter, UNISON
	Kevin Rowsell, Fire Officer's Association
	Steve Price-Hunt, Fire Brigades Union

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

Fire Authority

You are summoned to attend the meeting of Fire Authority to be held on
Monday, 05 October 2020 at 11:00

at Digital meeting via Microsoft Teams,

for the purpose of transacting the following business:

Agenda – Public Session

REVISED AGENDA

Please note that this is a revised agenda pack (as of 1 October 2020). The changes are as follows:

The inclusion of the minutes of the Fire Authority meeting held on 17 February 2020. An amendment to appendix 6 of the report 'Review of Constitution'.

- 1 **To receive apologies for absence (if any)**
- 2 **Declarations of interests**
- 3 **Chair's announcements**
- 4 **Chief Fire Officer's Announcements**
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17	<u>Revocation of Explosives Storage Licence</u>	299 - 310
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19	<u>Notes of the Policy Planning Forum held on 13 January 2020</u>	343 - 358
20	<u>Notes of the Policy Planning Forum held on 3 February 2020</u>	359 - 370
21	<u>Minutes of the Audit and Risk Committee held on 01 June 2020</u>	371 - 374
22	<u>Exclusion of the public and press</u> <i>Chair to move:- "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)

23 Planned Procurement Exercise for 2020-21

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

Agenda prepared by Stephen Timmington

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

This meeting of the West Midlands Fire and Rescue Authority will be held digitally via Microsoft Teams. To access the meeting, please contact a member of the Strategic Hub, West Midlands Fire Service, who will be able to provide login details (please note that Microsoft Teams is not required to join a meeting).

Clerk Name: Karen Gowreesunker

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West Midlands Fire and Rescue Authority

Item 5

17 February 2020 at 1100 hours at

Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillor Brackenridge (Chair)

Councillor Iqbal (Vice Chair)

Councillors Barrie, Barlow, Cooper, Dehar, Edwards, Gill, Hogarth, Jenkins, Miller, Miks, Spence, Young and Walsh

Mr Gurinder Singh Josan (Representative of PCC)

Mr M Ager, Independent Member

1/20 **Apologies for Absence**

Apologies were received from Mr Ager, Steve Price Hunt, Sarah Middleton, Councillor Catherine Miks and Councillor Kerry Jenkins

2/20 **Declarations of Interest**

The Chair and Councillor J Edwards declared a personal non-pecuniary interest in item 13, Firefighters Pensions.

3/20 **Chairs Announcements**

The Chair welcomed the Trade Union Representatives to their first meeting.

The next meeting of the Joint Cultural Implementation Plan group would be taking place on the 5 March and the group were moving forward with the actions within the plan.

Members were recommended to read the recently circulated document from the Local Government Association on guidance for Members of Fire Authorities, together with the State of Fire Report

and the Podcast that was available on the Service's Intranet (MESH).

The Local Government Association Fire Conference would be taking place in Blackpool on the 10 and 11 March 2020 and Councillors Brackenridge, Barrie and Walsh would be attending.

The Chief Fire Officer and Chair of the Authority would be attending a meeting with Her Majesty's Chief Inspector of Constabulary and Fire and Rescue Services on the 16 March 2020 regarding the Inspection Programme.

At a recent meeting with all local Fire Authority Leaders, support had been received for greater flexibility on raising the council tax precept and a Press Release to this effect would be released shortly.

It was noted that the West Midlands Fire and Rescue Authority Council Tax for Band D was still the lowest in the country. Government approval was awaited for confirmation of raising the precept by £5 per year at Band D and this would raise circa £3.5m extra sustainable funding

4/20 **Chief Fire Officer's Announcements**

At the beginning of the meeting, the Chief Fire Officer advised Members of the sad news regarding the death of firefighter Andrew Moore on Sunday 16 February 2020. Thoughts and deepest sympathies were with Andrew Moore's family, friends and colleagues. All WMFS locations, where possible, had been asked to fly flags at half mast from 08.00 hrs on Monday 17 February 2020 until further notice. A book of condolence would be opened at Wolverhampton Fire Station from midday on Monday for any member of staff or Member to pay their respects.

The Authority passed their thoughts and best wishes onto the family, friends and colleagues.

It was noted that firefighters and wider staff had been deeply affected by Andrew's death and were being provided with the support that they needed and the watch had been sent home. Support was also available for Andrew's family.

5/20 **Minutes of the Fire and Rescue Authority 18 November 2019**

Resolved that the minutes of the Fire Authority meeting held on 18 November 2019 be confirmed as a correct record.

6/20 **Portfolio Management (3PT)**

The Authority noted the report on Portfolio Management (3PT) which provided a Strategic summary on the progress of delivery of value through 'Our Plan' based on the continual assessment of Investment and Value release within the three programmes of People, Process and Culture which enabled the progression of the Portfolio to be tracked.

It was noted that the Brigade Managers were accountable to the Chief Fire Officer, through the programme aims, to deliver the Strategy of the Service. The Portfolio was led by the Chief Fire Officer to enable the delivery of the Authority's Strategic priorities, aligned to the Integrated Risk Management Plan. The Chief Fire Officer was ultimately accountable for the Programmes and would challenge the delivery and value release to ensure the aims and objectives were being achieved. The Programmes were accountable for Projects. The report provided an overview of the deliverables (aims and objectives) of the three Programmes, supported by the Programme achievements, constraints, active risks and issues.

- Tall buildings

The Tall Building Action Plan continued to be delivered cohesively across all three of the Programmes with progress monitored centrally to ensure this strategic priority-maintained focus.

The Tall Building Action Plan satisfied all the recommendations from the Grenfell Phase One report and assurance was provided to the Home Office via the National Fire Chief's Council (NFCC)

and was reflected within the Service's Corporate Risk Register. The Service was developing a revised Tall Buildings Policy in liaison with the NFCC and influencing the National Operational Guidance Programme.

- Staffing

Overall the staffing arrangement and model continued to work effectively and efficiently in the delivery of the Service Delivery Model. One current issue reported within this project related to the ridership factor which was 15.2 against a target of 13.5 (predominantly due to greater than anticipated levels of sickness absence).

- Attendance management

Attendance management development sessions had been delivered, led by Middle Managers with the support of Business Partners. The sessions covered several key areas regarding absence management with the aims of the sessions being to make a positive contribution to the health and wellbeing of our staff, take a proactive approach to attendance management while implementing the policy with sensitivity, understand responsibilities and improve attendance management to support the delivery of an effective and efficient Service.

- Time off in lieu (TOIL)

Further to a review of the organisational approach to enabling TOIL, a series of recommendations had been made. There was ongoing consultation through the Joint Consultative Committee (JCC) to consider feedback from staff and representative bodies on the recommendations.

- Developing the Strategy

The IRMP had been due to be consulted upon in late 2019 to support the determination of the Authority's strategic priorities 2020/21. However, the consultation had been paused as a direct result of the General Election in December 2019 and due to this

and other contributory factors, the consultation would now be held following the Local Elections in May 2020.

The Strategic Priorities and Outcomes for the Service over 2020-21 had continued to be reviewed by the Strategic Enabling Team and Authority and a separate report identified the recommended Priority and Outcome statements. The IRMP consultation later in the year would support a review of strategic priorities mid-year if necessary and would be timely enough to support a review of strategic priorities for February 2021.

- Cultural Review

A Joint Cultural Implementation Plan was being developed and would be agreed by all stakeholders. A Stakeholder and Steering Group was being established and would be comprised of a diverse group of people. Actions would be delivered through the 3PT environment and progress reported back to the group. A reporting process that would provide stakeholders with an overview of progress against the plan would be determined.

- Safe and Well – value release

The Service was experiencing a steady reduction in the average points per visit and this could be an indication that the Service may not be accessing the most vulnerable members of our communities.

Partnership referrals currently stood at 38% against the target of 40%. However, this represented an 8% increase this year following a data cleanse carried out at the end of 2019/20.

- Tymly – value release

Tymly 2 had been released in November 2019. Positive feedback had been received from crews. The release had resulted in improvements in the recording of partner referrals and this was evidenced via a 75% referral rate in Black Country South. Additionally, Tymly 2 enabled the provision of notification text and email to householders and partners allowing people to keep up to date with appointments and making sure they were available for

our crews at the agreed time and date. This system also worked for internal referrals.

- Digital – controlled use of digital resources

A new process has been bedded in that prioritises Digital requirements and schedules the Digital activity from across the 3PT Portfolio. Regular reports now plotted progress against the agreed plan and provided rationale for any deviation.

- Distributed Training Model

The distributed training model continues to make use of local assets and resources and provides opportunities for WMFS firefighters to undertake training at locations throughout the service area. This localised approach supports the ethos of personal accountability in relation to workforce competence and operational excellence in the delivery of effective, safe and assertive firefighters.

- Funding, budget preparation and monitoring

The Authority's Provisional 2020/21 Finance Settlement had been announced and indicated that Core Funding in 2020/21 would be at the same level as 2019/20 with a CPI increase.

7/20 **Budget and Precept 2020/21 and Budget Forecast 2021/21 to 2022/23**

Members had received a budget presentation which had highlighted the key points for consideration at the Policy Planning Forum held on 13 January 2020. The Fire Authority's budget position was subsequently presented at the District Leaders meeting on 17 January 2020. The District Leaders were supportive of the Fire Service and specifically indicated they would support more flexibility in the Council Tax Referendum limits which applied to the Fire Service so that Council Tax for Band D properties could be increased by £5 rather than the current 2% limit.

On 6 February 2020, MHCLG confirmed the Authority's 2020/21 total core funding.

The settlement for 2020/21 indicated Core Funding at the same level as 2019/20, increased by the Consumer Price Index of approximately 1.6%. Compared to the core funding assumptions original made in the February 2019 budget report , this resulted in core funding being circa £2 million higher than anticipated.

The funding settlement was a one year only arrangement. Whilst there had been indications that some public sector services may receive growth when the anticipated Comprehensive Spending Review process was clarified (circa October/November 2020), potentially for a three or four year funding settlement period, some Services, including the Fire Service, may still face ongoing core funding reductions.

Whilst the position in 2020/21 was more favourable than predicted in the February 2019 budget report (circa £2 million), a high level of caution still needed to be applied to future financial years as the funding position remained volatile for the Fire sector.

Consequently, it was proposed to avoid introducing any additional ongoing expenditure commitments within the 2020/2021 budget and to defer the anticipated use of £0.750 million general balances in 2020/2021.

The report detailed the proposed way in which the improved funding position in 2020/21 would be utilised.

It was noted that the Secretary of State for MHCLG announced in the provisional settlement for 2019/20 the Government's aim to increase the local share of business rates retention to 75% from 2020/21 in a way that was fiscally neutral. In September 2019, the Secretary of State announced that the implementation of changes to local government funding including business rates retention had been postponed. Authorities were notified that in order to provide certainty and stability for 2020/21, there would be a delay to the introduction of the scheme until 2021/22.

Additionally, the Fair Funding Review, which would affect how funding was allocated and redistributed between local authorities would be introduced from 2021/22. It was noted that further work was required to identify an appropriate approach to develop the

new funding formula for the Fire Service. The Government had indicated that it would sense-check the results of any analysis with experts in the sector, including the National Fire Chiefs Council. Subject to the outcome from consultations and additional analytical work, the Government would form a view on the best approach. However, this review added another complexity and volatility to long term financial planning.

HM Treasury announced changes to the discount rate for unfunded public sector pensions on 6 September 2018. This, combined with the earlier 2016 Budget announcement, resulted in a reduction to the discount rate from 3% to 2.4%, and had the effect of increasing the employer contributions (to include ill-health costs) from an average 17.6% to 30.2% from April 2019.

The Government Actuary's Department has estimated that the additional cost to the Fire sector would be around £125m per annum. £10m of the additional costs were met by the Fire Sector in 2019/20, with the remaining £115m being provided via a grant under s31 Local Government Act 2003.

For this Authority the increase in the 2019/20 Employer's Pension contributions was estimated to be £6.2m. A s31 government grant of £5.7m was allocated in 2019/20. The Home Office had not indicated what the funding arrangements would be after 2019/20. In a letter dated 6 February 2020, the Home Office provided an update on the issue confirming that s31 government grant would be paid at the same level in 2020/21 but gave no commitment for future years. The budget forecasts from 2020/21 reflect a continuation of the current s31 grant arrangement. However, a reduction or complete removal of the s31 arrangement would create an ongoing budget pressure of circa £6m.

With regard to the Firefighters Pension Scheme and the Court of Appeal judgement, developments meant that the remedy hearing at the Employment Tribunal could now take place. However, what this meant for pension scheme members and their benefits was not likely to be understood for some time. It is estimated that the increase in employer's contribution, for this Authority, if members

moved back to the 1992 Scheme would be in the region of £1.5m per annum. For the purpose of setting the 2020/21 and medium-term budget requirements, pension budgets have been calculated based on the current regulations.

All District Councils had now formally set their Council Tax base and had notified the Authority accordingly. The appropriate precept had now been calculated for each District and was set out in Appendix B of the report. The Council Tax at Band D for 2020/21 would be £61.81, an increase of 1.99% (£1.21 per annum).

The final figures from external funding sources had now been notified and were included within the report. In addition to external funding, it was estimated that the Authority would generate income of £3.243m. The 2020/21 budget did not assume the use of any general balances.

Based on the current forecast of net expenditure in 2020/2021, the Authority's General Balances at 1 April 2020 would be approximately £6 million. At this level, the amount of General Balances would equate to approximately 6% of the Authority's 2020/2021 Net Revenue Budget.

The report provided an overview of the Capital Programme. It was noted that at the time of announcing the funding settlement for 2020/21, no specific announcements have been made by the MHCLG in relation to capital funding. It was noted that the lack of any specific capital funding allocations continues to be an issue for the Fire sector which central Government have been asked to address.

In preparing the draft revenue budget for 2020/21, an expenditure forecast for 2021/22 to 2022/23 had also been undertaken by rolling forward the 2020/21 draft budget; updating for specific known budget pressures, anticipated inflation and pay awards, adding in commitments, adjusting for anticipated staff turnover levels, setting efficiency targets, etc.

The funding settlement for 2020/21 was a one year only arrangement and in the Secretary of State for MHCLG settlement

announcement there was no indication of further funding levels beyond 2020/21. In planning for the 2021/22 budget, a reduction of 2% had been assumed to the overall core funding and a further 1% in 2022/23. A summary of the impact of the indicated reductions in core funding was provided within the report.

With regard to the adequacy of reserves, it was noted that the current level of reserves were considered to be sufficient in all but the most unusual and serious combination of possible events. In this context it was considered that the current level of reserves presented an optimum balance between risk management and opportunity cost. This maintained a suitable and sustainable level of reserves, which included ensuring sound governance and financial stability in the short and longer term.

It was noted that best endeavours had been made to ensure that the budget and reserves were adequate using the information available at this date.

The forecast budget for 2021/22 and 2022/23 showed a balanced budget. However, given the number of issues that could have a significant impact on the Authority's budget position over the period of the medium-term financial plan, the position needed to be kept under review.

A Member commented that this one year settlement is the best position the Fire Authority has received for a decade. With a reduction of £38 million in our government grant funding since 2010 this budget is welcomed, however there remains uncertainty for future funding settlements.

It was also expressed in the meeting that there would be a need to remain cautious as this was just a one-year settlement and the government may introduce further funding reductions in future years. We have adopted a more flexible approach to managing resources to address funding reductions and this has been achieved whilst maintaining our response attendance standards and our response services to the public have been recognised as outstanding. We have in previous years increased council tax which was supported by the public.

A co-opted member commented that the Fire Authority was one of the least well-funded Fire Authorities in the country and that the Authority would need to collectively tell the story of our successes despite receiving continued reductions. This would create a level of understanding of the implications of funding reductions.

Metropolitan Fire Services represent 50% of the risk across the sector and the WMFRA covers the highest risk outside of London. The S151 officer commented that core grant funding is allocated on a needs basis, in recognition of the area, demographics and vulnerability the fire service covers. Whilst the Fire Authority is one of a number who receive a higher proportion of government grant funding, this has reduced since the commencement of CSR. Our reliance on grant funding has meant that as a Fire Service, compared to others where they may rely more on council tax, we have suffered larger reductions.

A member from the opposition thanked the officer for the report and confirmed that the conservative members were supportive of the report. The budget proposed was good and provides a look forward when it is difficult to predict what will happen in future years. The Member asked the Authority to consider the potential to seek an increase in council tax funding and provided the example of the Police receiving a better settlement through these means.

The CFO thanked the Authority for their support for the budget.

Fleet availability is only part of the IRMP, prevention and protection also need to be considered, with a specific focus on protection in anticipation of more requirements placed on these core services as the outcomes of Grenfell are planned for.

Our investment and commitment to digital ways of working will be critical to how we are able to deliver our services in an increasingly efficient and effective way.

The Service will need to continue to keep a balanced fleet within targets and it is pleasing to hear understanding of this approach through the flexible management of resources from the Authority.

Members asked questions regarding the capital investment programme. The S151 officer confirmed that the capital programme was planned for the next three years, with a standard investment of between £3-3.5m per year.

The approach to funding capital investment would need to be considered for the future. The option for the Authority to borrow money will incur interest costs and increases the revenue budget. Efficiencies across the Authority's estate can be considered, however stations are intrinsic to the Service Delivery Model and our attendance standards.

Resolved

That the Authority approved:

- The Authority's Net Revenue Budget for 2020/21 of £100.147 million which includes a council tax requirement of £44.485 million, together with the associated precept levels, resulting in a Band D Precept increase of 1.99%.
- The Authority's capital programme for 2020/21 to 2022/23.
- The Authority's Treasury Management Strategy which includes the Minimum Revenue Provision Statement and Prudential Indicators.

8/20 **Proposed Vehicle Replacement Programme 2020-21 – 2022-23**

The Authority received a report on the proposed Vehicle Replacement Programme (VRP) 2020-21 to 2022-23. The report was submitted to seek the Authority's approval to proceed with the proposed VRP for the financial year 2020/21.

Officers based at Transport Engineering Workshops (TEW) had carried a review of the ongoing VRP. Age profiles and review periods (listed within the report) had been used to determine the type and number of vehicles in the fleet recommended during 2020/21.

To achieve a fleet replacement of the operational appliances within current budget constraints, there would be a requirement to replace six Pump Rescue Ladders (PRLs) and one Business

Support Vehicle (BSV) in 2020/21, six PRLs in 2021/22, and six PRLs and three BRVs in 2022/23.

No aerial appliance required replacement within the next three years.

The introduction of all electric ancillary vehicles would be evaluated during 2020 for suitability prior to the planned purchases in 2020/21. It was noted that the evaluation of all electric vehicles was particularly pertinent due to the Authority's commitment to lowering its carbon footprint, the environmental agenda, and forthcoming Birmingham Clean Air Zone.

In answer to Members' questions, the following points were raised:

- The purchase and replacement of operational vehicles process included consultation with staff across the Service.
- As a result of significant past reductions in funding, the VRP had previously been paused. However, it was now back on track and there was on-going investment.
- It was noted that with three Brigade Response Vehicles (BRVs) due for replacement it was recognised that they had a finite life. In principle, this year would see the initial exploration of a suitable replacement for these type of vehicles in association with a number of stakeholders (to determine their requirements and what would be appropriate).
- The Service would support the local economy where it could although always remaining in line with procurement regulations.
- A Member commented that it was positive to see that the Authority was able to replace its fleet and questioned whether staff were being consulted as part of the procurement process.
- It was confirmed that, where needed, consultation would take place to ensure the vehicles are equipped appropriately. Staff from the Transport Engineering Workshops support this process.
- The CFO commented that in principle in this current year we will begin to consider what is a suitable BRV and include a number of stakeholders to identify what they want and what is appropriate.

Resolved:

The Authority noted the proposed VRP for 2020/21 to 2022/23.

The Authority approved the funding for 2020/21.

The Authority noted the intention 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.

9/20 **2020/21 Property Asset Management Plan**

The Authority received a report for the Authority to approve the 2020/21 Property Asset Management Plan.

It was noted that to ensure the effective and efficient use of land and buildings, a Property Asset Management Plan was essential. Work had been completed over the last 12 months to assess the appropriateness of existing property assets and consider where future investment should be directed. In order to demonstrate the effective use of resources, it was necessary to undertake a fundamental review of property assets which should also be flexible enough to respond to organisational changes. The Property Asset Management Plan involved input from all key West Midlands Fire Service stakeholders and reflected the property and property related priorities over the next five-year period.

Specific actions in relation to the plan were detailed within section ten of the appendix.

In answer to Members' questions, the following points were raised:

- The replacement of efficient lighting at premises continued.
- Issues regarding residential buildings within the Service's property portfolio had been raised previously at the Audit and Risk Committee. It was noted that currently a number of residential buildings were receiving an income. Specific actions in relation to residential buildings was listed within the appendix, including

- Evaluate space utilisation and continue to assess building stock other than Fire Stations (residential buildings)
- Progress planning for Kings Norton Fire Station site flats to alter access and dispose
- Progress potential disposal of terraced houses at the rear of Perry Barr Fire Station

Resolved

That the Authority approved the Property Asset Management Plan for 2020/21.

10/20 **Procurement Procedures Policy**

The Authority received a report to approve the revised Procurement Procedures Policy.

The policy had been reviewed in line with the three-year review process. The main changes to the policy were highlighted as follows:

- Remove references to the Procurement Manual (throughout document) compliance with data protection legislation (6.1).
- Quotations above £25,000 to be processed by Corporate Procurement supported by Service Support Administration (6.4).
- Requirement for 3 quotations limit increased from £3,000 to £5,000 (6.4)
- Approval limit of Corporate Procurement Manager increased from £50,000 to £100,000 (6.4 and throughout document)
- Standing Order 01/06 incorporated within this document.
- Retention of documents (throughout document).
- Approval levels amended from various levels (£2,500 to £10,000) to £25,000 for all Budget Holders (6.4 and throughout document).
- Compliance with Off Payment Working Regulations (6.5 & 6.6).
- Include section on managing contracts (6.9.6).

Include use of e-tendering system for contracts above £10,000 (6.14).

- This provision for Facilities Management to award contacts for emergency building works, value increased from £5,000 to £7,500 (6.14).
- Include new section on disposals (6.17).
- Standing Order 01/21 Overseas Aid incorporated (6.18).

Resolved

That the Authority approved the revised Procurement Procedures Policy.

11/20 **The Plan 2020-23**

The Authority received a report regarding the approval of the revised Priorities and Outcomes of The Plan 2020-2023.

Following a review of the Authority's Integrated Risk Management Plan (IRMP), Strategy and budget considerations, the report sought approval of the revised priorities and outcomes for The Plan 2020-2023, which continued to support the Services Vision statement. These priorities and outcomes reflected the changing internal and external environment.

The priorities and outcomes for 2020-2023 were enablers to achieving the Service's vision of Making the West Midlands Safer, Stronger and Healthier, over a three-year rolling period. The priorities and outcomes had been reviewed and amended and were set out within appendix 2 of the report. The rationale for the changes were detailed within the body of the main report (3.4 onwards).

It was noted that The Plan and the proposed amended priorities and outcomes had been presented to Members at the previous Policy Planning Forum.

The Chair noted that he was pleased to see the People statement and that it reflected the outcomes of the Cultural Review.

Resolved

That the Authority approved the revised priorities and outcomes of The Plan 2020-2023.

The Chair thanked officers for the work that has gone into the formulation of the Plan priorities and outcomes, commenting that the inclusion of a people statement with a forward look on the implementation of the outcomes of the Cultural Review through the Joint Cultural Implementation Plan.

12/20 **Pay Policy Statement 2020-21**

The Authority received the Pay Policy Statement 2020/21. Section 38 (1) of The Localism Act 2011 required Fire and Rescue Authorities to produce a Pay Policy Statement for each financial year. There had not been any significant changes to the Statement that must be produced each year before the 31 March 2020. The pay awards, Appendix 1 had been updated.

Resolved that the Pay Policy Statement for the financial year 2020/2021 be approved.

13/20 **Monitoring of Finances**

The Authority noted the Monitoring of Finances report.

The Authority's 2019/20 Council Tax requirement is £43.215 million, and the revenue budget is £98.131 million. As part of the Authority's 2020/21 budget setting process, the current year's budget had been reviewed and continues to reflect an estimated transfer from general balances of £1.100m.

Appendix A compared the revenue budgeted to the end of January 2020 with the actuals to that date. Actual spend to January 2020, including commitments, was £80.353 million compared to a projected budget of £80.400 million, an overall favourable variance of £0.047.

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

Appendix C sets out the scheme analysis of the Authority's approved capital programme for 2019/20 of £9.209 million. Expenditure to the end of January 2020 was shown as £4.133 million.

The main forecast variance within the capital programme related to:

- Vehicle Replacement Programme delayed purchase
- Aston Fire Station refurbishment
- Coventry Fire station refurbishment
- Replacement of Windows and doors at Dudley, Handsworth and Sheldon Fire Stations

14/20 **Phase 1 Report of the Public Inquiry into the fire at Grenfell Tower on 14 June 2017**

The Authority received a report to note the background and content of the Grenfell Tower Inquiry: Phase 1 report of the Public Inquiry into the Fire at Grenfell Tower on the 14 June 2017, and to note the work undertaken to date in respect of tall buildings following the Grenfell Tower fire and the approach taken to considering and addressing the recommendations set out in the Phase 1 report.

The report noted:

- The background to the Grenfell Tower Fire.
- The work undertaken by the Service following the Grenfell Tower fire.
- The inspection of the Service by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and the subsequent rating of the Service plus the points noted within the HMICFRS report which had been made with specific reference to the Grenfell Tower fire.
- The publication and contents of the Grenfell Tower Inquiry: Phase 1 Report October 2019.
- Organisational assurance – the Service had adopted a structured approach to consider the recommendations and to build on existing planned improvement activity being delivered across the three Programmes under Portfolio. Paragraph 3.20 of the report detailed the key areas of strategic focus.

- The assurance and improvement activity contributing to the effective management of a number of the Authority's Corporate Risks.

The following points were raised during the meeting:

- The Phase 1 Report of the Public Inquiry was published in October 2019. The report contained 47 recommendations which were broken down into 12 headings (listed within the report). The Service would consider its position against the recommendations and where appropriate, take action to ensure continuous improvement in enabling the delivery of our Vision of Making the West Midlands Safer, Stronger and Healthier. It was also noted that some of the recommendations required consideration by Fire and Rescue Services. However, some of the recommendations required the national consideration whilst others would impact directly upon those that were responsible for or owned residential tall buildings. A number of recommendations were specific to London Fire Brigade.
- It was noted that the Phase 1 Report confirmed that the external Aluminium Composite Material (ACM) cladding was the reason for such rapid fire spread which led to the unfortunate and tragic loss of 72 lives.
- The Grenfell Tower Inquiry was comprised of two phases, with the Inquiry's Phase 2 hearings beginning in January 2020. Phase 2 of the Inquiry was an examination of the reasons for why the fire at Grenfell Tower happened, moving focus away from the events of the night of the fire, and will ascertain the underlying causes of the incident, including decisions made in relation to critical aspects of the design and construction of the cladding system, the adequacy of the regulatory regime and the response of central and local government.
- In the aftermath of the fire, the Service had co-ordinated the sector response on behalf of the National Fire Chief's Council (NFCC). The Service had established a 'Comms

Cell' function to primarily collate and identify ACM cladding on tall buildings across all Fire and Rescue Services.

- Fire Safety Officers and station-based crews completed fire safety audits and site-specific risk information visits at 551 residential tall buildings in the seven Local Authority areas that the Service covered. This work included the identification and updating information on ACM cladding and other flammable material attached to building exteriors.
- As a regulator, the Service was one of the few Fire and Rescue Services that had used its legislative powers to ensure that risk was reduced by ensuring that plans were in place to remove unsafe cladding and address compartmentation issues.
- The initial and growing demand on Fire Safety Officers had been proactively managed through the investment of £600k to increase the number of staff by 11 Officers.
- The Service was committed to continuous improvement and excellence in all aspects of its work and continually reviewed all policies, systems and processes in response to organisational intelligence. The Service's associated high-rise policies and procedures had been reviewed, evaluated and developed.
- Fire Control's approach to the provision of fire survival guidance had been enhanced, including the improvement in how such information was shared, recorded and managed between Fire Control and the incident ground.
- The HMICFRS inspected the Service in September 2019. The Service was rated as 'good' in overall terms but remain the only Fire and Rescue Service to have received the 'Outstanding' rating for its emergency response work.
- The Queen's Speech confirmed that an emergency Fire Safety Bill would be progressed quickly to take forward the Phase 1 recommendations related to building control. Following this, more detailed legislation would follow through a Building Safety Bill which would be primary legislation to also take forward the recommendations from the 2018 Hackitt Report 'Building a Better Future'.

- Progress across all areas of related activity was being monitored through the three Programme Boards and reported into the Portfolio on a monthly basis.
- The NFCC were co-ordinating local Fire and Rescue Service updates outlining progress against the relevant Phase 1 recommendations, to provide sector assurance to the Home Office.

Resolved

The Authority noted the report on the Phase 1 Report of the Public Inquiry into the fire at Grenfell Tower on 14 June 2017.

15/20 **Notes of the Joint Consultative Panel held on 4 November 2019**

The notes of the Joint Consultative Panel held on 4 November 2019 were received.

16/20 **Notes of the Policy Planning Forum held on 4 November 2019**

The notes of the Policy Planning Forum held on 4 November 2019 were received.

17/20 **Minutes of the Collaboration and Transformation Committee held on 11 November 2019**

The minutes of the Collaboration and Transformation Committee held on the 11 November 2019 were approved.

18/20 **Minutes of the Scrutiny Committee held on 11 November 2019**

The minutes of the Scrutiny Committee held on 11 November 2019 were approved.

19/20 **Minutes of the Audit and Risk Committee held on 11 November 2019**

The minutes of the Audit and Risk Committee held on 11 November 2019 were approved.

The Leader of the Opposition Group stated that the minutes included details of a good report that the Committee had received

on Vacant Residential Properties that provided members with a great deal of information and details of the options going forward.

20/20 **Notes of the Joint Consultative Panel held on 3 February 2020**

The notes of the Joint Consultative Panel held on 3 February 2020 were received.

Councillor Edwards stated that in agreeing the minutes, further clarity had been requested and the final paragraph had been amended to read.

“The Joint Consultative Panel recommended that the Chief Fire Officer include an independent review of disciplinary processes within the Action Plan of the Cultural Review”.

The Chief Fire Officer acknowledged the recommendation.

21/20 **Death of Councillor Peter Bilson, Former Chair of Fire Authority**

The Chair notified the Authority of the death of Councillor Peter Bilson on Saturday 15 February 2020. Councillor Bilson had been a former firefighter in the West Midlands, a Fire Brigades Union representative and also Chair of the Fire Authority for six years.

Councillor Bilson had been Elected in 1982 and had been the Mayor of Wolverhampton and Chair of the Fire Authority during the Millennium year.

The Chair also stated that Councillor Bilson was currently the Deputy Leader of Wolverhampton and a giant of West Midlands Politics and recommended a one minutes silence be held for Members of the Authority. A joint letter of condolence from the Chief and Chair would be forwarded to Councillor Bilson’s widow in thanks for his long-standing track record of commitment to West Midlands Fire Service and West Midlands Fire and Rescue Authority.

The Leader of the Opposition Group stated that he was sorry to hear the sad news about Councillor Bilson and had known him for a number of years as Chair of Authority

Details of the funeral arrangements would be circulated as soon as they were available.

A one minutes silence was held.

21/20 **Exclusion of the Public and Press**

The public and press were 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. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

22/20 **Planned Procurement Exercise for 2020 - 2021**

The Authority received a report for approval of the tender exercise for the provision of various works, goods and services to West Midlands Fire and Rescue Authority during 2020/21 for:

- Thermal Imaging Cameras
- Fire Safety Legal Services
- Pump Rescue Ladders (PRL)
- Command Support Vehicle
- National Framework – Safe and Well Equipment
- Coventry Fire House Refurbishment
- Door and Window Replacements
- Microsoft Office Licences
- Planned Works Framework Agreement

Resolved that the tender exercises for the provision of various works, good and services to West Midlands Fire and Rescue Authority during 2020/21 be approved.

Julie Connor Strategic Hub 0121 380 6906 Julie.Connor@wmfs.net

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. PORTFOLIO MANAGEMENT (3PT)

Report of the Chief Fire Officer

RECOMMENDED

THAT the contents of the report be noted.

2. PURPOSE OF REPORT

- 2.1 This report provides a Strategic summary on the progress of delivery of value through 'Our Plan' based on the continual assessment of Investment and Value release within the three Programmes of People, Process and Culture enabling progression of the Portfolio Management to be tracked.
- 2.2 To inform Members of the approach taken under Portfolio Management and the resulting outcomes of the work streams within current Projects and Programmes, which support the effective leadership of the Service in continual improvement.
- 2.3 This report will lead into the subsequent West Midlands Fire and Rescue Authority (WMFRA) reports that support the delivery of the Strategy in one or more of the Programmes.

3. BACKGROUND

3.1 COVID-19 Response/Recovery - Project Methodology

- 3.2 The World Health Organisation (WHO) declared the COVID-19 (also known as Coronavirus) outbreak a pandemic on 11 March 2020. Following the announcement, a notification of a major incident was declared across the West Midlands and Warwickshire by West Midlands Police (Thursday, 19th March 2020).

- 3.3 As a result, during the pandemic, the organisational expectation was that normal 3PT projects were paused. The decision to pause 3PT was made due to there not being any reporting/scrutiny of projects throughout the COVID response period as focus and priority of functional leads, Managers and Officers was given to one single C-19 Business Continuity (BC) Project.

The objective of the new project was set out to measure success and progress against the 4 strategic outcomes. The project allowed 3PT to be adapted to support BC and effectively manage, monitor and control on-going progression of activities linked to the COVID response. Throughout the pandemic the Business Continuity Management Team (BCMT) managed the progress of the project along with support from the Business Continuity Planning Team (BCPT).

- 3.4 The 3PT pause allowed the opportunity for Project Managers and teams to look at prioritising workstreams which feed into 'Our Plan' with alignment to the organisation's 'New Normal' strategic outcomes.
- 3.5 The decision to re-introduce 3PT in the Autumn of 2020 has been made following the COVID alert level changes. With the current level now at 3 we feel we should be moving from response to recovery mode. This will be achieved by continuing to work in an agile environment recognising the constant changes in government control measures. Keeping Target dates flexible and regularly reviewed.
- 3.6 To assist with the recovery, a framework has been produced and is outlined through a 3PT Roadmap. The roadmap is using a phased approach to the recovery of 3PT and monitoring any movement in COVID alert levels. This will be done using a scaleable approach which can be adapted depending on the direction of travel and impact of COVID. Also, determining which priorities if any could be maintained within a COVID response state.
- 3.7 To support an efficient and effective recovery, a decision was made to align our recovery to a Best Practice recovery document which was produced by the NFCC Business Continuity group. The document recommends an approach to assessing projects through Key Principles based on a 5S (Scan, Speed Up, Slow Down, Start, Stop) model.

** At the time of writing the report the COVID alert level changed between level 3 to 4 therefore some of the information stated may be subject to change.

4. COVID-19 PROJECT UPDATE

4.1 Response and Staffing

The preparation and enhancement of our existing Business Continuity Plans (BCP) was based on the predicted 'reasonable worst case' scenario as advised through the Local Resilience Forum (LRF) Strategic Co-ordination Group (SCG) and other forums within which we were key partners as the COVID situation was developing.

The 'reasonable worst case' scenario had the potential to create unprecedented pressure upon our Service Delivery Model (SDM) and Fire Control function through the sheer quantity of illness and associated absence caused by the virus. The Fire Authority will be aware that Officers had developed robust BCPs to manage the risks and impact of an influenza pandemic and mitigate the associated corporate risk.

The BCMT quickly established a local Scientific Cell made up of medical and scientific professionals who advised Officers on the most effective mitigation and control measures to support guidance for staff that was critical in limiting the spread of the virus. This was enabled through regular briefings to all staff and middle managers which allowed an organisational understanding of the evolving situation and control measures.

We made a firm commitment to the strategic outcome to '**support and inform the health and wellbeing of our staff**'. This was an appreciative approach aimed at ensuring that all staff could be confident that there would not be any personal impact on them should they be absent from work for reasons related to COVID-19. A range of supportive information and guidance was available through the Covid-19 all staff MESH site with a specific focus on you, your team and your family and support and Wellbeing.

In support of all staff bespoke Wellbeing activities were provided to include:

- twice a week, for an hour, all employees had access to a psychotherapist who educated employees to understand how they were feeling and how they can build resilience.
- mindfulness sessions - those wishing to take it further were offered the standard 8-week course.
- question and answer Occupational Health sessions.
- a partnership was introduced with Able Futures to give employees 9-month mental health support to keep them in work.
- wellbeing communications and exercise classes available for home workers. An external COVID OH helpline was provided in addition to the normal OH provision.

This strategic outcome also supported our decision to enable staff to continue to take their pre-existing annual leave (particularly if holidays had been booked) outside of our normal policy arrangements.

Approach

In aligning the BCP to a BRAG (Blue, Red, Amber, Green) Risk Rating and agreeing the measures that would need to be taken at each rating, we had a high degree of confidence in being able to manage the pandemic situation.

The required measures were incremental dependent upon the significance of the impact. As an example, if we moved from a 'Green' status to an 'Amber' status we would have considered utilising Flexi Duty Officers to support staffing resilience alongside a voluntary request for people to consider rearranging their annual leave.

We ensured we were able to assess the ongoing impact in 'real-time' using a COVID-19 Data Dashboard (**Fig. 1 below**) which showed the exact numbers of staff absent from work at any time alongside the reasons and their predicted return date. This meant we were able to accurately understand and plan for the introduction of any mitigating actions immediately.

We have not currently moved outside of Green status in relation to staffing for the duration of the pandemic and **Table 1** below demonstrates the level of fleet availability from April-August 2020 against an average of 94% for the previous financial year (2019). This has also translated into a maintenance of Risk Based Attendance

Standards across the same period as show in Table 2 below. During the period the overall performance to attendance times to High Risk incidents was 4:30.

Fig. 1 - Attendance dashboard screenshot

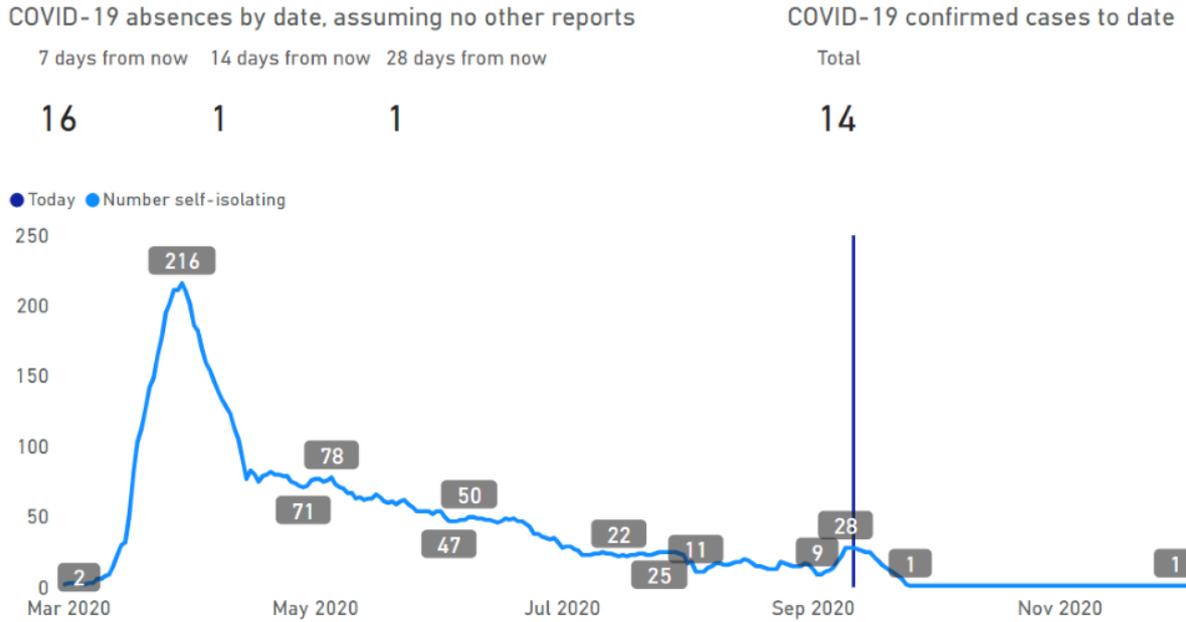


Table 1 – Fleet Availability

Month	Fleet Availability
Apr-20	93.6%
May-20	94.3%
Jun -20	93.9%
Jul -20	93.8%
Aug -20	92.3%
YTD Average	93.5%
2019 Average	94.0%

Table 2 – Risk Based Attendance Standards

Risk Based Attendance Standards	Performance April-August
Cat 1 - 5 min	270
Cat 2 - 7 min	309
Cat 3 - 10 min	280
Cat 4 - 20 min	380

Voluntary Additional Shifts

The flexibility of our well-established Voluntary Additional Shifts (VAS) arrangements was central to our ability to maintain the SDM. The fact that we had a tried and tested system to bring additional people into work, coupled with the desire of our staff to do all they could to support the Service and the community, was hugely beneficial.

The VAS shifts are cost effective as they are paid at plain rate with a 25% additional payment made as a disturbance allowance based on the short-term nature of the requests. VAS remained our primary approach to ensuring high levels of fleet availability and maintenance of our emergency response standards throughout the pandemic and for 'backfilling' station-based staff who were volunteering for COVID related support activities.

The use of VAS throughout the pandemic has resulted in additional spend of circa £680k to the end of August 2020 which has been supported through the COVID specific Government grant.

Ridership Factor

The ridership factor is a term used to describe and monitor the reasons operational staff are not at work excluding periods of annual leave.

During the main phase of the pandemic in April, May, June and July a further supporting factor in managing the situation was a significant reduction in the non-COVID related absences. Throughout this period this reduced from 15 days per person to an all-time low of 10.9 days per person; going some way to offsetting the absence related to COVID itself.

Further analysis is being undertaken to fully understand this, but it has been recognised that the commitment of the staff to enable this to happen is commendable.

4.2 Protection

From the initiation of BCMT and consistent with all other activities, the safety and welfare of all Fire Safety Officers has been a priority. Since the early stages of COVID, the Protection team have led the way and supported the NFCC in providing guidance to support staff to carry out Protection activities safely both during lockdown and as the restrictions have been lifted.

At the beginning of the pandemic, the Protection team produced their own COVID scheduler allowing activity in the Protection areas to continue, by carrying out remote desk top audits over the telephone and using video technology (999EYE). Despite the COVID risk, Protection staff, where the risk to life was high, would still carry out a high-risk audit and two properties were issued with a Prohibition notice during the COVID period.

WMFS were also instrumental in the opening of the Nightingale Hospital and Birmingham Airport Mortuary providing advice and guidance to the Local Authority to ensure it was ready for use, if needed, within a matter of days.

As the government guidance changes WMFS have been agile and adapted its guidance to allow visits to high risk and high life risk businesses as the restaurants and commercial businesses reopened. This was important as new restrictions are in place impacting on community safety.

In consultation with Representative Bodies the Protection team enhanced their capacity and capability and introduced a new Out of Hours Protection response procedure during this period, with 6

Officers now responding between 18:00 and 08:00 for a 12-month trial period.

The Protection team continues to develop and adjust its strategy where necessary including reacting to local lockdown to protect the community and its staff.

Grenfell Tower and Tall Buildings Assurance

Following the tragic events of Grenfell Tower, the NFCC established its Protection Board in 2019 to support and coordinate the sectors response to Phase 1 Inquiry and the assessment of building risk in relation to Aluminium Composite Material (ACM) cladding was concluded. In 2020, the Home Office provided grant funding to the UK FRS through several different funding streams in recognition of the critical nature of this work; WMFS was allocated £901k with grant conditions and reporting time scales attached.

Fire safety audits have commenced in high rise residential buildings to ensure that they comply with the Fire Safety Order and at the same time collecting information for the Home Office, such as type of cladding systems. To ensure our Protection staff are targeting the most high-risk premises we continue to invest and develop our Risk Based Inspection Programme to include Site Specific Risk Information. The outcomes of the Grenfell Tower Inquiry Phase 1 are being delivered and fire escape hoods have been procured and recently gone live, seeing their first use at an operational incident (non-high rise) where two people were [rescued](#).

4.3 Prevention

Since the initiation of BCMT the safety and welfare of WMFS staff has been a priority. In the early stages of COVID the prevention business continuity arrangements were designed to protect the frontline Service Delivery Model (SDM) and Fire Control from the worst predicted impact of high levels staff absence caused by the virus.

Safe and Well Visits (SAW) and Complex Needs Officers

Safe and Well activity was scaled back to the position with face-to-face visits only taking place in households where: COVID was not

present and no one in the household was shielding; and, the household had a high risk of fire and vulnerability. Overall, this resulted in severely reduced number of visits being conducted. Through this approach, we sought to protect staff and the community from local transmission of the virus whilst continuing to provide a service to the most vulnerable.

Early on in lockdown the decision was made to pause the Tymly SAW pilot in Black Country South Command. The pilot involves mobilising crews to SAW visits, so the decision was made based on the need to both protect Fire Control capacity and station based staff.

Where it is not possible to conduct a face-to-face SAW visit, crews are expected to carry out a "Remote SAW" over the phone. The plan is to return to all households that have had a Remote SAW with a face-to-face visit when the COVID restrictions allow.

During this period, we have worked with ICT to create a form within the Tymly platform to record Remote SAW visits. This has not yet been released.

A system of Remote SAW has been developed that could be fully delivered by support staff if necessary. This involved carrying out a visit remotely over the phone utilising the 999eye capability to get a video feed from the household. This system is fully developed but was not implemented when it became apparent that the impact of staff absence was manageable, but the system is ready if business continuity requires it.

Complex Needs Officer (CNO) activity has continued during this period, but it has been prioritised based on risk and vulnerability with Covid-19 guidance in place.

Partnership Activity

Partnerships and Vulnerability Team

The number of referrals from partners began to decrease at the start of lockdown in March as partner agencies focussed on their own responses to the pandemic.

The Partnerships and Vulnerability Team have taken the opportunity

to work with Command Prevention Leads and the Home Safety Centre to improve the quality of information recorded in SAW workbook referrals and develop a coordinated and consistent approach for building and maintaining relationships with key partners to generate SAW referrals.

The purpose of this is to improve the efficiency and effectiveness of performance against PI5 (% SAWs that result from a referral from a partner) and the targeting of partners whose service users make up the PI2 and PI3 cohort (accidental dwelling fires and injuries including deaths from accidental dwelling fires respectively), as referrals increase and we continue to increase the engagement we have.

Education and Youth Activities

In order to protect frontline capacity, and driven by COVID restrictions, all education and youth activities have been paused during this period including:

- Safeside closed
- crews no longer carry out SPARKs visits in schools
- road safety education ceased
- Fire Cadets closed
- Fire Safety Tutoring only to the most high-risk cases with Covid-19 guidance in place
- Teamworx ceases
- use of WMFS community space ceases

Now we are in the new academic year and schools have returned plans are in place to deliver services in innovative ways that take account of the current limitations.

Schools are not currently planning trips, so Safeside will be live-streaming programmes from the safety village into the classroom. The technology enables there to be interaction between Safeside and the classroom with minimal connectivity issues.

The technology being utilised is new to the Organisation and could be beneficial in other parts of the business, including for incident management.

Because of the limitations on people going into schools SPARKs visits will be delivered by crews from the station Surface Hub.

Access to Stations and lockdown restrictions meant that Fire Cadet branches were closed. During this period Cadet Instructors and the Children and Young People team have kept contact with Cadets and have run poetry and art competitions to keep cadets engaged. The plan is to resume cadet activity after the October half term taking account of any restrictions that apply.

Road Safety Education activity ceased during lockdown as educational and community venues were closed. As venues start to re-open activities have started but are limited to remote delivery via video conferencing.

Fire Safety Tutoring has continued with some face-to-face delivery for the most vulnerable and high-risk cases. In these situations, COVID guidance has been in place and all activity has been socially distanced to protect the staff and clients. Where possible video conferencing has been utilised

Fire Investigation

Fire Investigation and Prevention Section (FIPS) have continued to deliver service as normal with the provision of Tier 2 Fire Investigation to both West Midlands Fire Service (WMFS) and Staffordshire Fire and Rescue Service (SFRS) with the team predominantly working and mobilised from home.

Although slow during the COVID lockdown, the team are maintaining the work towards WMFS ISO accreditation to ensure we can continue to attend and investigate crime scenes.

Working with our Partners RiVR the Virtual Reality (VR) Fire Investigation training facility has been purchased and is now set up with numerous scenarios – this is able to be mobile and transported to different locations to enable FIPS to deliver training and assessments in each command area.

The VR training and assessments alongside development plans for all supervisory officers will be implemented as soon as COVID restrictions are relaxed. The development of our supervisory officers in fire investigation is an NFCC requirement.

During this period the team have been working with Royal Berkshire Fire and Rescue Service (RBFRS) which, due to our national and international reputation and the successful partnership with Staffordshire FRS, has led to RBFRS officially requesting that WMFS provide Tier 2 Fire Investigation to RBFRS. Any additional income received would be utilised to invest in a FIPS development post to ensure succession planning for the team.

HQ Prevention Team

A review of the Prevention Team based at HQ was started in January 2020 with a business case being submitted and consultation with staff started before lockdown. This review continued during the period of business continuity with consultation continuing using video conferencing. The consultation was concluded, and the business case went back to JCC in June for sign off. Since then the proposals have been implemented including:

- establishment of Evaluation and Quality Assurance function within the Prevention Team
- establishment of the Support Team for Education and Prevention (STEP) Team by bringing together the current education, volunteer development, RCRT and CYP roles within the existing team under a new functional group.
- refocus of the 2 Business Partner Adult roles and moving them to become part of the renamed Partnerships and Vulnerability Support Team
- minor revisions to all Job Summaries to bring them up to date

Volunteering

During lockdown all the existing volunteering opportunities ceased. Some WMFS volunteers took the opportunity to support the Additional Activities and participated in making deliveries of food and medicines alongside WMFS staff. This was a positive experience for the volunteers involved and provided additional capacity for the activities.

4.4 New Activities

In meeting the challenge presented by this unprecedented national

crisis Fire and Rescue Services' (FRS) recognised the requirement to support Local Authorities, NHS and Ambulance Trusts, Police and other public service partners in the broader response to mitigation of the pandemic. This could be achieved through providing additional and new activities.

To enable those new activities to be delivered, a framework setting out several principles to support any delivery by FRS' was developed and agreed by The National Employers, National Fire Chiefs' Council (NFCC) and the Fire Brigades' Union (FBU) on 26 March 2020. This was referred to as The Tripartite Agreement.

Over several revisions of The Tripartite Agreement a number of additional activities were agreed which included:

- ambulance driving and patient/ambulance personnel support (not additional FRS first or co-responding)
- assisting in taking sample for Covid-19 testing (taking swab samples)
- vulnerable persons –delivery of essential items
- COVID-19 – mass casualty (movement of bodies)
- face fitting for masks to be used by frontline NHS and clinical care staff working with Covid-19 patients
- delivery of Personal Protective Equipment (PPE) and other medical supplies to NHS and care facilities
- driving ambulance transport not on blue lights (excluding known Covid-19 patients) to outpatient appointments or to receive urgent care
- driving instruction by FRS driver trainers to deliver training for non-Service personnel to drive ambulances (not on blue lights)
- the assembly of single use face shields for the NHS and care work front line staff
- packing/repacking food supplies for vulnerable people
- known/suspected and non-Covid-19 patients: transfer to and from Nightingale hospitals under emergency response (blue light) or through non-emergency patient transfer (not on blue lights)
- delivery of training on infection control to care home staff

A virtual team of 32 WMFS personnel was formed to manage the New Activities process which included staff from across all areas of the organisation alongside all of the Representative Bodies. This Team

worked inclusively to develop agreements, guidance and risk assessments for all the activities listed above (with the exception of the transporting patients to and from the Nightingale Hospital), to ensure we were ready, willing and able to support when a request was made.

All activities were delivered by staff volunteers from across the organisation and we were inundated with support with around 900 volunteers for each activity. All activities were delivered within volunteers existing contracted hours.

Despite being prepared for the wide range of activities, there were no direct requests made for support from WMAS and preparation to enhance swab testing did not come to fruition due to a change in Government approach. Support was provided to help our partners with food and PPE packing and local requests such as transporting GPs to home appointments (Solihull). However, there was a significant contribution to the activities outlined below.

Body Movement/PMART

Due to the high levels of sudden deaths from COVID there were significant pressures created on WMAS, West Midlands Police (WMP), Coroners and funeral directors. To support this a number of Pandemic Multi Agency Response Teams (PMART) were created around the country. These consisted of WMAS, WMP and WMFS staff who undertook the task of attending premises where a sudden death had occurred to make an assessment and then remove the body in a sensitive and dignified manner, prior to transportation to a mortuary. This activity was also complicated by the very nature of a COVID related death, so the highest levels of PPE (Breathing Apparatus) were required meaning that this activity was undertaken by operational staff.

Working as part of a Multi-Agency Team of 6 people, PMART commenced on 10th April 2020 and ceased on 18th May 2020. During this time, a total of 153 activities were completed.

The WMFS staff worked 12-hour shifts and received both pre and post shift support to ensure the potential emotional and psychological impact of this activity was managed to the highest degree. Following the debrief process staff and representative bodies have provided positive feedback on the way the activity was

managed along with the welfare of staff. Our approach was also shared with other FRSs in recognition of its effectiveness.

Arrangements have been made to stand this activity up again at short notice if required due to a second wave of COVID.

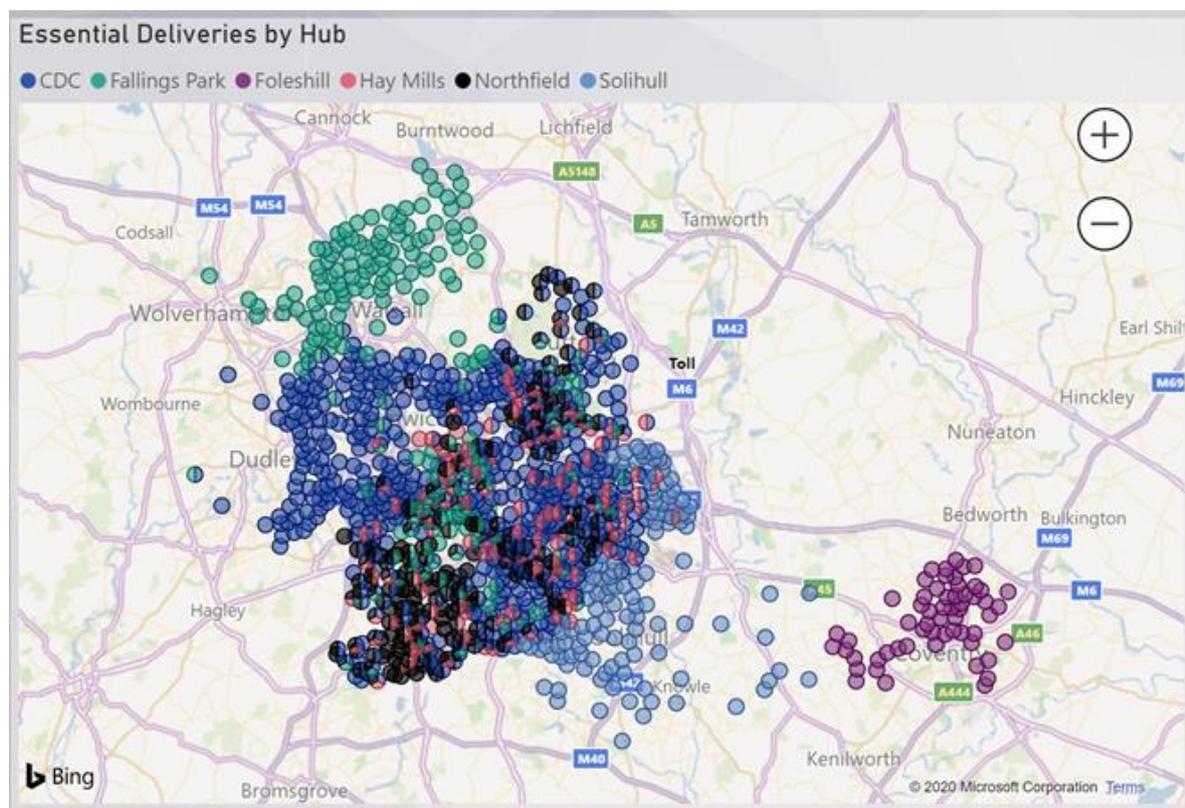
Essential Deliveries

A significant number of requests were received from across all Local Authorities across the West Midlands. This provided logistical challenges resulting in 6 local delivery hubs being established across the West Midlands by 30th March 2020. Each hub had a single point of contact (SPOC) who liaised with partners to coordinate the deliveries. The deliveries were then made using the large number of volunteers, who worked in pairs, using WMFS vehicles and loaner vehicles from Jaguar Land Rover (JLR).

As at 31st August 2020, a total number of 7,101 deliveries had been made by WMFS. 4,380 on food deliveries, 413 medical supplies, 2,366 no-contact letters (58 of the deliveries contained a combination of items, these are only counted once in total deliveries count).

Figure 2 below shows the spread of essential deliveries from each local delivery hub. Due to the ongoing impact of COVID we are continuing to support essential deliveries across West Midlands.

Figure 2. - Essential Deliveries by Hub



Whilst this has been a challenging task where our staff have been meeting the most vulnerable members of the community in difficult circumstances it has also been very rewarding. We have received lots of positive feedback from staff, representative bodies, partners and the community and are currently developing a staff volunteer scheme to create opportunities to maintain this positive activity.

Face Mask Fitting

WMFS have a good understanding and reputation in respect of face mask fitting due to existing skills and training. Consequently, a request to assist NHS dental staff across the West Midlands was received. To support this request volunteers undertook a one-day NHS refresher training course to become competent NHS face fit testers. This team have now completed 27 face fit testing sessions across 6 dental practices. The demand for this support is forecasted to grow and extend beyond the WMFS boundary, so to manage the ongoing impact WMFS are now working collaboratively with neighboring FRSs.

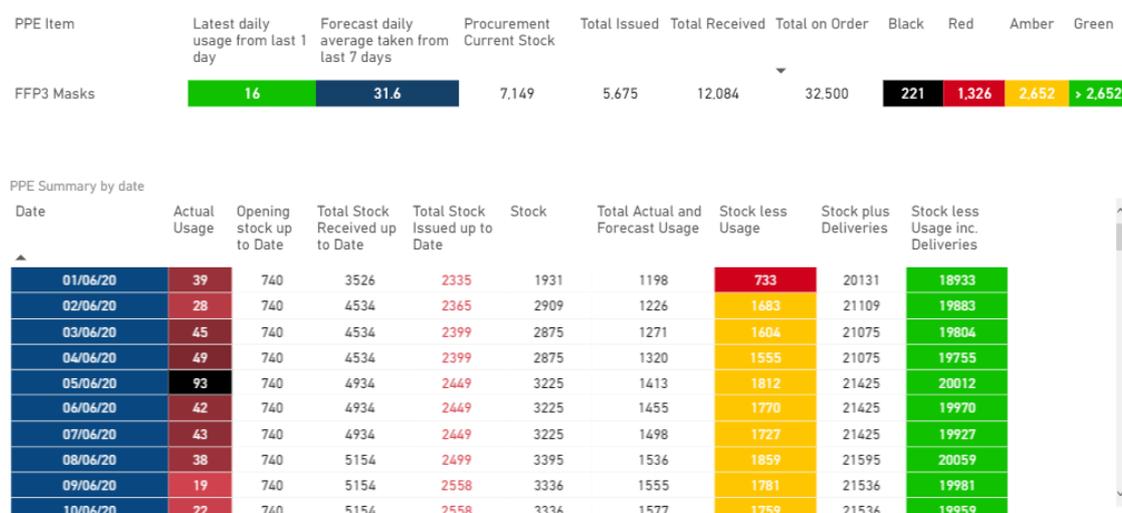
4.5 Supply Chains and PPE

The provision of critical PPE, particularly respiratory PPE, was a challenge for the Service, as it was for all organisations, particularly during the early stages of the pandemic. As a result, the supply chain was recording a red status as part of the Services BRAG Risk Rating until the end of May 2020.

In early April, orders for a range of PPE items were placed with Kent FRS, which was acting as a co-ordination point for national procurement arrangements on behalf of the NFCC. However, these arrangements also suffered delays in delivery as part of the difficulties being experienced by suppliers in securing PPE items.

As a consequence, the WMFS Corporate Procurement Section continued to seek supplies from alternative companies identified from existing and new contacts. It was predominantly through these efforts that PPE levels improved, resulting in the BRAG rating moving to Amber by the end of May and to Green at the end of June. The BRAG rating remains at green meaning that it is estimated there is circa 6 months' supply of critical PPE for the Service. The management of this critical resource was also supported by our approach to collecting live data (usage and stock levels) and monitoring through our COVID-19 Data Dashboard as shown below in **Figure 3**.

Fig. 3 – Supply Chain Dashboard Screenshot



5. DELIVERABLES

The Brigade Managers are accountable to the Chief Fire Officer (CFO), through the programme aims to deliver the Strategy of the WMFS. The Portfolio is led by the CFO to enable the delivery of the Authority's Strategic priorities, aligned to the Integrated Risk Management Programme (IRMP).

The CFO is ultimately accountable for the Programmes and will challenge the delivery and value release to ensure the aims and objectives are being achieved. The Programmes are accountable for Projects.

The deliverables (aims and objectives) of the three Programmes are shown below, supported by the Programme achievements, constraints, active risks and issues.

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 will not lead to a policy change.

Areas of policy changes that are identified in Project(s) are subject to an Equality Impact Assessment.

7. 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.

8. FINANCIAL IMPLICATIONS

8.1 The Authority received approximately £2.8m Government funding to support COVID related expenditure. Monthly updates have been provided to Members via Members Briefings and Policy Planning meetings showing actual and forecast expenditure against this amount.

8.2 The response to the COVID situation and pause in 'normal' projects (3PT) has caused a delay in expenditure in some areas of the current year's revenue and capital budgets, which is reflected in the 'Monitoring of Finances' report later, on the same agenda.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Authority Report 30 September 2019

Authority Report 18 November 2019

Authority Report 17 February 2020

Authority Report 6 April 2020

The contact name for this report is Karen Gowreesunker, telephone number 0121 380 6678 or 07973 810338

PHIL LOACH
CHIEF FIRE OFFICER

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **INTEGRATED RISK MANAGEMENT PLAN CONSULTATION**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Members note the engagement strategy for the consultation of the Integrated Risk Management Plan (IRMP) in October 2020 and the themes and questions to be consulted upon.

2. **PURPOSE OF REPORT**

This report is submitted to inform Members of the consultation of West Midlands Fire and Rescue Authority's (WMFRA) IRMP commencing in October 2020 as part of the preparation of our three-year rolling strategy, The Plan 2021-2024.

3. **BACKGROUND**

- 3.1 Under the National Fire and Rescue Framework, West Midlands Fire and Rescue Authority (WMFRA) has committed to consult on our IRMP every three years, or where there is a material change to this risk assessment. WMFRA is committed to enabling the wider community to understand the strength in the risk-based approach to the delivery of services across the West Midlands and to understanding the public's expectation of their Fire Service.
- 3.2 With the ongoing COVID pandemic we have seen the national environment shift significantly since March 2020. This has seen staff at West Midlands Fire Service (WMFS) ready, willing and able to respond to the challenges the pandemic has provided and in particular deliver additional activities to the communities of the West Midlands, including the delivery of essential items and medical packages to the most vulnerable members of our communities.

3.3 Since the last WMFRA consultation took place in 2016/17 there have been a number of national and local reports and inspections that have been undertaken:

- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) independent assessment of the effectiveness and efficiency of all fire and rescue services;
- State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019; and
- The NFCC, National Employers (England) and LGA 'Fit for the Future' report 2020

These are likely to change the way Fire and Rescue Services operate and deliver services to communities in the future.

3.4 It is therefore an appropriate time for WMFRA to complete an effective, informative and meaningful consultation with our communities, partners and businesses across the West Midlands region. This will be achieved by adopting the 'Gunning Principles':

- proposals will be at a formative stage
- there will be sufficient information for respondents to give 'intelligent consideration'
- there will be adequate time for respondents to give consideration and response
- 'conscientious consideration' will be given to the consultation responses before a decision is made

4. **IRMP CONSULTATION APPROACH**

4.1 WMFRA takes a risk based approach towards its decision making around the IRMP. The consultation will provide an opportunity to present the evidence base behind our Service Delivery Model (SDM) to our communities and partners to determine whether our approach is supported. In addition to this, the consultation will seek to engage members of the public about emerging areas of identified risk and how we plan to mitigate against these risks.

4.2 It is proposed that WMFRA consult on four themes during the consultation. The proposed themes and questions are detailed in Appendix 1. For each theme, evidence will be provided to enable

the respondent to make informed decisions when providing feedback.

- 4.3 It is proposed that the consultation will run from 7 October until 16 December 2020. The outcomes of this consultation will have a direct impact on the development of The Plan and therefore consideration has been given to the strategic planning timelines, in developing and presenting 'The Plan' to the Fire Authority.
- 4.4 The IRMP consultation will aim to engage a broad range of demographics in line with the diverse communities we serve, which will include partners and businesses. In recognition that one of our COVID-19 strategic outcomes is to 'Return to the new normal with a healthy workforce' and also supporting both government and WMFS guidance, the consultation will be predominantly digitally based although printed copies will be available (in a secure and safe environment) upon request.
- 4.5 We aim to gather the greatest range of information possible from the consultation which can be used to inform our existing approaches and when seeking to influence externally.

5. **ENGAGEMENT STRATEGY**

- 5.1 When shaping our services to manage risk, we are committed to meaningful consultation and engagement with the community we serve.
- 5.2 It is our intention to make the consultation as accessible as possible to respondents by utilising as many platforms that are available to us, whilst also ensuring that all our staff are kept as safe as possible during this pandemic. To make this process as seamless as possible all relevant material will be available at www.wmfs.net.
- 5.3 To enable as much of a representative response as is possible from our diverse communities, partners and businesses it is hoped that a wide range of views and opinions will be collected. The different engagement proposals, as shown below, will achieve both qualitative and quantitative results:
- wmfs.net based (multi language)
 - social media campaigns

- targeted businesses (high risk audits)
- safe and well visits (high risk)
- partners
- community members
- WMFS staff/network groups
- Fire Authority members
- printed copies (upon request)
- digital community messaging system (WM Now)

5.4 Engagement with members of our communities will require the support of all SET members to help embed, drive and push awareness. Authority members, in their role as ambassadors and leaders, will have a key role in ensuring their constituents and communities are made aware of the consultation. A stakeholder analysis and engagement plan can be found at Appendices 3 and 4.

5.5 Our updated CSS tool will allow us to target our social media followers/friends both at a corporate and team or station based account, with consultation questions that are most likely to pique the curiosity or interest of the individual or organisation. It will also allow users to explore our IRMP and demonstrate our commitment to providing open and transparent information to the communities of the West Midlands.

6. **EQUALITY IMPACT ASSESSMENT**

In preparing this report a full Equality Impact Assessment has been undertaken and can be found in Appendix 2

7. **PRIVACY IMPACT ASSESSMENT**

In preparing this report a full Privacy Impact Assessment has been undertaken and can be found in Appendix 5

8. **LEGAL IMPLICATIONS**

The consultation proposed in this paper meets the Authority's requirements under the National Fire and Rescue Framework for England 2012.

9. **FINANCIAL IMPLICATIONS**

Costs incurred for digital messaging systems, printed copies, online advertising etc. are estimated to be approximately £15k. Funding for this has been provided as part of the Authority's 2020/21 budget arrangements.

BACKGROUND PAPERS

State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019

<https://www.justiceinspectrates.gov.uk/hmicfrs/publications/state-of-fire-and-rescue-annual-assessment-2019/>

The NFCC, National Employers (England) and LGA 'Fit for the Future' report 2020,

[https://www.nationalfirechiefs.org.uk/write/MediaUploads/NFCC%20meetings/2020/May/Item 9 - Appendix C - _Fit for the future.pdf](https://www.nationalfirechiefs.org.uk/write/MediaUploads/NFCC%20meetings/2020/May/Item%209%20-%20Appendix%20C%20-%20Fit%20for%20the%20future.pdf)

The contact name for this report is Mark Hamilton-Russell, telephone number 07973 840246

PROPOSED THEMES AND QUESTIONS

Response

We aim to get to the most serious incidents, in areas of high risk, within five minutes.

From our research, with academics and doctors, we know that getting to you quickly in an emergency – such as a fire or traffic collision – increases your chances of survival. It also saves homes and businesses.

We combine this knowledge with what we know about risk across the West Midlands to plan where we need our people and resources, including our fire stations, engines and more specialist resources. It also lets us plan how we deliver our prevention and protection services.

Our Government funding has been cut by £38m over the last ten years, so we've had to adapt how we work.

For example, whilst we have 41 fire engines and 19 Brigade Response Vehicles for our emergency work, we vary which of them are crewed based on what we know about risk at different times of day and night.

We've worked hard to ensure that this approach has a minimal impact on our five-minute attendance standard. However, having fewer firefighters on duty at certain times means they're not then available to deliver services like the prevention work we do to keep people safe at home. This also comes at a time where extreme weather events are becoming more common place, terror events in the UK have become more frequent and we are in the middle of a world-wide pandemic. We are having to deal with a greater diversity of risk than ever before.

So we need to find new, sustainable ways of driving down risk in the community.

This could involve developing and adopting innovative technology, or new vehicles designed so that each one could provide our broad range of prevention, protection and response services.

Such flexibility could open up new ways of how we plan our work and configure our resources, including more specialist teams which we have to respond to specific risks and threats.

Question: To what extent do you agree that we should continue to adopt flexible approaches to managing our resources?

- Strongly disagree
- Disagree
- Neither agree or disagree
- Agree
- Strongly agree

Free Text Box

Please tell us why...

Prevention

Digital approaches

Our 'Safe and Well' visits are the main way we work with people to keep them safe at home.

Our visits focus on general fire safety, as well as any health and wellbeing factors which could increase someone's risk of having a fire. These include living alone, smoking and being vulnerable to having a fall.

There are close links between someone's vulnerability to poor health and their risk of having a fire. By identifying these underlying causes of increased risk of fire, we have the potential to really improve people's safety and quality of life. In turn, this could reduce demands on the health and social care sectors.

During the COVID-19 pandemic, our ability to deliver Safe and Well visits has been badly hit by the need to maintain social distancing. Coronavirus has meant we've had to explore how to use technology and take a digital approach to a lot of our work.

We believe that a digital approach could help us drive down risk in our communities. It would help us make the best use of our resources, to deliver prevention services to more people in more targeted and tailored ways. Face-to-face engagement will still be available to the most vulnerable in our communities, while a range of options would be available for delivering Safe and Wells to others, dependant on their level of vulnerability - including ‘virtual’ and online Safe and Wells and telephone consultations.

Question: To what extent do you agree with the use of technology and digital solutions to complement our face-to-face engagement and delivery of our Safe and Wells?

- Strongly disagree
- Disagree
- Neither agree or disagree
- Agree
- Strongly agree

Free Text Box

Please tell us why...

Causes of Causes

By tackling the underlying reasons for someone being at greater risk of fire, we can make a real difference to their safety and quality of life.

Our focus on the ‘causes of the causes’ can involve working closely with partner organisations to reduce someone’s risk of fire and of other emergencies, by improving their health and wellbeing.

During the COVID-19 pandemic we’ve supported our communities with a range of extra activities. This has included the delivery of thousands of food and medical parcels to those most at risk from coronavirus.

The longer-term impacts of COVID-19 are likely to include greater poverty, unemployment and health issues. These are all linked to people being more at risk from fire.

Hundreds of our staff volunteered for the extra pandemic activities, and we know there’s a genuine willingness to build on this work to reach and

keep safe more of our communities than ever before.

Question: Even though this may not fall within the traditional roles and responsibilities of a fire and rescue service, to what extent do you agree that West Midlands Fire Service should be tackling the wider social issues that make people more vulnerable to fire and other risks?

- Strongly disagree
- Disagree
- Neither agree or disagree
- Agree
- Strongly agree

Free Text Box

Please tell us why...

Protection

Fire and Rescue Authorities must put arrangements in place for extinguishing fires, and for protecting life and property when fires occur.

There is no legal duty for fire and rescue services to respond to alerts from Automated Fire Alarms. Yet Automated Fire Alarms accounted for just over 15 per cent of our calls last year, and more than 96 per cent of these were false alarms.

Responding to a false alarm costs public money. It potentially diverts our crews away from a genuine emergency, from their prevention or protection work, or from training. It also increases the risk to members of the public and our crews as they respond on blue lights to provide a timely response

In some circumstances when our fire control receive a call from an Alarm Receiving Centre, they'll use the information provided to decide whether or not to send a response.

Our work with businesses helps to keep them in business, supporting economic growth. In 2015, we introduced Business Support Vehicles. One aspect of their work is responding to Automated Fire Alarms, which gives our Business Support Officers opportunity to work with businesses to reduce the impact of Automated Fire Alarms and to provide business safety advice. This frees up our Fire Safety Officers to work on more complex, higher-risk projects.

Although a high proportion of Automated Fire Alarms result in a false alarm, there is still the risk that it is a result of a fire.

We are exploring how we manage this risk differently, developing our response to Automated Fire Alarms. This will involve us looking at the types of resources we send, through to how we can provide a digital response to the business community, maintaining opportunities for engagement and ensuring maximum value for all.

Question: In supporting businesses to comply with their fire safety responsibilities, to what extent do you agree with us developing alternative approaches to responding to Automated Fire Alarms?

- Strongly disagree
- Disagree
- Neither agree or disagree
- Agree
- Strongly agree

Free Text Box

Please tell us why...

Funding

In earlier sections of this consultation we have explained how we organise and deliver our services to provide the most effective emergency response possible, whilst working to reduce community risk with our prevention and protection activities.

We have also set out some of the steps we have taken to work more innovatively, flexibly and digitally.

Since 2011, We have managed cuts of £38m in our Government funding and this has led to us work differently as we strive to deliver the same, or more, for less. The financial impact of Covid19 may remain unknown for some time, but further reductions in our budget are anticipated which, combined with receiving less money via Council tax and Business rates, might mean further changes in how we deliver our services.

Whilst the COVID-19 pandemic has presented many challenges, it has also provided opportunities for us to explore new ways of working. Investment in digital ways of working has helped those staff who can, to work from home and stay safe. It has also led to efficient ways of working.

We need to understand how different ways of working could minimise the impact of further funding cuts on the delivery of our services to our communities. These different ways could, for example, include:

- enabling those of our staff who can, to continue working from home
- using our buildings and land differently, to create savings or income
- being more flexible in how we staff our fire stations
- introducing new types of vehicles to support a more flexible way of responding to incidents
- looking for new sources of funding.

It is difficult to predict exactly what will be required but planning for various scenarios will enable us to consider the widest range of options, in delivering the highest quality services to our Communities, within a balanced budget.

We would like to hear your views on these options once developed and will look to gather these before we make any decisions.

Question: Do you support us in planning for this now?

If 'yes', how would you like us to consult you on our future financial planning options?

- I Don't
- via our website
- social media
- Email
- Focus groups
- Post
- WMnow

Free Text Box

If you would like to comment further on any of the questions above, please do so here.

Question before Equal Opportunities questions...

If you would like to be kept up to date with future consultations, please enter your email address....

Full Equality Impact Assessment 2020

A detailed equality impact assessment for a project, policy or procedure which will have a wide scale impact on a team(s) or on service delivery, also useful for a project which is likely to have a range of equality benefits and can be used as best practice.

1. Name of project, policy or procedure
WMFS IRMP Consultation 2020/21
2. Directorate/ team this project or policy is owned by
Corporate Communications
3. Project lead
Mark Hamilton Russell
4. EIA author
Mark Hamilton Russell
5. Is this a new or existing policy or project?
Existing
6. When is this project due for implementation/ completion?
Implementation 7 October 2020 Completion 16 December 2020
7. Please set a date to review this project
Consultation will take place every three years
8. What are the aims / outcomes of the project/ policy?
To inform the public of the opportunities available to them to take part in the consultation with the aim of achieving a representative

response from our diverse communities, partners and businesses to ensure a good range of views and opinions are collected. Meaningful responses which can be used by a range of teams across WMFS when delivering Our Plan and for consideration by the Chief Fire Officer and SET when re-shaping the 3 year rolling strategy.

The above will need to be achieved and take account of the challenging context presented by the ongoing pandemic, including impacts on both our communities and staff.

Taking into account the above our approach to this consultation will be digital first supported by paid-for promotion.

Impacts

This section is for you to demonstrate due consideration of consider any impact of your project, policy or procedure. **You must** provide data to evidence that you have researched the possible impact of your policy on employees and/or the community. Your data collection must be robust, and you must show evidence that you have analysed any potential impact or trends. Workforce Planning can help provide data if needed and support and guidance is available from the DICE team. **DO NOT** identify individuals.

9. Have you identified any impacts due to race, ethnicity or national identity?

Yes

It is important we are consulting with all of our communities. We will seek to put channels in place to ensure we can reach all

our communities with an emphasis on hard-to-reach areas. This is not as simple as providing alternative languages, but assisting with filling in consultation through families, interpreters, reaching areas such as Asian businessmen and women, those at higher risk of fire from minority groups.

10. Have you identified any impacts due to gender, including gender identity, transgender and non-binary gender identity?

No

If yes detail here:

11. Have you identified any impacts due to disability, including mental health, learning difficulties, and those on the Autistic spectrum?

Yes

We will be collecting data on protected characteristics within the consultation as we did in the 2016 consultation. We will also ensure the consultation is DDA compliant.

12. Have you identified any impacts due to Religion or Philosophical belief, including any non-main stream faiths?

No

We will be collecting data on protected characteristics within the consultation as we did in the 2016 consultation

13. Have you identified any impacts due to age? This includes any impact on those 18 years old and above

Yes

Lack of online access or IT skills, particularly among the elderly who are often at a higher risk from fire.

Please see engagement plan for mitigating measures

From statistics gathered from the National Office of Statistics from data available for 2020 18% of those aged 65 + and have not use the internet in the last 3 months

14. Have you identified any impacts due to sexual orientation? This includes Bi sexual and should **not be** confused with gender identity.

No

15.	Have you identified any impacts due to maternity/ paternity?
	No
16.	Have you identified any impacts due to an individual's marital status, this includes same sex partnerships?
	No
17.	Who is will to benefit from this project or policy?
	The Communities of the West Midlands will benefit by assisting in shaping our services and how we respond to the communities we serve
18.	Are any individuals or groups likely to be adversely impacted by the project or policy? If so, detail who.
	No
19.	What consultation have you carried out or plan to carry out?
	SET, IRMP Team, Corporate Comms, Fire Authority, Trade Unions
20.	Does this policy or project meet the communities varied needs? (<i>applicable for polices which impact on the communities we serve and service delivery</i>)
	<p>The consultation will be clearly communicated to the public in a number of ways (not just online) and consideration would be given to providing in an alternative format if requested.</p> <p>In order to reach our communities across all sections of society, this consultation will be promoted through a variety of staff, contacts and channels as outline in the consultation engagement plan.</p> <p>The results of the feedback will help to inform the future delivery of our services and future IRMP consultation</p>
21.	Does the policy/ activity support WMFS in fulfilling its General duties under the Equality Act 2010. (<i>not all projects, policy or activity will support but this section allows you to identity best practice/ benefits</i>)

<p>The general duties are; Advance equal opportunities, Foster good relations between different groups, Eliminate behaviours deemed to be illegal under the act such as harassment or discrimination</p>
<p>n/a</p>
<p>22. Having shown due regard to the equality considerations what is your next step? (please select one option, if unsure of potential impact please contact a member of the DICE team for further advice. Remember direct discrimination CANNOT be justified under the Equality Act)</p> <ul style="list-style-type: none"> • Continue the policy /activity despite potential or actual impact • Continue the policy / activity with no major change needed • Adjust the policy / activity to remove or mitigate any adverse impact
<p style="text-align: center;">Adjust the policy / activity to remove or mitigate any adverse impact</p>
<p>23. DICE team comments</p> <p>EIA agreed. Equality data on those who engage will be very useful in informing the requirement for any further measures and evaluating the engagement. The evolving nature of our communities and increased use of social technology present both challenge and opportunity to such large scale consultation. Research done nationally on engagement during the covid crisis for a variety of government departments may provide useful insight to future consultations</p> <p>TDP 1624.0940.20</p>

APPENDIX 3**Stakeholder Analysis**

Stakeholder Name	Contact Person	Qual	Quant	Engagement (how Best to)
SET	All	X		Informal SET paper, PPF, Conversations
Employees	All	X	X	Mesh: CFO updates, Notices, News Items; Middle Managers'/All-Staff briefings, WHVs,
Staff networking groups	Leads	X		Conversations and groups' Teams sites, facilitate virtual focus groups
Retired employees	NARF and payroll/pensions		X	Email, newsletters, payslips, NARF social media
MPs	Individual MPs	X	X	Strategic Hub/Portfolio. E-mail/letter directing to website
Local Authorities	CEOs and Leaders	X	X	Strategic Hub/Portfolio. E-mail/Letter directing to website Operations Commanders Station Commanders
Fire Authority	Individual Members	X		Chair/Strategic Hub. PPF/Email
Home Office		X		Strategic Hub/Portfolio. Conversation/email directing to website
Fire Minister	Kit Malthouse	X		Portfolio. Email/letter directing to website
Shadow Home Sec/Fire Minister		X		Portfolio/Strategic Hub. Letter directing to website
FBU/Unison/FOA	Local Reps	X		SE Comms

WMCA	PSR Board, Individual workstream leads	X	X	CFO / SET Operations Commanders Station Commanders
WMP		X		DCFO SET
PCC		X		Chair
WMAS		X		CFO (portfolio)
Health and Wellbeing Boards		X	X	Ops Commanders
NHS Trusts		X	X	Ops/station commanders – regular meetings
PHE		X		SET/Prevention
CCGs Staff	Doctors' surgeries, etc		X	Digital engagement plan
Representatives of community and 'hard- to-reach' groups and partnerships formed during pandemic	Authority Members, station-based and prevention/protection personnel, Corp Comms, Community Members/WMNow, Chaplains	X	X	Station Commanders, Networking Groups, Website/Social media, virtual visits, WMNow
Youth	Children and Young People team/Safeside(s)		X	Schools, cadets, youth groups, etc
BAME	Community Members, WMNow	X	X	WMNow/ networking groups
Partners, large businesses/employers and SMEs	Chambers of Commerce, BIDs, LEPs, Business representatives	X	X	Fire Safety. Targeted approach through current channels, Business Education Safety Team (BEST)

Consultation Engagement Plan

What do we want to achieve?	How could we do this?	Who could take responsibility for delivery?
<p>To improve the quantity of responses from the last consultation of the people we engage with</p>	<p>A more extensive stakeholder analysis.</p> <p>Linking from messages on our corporate social media platforms to the online Community Safety Strategy which will host the consultation survey.</p> <p>Adoption of WMNow platform, complementing existing WMFS Community Membership scheme.</p> <p>Proactive, paid-for promotion.</p>	<p>Key stakeholders as outlined in stakeholder analysis.</p>
<p>Collect both qualitative and quantitative responses to inform our IRMP</p>	<p>Using our online Community Safety Strategy to 'host' the consultation survey.</p> <p>Undertaking virtual, online focus groups with the public, partner organisations, local elected representatives, etc.</p>	<p>Local command areas, Local watches SET members/Ops Commanders, Prevention team and staff networking groups, Fire Authority members' online meetings and surgeries.</p>
<p>Improve the diversity of responses</p>	<p>Use of targeting via WMNow and paid-for promotion.</p> <p>Engaging with our staff networking groups and their contacts.</p> <p>Multi-language options</p>	<p>DICE, staff networking groups, Corporate Communications, fire stations, Ops Commanders through Health and Wellbeing relationships,</p>

	Paper copies of survey available on request.	Prevention/partnerships team
Generate consultation responses through social media	<p>Linking from messages on our corporate social media platforms to the online Community Safety Strategy which will host the consultation survey.</p> <p>Our social media messaging will be both free and paid-for/targeted.</p>	<p>Corporate Communications</p> <p>WMFS corporate and station/dept accounts.</p> <p>Encourage staff at all levels within the organisation to share on their personal social media accounts.</p>
Utilise all employees effectively	Via staff engagement channels and Middle Manager/All-Staff briefings	All

<p>Privacy Impact Assessment Title of project here Consultation 2020/21</p> <p>OFFICIAL WMFS- LOW Ownership: [Ownership] Date Issued: [Issue Date] Version: [Version] Status: [File Status Field]</p>	
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Revision and Signoff Sheet

Change Record

Date	Author	Version	Comments
14-8-18		2	Update due to new legislation

Approval

Name	Version	Approved	Position	Organisation	Date

Distribution

Name	Position	Organisation

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Item	Details
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1. Privacy Impact Assessments

It is West Midlands Fire and Rescue Service (WMFRS) policy to follow best practice and use Privacy Impact Assessments (PIA) for relevant activities in order to identify and manage any privacy impact risks. This will support compliance with the requirements of the Data Protection Act 2018 (DPA) and Human Rights Act 1998.

Failure to recognise and mitigate adverse privacy impacts could result in reputational damage and possible enforcement action against WMFRS

These questions are intended to help you decide whether a PIA is necessary. Answering 'Yes' to any of these questions is an indication that a PIA must be completed. If this is the case, proceed to Section 2.

Screening Questions	Yes/No
Will the project involve the collection of new information about individuals?	Yes
Will the project compel individuals to provide information about them?	No
Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information?	Yes
Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?	No
Does the project involve you using new technology that might be perceived as being privacy intrusive? For example, the use of biometrics or facial recognition.	No
Will the project result in you making decisions or taking action against individuals in ways that can have a significant impact on them?	No
Is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For example, health records, criminal records or other information that people would consider to be private.	Yes
Will the project require you to contact individuals in ways that they may find intrusive?	No

2. Privacy Impact Assessment Template

You can start to fill in details from the beginning of the project, after the screening questions have identified the need for a PIA.

2.1 Identify the need for a PIA

Explain what the project aims to achieve, what the benefits will be to the organisation, to individuals and to other parties.

You may find it helpful to link to other relevant documents related to the project.

Also summarise why the need for a PIA was identified (this can be drawn from your answers to the screening questions).

The 2020 IRMP consultation aims to help the communities of West Midlands to understand how WMFS is organised and how we operate and to get valuable feedback.

The public consultation on the IRMP is a part of the organisations three-year rolling strategy and provides the opportunity for our communities to help plan their local service through effective consultation and involvement

The purpose of the proposed consultation will be to engage with local communities, partners and businesses to understand their views and opinions about how The Authority plans to provide its services through the three key priorities of:

- a) Response
- b) Prevention
- c) Protection

The consultation proposed meets the Authority's requirements under the National Fire and Rescue Framework for England 2012.

A PIA is required as the consultation will involve the collection of individual's data (this is not a mandatory field) and the information is being collated on behalf of WMFS by an external company Shoothill

As public sector organisation we are required to evidence that we give equality issues due regard, a vital part of this is the collection of data of who we engage with and provide a service for. This enables us to ensure we serve all of communities and make sure there are no unseen barriers to accessing West Midlands fire Service

2.2 Describe the information flows

You should describe the collection, use and deletion of personal data here and it may also be useful to refer to a flow diagram or another way of explaining data flows. You should also say how many individuals are likely to be affected by the project.

The data collected during the 2020 consultation period will primarily be with a digital/online focus with paper copies being distributed upon request.

The online data collected will be collated by the external company (Shoothill) via the CSS application and will be stored and collated in a secure SQL database. This data will then be surfaced to specified Administrators for reporting in a hidden, password protected admin section within the application.

Access to this information will be restricted to, Other than WMFS, there are two processors with access to the data in Shoothill and Microsoft. Shoothill will only ever access the data with WMFS permission, and it will only be if absolutely necessary. Shoothill will always use dummy data for testing purposes and replicating any support calls from WMFS.

Microsoft follow their Azure Security Policy, which highlights these three main points:

- No access to customer data, by default.
- No user or administrator accounts on customer virtual machines (VMs).
- Grant the least privilege that's required to complete task; audit and log access requests.

You can read more here:

<https://docs.microsoft.com/en-us/azure/security/fundamentals/protection-customer-data>

Link to all Azure security documentation:

<https://docs.microsoft.com/en-us/azure/security/>

Once collected this information is stored using Locally Redundant Storage (LRS), which means our storage is replicated 3 times within a single Azure facility. All of our storage stays within the UK, using in-region storage. LRS protects against hardware failure within the facility for continuity of service. Here's a link about Azure and it's data protection:

<https://docs.microsoft.com/en-us/azure/security/fundamentals/protection-customer-data>

By default, all the personal data will be retained indefinitely, or until instructed to do so by WMFS or a user of the app. If WMFS would like personal data to be automatically deleted after a certain time period (e.g. 3 months), then Shoothill can also do that.

2.3 Consultation requirements

Explain what practical steps you will take to ensure that you identify and address privacy risks. Who should be consulted internally and externally? How will you carry out the consultation? You should link this to the relevant stages of your project management process.

You can use consultation at any stage of the PIA process.

It is a requirement that FRS carry out consultation every 3 years

Privacy matters will be addressed by the external company (Shoothill) in these ways.... In the event of a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data, Shoothill shall promptly assess the risk to people's rights and freedoms and if appropriate report this breach to the ICO ([more information on the ICO website](#)).

Internally the Fire Authority and unions are aware of the consultation and staff will be engaged with

2.4 Identify the privacy and related risks

Identify the key privacy risks and the associated compliance and corporate risks.

Annex three can be used to help you identify the DPA related compliance risks.

The information received is provided by individuals who are completing the consultation document under their own volition

Related risks – the information provided is dealt with in the ways described below to mitigate and privacy related issues

Processing of personal information is required to carry out our official functions or a task in the public interest and WMFS has a legal basis for the processing the information under UK law. and perhaps legal obligation (for the equality data) - Processing is necessary to comply with legal obligations of WMFS.

2.5 Identify privacy solutions

Describe the actions you could take to reduce the risks, and any future steps which would be necessary (e.g. the production of new guidance or future security testing for systems).

We regularly review our technology stack, to ensure its up-to-date with the latest security standards. This includes reviewing our code to identify and patch any potential vulnerabilities.

- Shoothill have an internal password policy, whereby everyone is required to have a secure password, that changes every 6-months.
- When a new technology is introduced to Shoothill's coding practice, they conduct penetration testing to ensure their applications stays secure to prevent any breaches.
- Shoothill encrypt all data in-transit, and offer encryption at-rest should it be required for the project. This would mean encrypting all data within the database, or just the tables selected by WMFS.
- Shoothill's office is locked up out of hours, fit with a security system. This has monitoring, whereby should a breach of the premise happen the police will be alerted.

2.6 Sign off and record the PIA outcomes

Who has approved the privacy risks involved in the project? What solutions need to be implemented?

Risk	Approved solution	Approved by
Provision of personal details, post code, email	Ensuing that all data received is maintained	

address, contact number, gender, age, ethnicity, religion and belief	securely and that Shoot Hill adopt/adhere to current data protection guidelines
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Transfer of information	Confirmation of receipt
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Access to information	Details of all those who will have access to data is recorded
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2.7 Integrate the PIA outcomes back into the project plan

Who is responsible for integrating the PIA outcomes back into the project plan and updating any project management paperwork? Who is responsible for implementing the solutions that have been approved? Who is the contact for any privacy concerns that may arise in the future?

Action to be taken	Date for completion of actions	Responsibility for action
As detailed in point 2.6 above	<p>Consultation is due for completion in December 2020.</p> <p>Access to information will be required for analysis purposes for several months to follow and data may also be accessed for other work following this</p>	

Contact point for future privacy concerns

3. Linking the PIA to the data protection principles

Answering these questions during the PIA process will help you to identify where there is a risk that the project will fail to comply with the Data Protection Act (DPA) or other relevant legislation, for example the Human Rights Act 1998.

3.1 Principle 1 – Lawful, fair and transparent

Ref. AU/2020/Oct/11409203

WMFS OFFICIAL - PUBLIC

Personal data shall be processed fairly, lawfully and, in a transparent manner in relation to the individual. To enable this then:

- a) at least one of the lawful conditions in Article 6 is met as detailed below, and
- b) in the case of sensitive personal data, at least one of the conditions in Article 9 is also met.

- Have you identified the purpose of the project?
- How will you tell individuals about the use of their personal data?
- Do you need to amend your privacy notices?
- Have you established which conditions for processing apply?
- If you are relying on consent to process personal data, how will this be collected and what will you do if it is withheld or withdrawn?
- Will your actions interfere with the right to privacy under Article 8 of the Human Rights Act?
- Have you identified the social need and aims of the project?
- Are your actions a proportionate response to the social need?
- If the project involves marketing, have you got a procedure for individuals to opt in for their information being used for that purpose?

3.2 Principle 2 – Purpose Limitation

Personal data shall be obtained only for one or more specified, explicit and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

- Does your project plan cover all of the purposes for processing personal data?
- Have you identified potential new purposes as the scope of the project expands?

3.3 Principle 3 – Data Minimisation

Personal data shall be adequate, relevant and limited to what is necessary in relation to the purpose or purposes for which they are processed.

- Have I only collected the information that is necessary?
- Is the quality of the information good enough for the purposes it is used?
- Which personal data could you not use, without compromising the needs of the project?

3.4 Principle 4 – Accuracy

Personal data shall be accurate and, where necessary, kept up to date.

- If you are procuring new software does it allow you to amend data when necessary?
- How are you ensuring that personal data obtained from individuals or other organisations is accurate?
- What mechanisms have you in place to update/amend the information?

3.5 Principle 5 – Storage Limitation

Personal data shall be kept in a form that permits the identification of data subjects for no longer than necessary for that purpose or those purposes for which the personal data is processed.

- What retention periods are suitable for the personal data you will be processing?
- Are you procuring software that will allow you to delete information in line with your retention periods?

3.6 Principle 6 – Integrity and Confidentiality

Personal information should be processed in a manner that ensures appropriate security of the personal data including protection against unauthorised or unlawful processing, accidental loss or destruction, or damage using appropriate technical and organisational measures.

- Do any new systems provide protection against the security risks you have identified?
- What training and instructions are necessary to ensure that staff know how to operate a new system securely?
- If you will be making transfers, how will you ensure that the data is adequately protected?

3. Principle 7 – Accountability

Are you able to show that you comply with the other 6 principles

4. Legal reasons for processing

In order to ensure that all information is processed lawfully and transparently then one of the following conditions need to be met. Processing will only be lawful if ONE of the following conditions is met:

Is this processing needed for some legally-defined public purpose? Then its condition is **public interest** - Processing of personal information is required to carry out our official functions or a task in the public interest and WMFS has a legal basis for the processing the information under UK law.

Is this required to deliver an agreement with the individual? Then its condition is **Contract** - Processing is necessary to meet contractual obligations entered into by the individual. – contracts are not just for purchasing but can include other activities such as employment activities.

Am I required to do this by law? Then its condition is **Legal Obligation** - Processing is necessary to comply with legal obligations of WMFS. What activities are we legally bound to carry out under Fire and Rescue Services Act and what personal information do we collect as result of these activities

Is this processing truly optional for both the organisation and the individual? Then its condition is **Consent** - Data subject gives consent for one or more specific purposes. – this should not be the first option but consider all other options first

Is this processing needed to protect someone's life? Then its condition is **Vital Interests** - Where processing the information is in a life or death situation.

Is the processing necessary for your legitimate interests or the legitimate interests of a third party? Then its condition is **Legitimate Interests** - This applies where you are using people's data in ways they would reasonably expect and which have a minimal privacy impact, or where there is a compelling justification for the processing. There are three elements to the legitimate interests basis. It helps to think of this as a three-part test. You need to identify a legitimate interest, show that the processing is necessary to achieve it and balance it against the individual's interests, rights and freedoms.

If your project does not fit into any of the above then contact Data Manager.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **REVIEW OF CONSTITUTION – ROLES AND RESPONSIBILITIES AND DECISION MAKING**

Report of the Clerk and Monitoring Officer

RECOMMENDED

THAT Members approve the proposed amendments to the Fire Authority Constitution as set out in section 3.6 and Appendix's 1 -7.

THAT Members approve that the Clerk make any further consequential amendments to the constitution in consultation with the Chair, Vice Chair and opposition Leader

THAT members note the further development required to consider the role definitions for statutory officers and article and terms of reference for Scrutiny Committee.

2. **PURPOSE OF REPORT**

2.1 This report is submitted to Members to provide an overview and rationale for the proposed changes to the constitution.

2.2 Following recommendations from the RWHR Independent Cultural Review of the Service, the HMICFRS State of Fire report and developing definitions from LGA Leading Fire Report, as well as NFCC sector progression recommendations (Fit for Future), this report focuses on the clarification of roles and responsibilities of the Fire Authority as the governing body and of the CFO and Officers.

3. **BACKGROUND**

3.1 The WFMRA constitution sets out the expectation that the constitution will be reviewed on an annual basis. This review consistently focuses on the development of articles and scheme of delegations as appropriate. A review of roles and responsibilities/scheme of delegations was not undertaken in the

3.2 **Roles and responsibilities - sector improvement**

3.2.1 During the latter half of 2019 the outcomes of the RWHR Independent Cultural Review and HMICFRS 'State of Fire' report, have identified areas for improvement focusing on the clarification of roles and responsibilities of both the governing body and officers, both locally and across the sector.

3.2.2 The RWHR Independent Cultural Review resulted in a recommendation which identified the need to *'set out the roles and responsibilities of the Chair, CFO, Members and SET to reduce confusion.'*

3.2.3 The HMICFRS State of Fire report has recommended that:

'By September 2020, the Home Office should consider the case for legislating to give chief fire officers operational independence. In the meantime, it should issue clear guidance, possibly through an amendment to the Fire and Rescue National Framework for England, on the demarcation between those responsible for governance and operational decision making by the chief fire officer.'

3.2.4 The LGA 'Leading the Fire' report provided clarity in defining the role of Fire Authority Members as being responsible, with support from officers, for:

- *determining the policy direction of their FRS;*
- *setting a budget to fund delivery of that policy direction;*
- *and undertaking scrutiny to ensure that intended outcomes are being achieved efficiently, effectively and in accordance with statutory requirements. Providing effective assurance of decisions made.*

3.2.5 This report also recognised that in order to achieve these roles and responsibilities, Fire Authority members rely heavily on the professional experience and expertise of their senior officer colleagues to:

- *provide advice, so that FRA members can take strategic policy decisions from a well-informed position,*
- *implement the policy decisions that members have taken in an efficient, effective and timely manner and*

- *report progress on implementation of the decisions in question, and the extent to which they are achieving their intended objectives*

3.3 Legal roles and responsibilities

3.3.1 The legal role of the Fire Authority is underpinned by the Fire and Rescue Services Act, Regulatory Reform Order, Emergency Order, Civil Contingencies Act and the National Framework which incorporates the duties of these Acts, but also the requirements for governance and assurance of performance.

3.3.2 The Fire Authority is responsible to communities and their local authorities for ensuring the Service delivers against the requirements of the above legislation within a governance framework.

3.3.3 The CFO is accountable to the Authority and communities for ensuring the delivery of the roles set out in this legislation in a safe, assertive and effective way as set out in the National Framework 2018.

3.3.4 Whilst the Authority is legally responsible as a corporate body, any challenges (including legal challenges) to the way in which these roles are delivered hold the CFO to account as an individual (for any civil or criminal liability).

3.3.5 The Fire Authority is the employer of all staff and have appointed the role of Head of Paid Service as set out in the Local Government and Housing Act 1989, to the CFO. This role is responsible for the employment, structure and proper management of all staff. The Head of Paid Service also provides the CFO with the authority to develop an organisational culture, which he or she feels can deliver the strategic agenda of the Authority. In delivering this role the Fire Authority has a responsibility to ensure that the Head of Paid Service has the proper resources to manage the Service aligned to its strategic agenda.

3.4 WMFRA roles and responsibilities

3.4.1 In recognition of the sector and local improvement outcomes outlined in section 3.2, a series of meetings have taken place between December 2019 and August 2020 with the Chair, CFO and Statutory Officers to review the constitution with the aim of providing clarity of:

- The decision making and roles and responsibilities of the Fire Authority and CFO
- Revised CFO delegations aligned to role and decision-making definitions
- The role of scrutiny as the Fire Authority mechanism for assurance of decision making

3.4.2 In line with the LGA 'Leading the Fire' definitions, recognising the legal roles set out in legislation and the National Framework 2018, the role definitions set out below are proposed to be included in the Fire Authority constitution.

3.4.3 **Fire Authority**

It is the role of the Fire Authority to make and scrutinise decisions based on 'public safety, efficiency and effectiveness' in keeping the community safer, stronger and healthier.

3.4.4 To manage these responsibilities the role of the Authority is to (Fire Services Act 2004 & National Framework):

- Set a Strategy for what the FRS priorities and outcomes are – what it should achieve
- Set a budget to fund delivery of the Strategy
- Secure assurance that the budget is being spent wisely on delivering the Strategy set by the Authority, with 'public safety', 'efficiency' and 'effectiveness' as priorities.

3.4.5 These roles are carried out through the Fire Authority with areas of responsibility delegated within its committee structure, for example Audit and Risk and Scrutiny committees.

3.4.6 **The CFO**

The role of the CFO is 'operationally independent', enabling the CFO to make decisions regarding the operation of the Service to deliver the approved Authority Strategy. It is recognised that elements of this role may be delegated to other officers (usually SET members) where appropriate. It is the role of the CFO to:

- provide professional and technical advice, so that Authority members are able to take strategic policy decisions from a well-informed and evidence-based position,

- implement those strategic decisions that members have taken in an efficient, effective and timely manner,
- report progress on implementation of the Strategy and the extent to which they are achieving their intended objectives.

3.4.7 The role of the CFO is politically independent and therefore it is not the role of the CFO or officers to provide advice on political decisions or, align any professional and technical advice to political matters.

3.5 **Decision Making**

3.5.1 Aligned to the above proposed roles and responsibilities and to support understanding of these, as well as identifying how this impacts on the current roles set out in the Fire Authority Constitution, the definitions set out below are proposed for inclusion in the constitution. Within the context of the Fire Authority:

3.5.2 **Political Decisions** are those which:

- are based on the policies, objectives, stated aims and ambitions or activities of a political party to which an individual belongs
- represent the interests of their electorate

3.5.3 **Governance Decisions** are those which:

- take into account the whole environment the Service operates within both internally and externally (save for political matters)
- provide a framework of wider community focused outcomes, which meet the priorities and commitments of the integrated risk management plan.
- are high level in design and provide direction for what 'needs' to be achieved (outcomes), not the detail of 'how' to achieve them.

3.5.4 Within the context of the role of the CFO, **Operational Decisions** are those which:

- direct and detail 'how' the strategic priorities and outcomes are achieved to meet the priorities of the IRMP
- manage resources (people, finance, fleet, assets) in the most appropriate way to achieve the priorities of the IRMP.
- are aligned to the role of the Head of Paid Service and the

- CFO, as set out in the constitution and appropriate legislation are day to day business which can be determined through the Authority's delegations and Service's decision-making structures.

3.6 **Role of Scrutiny**

3.6.1 There is an expectation set out in the National Framework for Fire and Rescue Authorities 2018 that effective scrutiny frameworks will be in place for both the scrutiny of strategic policy, as well as performance.

3.6.2 Effective governance enables decisions to be scrutinised effectively and appropriately. The role of scrutiny is to test the veracity of advice and information as well as exploring the quality and basis of decision making. Aligned to the role of the Fire Authority and CFO as proposed in this report (section 3.4), scrutiny should scrutinise decisions made or to be made, on the basis of public safety aligned to the following definitions:

- **Pre scrutiny** enables changes proposed to strategic policy decisions to be scrutinised. These are decisions which if implemented, would change the strategic priorities and outcomes agreed by the Fire Authority (for example, matters contained in Authority 'forward plan' for approval).
- **Post scrutiny** enables the Fire Authority to seek assurance around operational decisions already made by the CFO and other officers in the delivery of strategic priorities and outcomes (for example: training, partnership working).

3.7 **Proposed Fire Authority Constitutional changes**

3.7.1 These proposed changes/amendments to the constitution will be made and will reflect in changes to a number of articles in the Authority's Constitution.

3.7.2 These proposed changes have been overlaid with the outcomes of the HMICFRS 'State of Fire' report and LGA 'Leading Fire' document, considering as well as the Authority supported WMCA draft Order (prior to its amendment by the HO).

3.7.3 The detailed changes are set out in Appendix 1, in summary these changes are:

- Article 2 ‘Members of the Authority’, insert an overview of the ‘Role of the Authority in section 2.2.(Appendix 1)
- Article 5 ‘Citizens of the Authority’ has been moved to **Article 3** to follow Article 2 ‘Members of the Authority’
- Article 13 ‘Decision Making’ has been moved to **Article 4** and now contains the decision-making definitions set out above in section 3.5.(Appendix 2)
- Article 4 now also contains a definition for where recommendations are ‘for approval’ or ‘to note.’ (Appendix 2)
 - Recommendations to ‘**note**’ will be where: *decisions fall within the delegations and financial thresholds of officers as set out in Articles 4 and 5 and Part 3, Scheme of Delegations to this constitution and are centred on the delivery of an agreed Authority strategy.*
 - Recommendations to ‘**approve**’ will be where: *decisions which are outside of the delegations and financial thresholds of officers and/or are decisions which will require a review of the agreed Authority strategy.*
- Article 12 ‘Officer’ has moved to **Article 5** which is now ‘**Role and Functions of Officers**’ and has been revised to contain the role definition for the CFO as set out above in section 3.4. (Appendix 3)
- Article 4, ‘Matters for Authority’ has been moved to ‘**Article 6**’ (Appendix 6) and continues to contain those matters which only the Fire Authority can approve. Changes/amendment have been made to include:
 - The role definition for the Authority as set out above in section 3.4
 - Amendments to the governance role specifically in relation to Collaborations and defining the CFO role
 - Clearer explanation and definition of the role of the Fire Authority in approving the Authority’s 3 year rolling Strategy, aligned to the role of the Fire Authority.
 - The approvals of virements and sponsorship arrangements increasing from £100k to £250k before requiring Authority approval (aligning to existing procurement delegations).

- The authorisation that the CFO can exceed the £250k expenditure limit in exceptional circumstances, specifically in relation to operational incidents, where a risk-based assessment identifies the need to acquire specific resources in excess of £250k.
 - The process of recruitment for the DCFO and ACFO's will be led by the CFO to enable suitable appointment, recommending candidate(s) to the Appointments Committee.
 - The use of the term 'significant' will mean '*matters which may exceed officer financial approvals or may have the potential to change the approved strategic direction and/or policy of the Authority.*'
- The Scheme of Delegations has been amended in line with the roles and responsibilities and decision-making definitions and to reflect where appropriate, the changes cited in the above bullet points. (Appendix 7)

3.7.4 These proposed changes are set out as they will be drafted in the constitution in Appendix 1-7 and highlighted in yellow background. All proposals aim to enable the Fire Authority and CFO to operate against clear definitions regarding roles, responsibilities and spheres of decision making. Thereby providing the most effective approach to the CFOs delivery of the Authority approved Strategy.

3.7.5 The proposed changes also aim to remove duplication, provide consistency of interpretation of roles and delegations and create a constitution which is reflective of future sector and possible legislative change.

4. **EQUALITY IMPACT ASSESSMENT**

The matters contained in this report will not lead to do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The recommendations in this report ensure the effective and efficient delivery of Fire and Rescue Authority Services as set out on the Fire and Rescue Services Act, Regulatory Reform Order, Emergency Order, Civil Contingencies Act and the National Framework which incorporates the duties of these Acts, but also the requirements for governance and assurance of performance.

6. **FINANCIAL IMPLICATIONS**

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

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications.

BACKGROUND PAPERS

WMFRA Constitution 2019

LGA Leading the Fire

HMICFRS State of Fire Report 2019

RWHR Independent Cultural Review June 2019

The contact name for this report is Karen Gowreesunker – telephone number 07973 810338.

KAREN GOWREESUNKER CLERK TO AUTHORITY

SATINDER SAHOTA

MONITORING OFFICER

Article 2 – Members of the Authority

2.1 Composition and Eligibility

- (i) Composition – 2.1 (i) The Authority comprises of 18 members, 15 of whom are elected councillors, two co-opted members and a further membership to be held by the West Midlands Police and Crime Commissioner. The 15 members will be elected from the seven constituent district councils comprising the West Midlands.

Role Purpose:

- A wider consideration of collaborative opportunities through being more reflective of its partnerships
 - Wider support of the priorities of public services across the West Midlands to enable increased value for local communities
 - A more diverse membership providing for increased challenge and scrutiny.
- (ii) The constituent councils appoint members to the Authority at their annual meetings each year and in accordance with the provisions of the Local Government Act 1985. These appointments are made in the following proportions, which reflect the size of the population of each Council:-

<u>Council</u>	
Birmingham	4
Coventry	2
Dudley	2
Sandwell	2
Solihull	1
Walsall	2
Wolverhampton	2

Each Council’s appointments must also reflect its political make up, in accordance with the Local Government and Housing Act 1989.

- (iii) Members may be removed by their appointing council, subject to their council complying with the statutory requirements of the Local Government Act 1985 as to periods of notification etc.

- (iv) The Police and Crime Commissioner by virtue of the Policing and Crime Bill 2017, Chapter 2, section 7 may only be appointed to the Authority in response to a request made by the Commissioner to the Authority or, in the case of a subcommittee, to the appointing committee.

2.2 Roles and Functions of Members

It is the role of the Fire Authority to make and scrutinise decisions on the basis of 'public safety, efficiency and effectiveness' in keeping the community safer, stronger and healthier. A full description of the role of the Authority is set out in Article 6.

All members are expected to:-

- (i) act corporately for the good governance of the Authority, balancing the needs of the whole community of West Midlands with their role of local representative;
- (ii) to actively represent, promote and support the work of the Authority in the provision of Fire and Rescue Services within the whole area and community of West Midlands;

- (iii) on a regular basis, to attend meetings of the Authority and any committees, sub-committees, fora or external bodies to which the member has been appointed and to fully participate in policy formulation and decision making including the development of strategic policies, determination of the budget and approving 'The Plan' in accordance with principles of good public governance, including a requirement to act at all times in accordance with:
- statutory and other legal requirements
 - the code of conduct for members
 - standing orders of the Authority
 - the member/officer protocol
- (iv) represent the Authority throughout the West Midlands;
- (v) if appointed by the Authority to an external body; to represent the interests of the Authority on that body;
- (vi) to be actively aware of all issues inside and outside of the Authority, relevant to the provision of fire and rescue services in order to fulfil a community leadership and representative function, working as necessary in partnership with other local organisations in order to effectively promote the safety and well-being of the whole community of West Midlands;
- (vii) to actively engage in training and development to respond to the growing complexities and demands on fire and rescue services, to enable them to carry out their role to their full potential and to assist the Service in making West Midlands safer, as set out in the Member Development Strategy.

West Midlands Fire and Rescue Authority – Constitution

- (viii) Co-opted members whilst not full voting members are expected to:
- Support the Authority in its actions promoting good

- governance of the Authority, balancing the needs of the whole community of the West Midlands
- Support and actively promote the work of the Authority in the provision of fire and rescue services across the whole of the West Midlands
 - On a regular basis attend meetings of the Authority and any committees/sub committees
 - Promote Effective Collaboration
 - At all times, act in accordance with the code of conduct and standing orders for the Authority where applicable
 - Be actively aware of the issues internal and external relevant to the provision of services to promote a safer, stronger and healthier West Midlands Community.

2.3 Chair and Vice Chair of the Authority

The Chair and Vice Chair of the Authority will be elected by the Authority at its annual meeting.

2.4 Roles and Responsibilities of Designated Office Holders

2.4.1 Chair of the Authority

The Chair will preside over Authority meetings and ensure that they are conducted in accordance with the standing orders and procedural rules of the Authority as set out in Part 4 of this Constitution.

The Authority has approved a role description for the Chair, as follows:-

To provide overall political leadership and strategic policy direction to the Authority.

To ensure continuous improvement in service delivery and the implementation of best practice through the application of Authority policy and all relevant legislation, regulations, directives and statutory requirements affecting the work of the Authority.

West Midlands Fire and Rescue Authority – Constitution

To chair the Appointments Committees and any other meetings as required by the Authority;

To serve as a representative on other bodies as nominated by the Authority.

To represent the Authority at any meetings as may be required from time to time in connection with the work of the Authority at local, regional, national or international level.

To take overall political responsibility within the Authority for:-

- The Plan;
- Policy and budgetary strategy formulation;
- Local, regional, national and international issues;
- Health and Safety;
- The Authority's compliance with the Freedom of Information Act 2000;
- Corporate Risk Management;
- Community Safety Strategy (Integrated Risk Management Plan);
- Procurement;
- Press and media relations and the promotion of the image of the Authority;
- Civic and ceremonial issues;
- Diversity, Inclusion, Cohesion and Equality;
- Any other initiatives as from time to time may be adopted by or imposed on the Authority.

To oversee the efficient and effective conduct of business within the Authority and to work with other elected members on issues that cut across or fall within the terms of reference or portfolios of other members, Committees or Panels.

To ensure the proper implementation of decisions of the Authority and its Committees and to ensure that due consideration is given to any recommendations arising from those Committees.

To ensure the involvement of local people and communities in the decision making processes of the Authority, as necessary.

To champion the promotion and maintenance of high standards of conduct throughout the Authority.

To undertake his/her duties in accordance with the Authority's Code of Conduct and any other policies, procedures or protocols which may be adopted by the Authority from time to time.

West Midlands Fire and Rescue Authority – Constitution

2.4.2 Vice Chair of the Authority

The role of the Vice-Chair is to support the Chair of the Authority in discharging his/her roles and responsibilities and to deputise for the Chair in his/her absence.

2.4.3 Minority Party Group Leaders

The role of minority party leaders is:-

- to ensure that their party contributes effectively, positively and constructively to the Authority's activities;
- to act as the principal political spokesperson for their political group;
- to provide leadership to their party group.

2.4.4 Chairs of Committees

The role of a committee chair is:-

- to chair the committee and ensure its overall effectiveness;
- to have a working knowledge of the Authority's relevant policies and strategies and to ensure that he/she is sufficiently and effectively briefed by officers on matters coming before the committee;
- to coordinate and manage the work of the committee;
- to support the role of the Chair of the Authority in the development of policy, strategy and budget proposals;
- to provide an annual report covering the performance of the committee for the AGM.

2.4.5 All Members

All members have a responsibility:-

- to ensure that the Fire Authority provides an efficient and effective fire and rescue service, taking into account the needs of all sections of the community.
- to contribute actively to the formation and scrutiny of the Fire Authority's policies, priorities, plans, targets, performance and budget.
- to ensure that the Fire Authority is an equal opportunities employer, and considers the needs of all sections of the community.
- to ensure that the Fire Authority delivers value for money.
- to develop and maintain a sound working knowledge of the Fire Authority's duties, policies and practices.
- to participate in Member development to ensure the appropriate acquisition of skills and knowledge in accordance with the Member Development Strategy.
- to develop and maintain a working knowledge of the organisation's services, activities and other matters, which affect and impact on the local community.
- to comply with relevant protocols and codes of conduct.
- to participate effectively as a member of any committee or

- other body to which you are appointed by the Authority.
- to participate in performance review of the services provided by the Fire Authority, including scrutiny of policies and budgets and their effectiveness in achieving strategic objectives.
- to participate effectively in any consultative processes with the local community and with other organisations, as required.
- to encourage the community to participate constructively in consultative arrangements and service provision.
- to develop and maintain good and effective working relationships with the Fire Authority's Chair and Vice-Chair and relevant officers of the Fire Authority.
- to consider recommendations/options put forward by the Treasurer in relation to the Fire Authority's budget and precept and participate in the budget and precept setting process.

2.4.6 Section 41 Members

In addition to the responsibilities and competences set out in 2.4.6 members appointed as 'lead' members for their constituent council, under Section 41 of the Local Government Act 1985, will be required to answer questions put to them at meetings of their constituent council relating to the discharge of functions of the Fire and Rescue Authority.

2.5 Rights and Duties of Members

Members will have such rights of access to such documents, information, land and buildings of the Authority as described in the Authority's Standing Orders in Part 4 of this Constitution.

2.6 Failure to Attend Meetings

- 2.6.1 Subject to the provisions of Section 85 Local Government Act 1972, any member failing to attend any meeting of the Authority or its committees for a period of six months ceases to be a member of the Authority, unless, within that period, the member's absence is approved by the Authority.

2.6.2 The Clerk will monitor absences from meetings and, unless approval for any absence is given by the Authority, will report the failure to attend to the Authority in order that it may declare a vacancy and notify the relevant constituent council.

2.7 **Conduct**

Councillors will at all times be guided by the Members' Code of Conduct and the Protocol on Member/Employee Relations set out in Part 5 of this Constitution.

2.8 **Allowances**

Councillors will be entitled to receive allowances in accordance with the Members' Allowances Scheme set out in Part 6 of this Constitution.

Article 4 – Decision Making

4.1 Responsibility for Decision Making

Responsibility for decision making by the Authority, its committees, and officers is in accordance with Articles 6 to 11 of this constitution and the Officers' Scheme of Delegations set out in Part 3 of this constitution which together comprise the record of responsibility for decision making.

The Authority and officers have agreed the following responsibilities for decision making:

Governance decisions are those which the Authority will be asked to approve via Officers. These decisions will align to the role of the Authority in setting the Strategic agenda and budget for the Service.

Operational decisions are those taken by the CFO and Officers in delivering against the strategic agenda set by the Authority. These decisions are taken independently and in line with the Scheme of Accountability

4.2 Principles of Decision Making

All decisions of the Authority will be made in accordance with the following principles:

- be within the lawful powers of the Authority;
- proportionality (i.e. the action taken is proportionate to the desired outcome);
- be aligned to the decision-making definitions set out in this article.
- Decisions are taken on the basis of due consultation and professional advice from officers and statutory officers (Decisions taken by members of the Authority will be based on information provided in a written report prepared by the responsible officer/s) Refer to section

4.4;

- respect for human rights;
- a presumption in favour of openness (Reports will only be considered in private where they contain exempt information as defined in Schedule 12A to the Local Government Act 1972 (as amended)(see Part 4 Access to Information Rules – Rule 11);
- clarity of aims and desired outcomes (The written reports submitted to elected members will contain a clear recommendation of the professional officer for every decision they are asked to take).

4.3 **Types of Decisions**

The Authority will make Governance and Political decisions aligned to the following definitions.

4.3.1 **Governance Decisions** are those which:

- take into account the whole environment the Service operates within both internally and externally (save for political matters)
- provide a framework of wider community focused outcomes, which meet the priorities and commitments of the integrated risk management plan.
- are high level in design and provide direction for what 'needs' to be achieved as outcomes, but do not include the detail of 'how' to achieve them.

4.3.2 **Political Decisions** are those which:

- are based on the policies, objectives, stated aims and ambitions or activities of a political party to which an individual belongs
- represent the interests of their electorate

4.3.3 The Authority recognises the operational independence of the Chief Fire Officer. The CFO and Officers are accountable for operational decisions aligned to the following definition:

Operational Decisions are those which:

- operate within the strategic and governance framework provided by the Authority.(use explanatory note, e.g.

staffing structure, recruitment, workforce planning, allocation of resources)

- direct and detail 'how' the strategic priorities and outcomes are achieved to meet the priorities of the IRMP
- manage resources (people, finance, fleet, assets) in the most appropriate way to achieve the priorities of the IRMP and strategic priorities (use explanatory notes, e.g. workforce development, within financial delegations)
- are aligned to the role of the Head of Paid Service and the CFO as set out in the constitution and appropriate legislation

Decisions relating to the functions listed in Article 4 will be made by the Authority and not delegated.

4.4 **Decision Making by the Authority and its Committees**

The Authority and its committee meetings will comply with the Authority's procedural rules and Standing Orders set out in Part 4 of this constitution when considering any matter.

The Fire Authority will be asked by officers to 'note' or 'approve' recommendations.

Recommendations to 'note' will be where:

Decisions fall within the delegations and financial thresholds of officers as set out in Articles ???? and Part 3 section of this constitution and are centred on the delivery of an agreed Authority strategy.

Recommendations to 'approve' will be where:

Decisions are outside of the delegations and financial thresholds of officers and/or are decisions which will require a review if the Authority's strategy.

4.5 **Decision Making by Officers**

The CFO and officers have full accountability to make decisions on all matters relating to the administration of the Authority's functions under the Fire and Rescue Services Act 2004 and any

other enabling legislation. This shall include taking and implementing decisions that are:

- Defined as the role of the CFO as set out in section Article 3, section 3.2,
- Defined as 'operational decisions as set out in Article 4, section 4.4.3 (and explanatory guide) and
- aligned to the Scheme of Delegations set out in this constitution

Article 5 – Roles and Functions of Officers

3.1 Management Structure

The Authority may appoint such staff (officers) as it considers necessary to carry out its functions.

3.2 Chief Fire Officer

The Chief Fire Officer will engage appropriately with the Authority on the manner in which the discharge of the Authority's functions are co-ordinated. The role of the CFO will:

- provide professional, technical advice, so that FRA members can take strategic policy decisions from a well informed and evidence-based position
- implement the strategic decisions that members have taken in an efficient, effective and timely manner
- report progress on implementation of the strategy and the extent to which they are achieving their intended objectives.

The CFO will:

- have the professional knowledge and understanding to ensure that services can be delivered to the most vulnerable within the community they serve.
- be accountable to the Authority and communities for ensuring the delivery of the roles set out in this legislation in a safe, assertive and effective way as set out in the National Framework 2018.
- be '**operationally independent**', which enables the CFO to make financial, staffing, workforce development and resource based decisions regarding the ongoing operation of the Service. These decisions will be made aligned to the operational decision-making definition set out in Article 13 and Scheme of Delegations and will support the delivery of the Authority approved Strategy.

- Be politically independent and therefore it is not the role of the CFO or officers to provide advice on political decisions or align any professional and technical advice to political matters.

Elements of this role may be delegated to other officers (usually SET) where appropriate. (explanatory note: include examples such as changes in staffing structure, continuity arrangements, changes to approach to training and development of workforce)

This area of responsibility and accountability will be conducted in line with the CFO accountabilities as set out in the Scheme of Delegations (part 3).

3.3 **Deputy Chief Fire Officer**

The Deputy Chief Fire Officer will deputise for the Chief Fire Officer by prior arrangement or in event of illness.

3.4 **Assistant Chief Fire Officer (uniformed)**

The Authority has designated an Assistant Chief Fire Officer as set out in Part 7 of this Constitution.

3.5 **Strategic Enablers (uniformed and non-uniformed)**

The Authority has established posts of Strategic Enablers which make up the Strategic Enabling Team as set out in Part 7 of this Constitution.

3.6 **Head of Paid Service**

In accordance with the Local Government in Housing Act 1989 (part 1, section 4) local authorities are required to designate one of their officers as the head of paid service. The functions of the head of paid service is to engage appropriately with the Authority as to the discharge of the Authority's functions.

Legislation defines this as setting the staffing structure, appointment and proper management of staff. This area of

responsibility and accountability will be conducted in line with the CFO accountabilities as set out in the Scheme of Delegations (part 3).

The Chief Fire Officer is the Head of Paid Service for the Authority.

The dual role of CFO and Head of Paid Service gives the CFO the ability to develop an organisational culture which he or she feels can deliver the strategic agenda of the authority. It also provides the need and authority to build a management team which the CFO feels he or she can work with to develop the appropriate organisational culture and specifically deliver the strategic priorities.

West Midlands Fire and Rescue Authority – Constitution

3.7 Clerk to the Authority

In accordance with the Local Government Act 1985 the Authority has appointed a Chief Officer to act as Clerk to the Authority. The Strategic Enabler – Strategic Hub undertakes this role.

The functions of the Clerk are to:

- 3.7.1 Oversee the effective management of the Authority's democratic services
- 3.7.2 Advise officers and members of the proper operation of the Authority aligned to this constitution, Committees and other forums.
- 3.7.3 Sign and/ or seal documents on behalf of the Authority.

- 3.7.4 To support the monitoring officer in the maintenance of the constitution, maintaining the Statutory Register of Members interests and Register of Gifts and Hospitality
- 3.7.5 Undertaking the development, review and administration of the Members Allowances Scheme, in accordance with the Local Authorities (Members' Allowances) Regulations 2003.

3.8 **Monitoring Officer**

- 3.8.1 In accordance with the Local Government and Housing Act 1989 the Authority has appointed Satinder Sahota as its Monitoring Officer.

Functions of the Monitoring Officer:-

- Maintaining an up to date version of the constitution and ensuring that it is available for inspection by members, staff and the public.
- Appointment and replacement of members on the Authority under the procedures set out in the Local Government Act 1985.
- Maintaining the Statutory Register of Members' Interests and the Register of Gifts and Hospitality under the Authority's Code of Conduct, and advising on members' interests as appropriate.
- Assisting the Authority in meeting its obligations under Freedom of Information and Data Protection legislation as required.
- Ensuring lawfulness and fairness of decision-making - After consulting with the Treasurer and the Chief Fire Officer, the *West Midlands Fire and Rescue Authority – Constitution*
- Monitoring Officer will report to the Authority in relation to any proposal, decision or omission which, in his/her view would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- Supporting the Standards Committee and contributing

to the promotion and maintenance of high standards and support the Standards Committee in dealing with any allegations of misconduct.

- Conducting investigations into matters referred to him/her into complaints made against members of the Authority and/or (providing no conflict arises) provide or arrange for the provision of legal advice to the Standards Committee.
- Ensuring that the requirements of the Local Government Act 1972, as amended, will be met in relation to the publication of relevant committee reports, background papers and decisions and that they will be made publicly available (subject to any restrictions on disclosure) as soon as possible
- Providing advice on the scope of the powers of the Authority and its committees and officers to take decisions and in connection with matters involving maladministration and probity.

3.8.2 The Monitoring Officer cannot be the Chief Finance Officer.

3.9 **Treasurer**

In accordance with Section 73 of the Local Government Act 1985, the Authority has appointed the Strategic Enabler - Finance and Resources as Treasurer.

3.9.1 **Functions of the Treasurer**

- Ensuring lawfulness and financial prudence of financial decision making - After consulting with the Clerk and the Monitoring Officer, the Treasurer will report to the Authority and to the Authority's external auditor, if he/she considers that any proposal decision or course of action will involve incurring unlawful expenditure or is unlawful and likely to cause a loss or deficiency, or if the Authority is about to enter an item of account unlawfully. He/she will also make a report to the Authority if it appears that the expenditure of the Authority (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed)

available to meet that expenditure.

West Midlands Fire and Rescue Authority – Constitution

- Administration of financial affairs of the Authority.
- Contributing to corporate management, in particular, through the provision of professional financial advice.
- Providing advice on the scope and powers of the Authority to take decisions about financial impropriety, probity and budget and policy framework issues to the Authority, its committees, members and officers and will support and advise members and officers in their respective roles.

3.9.2 **Duty to provide sufficient resources to the Monitoring Officer and the Treasurer**

The Authority has a duty to provide the Monitoring Officer and the Treasurer with sufficient resources to allow their duties to be performed.

3.10 **Conduct**

Officers will comply with the Officer Code of Conduct set out in Part 5 of this constitution.

3.11 **Employment**

The recruitment, selection and dismissal of officers will comply with the Authority's Standing Order 27 set out in Part 4 of this constitution.

Article 6 - The Authority

6.1 Legal Structure/Delegations

The Authority is a corporate body with the legal responsibility for making decisions about all matters concerning the functions, powers, duties and responsibilities of the Authority, which are invested in it by statute and/or common law. The Authority has delegated a range of decisions about various matters to committees and officers as set out in this constitution but has otherwise reserved powers to itself. The exercise of any delegated powers and decision making by committees appointed by the Authority and described in this constitution shall be subject to:-

- (i) statutory or legal requirements;
- (ii) standing orders and financial regulations of the Authority;
- (iii) strategic and corporate policies adopted by the Authority and/or any directions given by the Authority in relation to the exercise of delegated functions.

No delegation which may be given by the Authority shall preclude the reference of matters by a committee to the Authority, nor preclude the Authority from exercising any powers so delegated except where action has already been taken pursuant to a resolution of a committee under its approved terms of reference and delegated Authority.

To manage these responsibilities the role of the Authority as a governing body, aligned to legislation (as set out in the 'preface' section), is to:

- set a strategic agenda/plan for what the Fire Service priorities and outcomes are – what it should achieve
- set a budget to fund delivery of that strategic agenda/plan
- secure assurance that the budget is being spent wisely on delivering the strategic agenda set by the authority, with 'public safety', 'efficiency' and 'effectiveness' as priorities.

6.2 Matters Reserved to the Authority

Only the Authority will exercise the following functions:-

6.2.1 Governance

- (i) Appointment of committees and panels, their terms of reference, appointment of chairs and vice chairs, Section 41 members and appointments to other bodies.
- (ii) Approval and variation of Authority procedural Standing Orders, procurement standing orders and Financial Regulations and any other standing orders/procedures/protocols deemed, by the Chair, to be reserved to the Authority.
- (iii) Approval of the Members' Allowances Scheme.
- (iv) Establishment of a Standards Committee and appointment of the independent person(s) appointed in pursuance of Section 28 of the Localism Act 2011.
- (v) Overview of corporate governance and the regulatory framework [delegated to Audit and Risk Committee].
- (vi) Overview of the progress of governance arrangements in relation to the formation of significant collaborative working and/or, shared service delivery arrangements being implemented by Officers.

Explanatory guide to define significant collaborations as below, i.e. shared services)

Significant could be in this context would be described as:
'Collaborations which may exceed officer financial approvals or may have an impact on the approved strategic direction and/or policy of the Authority.'

The initiation and ongoing operation of any such collaboration arrangements would fall within the operational independence of the CFO as set out in the Scheme of Delegations. Where these partnerships are strategic alliances such as 'shared services' there can be periodic performance reporting into the Authority's

scrutiny committee.

- (vii) To ensure compliance in the management and administration of the Pensions Board.

6.2.2 Setting the Strategic (agenda) Plan:

Aligned to the Authority's 'governance' decision making definitions, ensure that the Service delivers an effective and efficient fire and rescue response service underpinned by prevention and protection activities through the:

- i. Approval of the Integrated Risk Management Plan (Community Safety Strategy) and the Authority's 3 year Strategy, as prepared and proposed by the CFO on at least an annual basis, to enable implementation over years 2 and 3

A 3 rolling year strategy provides a strategic vision over this period where agreement can be reached in year 1 for what can be delivered over years 2 and 3. An understanding of risk through the IRMP is considered against the expectations of the Medium-Term Financial Plan to enable realistic planning.

This approach supports continuous engagement between officers and Authority Members in delivering against the current year objectives through PPF. This then enables the Strategy to be a responsive to change when refreshed on at least a 12-month basis, when consulted on, and/or where there are changes in risk.

- ii. Approval of any fundamental changes to the Authority's IRMP and/or 3 year Strategy arising from any significant matters as prepared and proposed by the CFO**
- iii. Assurance of the delivery of the 3 year Strategy and budget in meeting the IRMP via the role of the Scrutiny Committee as defined in Article 9 and Audit and Risk Committee as defined in Article ??

The above responsibilities of the Authority provide the Chief Fire Officer, as Head of Paid Service, with the necessary framework in which to independently lead the Service, set its direction and culture and make 'operational'

decisions regarding the operation of the Service to deliver the approved Authority Strategy. This is further defined in 'Scheme of Delegations'

****Significant** could be in this context would be described as: *'matters which may exceed officer financial approvals or may have the potential to change the approved strategic direction and/or policy of the Authority.'*

Explanatory notes:

Strategic Planning

As set out in this section the Authority's strategic planning process enables a multi-year approach to the delivery of the 3 year Strategy.

The Authority will approve the priorities, outcomes and strategic objectives to be included in the Plan for the following financial year at the February meeting of the Authority. Following Authority approval, the Chief Fire Officer will, via his/her Scheme of Delegations, ensure the appropriate and flexible allocation of resources to meet the needs of local communities and enable the delivery of The Plan, based on analysis of risk and best use of the resources available to him/her. Through Officer and Member engagement there will be regular awareness built through PPFs of ongoing performance against the Strategy.

6.2.3 Budget setting and land matters

- i. Capital and revenue budget setting including setting the precept and budget monitoring.
- ii. Approval of expenditure that exceeds that included in approved revenue or capital budget.
- iii. Approval of expenditure exceeding £250, 000.
- iv. Approval of the accounts and the Annual Governance Statement (delegated to the Audit Committee).
- v. Approval of the Property Asset Management Plan.
- vi. Acquisition and disposal of land and property where not otherwise delegated to the Chief Fire Officer.
- vii. Overview of internal and external audit functions [delegated to Audit and Risk Committee].
- viii. Matters reserved to the Authority under financial

regulations and procurement standing orders including approving:-

- ix. The procurement process in respect of tenders with value in excess of £250,000;
- x. The award of contracts valued in excess of £100k where it is proposed to accept a tender other than the lowest price, or where there is no budget provision, or in any case where the Committee has reserved the right to approve the award of a contract;
- xi. Approval of commissioning arrangements in excess of £250,000;
- xii. Virement in excess of £250, 000;
- xiii. Approval of sponsorship arrangements in excess of £250,000, which support the delivery of the Authority Strategy

Explanatory notes: Sponsorship arrangements are those that exist between the FRA/Service with an organisation that provides financial support for the right to be associated with a project.

The initiation and ongoing operation of any sponsorship arrangements will be aligned to the delivery of strategic priorities and as such would fall within the operational independence of the CFO as set out in the Scheme of Delegations. Sponsorship arrangements will support public interest.

Aligned to the above budget matters for authority, the CFO can exceed the £250k expenditure limit in exceptional circumstances, specifically in relation to operational incidents, where a risk based assessment identifies the need to acquire specific resources in excess of £250k. The CFO to provide a retrospective report to the Authority setting out the decision making considerations and the associated expenditure incurred in such instances.

- xiv. Overview of the Authority's risk management strategy as defined in the Financial Regulations [delegated to Audit and Risk Committee].

6.2.4 Human Resources

- i. Approval of the staffing structure and pay and conditions

- of service for principal and statutory officers.
- ii. Appointment of Chief Fire Officer,
 - iii. The appointment of the Deputy and Assistant Chief Fire Officers on the recommendation of the CFO–[delegated to Appointments, Standards and Appeals Committee];
 - iv. The appointment of the Clerk, Monitoring Officer and Treasurer.
 - v. Discipline and dismissal of the Chief Fire Officer, Clerk, Monitoring Officer and Treasurer;
 - vi. to hear and decide upon appeals by the Deputy Chief Fire Officer, and Assistant Chief Fire Officer against dismissal or other disciplinary action. [Appointments, Standards and Appeals Committee]
 - vii. Deciding appeals under the firefighter pension schemes and the local government superannuation regulations [Appointments, Standards and Appeals Committee].

Explanatory notes:

Sponsorship arrangements would sit within a framework designed and agreed by the Fire Authority.

The recruitment process for the roles of DCFO and ACFO's will be led by the CFO to enable suitable appointment based on the professional and technical competence and behavioural attributes of any candidate. The appropriateness of any candidate will also consider the best 'team fit' as an important aspect of recommending candidates to the Appointments Committee.

Member involvement will support the recruitment process and provide effective assurance to enable understanding of progress upon appointment.

The CFO will lead the presentation of appointable candidate(s) who meet the professional and technical competencies as well as team fit for the role to the Member Appointments Committee, based on CFO recommendation the Appointments Committee will make the decision of final appointment.

6.2.5 Generally

Any other matters which must by law be reserved to the Authority.

West Midlands Fire and Rescue

Authority Scheme of

Delegations

This scheme grants powers to officers to exercise powers and carry out duties of the Authority under various statutes, orders, regulations and byelaws and at Common Law.

The scheme should be read in conjunction with the 'Matters Reserved to the Authority', as set out in Article 4 of the Authority's Constitution, and will be reviewed at each annual meeting of the Authority and otherwise as necessary. Paragraph 33 of the Authority's Procedural Standing Orders also applies to the scheme of delegation.

1. Conditions of Delegations

- 1.1 It is the duty of officers to whom the exercise of powers is delegated to keep members of the Authority informed of activity arising within the scope of the delegated powers given to them.
- 1.2 In exercising delegated powers, officers shall consult with each other as appropriate in the circumstances and shall have regard to any advice given.
- 1.3 It shall always be open to an officer to seek authority or guidance from the Authority (particularly Statutory Officers) and to elect not to exercise delegated powers; or to consult with members on the exercise of delegated powers.
- 1.4 The exercise of delegated powers by an officer shall be in accordance with:-
 - (a) The policies of the Authority and its decisions from time to time;
 - (b) The Authority's Standing Orders and Financial Regulations.

1.5 A written record will be kept of all actions taken under delegated authority.

2. Powers not to be delegated

2.1 This Scheme does not delegate:-

- (a) Any matter reserved to the Authority.
- (b) Any matter that must not by law be delegated to an officer.

Powers should not be delegated:

2.2 Where to do so would effectively result in the officer making a decision reviewing their own decision in relation to pension and disciplinary matters.

2.3 Where to do so would result in a breach of the Authority's Contract Standing Orders for the time being in force.

2.4 In respect of action constituting the entering into of sponsorship arrangements, the value of which exceeds £250,000.

2.5 In respect of action constituting the appointment or dismissal of the Chief Fire Officer, the Clerk, Monitoring Officer or the Treasurer; appointment of the Deputy Chief Fire Officer or Assistant Chief Fire Officer (on recommendation of the Chief Fire Officer); or the determination of appeals against dismissal or other disciplinary action in respect of the Deputy Chief Fire Officer or the Assistant Chief Fire Officer.

2.6 Where to do so would result in the Authority incurring expenditure for which no budgetary provision exists within the budget heads for which the officer proposing to exercise delegated powers is responsible.

2.7 Where to do so would result in expenditure entailing the virement of sums totalling in excess of £250,000 from one budget line approved by the Authority to another budget line.

- 2.8 No officer other than the Treasurer shall have the power to write off debts due to the Authority.
- 2.9 The term “officer” means the holder of a post named as having delegated powers or duties under this scheme.

3. **Delegations to the Chief Fire Officer**

Aligned to the Authority’s definition of ‘operational decision making’, the recognised ‘role of the CFO’ and the role of ‘Head of Paid Service’, the Chief Fire Officers role operates independently (see explanatory guidance note) to ensure the delivery of services within the Authority’s approved strategy.

The CFO may delegate decision making within the Strategic Enabling Team but will be accountable for the decisions made.

The CFO will be the professional and technical advisor to the Authority.

The CFO must have regard to the National Framework in the carrying out accountable functions.

The Authority will hold the CFO to account in ensuring the efficient and effective delivery of services through the established role of the Authority and its committee structures.

Amend listed accountabilities as follows:

The CFO will have full accountability for decisions in relation to:

- 3.1 All matters regarding the administration of the Authority’s functions under the Fire and Rescue Services Act 2004 and any other enabling legislation.
- 3.2 The determination of the staffing structure, the direction and leadership of staff and services and the culture of the Service. (see explanatory notes)
- 3.3 The preparation of the Integrated Risk Management Plan and the Strategy (The Plan) (following any consultations) for Authority approval.
- 3.4 The preparation and proposal of an annual budget with the Section 151 Officer, to enable effective and efficient delivery of the approved Strategy for Authority approval
- 3.5 The delivery of the requirements of the Fire and Rescue

Services Act 2004, National Framework 2018, Regulatory Reform Order 2005, Civil Contingencies Act 2004 and other appropriate enabling legislation, through the core services of prevention, protection and response as defined by the Authority's approved Strategy.

- 3.6 The appointment and dismissal of all Service staff (reference Matter for Authority and Stat Officer roles)
- 3.7 Workforce planning and development to support the transformation of services aligned to current and future (3-year rolling) Authority approved Strategy.
- 3.8 The management and allocation of finances, assets and fleet to support the most the most effective staffing structure and delivery of services within the Authority approved Strategy.
- 3.9 The direction of digital investment to support the delivery of the Authority's approved Strategy and in line with the Service's 'digital strategy'.
- 3.10 The engagement with recognised representative bodies through the agreed Employee Relations Framework.
- 3.11 The set up, development and progression of collaborative partnerships and sponsorship arrangements to enable the delivery of the Authority's approved Strategy

The CFO will engage with the Authority through Policy Planning Forum and Fire Authority to propose the varying of the Strategy where appropriate and to ensure the Authority are informed of progress in the delivery of the Strategy. (cross reference with Article 3 and 13)

The CFO will use these forums as appropriate to ensure the Authority's awareness of any operational decisions made which may have a political, media public interest impact.

Explanatory note:

(3.10) The Employee Relations Framework is the Service's agreed policy with recognised Representative Bodies which forms the basis of engagement with representative bodies for all employee relations matters delegated to the CFO under the Constitution

The CFO is accountable for the delivery of the Authority approved Strategy and therefore is responsible for the engagement and negotiation process concerning employee relations matters with Representative Bodies that form part of or are linked to the delivery of the Strategy

Members may have ongoing discussions with Representative Bodies if appropriate. Both Members and Representative Bodies should be aware

of the potential for a perceived or actual conflict of interest for Representative Bodies when raising employee relations issues with Members given Representative Bodies 'Observer' status on the WMFRA. Any such perceived or actual conflict of interest may be raised by or brought to the attention of the Authority's Monitoring Officer and/or Clerk to the Authority.

- 3.1** The CFO and officers have full accountability to make decisions on all matters relating to the administration of the Authority's functions under the Fire and Rescue Services Act 2004 and any other enabling legislation. This shall include:

Full accountability of the CFO as Head of Paid Service for leading the Fire Service, setting the direction and culture of the service. This will be achieved with direct involvement of the Strategic Enabling Team providing for a more cohesive working environment.

- 3.2** The CFO is accountable to the Authority for delivering against the requirements of the Fire and Rescue Services Act, National Framework, Regulatory Reform Order, Civil Contingencies Act and other appropriate enabling legislation. These responsibilities will be achieved with direct involvement of the Strategic Enabling Team providing for a more cohesive working environment.

- 3.3** The CFO is accountable for the preparation of the Integrated Risk Management Plan and the Strategy (The Plan) for the Authority to consider and approve.

- 3.4** Aligned to 5.5.3 above, the CFO and Section 151 Officer will propose an annual budget to enable effective and efficient delivery of the strategic priorities, for the Authority to consider and approve.

- 3.5** Operational independence of the CFO to deliver the strategic priorities as agreed by the Authority, aligned to the IRMP and The Plan. This will be achieved through the efficient and effective delivery of prevention, protection and response services to communities, enabled through accountability for decisions which, aligned to both organisational strategy and budget, will determine:

3.5.1 The staffing structure of all fire service workforce. Changes to this will be determined within the existing processes and policies of the Service and managed with the SET. The Employee Relations Framework provides a robust and transparent framework for engagement, consultation and/or negotiations regarding the future shape and structure of the workforce. Any changes which will (or has the potential to)

impact on the delivery of the strategy will be communicated to inform the Authority using existing and/or reformed governance structures.

3.5.2 Workforce planning and development to support Service transformation in the delivery of both current and future strategy. Workforce development is a national priority as the type, number and scale of incidents are changing. The workforce of the future for many fire services needs to be capable of providing prevention, protection and response services that stretch wider than the traditional and will see fire fighters working with and alongside other professions to deliver core services (i.e. police, ambulance, healthcare).

SET will work with the CFO to determine an evidence based approach to the transformation of services enabled through the development of the workforce, which enables the delivery of the Authority's strategy aligned to the agreed efficiency plan and budget.

As with a) the ERF will provide the established procedure by which staff and representative bodies will be engaged, consulted and negotiated with. The Authority will be engaged as appropriate through the Joint Consultative Committee as set out in the ERF.

3.5.3 The CFO is accountable for the management and allocation of assets and fleet to support the most effective staffing structure, delivery of services and SDM. The CFO will be accountable for the approval, movement and usage of these. The SET will support the delivery of these accountabilities as delegated by the CFO.

3.5.4 The delivery of added value through the development and management of agile digital solutions. Driving change through moving from managing assets to services.

3.5.5 CFO engagement in collaborative partnerships with other emergency services, as defined in the Policing and Crime Act 2017, and other public service providers. This will be aligned to enabling the delivery of strategic priorities, where it is in the interests of efficiency and effectiveness and public safety to do so.

The CFO will engage with the Authority through Policy Planning Forum and Fire Authority to vary the strategic objectives if needed and to inform of progress.

- 3.6** To make, sign, issue and serve such Notices, Orders, Statements and other documents as may be necessary or appropriate for the above purposes (3.1) or to give effect to, or carry out his/her decision under powers delegated to him/her under this scheme.
- 3.7** To submit comments on any town & country planning matter, Building Regulations, Safety of Sports Grounds and other applications or licences, where the Authority is a consultee, statutory or otherwise.
- 3.8** To exercise all the powers of the Authority as an enforcement authority under relevant legislation, without prejudice to the generality of this position he/she may in particular:-
- 3.9** Authorise the commencement of criminal proceedings (after consultation with the Monitoring Officer to the Authority) for any breach of any law or regulation, the enforcement of which the Authority is empowered to undertake.
- 3.9.1 Take appropriate action on behalf of the Authority under the Regulatory Reform (Fire Safety) Order 2005.
- 3.9.2 Designate persons as Inspectors under Article 26 of the Fire Safety Order 2005 and the Health and Safety at Work Act 1974.
- 3.9.3 Authorise named members of staff in writing to exercise statutory powers conferred on the Authority under Article 27 of the Fire Safety Order 2005.
- 3.10** To ensure that nationally and locally agreed conditions of service are properly implemented in line with agreed Authority policies.
- 3.11** After consultation with the Treasurer, to authorise the implementation of any nationally agreed pay award in respect of all employees, subject to any element of discretion being referred to the Authority for consideration.

- 3.12 To manage all staff and staffing structures and decide on personnel issues in line with agreed Authority policies.
- 3.13 To vary the grading of individual posts up to (but not including) Assistant Chief Fire Officer (including progression within and between grades), having regard to the national Job Evaluation Scheme.
- 3.14 To make and terminate appointments, including voluntary and compulsory redundancy, of uniformed and non uniformed staff up to (but not including) those appointments to be made/terminated by the Appointments Committee, save for any matters reserved for decision by the Authority which shall include the determination of appeals against dismissal or other disciplinary action in respect of the Deputy Chief Fire Officer or Assistant Chief Fire Officer, which is delegated to the Appointments Committee.
- 3.15 To determine and implement acting-up arrangements in respect of vacancies occurring at Deputy Chief Fire Officer/Assistant Chief Fire Officer/Strategic Enabler level, subject to regular review in accordance with the Authority's employment policies.
- 3.16 To ensure that the Fire Authority's employment policies and procedures are based on best practice guidance and are properly applied and enforced.
- 3.17 To make determinations, in consultation with the Treasurer and the Chair of the Authority, in relation to discretionary elements of the Local Government Pension Scheme/ Firefighters Pension Scheme and the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- 3.18 To hear disputes under the first stage of the Internal Disputes Resolution Procedure, which have been lodged in relation to the Firefighters Pension Scheme or the Local Government Pension Scheme.
- 3.19 To manage and maintain land and property on a day-to-day basis, whether owned or leased, including determining requests received for the use of the Authority's premises and to waive or

vary charges in appropriate circumstances or in circumstances where this is beneficial to the Authority.

- 3.20 To deal with urgent matters, not otherwise delegated, in consultation with the Clerk to the Authority and the Monitoring Officer, Treasurer and Chair and Vice Chair in accordance with the process set out in paragraph 17 of the Authority's Procedural Standing Orders.
- 3.21 To undertake all matters of day-to-day financial administration for the Service, in accordance with the Standing Orders and Financial Regulations of the Authority.
- 3.22 To approve virement on budgets under his control of amounts up to £100,000 on any one budget head during the year, subject to consultation with the Directors/Strategic Enablers affected by the virement and notification to the Treasurer and in accordance with the scheme of virement set out in the Financial Regulations.
- 3.23 Subject to 3.20 below, to authorise disposal or write off of redundant stocks and equipment by competitive quote or auction unless, following consultation with the Treasurer.
- 3.24 Subject to 3.20 below, to dispose of scrap or old/obsolete items of stock or equipment in accordance with procurement standing orders unless otherwise agreed with the Treasurer, and where the estimated value exceeds £10,000, disposal is to be by tender.
- 3.25 To approve requests for items of obsolete equipment and uniform to be donated overseas or in the UK [excluding fire appliances, which will be disposed of on the open market].
- 3.26 To approve sponsorship arrangements up to £100,000, subject to consultation with the Chair of the Authority.
- 3.27 To implement and maintain a register of interests in accordance with the Authority's Code of Conduct for officers.
- 3.28 To issue any certificate required under Section 3 of the Local Government and Housing Act 1989 and to determine whether

posts should be included in the list of politically restricted posts; and to maintain the list of politically restricted posts.

- 3.29 To seek repudiation from trades unions of any industrial action that does not comply with the legal process set out in the Trades Union and Labour Relations (Consolidation) Act 1992; in consultation with the Treasurer, to take such measures to mitigate risk to the community in the event of a firefighters' strike or any type of industrial action by Authority employees and to report such action and associated expenditure to the Authority; and to pursue the recovery of actual and necessary expenditure on contingency arrangements with CLG and the LGA.
- 3.30 The Chief Fire Officer (and in his/her absence the Deputy Chief Fire Officer) may further delegate to any member of the Strategic Enabling Team as appropriate. In the event of the inability of the Chief Fire Officer to act due to absence or a conflict of interest, the authority to act as prescribed in any individual delegation will pass to the officer of the Service who holds management responsibility for the said post/postholder, except where otherwise indicated within the delegation itself.
- 3.31 Officers appointed to posts at Assistant Chief Fire Officer level of the Authority shall have all of the powers set out above subject to appropriate delegation by the Chief/Deputy Chief Fire Officer, the restrictions set out in paragraph 1 above, and the matter of the exercise of delegated powers being within the role and area of responsibility of the Assistant Chief Fire Officer/Strategic Enabler.

4 Delegations to Monitoring Officer

- 4.1 To act as the Proper Officer for the purposes of the Local Government (Access to Information) Act 1985 and the Local Government and Housing Act 1989, Section 15 (proportionality on committees).
- 4.2 To act as Monitoring Officer for the purposes of Section 5 of the Local Government and Housing Act 1989 with all powers and duties under the Act.
- 4.3 To implement and maintain a register of interests in accordance with the Authority's Code of Conduct for Members.

- 4.4 To take all necessary steps, including the obtaining of Counsel's advice, in connection with any matter concerning legal advice to and representation of the Authority and incur expenditure in connection therewith.
- 4.5 To institute on behalf of the Authority such proceedings or to take such other steps as he/she may consider necessary to:-
 - 4.5.1 Secure the payment of any debt;
 - 4.5.2 Recover possession of any land;
 - 4.5.3 Enforce the performance of any obligations due to the Authority and to take such steps as he/she may consider necessary to enforce any judgment or order obtained in any such proceedings after consultation with the Chair of the Authority.
- 4.6 To take any necessary action to give effect to, or carry out any decision of the Authority, or the Chief Fire Officer acting under his/her delegated powers, with regard to the acquisition or disposal of land and premises, the management of leasehold land and premises [including the letting, underletting, licensing, re-letting and surrender of land, property or facilities under the control of the Authority for up to ten years with rent reviews at five-yearly intervals, management of tenancies of residential properties, the grant of rights of way, wayleaves and easements, consents to assign and alteration and variation of user
- 4.7 To enter a defence to any claim brought against the Authority.
- 4.8 To authorise any person to appear on behalf of the Authority in any court, tribunal or inquiry on any matter relating to the business of the Authority.
- 4.9 The above powers may be delegated to a solicitor other than the Authority Solicitor.
- 4.10 To deal with urgent matters, not otherwise delegated, in consultation with the Chief Fire Officer, Treasurer, Clerk, Chair and Vice Chair and in accordance with the process set out in paragraph 17 of the Authority's Procedural Standing Orders.

(a) Authority Meetings

There are three types of Authority meeting:-

- (i) The annual meeting
- (ii) Ordinary meetings
- (iii) Extraordinary meetings - These meetings will be conducted in accordance with the Authority's Standing Orders set out in Part 4 of this constitution

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **PROGRAMME OF MEETINGS 2020/21**

Report of the Clerk and Monitoring Officer.

RECOMMENDED

THAT the revised frequency of Fire Authority and committee meetings be approved.

THAT the programme of meetings for 2020/21 as set out in Appendix 1 be approved.

2. **PURPOSE OF REPORT**

This report is submitted to the Authority to support its governance arrangements for 2020/21.

3. **BACKGROUND**

3.1 The Service implemented its Business Continuity Plans on 18 March 2020 in response to the then emerging Covid 19 Pandemic. A Major Emergency was announced for the region on the 20 March 2020 and following the announcement of 'lockdown' measures commencing the 21 March 2020, the Chief Fire Officer, the Chair of the Fire Authority, and the Clerk to the Authority reviewed the approach to the operation of Authority business to enable a focus on preparing and implementing business continuity arrangements. This resulted in the:

- postponement of all Fire Authority meetings and the Service's 3PT programme
- the instigation of 'Matters of Urgency' delegations for the CFO to enact as per section 17.1 of Authority standing orders
- implementation of a weekly Chief Fire Officer briefing to

Authority members, enabling effective awareness of progress and impact during the business continuity period, providing an engagement forum for Members.

- 3.2 The briefings were enabled digitally and held remotely, in line with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) Regulations 2020. In the absence of formal Fire Authority meetings being held, urgent decisions were made in line with delegated executive powers as set out in section 3, paragraph 17 of the Fire Authority Constitution 'Arrangements to Act in Matters of Emergency'.
- 3.3 There were four meetings of the Fire Authority during 2019/20. Additionally, five meetings of the Audit and Risk Committee were held, and seven meetings of the Scrutiny Committee (three of which consisted of the meeting of a working group of the Committee to undertake a scrutiny review). Three meetings of the Collaboration and Transformation Committee and three meetings of the Joint Consultative Panel were held. The Appointments, Standards and Appeals Committee met once (it should be noted that this Committee convenes as and when required as business dictates).

3.4 **Programme of Meetings**

- 3.4.1 A proposed programme of meetings for 2020/21 is provided within Appendix 1 for approval. It should be noted that the programme of meetings has been revised and the frequency of meetings has been refined to further enable the continued level of governance in an efficient and effective manner. Therefore, the proposed schedule of meetings includes:
- The introduction of monthly Policy Planning Forums aligned to the successful approach of the regular COVID briefings. This increased frequency will enable more regular two-way engagement and discussion focused on the delivery of the Authority's strategy, supporting effective planning and preparation for Fire Authority meetings.
 - Quarterly Fire Authority, enabling focused management of business through the forward plan and effective

alignment of committee business.

- Audit and Risk Committee meetings reducing from six to five, with the meetings continuing to be held within a timely manner to suit financial timelines, for example the approval of the Statement of Accounts in July.
- Quarterly Scrutiny Committee meetings, which continue to align to quarterly performance reporting and Authority reporting and provide a planned approach to the review of the work programme, enabling time in between scheduled meetings to undertake reviews and feed outcomes to the Fire Authority.
- Three meetings of the Collaboration and Transformation Committee have been scheduled and the Joint Consultative Panel has been scheduled to meet quarterly, aligned to the associated reporting periods and to enable the potential to feed into the Fire Authority where needed.

* Please note that the changes highlighted above are based on previous schedules not affected by the Covid 19 Pandemic.

3.4.2 The digital approach to the holding of meetings will continue in line with existing arrangements and as per the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) Regulations 2020. This approach will continue to be reviewed and developed as the municipal year progresses.

4. **EQUALITY IMPACT ASSESSMENT**

4.1 In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as the matters contained within this report will not lead to, and do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

- 5.1 This report supports the Authority in determining its decision making and governance arrangements for the coming year taking into account the relevant provisions of the Local Government Act 1972, Local Government Act 1985 and the Local Government and Housing Act 1989.
- 5.2 The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) Regulations 2020 enable the Fire Authority has temporarily removed the legal requirements for Local Authorities, including West Midlands Fire Authority, to hold public meetings in person. Thus, the Authority has the power to hold public meetings virtually by using digital, video and telephone conferencing technology.

6. **FINANCIAL IMPLICATIONS**

- 6.1 Provision is made in the Authority's budget to meet costs associated with the operation of the Authority's decision-making structures and the payment of Members' allowances.

7. **ENVIRONMENTAL IMPLICATIONS**

- 7.1 There are no environmental implications.

BACKGROUND PAPERS

Nil

The contact name for this report is Karen Gowreesunker, telephone number 0121 380 6678.

Karen Gowreesunker
CLERK to the Authority

APPENDIX 1

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

CALENDAR OF MEETINGS 2020/21

<u>Date</u>	<u>Time</u>	<u>Meeting</u>
<u>2020</u>		
Friday 11 September	15.00 pm	Pension Board
Monday 21 September	10.30 am 12.00 pm	Chair's Agenda Meeting Policy Planning Forum
Monday 5 October	11.00 am	Authority [political groups at 10 am]
Monday 19 October	11.00 am	Policy Planning Forum
Monday 26 October	10.30 am	Audit and Risk Committee
Monday 2 November	10.30 am	Scrutiny Committee
Monday 9 November	11:00 am	Policy Planning Forum
Monday 30 November	10.30 am 12.00 pm 14.00 pm	Chair's Agenda Meeting Policy Planning Forum Joint Consultative Panel [pre meeting tbc]
Monday 7 December	10.30 am 12.00 pm	Collaboration & Transformation Committee Audit and Risk Committee
Friday 11 December	15.00 pm	Pension Board
Monday 14 December	11.00 am	<u>Authority</u> [political groups at 10 am]
<u>2021</u>		
<u>Date</u>	<u>Time</u>	<u>Meeting</u>
Monday 11 January	11.00 am	Policy Planning Forum
Monday 25 January	10.30 am	Joint Consultative Panel (pre meeting tbc)
Monday 1 February	10.30 am 12.00 pm	Chair's Agenda Meeting Policy Planning Forum
Monday 15 February	11.00 am 13.00 pm	<u>Authority</u> [budget and precept setting] [political groups at 10 am] Scrutiny Committee
March	TBC	Pension Board
Monday 1 March	11.00 am	Policy Planning Forum

Monday 22 March	10.30 am	Audit and Risk Committee
Monday 29 March	11.00 am	Policy Planning Forum
Monday 12 April	10.30 am	Joint Consultative Panel [pre meeting tbc]
Monday 26 April	11.00 am 13.00 pm	Policy Planning Forum Collaboration & Transformation Committee
Monday 17 May	11.00 am	Policy Planning Forum
Monday 24 May	10.30 am	Scrutiny Committee
June	TBC	Pension Board
Monday 7 June	10.30 am 12.00 pm 14.00 pm	Chair's agenda meeting Policy Planning Forum Audit and Risk Committee
NEW MUNICIPAL YEAR Monday 21 June	11.00 am	<u>Authority</u> [Annual Meeting] [political groups at 10 am]

The Appointments, Standards and Appeals Committee will meet as and when required.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **AUDIT FINDINGS REPORT 2019/2020**

Report of the Treasurer.

RECOMMENDED

THAT the content of the Audit Findings Report (AFR) be noted.

2. **PURPOSE OF REPORT**

This report is submitted to advise Members of the Authority that Grant Thornton has produced the AFR. The AFR is submitted to inform Members of the audit work undertaken by the external auditors and the findings as a consequence of this work.

3. **BACKGROUND**

3.1 The AFR sets out and reports the key messages arising from the external audit work undertaken during the year. The AFR is designed to support the Auditor's opinions and conclusions and is a requirement of the Code of Audit Practice.

3.2 Representatives from Grant Thornton will present and explain the findings detailed in the AFR to Members.

3.3 The AFR is attached as Appendix A.

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**

The scale of fees for undertaking West Midlands Fire and Rescue Authority's external audit work for 2019/2020 was £35,500.

BACKGROUND PAPERS

Statement of Accounts 2019/2020 located in the Financial Management Section.

The contact officer for this report is Wayne Brown, Deputy Chief Fire Officer, telephone number 0121 380 6007.

MIKE GRIFFITHS
TREASURER

The Audit Findings for West Midlands Fire and Rescue Authority

Year ended 31 March 2020

5 October 2020



Contents



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Headlines

This table summarises the key findings and other matters arising from the statutory audit of West Midlands Fire and Rescue Authority ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2020 for those charged with governance.

Covid-19	<p>The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Authority. Including changing patterns of demand and providing logistical support to local authority partners and other emergency services in managing the crisis.</p> <p>The finance team have also had to consider managing staff sickness, access to systems and team capacity.</p> <p>Authorities are still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financials statements to 30 November 2020.</p>	<p>We updated our audit risk assessment to consider the impact of the pandemic on our audit as the outbreak progressed. Per our audit plan (presented to the Audit and Risk Committee on July 2020) we designated a financial statement level significant risk in respect of Covid -19 and highlighted that there was no impact on our VfM approach. Further detail is set out on page 6.</p> <p>Restrictions on non-essential travel has meant both Authority and audit teams have had to work remotely including, remote accessing financial systems, video calling, alternative procedures for the physical verification of assets and completeness and accuracy of information produced by the entity.</p> <p>Inevitably the remote working has impacted on delivery and additional time and resources have been necessary on both sides to complete the work in accordance with the new extended reporting timetable.</p>
Financial Statements	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Authority's financial statements:</p> <ul style="list-style-type: none"> • give a true and fair view of the financial position of the Authority and its income and expenditure for the year; and • have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014. <p>We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work was completed from June to September and our findings are summarised on pages 6 to 13. There is one adjustment to the financial statements that has resulted in the net pension liability decreasing by £9.6 million. This is due to further guidance on the McCloud/Sergeant case remedy issued in July. There is no impact on the Authority's reported General Fund balance. Audit adjustments are detailed in Appendix A.</p> <p>Our work is substantially complete and there are no further matters of which we are aware that would require modification of our proposed audit opinion or material changes to the financial statements, subject to the outstanding matters outlined on page 5 ("Audit Approach")</p> <p>We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation. The financial statements we have audited is up until 31 March 2020 which was predominantly prior to the outbreak of the Covid-19 coronavirus pandemic.</p> <p>Our anticipated audit report opinion will be unqualified. We will include an Emphasis of Matter paragraph, highlighting a material uncertainty in relation to the valuation of PPE as a result of wider economic uncertainty stemming from the impact of the Covid 19 pandemic. Further details are provided later on in the report however it should be noted that this is a sector wide issue and is not indication of any control issues at West Midlands Fire and Rescue Authority.</p>

Headlines (continued)

Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VfM) conclusion').

We have completed our risk based review of the Authority's value for money arrangements. We have concluded that West Midlands Fire and Rescue Authority has proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We updated our VfM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. We did not identify any new VfM risks in relation to Covid-19.

There is continuing uncertainty over the Authority's future funding and we considered the impact of this the Authority's financial sustainability. We concluded that there are satisfactory arrangements in place, but noted the following.

- The potential for the Authority to face significant increases in its pension contribution costs and the continuing uncertainty about the financial impact of the Covid19 pandemic highlights the need for the Authority to carefully manage its General Fund balances.
- The need for savings and income generation to ensure the Authority maintains an adequate level of reserves needs to be kept under review.

We anticipate issuing an unqualified value for money conclusion. Our findings are summarised from page 16.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- To certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during these unprecedented times.

Audit approach

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Authority's business and is risk based, and included:

- an evaluation of the Authority's internal controls environment, including its IT systems and controls; and
- substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Conclusion

We have substantially completed our audit of your financial statements and subject to completion of the outstanding below, we anticipate issuing an unqualified audit opinion following the Authority meeting on 5 October 2020. These outstanding items include:

- Completion of Engagement Lead file review
- Receipt of the Assurance Letter from the Pension Fund external auditor to admitted body auditors;
- Receipt of management representation letter;
- Updating our post balance sheet events review to the date of signing the opinion; and
- Review of the final set of financial statements.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Materiality levels remain the same as reported in our audit plan. We detail in the table below our assessment of materiality for West Midlands Fire and Rescue Authority.

	Authority Amount (£k)	Qualitative factors considered
Materiality for the financial statements	2,400	Financial performance of the Authority focussing on the cost of services.
Performance materiality	1,800	Quality of working papers in prior year and Authority response to audit processes.
Trivial matters	120	The amount below which matters would be considered trivial to the reader of the accounts.
Materiality for specific transactions, balances or disclosures	25	Materiality has been reduced for remuneration disclosures to £50k due to its sensitive nature and public interest.

Significant audit risks

Risks identified in our Audit Plan

Covid- 19

The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:

- Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation
- Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates
- Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and
- Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.

Auditor commentary

We have carried out the following.

- Worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported. The draft financial statements were provided on 26 June 2020;
- Liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the Authority property valuation expert;
- Evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic;
- Evaluated whether sufficient audit evidence could be obtained through remote technology;
- Evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations ;
- Evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment.

Significant audit risks

Risks identified in our Audit Plan

ISA240 revenue risk – The revenue cycle includes fraudulent transactions (Rebutted)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Auditor commentary

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we determined that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited; and
- the culture and ethical frameworks of local authorities, including Fire and Rescue Authorities, mean that all forms of fraud are seen as unacceptable.

Therefore, we did not consider this to be a significant risk for West Midlands Fire and Rescue Authority.

There were no changes to our assessment as reported in the audit plan that we need to bring to your attention.

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. . The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, this was one of the most significant assessed risks of material misstatement.

We:

- evaluated the design effectiveness of management controls over journals
- analysed the journals listing and determined the criteria for selecting high risk unusual journals;
- tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;
- gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence; and
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions

- Our audit work has not identified any significant issues in respect of management override of controls.

Significant audit risks

Risks identified in our Audit Plan

Valuation of land and buildings

The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£124 million) and the sensitivity of this estimate to changes in key assumptions. Management have engaged the services of a valuer to estimate the current value as at 31 March 2020.

We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement

As a result of Covid-19 and advice from RICS valuers who have stated in their reports that there is a material uncertainty in relation to PPE valuation.

Auditor commentary

We:

- Evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation expert and the scope of their work
- Evaluated the competence, capabilities and objectivity of the valuation expert
- Wrote to the valuer to confirm the basis on which the valuation was carried out to ensure the requirements of the Code were met
- Challenged the information and assumptions used by the valuer to assess completeness and consistency with out understanding
- Tested the full valuation at 31 March 2020 to understand the information and assumptions used in arriving at any revised valuations
- Tested revaluations made during the year to see if they had been input correctly into the Authority's asset register

Due to the outbreak of Covid-19 market activity is being impacted in many sectors. Many valuers have considered that less weight can be attached to previous market evidence to inform their opinions of value. They have therefore reported to the authorities on the basis of 'material valuation uncertainty'. This is the case for West Midlands Fire and Rescue Authority. Your valuer has identified a valuation uncertainty relating to the impact of Covid-19.

We intend to include a material valuation uncertainty emphasis of matter paragraph in our audit opinion. It should be noted that this is a sector wide issue and is not indication of any control issues at West Midlands Fire and Rescue Authority.

Significant audit risks

Risks identified in our Audit Plan

Valuation of the pension fund net liability Fire Fighter and Local Government Pension Scheme

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.

We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.

Auditor commentary

The Authority's total net pension liability at 31 March 2020 is £1,697m (Prior Year £1,805m) comprising the Local Government Pension Scheme (LGPS) and the Fire Fighters' Pension (unfunded) schemes.

The Authority uses Barnett Waddingham for the LGPS Pension Schemes to provide an actuarial valuation of the Authority's assets and liabilities derived from the West Midlands scheme and the Government Actuary Department (GAD) for the Fire Fighters' Pension Scheme. A full actuarial valuation is required periodically. The latest full actuarial valuation was completed in 2019. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements..

We have

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls;
- evaluated the instructions issued by management to their management experts (actuaries) for this estimate and the scope of the actuaries' work;
- assessed the competence, capabilities and objectivity of the actuaries who carried out the Authority's pension fund valuations;
- assessed the accuracy and completeness of the information provided by the Authority to the actuaries to estimate the liabilities;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuaries;
- undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report
- reviewed the inclusion of remedy within the actuary report
- LGPS - requested assurances from the auditor of West Midlands Pension Fund (WMPF) as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

As at the time of drafting, we are waiting for responses to our request for assurance from the auditors of WMPF.

In July 2020 HM Treasury issued further guidance on assessing the impact of the McCloud/Sargeant remedy. As the actuary assessed this as having a material impact, reducing the pension liability by £9.6m, the final version of the accounts have been adjusted.

Significant findings – key estimates and judgements

Accounting area	Summary of management's policy	Auditor commentary	Assessment
Land and Buildings – Other - £m	<p>Other land and buildings comprises of Fire Stations, HQ and workshops which are classed as specialised assets, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The Authority has engaged an external valuer to complete the valuation of properties as at 31 March 2020. A full valuation of all land and buildings has been undertaken for 2019/20.</p> <p>The Authority's valuer has not disclosed a material uncertainty in the valuation of the Authority's land and buildings at 31 March 2020 as a result of Covid-19.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert written to the valuers to confirm the basis on which the valuation was carried out challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding tested revaluations made during the year to see if they had been input correctly into the Authority's asset register <p>Conclusion</p> <p>A material valuation uncertainty is reported in the accounts and will be referred to in our audit opinion.</p>	 Green

Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Significant findings – key estimates and judgements

Accounting area **Summary of management’s policy** **Auditor commentary** **Assessment**

Fire Fighter Net pension liability – £1,655.0m

The Authority’s total net pension liability for Fire Fighter Pensions at 31 March 2020 is £1,655.0m (Prior Year £1,758.6m) comprising of all Fire Fighter Pension Schemes. The Authority uses GAD to provide actuarial valuations of the Authority’s assets and liabilities derived from these schemes.

The latest full actuarial valuation was completed in 2016. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy ,discount rates ,salary growth and investment return .Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

- We have
- Undertaken an assessment of management’s expert
 - Reviewed and assessed the actuary’s roll forward approach taken,
 - Used an auditors expert (PWC) to assess the actuary and assumptions made by the actuary

Assumption	Actuary Value	PwC view on GAD approach	Assessment
Discount rate	2.25%	Acceptable – prudent estimate	●
Pension increase rate	2.0%	Within acceptable range	●
Salary growth	4.0%	Should be within 0.5% of prior year rate	●
Mortality – Longevity at 60 for future pensioners - Male	23.0 years	Reasonable assumption	●
Mortality – Longevity at 60 for future pensioners - Female	23.0 years	Reasonable assumption	●

●
Green

- We also reviewed
- the completeness and accuracy of the underlying information used to determine the estimate
 - Impact of any changes to valuation method
 - Reasonableness of increase/decrease in estimate
 - Adequacy of disclosure of estimate in the financial statements

Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Significant findings – key estimates and judgements

Accounting area	Summary of management’s policy	Auditor commentary	Assessment
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Local Government Net pension liability – £42.2m

The Authority’s total WMPF net pension liability at 31 March 2020 was £42.2m (Prior Year £46.6m). The Authority uses Barnett Waddingham to provide actuarial valuations of the Authority’s assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2019. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy ,discount rates ,salary growth and investment return .Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

We have

- Undertaken an assessment of management’s expert
- Reviewed and assessed the actuary’s roll forward approach taken,
- Used an auditors expert (PWC) to assess the actuary and assumptions made by the actuary

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2.35%	2.35%	●
Pension increase rate	1.85%	1.85% - 1.95%	●
Salary growth	2.85%		●
Life expectancy – Males retiring in 20 years	23.8 years	22.5 – 24.7 years	●
Life expectancy – Females retiring in 20 years	26.0 years	25.9 – 27.7	●
Duration of liabilities	22 years	15-22 years	●

●
Green

We also reviewed

- the completeness and accuracy of the underlying information used to determine the estimate
- Impact of any changes to valuation method
- Reasonableness of the Authority’s share of LPS pension assets.
- Reasonableness of increase/decrease in estimate
- Adequacy of disclosure of estimate in the financial statements

Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Significant findings – going concern

Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Going concern commentary

Auditor commentary

Management's assessment process

Management has produced an initial assessment in relation to going concern as follows:

- Medium term financial planning, including scenario testing and review of the adequacy and potential use of reserves
- Maintained a forecast of cash receipts and planned borrowing to manage cash flow

The audit team is satisfied that management's going concern assessment is appropriate and that appropriate cash management arrangements are in place.

Work performed

We have

- Reviewed other medium term financial planning documents to assess robustness of financial position.

In February 2020, the Authority produced a budget forecast to 2022/23. This outlined that a balanced budget could be achieved for 2021/22 and 2022/23 based on known funding assumptions. It also identified that there were a number of factors that could have a significant impact on the forecast position including future Government funding allocations to the Fire Sector, the introduction and impact of the Fair Funding Review and the treatment of firefighter pension related issues.

The Treasurer's overall assessment of the level of reserves was that the current level was “considered to be sufficient in all but the most unusual and serious combination of possible events.”

Concluding comments

Overall, our view is that the Authority has robust medium term planning processes.

Clearly the pandemic has been a factor in both the Authority's thinking going forward as well as the audit team's work from a going concern and value for money perspective. However, the Authority's income streams (predominantly local taxation) and activity levels are less susceptible to change as a result of the pandemic than, for example, a local council which may be more reliant on fees and charges income (such as car parking). We are also aware that a moderate amount of funding has been made available from central government to mitigate additional risks associated with the pandemic.

We are therefore of the view that the going concern assertion is appropriate for the Authority.

Other matters for communication

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Auditor commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Risk Committee and have not been made aware of any material fraud issues during the year.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, which is included in the Authority meeting papers.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to it banking and investment providers. This permission was granted and the requests were sent.
Disclosures	Our review found no material omissions in the financial statements. A small number of disclosure adjustments were made to the financial statements, the most important of which are outlined in Appendix A.
Audit evidence and explanations/significant difficulties	All information and explanations requested from management was provided.

Other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit • If we have applied any of our statutory powers or duties <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>Across the sector, we are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>However, in the case of the Authority, no work is required as the entity is below the audit threshold as determined by the NAO.</p>
Certification of the closure of the audit	<p>We intend to certify the closure of the 2019/20 audit of West Midlands Fire and Rescue Authority in our audit report.</p>

Value for Money

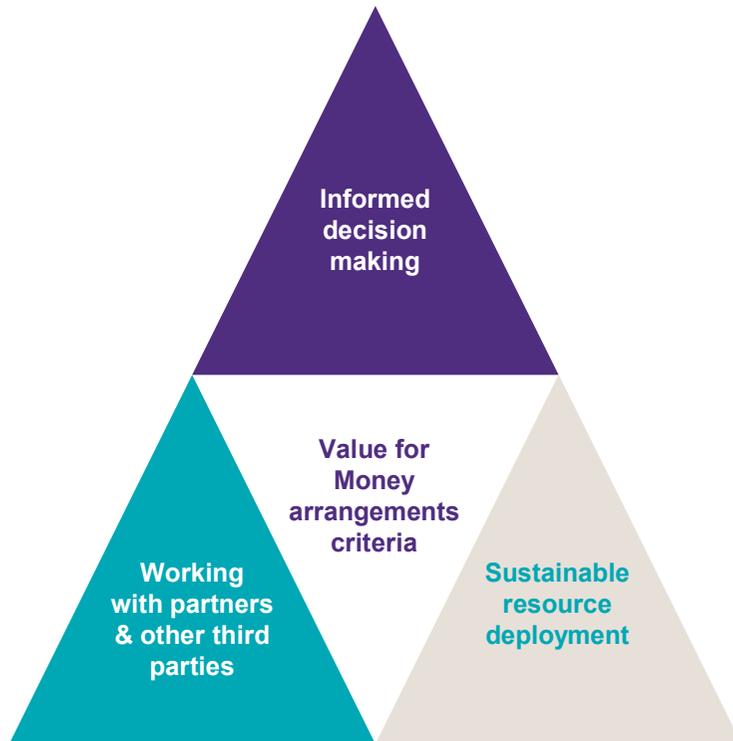
Background to our VFM approach

We are required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Authority. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in April 2020. AGN 03 identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



Risk assessment

We carried out an initial risk assessment in March 2020, and update this to take into account the impact of the outbreak of the Covid 19 pandemic. We did not identify financial sustainability as a significant value for money risk. This was communicated to you in our Audit Plan.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We anticipate issuing an unqualified VFM opinion.

Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Authority's arrangements for delivering economy, efficiency and effectiveness.

As detailed at the previous slide we have assessed the Authority's arrangements under the criteria outlined by the NAO and have not identified any significant risks.

Overall conclusion

Based on the work we performed to address the significant risks, we are satisfied that the Authority had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Value for Money (continued)

Risk identified in our audit plan – Financial Sustainability

Given the financial uncertainty in future funding arrangements there is a residual VFM risk in respect of planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Our findings

2019/20 Out-turn

The Authority forecast that it would deliver a balanced position for 2019/20, broadly in line with its budget and this was achieved. The overall budgeted expenditure was £98.131 million and actual expenditure was £95.419 million. This included a planned use of balances totalling £4.334 million, of which £1.091 million came from General Fund un-earmarked balances and £3.243 million from General Fund earmarked reserve.

The Authority's General Fund reserves have reduced significantly over the last three years from £52.970 million at the 31 March 2017 to £35.960 million as at 31 March 2020. Un-earmarked General Fund balances have reduced from £9.236 million to £5.823 million over the three years and earmarked General Fund reserves from £43.734 million to £30.137 million.

Although the Treasurer is satisfied that there are currently sufficient General Fund balances, there is limited scope to reduce unearmarked balances further.

2020/21 Position

The Authority agreed a net revenue budget of £100.147 million for 2020/21. Due to the uncertainty about Government funding it had been assumed that 2020/21 funding would reduce by two percent. This did not happen, and the 2020/21 settlement was positive for the Authority resulting in core funding being £2.0 million higher than anticipated. The Authority has utilised this funding to:

- reduce the scale of savings required from the ongoing flexible appliance availability process from a target saving of £3.8 million to £2.8 million;
- defer the use of £0.750 million General Balances to balance the 2020/21 budget to use in future years; and
- invest £0.250 million in digital services to enhance future operational capability.

The Treasurer's budget report made clear that this funding settlement was a one-year arrangement only and that there are continuing budget uncertainties, particularly related to Firefighter pension scheme costs.

From April 2019 the employer contribution rate on unfunded Firefighter pensions schemes increased from an average of 17.6 percent to 30.2 percent. The estimated cost to the Authority of this change was £6.2 million. This increase was largely funded in 2019/20 by Government grant totalling £5.7 million and it was confirmed that this grant would also be provided for 2020/21. Funding for this change beyond 2020/21 is uncertain.

There is also continuing uncertainty about the impact of the McCloud/Sargent Court of Appeal decision. Although the courts' decision is clear the Employment Tribunal has not yet determined the remedy. Due to the continued lack of clarity the Authority's 2020/21 budget does not include any contingency for additional costs arising from this.

The Authority's 2020/21 budget was agreed on the 17 February 2020 before the impact of the Covid19 pandemic. In common with all public sector bodies the Authority had additional demands and uncertainties to deal with. These included the impact of remote working and potentially higher levels of sickness absence. Fire Officers also volunteered for challenging roles supporting other front-line staff. Government has recognised the additional Covid19 related spending pressures on Fire and Rescue Authority's and has so far provided two tranches of funding. The Authority has so far received £2.79 million of Covid19 funding.

Value for Money (continued)

Our findings (continued)

Budget monitoring to the end of the first quarter of 2020/21 indicated that net expenditure is on track, with a net underspend against the profiled budget of £398,000. Delivery of this budget will maintain unearmarked General Fund balances at their current level of £5.8 million. There was a planned £10.1 million use of earmarked reserves during 2020/21 that would reduce the balance of earmarked reserves to £20.0 million by 31 March 2021. This was planned largely to support capital spending (£5.3m), digital and data projects (£1.9m) and prevention, preparedness and response projects (£1.1m). There is likely to be a reduction in expenditure due to the impact of the Covid19 pandemic.

Forward Look

The uncertainty about future funding has been increased by the impact of Covid19. Before the impact of the pandemic it was not clear when revised Business Rate Retention arrangements would be implemented or when the Fair Funding Review would be completed. This uncertainty continues and at the time of drafting the arrangements for the Authority's financial settlement for 2021/22 and beyond are not clear. Fair Funding Review implementation has been postponed until 1 April 2023.

The Chancellor of the Exchequer launched the latest Comprehensive Spending Review on the 21 July 2020. The review will set Government departments' budgets for the years 2021/22 to 2023/24. This will help ensure that there is greater clarity about the overall funding available for public bodies including the Authority. It is not yet clear whether the total funding available to the Authority will change from 2021/22 and what impact funding reforms will have in future years.

This uncertainty, the potential for the Authority to face significant increases in its pension contribution costs and the continuing uncertainty about the financial impact of the Covid19 pandemic highlights the need for the Authority to carefully manage its General Fund balances. When the 2020/21 budget was agreed it included the assumed use £0.75 million of balances in 2022/23. This was based on the assumption that funding levels would remain at current levels for 2022/23. The use of earmarked reserves during 2020/21 will limit the scope to fund future projects from reserves. The need for savings and income generation to ensure the Authority maintains an adequate level of reserves needs to be kept under review.

Auditor Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix B

Audit adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2020.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on General Fund Balance £'000
Restatement of net pension liability following actuarial assessment of the impact of the McCloud/Sergeant remedy when clarification issued in July 2020.		9,580 Dr	
Other long term liabilities (net pension liability)	9,580 Cr		
Cost of services (gross expenditure)			
Overall impact	£9,580 Cr	£9,580 Dr	£0

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Adjusted?
Note 18.1 Financial Instruments	Disclosures in the detail of the note were found to be incorrect and mis-analysed financial asset classification.	✓

Impact of unadjusted misstatements (including the prior period)

No unadjusted misstatements have been identified in the current or prior periods.

Fees

We confirm below our final fees charged for the audit.

Audit fees	Proposed fee	Final fee
Total audit fees (excluding VAT)	£35,500	£35,500



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **STATEMENT OF ACCOUNTS 2019/2020**

Report of the Treasurer.

RECOMMENDED

1.1 THAT the Statement of Accounts for 2019/2020 as set out in Appendix A be approved.

1.2 THAT the Summary Accounts for 2019/2020 set out in Appendix B be noted.

2. **PURPOSE OF REPORT**

This report is submitted for Members to approve the Authority's Statement of Accounts for the financial year ended 31 March 2020.

3. **BACKGROUND**

3.1 The Accounts & Audit Regulations 2015 require that the accounts be submitted to Members for approval by the end of July. However, for 2019/20 only the Regulations have been amended by the Accounts & Audit (Coronavirus) (Amendment) Regulations 2020. The amendments to the Regulations were made in response to the unprecedented situation across the UK relating to COVID-19 and the need to reduce the pressure on all Authorities to comply with legal deadlines. As such, these Regulations provide the Authority with additional time to complete the 2019/20 audit, given the likely impact of the COVID-19 virus on the availability of staff and auditors to complete the audit process within current deadlines due to sickness or redeployment.

3.2 The deadline to publish the Authority's unaudited 2019/20 Statement of Accounts has been changed from 31 May 2020 to 31 August 2020 with the deadline to publish the audited accounts being pushed back from 31 July 2020 to 30 November 2020. The Audit and Risk Committee at its meeting on 27 July 2020 approved

the unaudited Statement of Accounts for 2019/20.

- 3.3 It is a further requirement of the Regulations that Members are informed of any material changes required by the external auditors. A verbal update of the audit work on the draft Statement of Accounts was provided by Grant Thornton at the Audit and Risk Committee meeting on 27 July 2020. Audit work on the Statement of Accounts has been substantially completed.
- 3.4 The Accounts show net cost of services in 2019/2020 of £120.818 million which includes the use of £4.334 million General Fund Balances. Earmarked Reserves have decreased by £3.243 million to £30.137 million and General Reserves have decreased by £1.091 million to £5.823 million.
- 3.5 The total Provision of Services in 2019/2020 shows a deficit of £68.368 million, after allowing for the required accounting treatment of pensions governed by International Accounting Standard – Nineteen (IAS19). Capital expenditure totalled £5.283 million.
- 3.6 A Statement of Accounts is attached as Appendix A and a Summary of Accounts is attached as Appendix B, both are also available on the Fire Service website and can be viewed at <https://www.wmfs.net/your-fire-service/openness/documents>.

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 will enable the Authority to meet its statutory obligations under the Accounts & Audit Regulations 2015 and Accounts & Audit (Coronavirus) (Amendment) Regulations 2020.

6. **FINANCIAL IMPLICATIONS**

There are contained in the report and the Statement of Accounts.

BACKGROUND PAPERS

Accounts & Audit Regulations 2015
Accounts & Audit (Coronavirus) (Amendment) Regulations 2020
Code of Practice on Local Authority Accounting 2019/2020
Final Accounts Files – Finance Office

The contact officer for this report is Wayne Brown, Deputy Chief Fire Officer, telephone number 0121 380 6007.

MIKE GRIFFITHS
TREASURER

WEST MIDLANDS FIRE AND RESCUE AUTHORITY



Financial Statements & Notes to the Accounts

2019/2020

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Independent auditor’s report to the members of West Midlands Fire and Rescue Authority

Report on the Audit of the Financial Statements

Independent auditor’s report to the members of West Midlands Fire and Rescue Authority

Report on the Audit of the Financial Statements

Independent auditor’s report to the members of West Midlands Fire and Rescue Authority

Report on the Audit of the Financial Statements

NARRATIVE REPORT BY THE TREASURER

1. Introduction

The West Midlands Fire Service (WMFS) covers an area approaching 92,000 hectares (350 sq. miles) and provides a fire and rescue service to a population of approximately 3 million people living in a million dwellings. It covers the cities of Birmingham, Coventry and Wolverhampton and the Metropolitan Boroughs of Dudley, Sandwell, Solihull and Walsall.

WMFS is accountable to the public via the West Midlands Fire and Rescue Authority (WMFRA), made up of 15 Councillors representing the local authorities. They are also joined by West Midlands Police and Crime Commissioner and two co-opted Members. Headed by the Chair of the Fire Authority they set the direction for the Service in the best interests of the community. The Service is managed directly by four Brigade Managers – the Chief Fire Officer (CFO), Deputy CFO and two Assistant CFO's.

The Service's activities are governed by the Home Office and legislative responsibilities are set out in the Fire and Rescue Services Act 2004 and the Fire and Rescue National Framework for England.

WMFS works towards 'Making the West Midlands Safer, Stronger and Healthier'. The CFO together with the Strategic Enabling Team (SET) and Authority work towards achieving three priorities:

Prevention: Making safer, healthier communities.

- The number of people killed or seriously injured by fire-related incidents will reduce as we focus with our partners, on reducing the risks faced by the most vulnerable people in our communities.
- The safety, health and wellbeing of the people in our communities who are most at risk from fire will be improved by our targeted prevention activities.
- Arson-related incidents will fall, supporting safer and stronger communities, as a result of our partnership work.
- Fewer people will be killed or seriously injured on West Midlands roads and we will keep our transport networks moving, as we work with partners in support of the West Midlands Regional Road Safety Strategy.

Protection: Protecting life and property to make businesses stronger and communities safer.

- Life and property will be protected by ensuring that high-risk buildings and vulnerable businesses comply with fire safety legislation, which we will enforce if necessary.
- Community safety will be improved through our work with the owners and managers of tall buildings to ensure the new Fire Safety Bill and supporting Fire Safety Guidance is understood and implemented.

- Prosperity and economic growth will be enhanced by educating and supporting businesses.
- we will collaborate with other regulators and partner agencies to support major developments and events.
- Disruption caused to businesses and WMFS by unnecessary fire alarms will be reduced through the enhanced role of our Business Support Vehicles and our work to manage alarm signals more effectively and efficiently.

Response: Dealing excellently with emergency incidents.

- Through risk management, we will attend the most serious emergency incidents in high-risk areas within five minutes to save life, protect homes and businesses, the environment and our transport networks.
- Risk to life and property will be reduced through our commitment to operational excellence and to providing an assertive, effective and safe emergency response to all incidents.
- Appropriate rescue operations will be led and coordinated by WMFS and we will work collaboratively with other agencies to deliver an excellent response in line with public expectations.
- Our specialist response teams will deliver National Resilience arrangements for responding to local, national and international major incidents, new risks (including weather) and humanitarian situations.

We deliver our priorities with effective delivery through collaboration outcomes:

People – We will create an inclusive workforce by:

- Engaging with employees to create a culture in which everyone can feel valued by developing ways of working together which support and engage employees in responding to the changing environment in which we work, both internally and externally.
- Promoting awareness, good practice and proactive support around health and wellbeing among our employees.
- Enabling personal development opportunities which support their ability to be highly effective and competent in the delivery of excellent services to our communities.
- Using 'positive action' to attract, recruit, retain and support progression for individuals with protected characteristics, to reflect the communities we serve.

Digital transformation – We will enhance and transform services to our communities, underpinning them with innovative and digital solutions, with a commitment to:

- Researching and developing the latest technologies that complement assertive, effective and safe firefighting.
- A digital culture with systems and processes that enables our workforce to work efficiently and effectively.
- Using accurate and timely information which provide assurance and intelligence for evidence-based decisions.
- Reducing community risk through a cost-effective mobile workforce and sharing data reliably and securely with our partners.

Value for Money – Working closely with our partner organisations is key to delivering our services effectively and efficiently. We will ensure that:

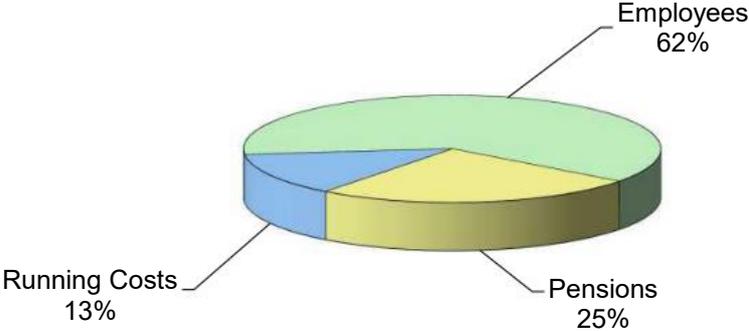
- The funding we get from the Government will be used to support our Service Delivery Model (SDM), which focuses on public safety and vulnerability.
- Our services and priorities will be delivered using the most appropriate management of resources and assets.
- We identify and deliver opportunities for efficiency and collaboration which support the delivery of our strategy and safety of the most vulnerable people in our communities.

Further information can be found on our website www.wmfs.net

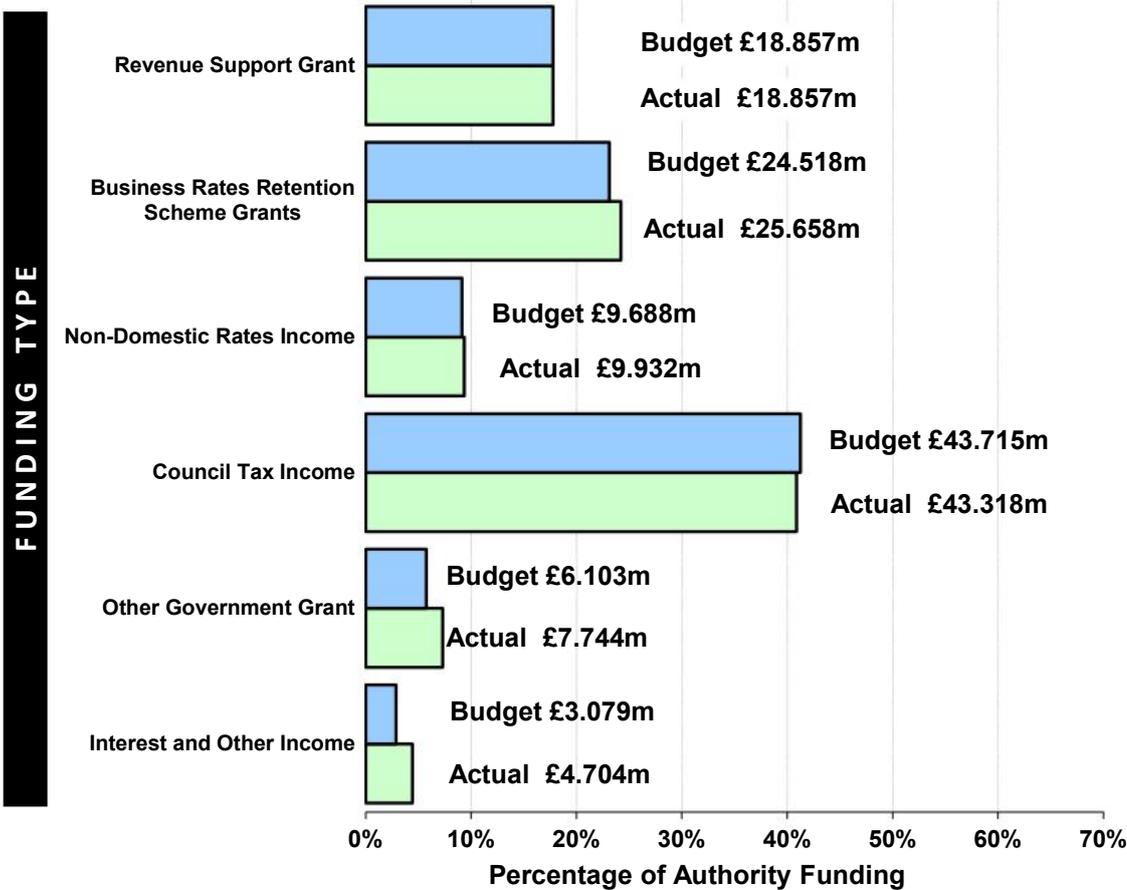
2. This narrative report provides a brief explanation of the financial aspects of the Authority's activities and draws attention to the main characteristics of the Authority's financial position.
3. The Authority's accounts for the financial year 2019/2020 are set out on the following pages and consist of:
 - The Comprehensive Income and Expenditure Statement (CIES), the Authority's main revenue account, covering income and expenditure on all services.
 - The Movement in Reserves Statement (MIRS), which shows the movement in the year on the different reserves held by the Authority.
 - The Balance Sheet, which sets out the financial position of the Authority at 31st March 2020.
 - The Cash Flow Statement, showing movements in cash and cash equivalents during the year and the cash position at the year-end.
 - The Pension Fund Account, which summarises the movements relating to the firefighters' pension schemes (FPS).

The accounts are supported by notes to the core financial statements.

- 4. The accounting policies adopted by the Authority comply with the relevant accounting standards except where indicated in notes to the accounts.
- 5. After statutory adjustments, such as the removal of depreciation and impairments and applying International Accounting Standard Nineteen (IAS19) entries in relation to pension costs, the CIES for the Authority shows a deficit on provision of services of £68.368m and an overall surplus of £110.370m.
- 6. The total expenditure of the Authority in 2019/20 was £178.581m. The types of costs incurred were:



- 7. The total income of the Authority to fund expenditure in 2019/20 was £110.213m, which came from:



8. In 2019/20 the Authority spent £5.283m on capital projects, the largest of these being £2.324m on the redevelopment of Aston Fire Station and £1.691m on Vehicle Replacements. The total expenditure on capital schemes was financed by a combination of Capital Grants and Direct Revenue Financing. Note 33 provides details of capital expenditure and capital financing.
9. In 2019/20 appropriations of £3.243m were made from earmarked general fund reserves and £1.091m from un-earmarked general fund reserves.
10. The Authority, at its February 2019 meeting authorised the limit for external debt at £40m and the statutory limit for external debt at £44m. As at 31st March 2020, the Authority's actual long-term principal borrowing was £33.675m and short-term principal borrowing was £2.022m as per Note 18.3.
11. The 2019/20 accounts include the impact of IAS19. The effects of IAS19 are shown within the CIES and Balance Sheet. There is no effect on council tax from the implementation of this standard. The figures disclosed represent a snapshot in time. The accounts show that there is a significant shortfall between the forecast cost of pensions and the current level of assets built up in the pension fund. The Government Actuaries Department (GAD) review the defined benefit arrangements and appropriate levels of employer & employee contributions.

12. **Financial Outlook**

On 20 December 2019, the Secretary of State for Ministry of Housing, Communities and Local Government (MHCLG) announced the provisional settlement for 2020/21 at £52.896m, a Consumer Price Index increase of approximately 1.6% (£0.848m) compared to the core funding allocation in 2019/20. The Government also proposed a Council Tax referendum threshold of 2% for Fire and Rescue Authorities. On 6 February 2020, MHCLG confirmed the Authority's 2020/21 total core funding.

The Authority set its 2020/21 budget on 17th February 2020, setting a council tax requirement of £44.485m which resulted in a council tax increase of (1.99%), £1.21 at Band D.

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.

As part of the budget report approved by the Authority on 18 February 2019, a forecast was made regarding the next three financial years (2020/21 to 2022/23). At the time of setting the budget and the forecast for future years, there was no clarity regarding provisional Government funding from 2020/21 onwards. As a consequence, a year on year core funding reduction of 2% was assumed in the forecasts for 2020/21 onwards.

The settlement for 2020/21 has indicated Core Funding at the same level as 2019/20, increased by the Consumer Price Index of approximately 1.6%. Compared to the core funding assumptions original made in the budget report

referred to above, this results in core funding being circa £2 million higher than anticipated.

The funding settlement is a one year only arrangement. Whilst there have been indications that some public sector services may continue to receive growth when the anticipated Comprehensive Spending Review process is clarified (circa October/November 2020), potentially for a three or four year funding settlement period, some Services, including the Fire Service, may still face ongoing core funding reductions.

In addition, there are ongoing budget uncertainties, particularly Firefighter pension related issues, that have significant funding implications but at this stage still remain unclear in terms of ongoing cost and whether those costs will need to be found by Fire and Rescue Authorities and/or by Government funding.

Therefore, whilst the position in 2020/21 is more favourable than predicted in the February 2019 budget report (circa £2 million), a high level of caution still needs to be applied to future financial years as the funding position remains volatile for the Fire sector.

The WMFRA agreed that the circa £2 million improved funding position in 2020/21 is utilised as follows:

- Reduce the scale of savings required from the ongoing flexible appliance availability process from a target saving of £3.8 million to £2.8 million. This arrangement was introduced part way through 2018/19 and specifically was highlighted as a requirement when setting the 2019/20 budget with a required saving from this arrangement of £3.8 million. At that stage, the ongoing use and required saving level of £3.8 million was built into the medium-term financial forecast.
- It had been indicated in the February 2019 budget report that in order to set a balanced budget in 2020/2021, the use of £0.750 million General Balances would be required. This use of General Balances can now be deferred.
- Invest £0.250 million in digital services to enhance future operational capability.

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. The Fair Funding Review will affect how funding is allocated and redistributed between local authorities.

13. **Covid-19**

To enable decision making in the light of the Covid-19 pandemic, from 18 March 2020, the Strategic Enabling Team (SET) formally met as the Business Continuity Management Team, meeting three times a week. The service instigated business continuity plans, in readiness for the virus's potential to affect the activities that could be delivered by firefighters and support staff. An agreement was reached nationally to enable firefighters to support the coordinated efforts of the pandemic and staff volunteers were available to support when required.

The Covid-19 pandemic impacted at the very end of the 2019/20 financial year and therefore the full impact of this is not reflected in this statement of accounts. However, the Authority are expecting significant challenges in the year ahead as it deals with the on-going crisis. To help respond to Covid-19 pressures, the Authority received from the MHCLG on 27 March 2020, a cash advance to assist with cashflow of £2.3m. This payment relates to the section 31 business rates relief grant for 2020/21. To support Covid-19 funding, two separate allocations amounting to £2.8m have been made by the MHCLG to the Authority. The first, issued on 20 March 2020 for £0.6m and the second, issued on 28 April 2020 for £2.2m.

14. Public Service Pensions – McCloud and Sargeant Judgements

The McCloud and Sargeant judgements concern the introduction of career average revalued earnings pension schemes to replace the former final salary based pension schemes as part of the Hutton recommendation to reform public service pension schemes.

There was protection provided for older members under each scheme. The McCloud and Sargeant judgements have upheld the claimants' cases that the method of implementation of the new schemes discriminated against younger members. The government was refused leave to appeal the McCloud and Sargeant Judgements on 27 June 2019. This means that the various parties return to the respective employment tribunals to formulate a remedy which will resolve the age discrimination of the pension changes. Note 6 provides further details.

15. West Midlands Combined Authority

For the Order to be laid enabling changes to the Authority's governance arrangements, the Home Office required consent from all the seven West Midlands Local Authorities. However, as a number of Local Authorities did not provide their consent to the Home Office, this effectively meant that the laying of the Order in Parliament on 5 June 2019 was unable to proceed.

16. Performance Indicators (PI)

The Authority has an established Scrutiny Committee whose role is to scrutinise performance information including progress made against the 'The Plan'.

The setting of targets against operational and other performance indicators enables the Service to identify key areas for improvement which contribute to making the West Midlands safer, stronger and healthier. During 2019/20 the Scrutiny Committee received quarterly updates of the organisation's performance.

The five-minute attendance standard lies at the heart of the SDM which shows how staff based mainly at fire stations deliver the three strategic objectives of prevention, protection and response.

A summary of the performance indicators for prevention, protection and response is provided below and further details of Authority's performance monitoring through the Scrutiny Committee can be found at <https://wmfs.cmis.uk.com/cm5/>.

Key:
Blue
Green
Red

Over performance against the tolerance levels
Performance is within the tolerance levels
Under performance against the tolerance levels

Response

PI 1		The Risk Based Attendance Standard Target: under 5 minutes Actual: 4 minutes 41 seconds
Attendance times for Category 2,3 & 4 incidents remain well within target: <ul style="list-style-type: none"> Category 2: 5 minutes 9 seconds (target: under 7 minutes) Category 3: 4 minutes 46 seconds (target: under 10 minutes) Category 4: 6 minutes 18 seconds (target: under 20 minutes) 		

Prevention

PI 2		The Number of Accidental Dwelling Fires Annual Forecast: 1611 (tolerance 1530 – 1643) Actual for year: 1600
PI 3		Injuries from Accidental Fires at Dwellings (taken to hospital for treatment) Annual Forecast: 49 (tolerance 39 – 54) Actual for year: 51
PI 4		Number of Deaths from Accidental Fires at Dwellings Annual Forecast: Not applicable Actual for year: 14
PI 5		Percentage of Safe & Well Visits Referred by our Partners Annual Forecast: 40.0% Actual for year: 34.5%

PI 6		Number of Safe and Well points achieved by the Brigade Annual Forecast: 259,680 Actual for year: 230,233
PI 7		Number of People Killed or Seriously Injured (KSI) in Road Traffic Collisions Annual Forecast: Not applicable Actual for year: 727
PI 8		Number of Deliberate Dwelling Fires Annual Forecast: 209 (Tolerance 188 – 220) Actual for year: 206
PI 9		Number of Deliberate Fires in Non-domestic Premises Annual Forecast: 162 (Tolerance 146 – 170) Actual for year: 130
PI 10		Number of Deliberate Vehicle Fires Annual Forecast: 806 (Tolerance 725 – 846) Actual for year: 694
PI 11		Number of Deliberate Rubbish Fires Annual Forecast: 1687 (Tolerance 1603 – 1721) Actual for year: 1515
PI 12		Number of Deliberate Fires in Derelict Buildings Annual Forecast: 99 (Tolerance 89 – 104) Actual for year: 131

Protection

PI 13		Number of Accidental Fires in Non-domestic Premises Annual Forecast: 430 (Tolerance 387 – 452) Actual for year: 435
PI 14		Number of False Alarm Calls due to Fire Alarm Equipment in Dwellings and Non-domestic Premises Annual Forecast: 5430 (Tolerance 5349 – 5744) Actual for year: 5925

17. Further information about the accounts is available from:

Finance Manager,
West Midlands Fire Service Headquarters,
99 Vauxhall Road,
Birmingham. B7 4HW.

Telephone : 0121-380-6920
or E-Mail : kal.shoker@wmfs.net

18. Interested members of the public also have the right to inspect the accounts before the Audit is completed. The availability of the accounts for inspection is advertised on the Authority's website.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:

- (i) make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- (ii) manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- (iii) approve the statement of accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the C.I.P.F.A. / L.A.S.A.A.C. Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Treasurer has:

- (i) selected suitable accounting policies and then applied them consistently
- (ii) made judgements and estimates that were reasonable and prudent
- (iii) complied with the local authority Code.

The Treasurer has also:

- (iv) kept proper accounting records which were up to date.
- (v) taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that this statement of accounts gives a true and fair view of the financial position and expenditure and income of the WMFRA for the year ending 31 March 2020.

Mike Griffiths, C.P.F.A
Treasurer

Date: 5 October 2020

STATEMENT OF APPROVAL FOR THE STATEMENT OF ACCOUNTS

The statement of accounts for the year 1st April 2019 to 31st March 2020 was approved by the West Midlands Fire & Rescue Authority on 5 October 2020.

Greg Brackenridge
Chair
West Midlands Fire & Rescue Authority

Date: 5 October 2020

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the MIRS and the Expenditure Funding Analysis (EFA).

2018/2019 Restated				2019/2020		
Gross Exp. £000	Gross Income £000	Net Exp. £000		Gross Exp. £000	Gross Income £000	Net Exp. £000
1,133	-	1,133	Democratic Representation & Brigade Managers	1,565	-	1,565
76,322	(11)	76,311	Corporate Charges	5,338	(5,734)	(396)
1,726	(119)	1,607	Strategy & Organisational Intelligence	1,785	(86)	1,699
830	(17)	813	Communications	927	(53)	874
9,369	(1,535)	7,834	Finance & Resources	9,333	(1,117)	8,216
6,430	(170)	6,260	Digital & Data	6,378	(298)	6,080
1,080	(288)	792	People Services	1,123	(254)	869
5,616	(7)	5,609	Training, Health & Wellbeing	6,756	(205)	6,551
3,382	(496)	2,886	Prevention, Preparedness & Response	3,777	(511)	3,266
5,714	(966)	4,748	Protection & Organisational Assurance	7,965	(740)	7,225
77,123	(2,492)	74,631	Command Delivery, Fire Control & Workforce Planning	87,245	(2,376)	84,869
188,725	(6,101)	182,624	Cost of Services	132,192	(11,374)	120,818
411	(90)	321	Other Operating Expenditure (Note 13)	329	(54)	275
44,304	(436)	43,868	Financing and investment income & expenditure (Note 14)	46,060	(426)	45,634
		(97,692)	Taxation and non-specific grant income (Note 15)			(98,359)
		129,121	(Surplus)/Deficit on Provision of Services			68,368
20,311	(5,529)	14,782	Surplus or deficit on revaluation of Property, Vehicles, Plant and Equipment assets (Note 12.1)	5,897	(9,380)	(3,483)
		6,143	Re-measurements of the net defined benefit liability/(asset)			(175,255)
		20,925	Other Comprehensive Income and Expenditure			(178,738)
		150,046	Total Comprehensive Income and Expenditure			(110,370)

MOVEMENT IN RESERVES STATEMENT

This shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory amounts required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	Un-earmarked General Fund Reserves £000	Earmarked General Fund Reserves £000	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2018	(8,390)	(38,984)	(47,374)	(2,192)	(461)	(50,027)	1,562,191	1,512,164
Movement in Reserves During 2018/19								
Total Comprehensive Income and Expenditure *	129,121	-	129,121	-	-	129,121	20,925	150,046
Adjustments between accounting basis and funding basis under regulations (Note 10)	(122,041)	-	(122,041)	(57)	304	(121,794)	121,794	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	7,080	-	7,080	(57)	304	7,327	142,719	150,046
Transfers to/from Earmarked Reserves (Note 11)	(5,604)	5,604	-	-	-	-	-	-
(Increase)/Decrease in 2018/19	1,476	5,604	7,080	(57)	304	7,327	142,719	150,046
Balance at 31 March 2019	(6,914)	(33,380)	(40,294)	(2,249)	(157)	(42,700)	1,704,910	1,662,210
Movement in Reserves During 2019/20								
Total Comprehensive Income and Expenditure *	68,368	-	68,368	-	-	68,368	(178,738)	(110,370)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(64,034)	-	(64,034)	-	83	(63,951)	63,951	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	4,334	-	4,334	-	83	4,417	(114,787)	(110,370)
Transfers to/from Earmarked Reserves (Note 11)	(3,243)	3,243	-	-	-	-	-	-
(Increase)/Decrease in 2019/20	1,091	3,243	4,334	-	83	4,417	(114,787)	(110,370)
Balance at 31 March 2020	(5,823)	(30,137)	(35,960)	(2,249)	(74)	(38,283)	1,590,123	1,551,840

- * The total comprehensive income and expenditure is now shown as one line on the basis that the columnar analysis of the usable and unusable reserves automatically separates the movements between the surplus and deficit on the provision of services and other comprehensive income and expenditure.

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the MIRS line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2019 £000		Note	31 March 2020 £000
131,195	Property, Vehicles, Plant & Equipment	16	135,389
66	Heritage Assets		66
143	Intangible Assets	17	112
131,404	Long Term Assets		135,567
688	Inventories	19	689
16,861	Short Term Debtors	20	14,660
40,302	Cash and Cash Equivalents	21	45,097
57,851	Current Assets		60,446
(455)	Short Term Borrowing	18	(2,172)
(9,739)	Short Term Creditors	22	(11,798)
-	Grant Receipts in Advance – Revenue	32	(2,311)
(10,194)	Current Liabilities		(16,281)
(426)	Provisions	23	(664)
(35,697)	Long Term Borrowing	18	(33,675)
(1,805,148)	Other Long Term Liabilities	34	(1,697,233)
(1,841,271)	Long Term Liabilities		(1,731,572)
(1,662,210)	Net Assets		(1,551,840)
(42,700)	Usable Reserves		(38,283)
1,704,910	Unusable Reserves	12	1,590,123
1,662,210	Total Reserves		1,551,840

Mike Griffiths, C.P.F.A
Treasurer

Date: 5 October 2020

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2018/2019 £000		2019/2020 £000
129,121	Net (surplus) or deficit on the provision of services	68,368
(128,612)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 24.2)	(78,505)
82	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 24.3)	50
591	Net cash flows from Operating Activities	(10,087)
9,125	Investing Activities (Note 25)	4,987
1,361	Financing Activities (Note 26)	305
11,077	Net (increase)/decrease in cash and cash equivalents	(4,795)
51,379	Cash and cash equivalents at the beginning of the reporting period	40,302
40,302	Cash and cash equivalents at the end of the reporting period (Note 21)	45,097

NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2019/20 financial year and its position as at the year-end, 31st March 2020. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the Accounts to be prepared in accordance with proper accounting practices.

It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under the Local Government Act 2003.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Statement of Accounts has been prepared on a going concern basis. The Authority's Auditors, Grant Thornton UK LLP, have reported that they are satisfied with the Management's assessment that the going concern basis was appropriate for the 2019/20 financial statements and the Treasurer expectations is that this will continue for the foreseeable future. Using reserves the Authority has a balanced budget for the Medium Term Financial Plan period and robust and deliverable plans for a balanced budget going forward.

1.2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when or as the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed — where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as Income and Expenditure.

- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Accruals of Income and expenditure are subject to a de minimis level of £1,000.

1.3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a specified period; no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

1.4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.5. Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance within England.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting Minimum Revenue Provision (MRP) transaction with the Capital Adjustment Account in the MIRS for the difference between the two.

1.6. Council Tax and Non-domestic Rates (NDR)

Billing authorities act as agents, collecting council tax and NDR on behalf of the major preceptors. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR included in the CIES is the Authority's share of accrued income for the year. Regulations determine the amount of council tax and NDR that must be included in the Authority's General Fund. The difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MIRS. The effect on the Surplus or Deficit on the Provision of Services for the year 2019/20 in the CIES is a deficit of £0.564m which is also reflected in the MIRS.

The Balance Sheet includes the Authority's share of the year end balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.7. Employee Benefits

1.7.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the MIRS so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.7.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.7.3 Post Employment Benefits

Employees of the Authority are members of four separate pension schemes:

- Uniformed Firefighters – Original (1992) Scheme

This is an unfunded scheme, which is administered by the Authority in accordance with the MHCLG regulations. For such schemes, as there are no investment assets, IAS19 requires recognition of the liability and pension reserve in the Balance Sheet and transactions in the CIES for movements in the liability and reserve. The pension costs that are charged to the Authority's accounts in respect of these employees are equal to the contributions paid to the pension fund for these employees. The scheme was only open to those firefighters in the scheme as at 31st March 2006 and the employer's contribution is higher than for the new firefighters' pension scheme. All contributions are made into a pension fund and equally the payments to pensioners are paid out of the same fund. This is then balanced by a contribution to or from the fund by the Government each year.

- Uniformed Firefighters – (2006) Scheme

On 1st April 2006 a new firefighters' pension scheme was established for new firefighters, retained firefighters and for uniformed employees carrying out operational duties in the old pension scheme who wished to transfer to the new scheme. This scheme is an unfunded scheme and operates in the same way as the old scheme except for the reduced level of contribution from employees and employers which reflects the different conditions and benefits of the new scheme. All contributions are made into a pension fund and equally the payments to pensioners are paid out of the same fund. This is then balanced by a contribution to or from the fund by the Government each year.

On 1st April 2015 a new modified section was established for employees who were employed as retained firefighters between 1st April 2000 and 5th April 2006.

- Uniformed Firefighters – (2015) Scheme

On 1st April 2015 a new firefighters' pension scheme was established. This scheme is a career average revalued earnings scheme for members starting after the 1st April 2015. Members of the 1992 and 2006 final salary schemes moved into this scheme, unless protection applied. This scheme is an unfunded scheme. All contributions are made into a pension fund and equally the payments to pensioners are paid out of the same fund. This is then balanced by a contribution to or from the fund by the Government each year.

The combined pension fund for uniformed firefighters as at 31st March 2020 had a net deficit value of £1,655m.

- The Local Government Pension Scheme (LGPS)

Other employees, subject to certain qualifying criteria, are eligible to join the LGPS, administered by Wolverhampton City Council. The pension costs that are charged to the Authority's accounts, £2.542m in 2019/20 in respect of these employees, are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. The scheme is, however, funded.

These schemes provide defined benefits to members (retirement lump sums and pensions), which are earned as employees work for the Authority.

These schemes are accounted for as defined benefits schemes:

- The liabilities of the West Midlands Metropolitan Authorities Pension Fund (WMMAPF) and the liabilities of the Firefighters Pension Schemes attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method — i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and estimates of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.25% for the FPS and 2.35% for the LGPS.
- The assets of WMMAPF attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities — current bid price
 - unquoted securities — professional estimate
 - unitised securities — current bid price
 - property — market value.

- The change in the net pensions liability is analysed into the following components:
 - Service cost comprising:
 - Current service cost - the increase in liabilities because of years of service earned this year — allocated in the CIES to the services for which the employees worked.
 - Past service cost — the increase in liabilities because of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years — debited to the Surplus or Deficit on the Provision of Services in the CIES within the corporate charges Service line.
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority — the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
 - Remeasurements comprising:
 - The return on plan assets — excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Changes in demographic and financial assumptions — changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions — charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to the Pension Fund — cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

The top up grant is accounted for as a remeasurement of the net defined benefit liability.

1.7.4 Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

1.8. Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period — the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period — the Statement of Accounts is not adjusted to reflect such events but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.9. Financial Instruments

1.9.1 Financial Liabilities

The Authority has its own portfolio of loans payable directly to the Public Works Loan Board (PWLB); these are initially measured at fair value and carried at their amortised cost except for Other Local Authority debt inherited from the former West Midlands County Council (WMCC) which is held at historic cost. Annual charges are made to the CIES based on the carrying value of the liability multiplied by the effective rate of interest for the instrument.

Debt inherited from the former WMCC is managed by Dudley MBC and redeemed over a period of 40 years from 1st April 1986. Annual charges to the CIES for interest payable were charged on this debt in 2019/20 at a rate of 5.6%.

Creditors are carried on the balance sheet at amortised cost.

1.9.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest i.e. where the cash flows do not take the form of a basic debt instrument.

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

Debtors are carried on the balance sheet at amortised cost.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

1.9.3 Fair Value Measurement

IFRS 13 requires that local authorities measure some of their non-financial and some of their financial instruments at fair value.

The objective of the fair value approach is to estimate the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date. The measurement assumes that the transaction takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market.

The Authority measures fair value using the same assumptions that market participants would use when pricing an asset or liability assuming that they will act in their own economic best interest.

For non-financial assets the Authority considers the participant's ability to generate economic benefits by using the asset in its highest and best use.

When determining fair value the Authority's valuers use techniques that are appropriate in the circumstances and for which sufficient data is available maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

These inputs are categorised within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can assess at the measurement date.
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

1.10. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the CIES until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital Expenditure.

1.11. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired — any losses recognised are posted to the

relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Software licences are depreciated on a straight line basis over a period of five years.

1.12. Inventories

Inventories are included in the Balance Sheet at the latest price. This does not comply with the standard which requires the lower of cost and net realisable value. The total value of stocks held is approximately £0.689m (2018/19 £0.688m) and therefore any difference in accounting treatment will not materially affect the reasonableness of the figures disclosed within the accounts.

1.13. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and financial performance.

The costs of support services provided to the Authority by Sandwell MBC have been recharged in accordance with Service Level Agreements. These specify the level of service to be provided and the charge.

1.14. Property, Vehicles, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, vehicles, plant and equipment.

1.14.1 Recognition

Expenditure on the acquisition, creation or enhancement of property, vehicles, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Expenditure along with associated grant income on non-current assets are capitalised subject to a de minimis level of £10,000.

1.14.2 Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the MIRS.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction — held at historical cost.
- Residential Homes — the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective. The Authority no longer provides residential homes to new tenants and any properties which become or are vacant, are held as surplus assets.
- All other assets — current value, determined on the basis of market value.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued annually to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. If an event occurs, such as a dramatic fall in land and property prices, which mean the current values are no longer appropriate, the assets will be revalued again. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the corporate charges service line in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.14.3 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the corporate charges service line in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the corporate charges service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.14.4 Depreciation

Depreciation is provided for on all property, vehicles, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

The following depreciation policies have been adopted:

- Operational Vehicles - straight line over 10 years.
- Ancillary Vehicles - straight line over 5 years.
- Equipment - straight line over 5 years.
- All property assets have been depreciated in line with their life expectancies.
- Freehold land is not depreciated.
- No depreciation is accounted for in the year of acquisition but is accounted for in the year of disposal.

Wilks Head & Eve (WH&E), of 55 New Oxford Street, London, WC1A 1HB is a RICS (Royal Institution of Chartered Surveyors) Regulated Firm, are the Authority's valuers and were instructed to provide valuations for all land and property assets and recommend the appropriate life expectancies. A full valuation of all land and property assets was completed as at 31st March 2020. The Code requires that land and property assets must be revalued every five years as a minimum but must be revalued more regularly where a five year valuation is insufficient to keep pace with material changes in fair value.

WHE also provide valuations for splitting land and building assets into individual components. Where an asset has major components whose cost is significant in relation to the total cost of the item and which have differing estimated useful lives, these components are depreciated separately. The Authority has adopted this as the basis for depreciation from 1st April 2011.

Where an asset it is deemed to be material for component accounting purposes, i.e. valued in excess of £1m, the following individual components have been identified:

- Main structure
- Roof
- Heating and associated systems
- Tower and associated functions
- Electrical
- Lift
- External

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

1.14.5 Non-Current Assets Held for Sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continued use. The following criteria must be met before an asset can be classified as held for sale under this section of the Code:

- The asset must be available for immediate sale in its present condition.
- The sale must be highly probable; with an active programme to dispose of the asset.
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- The sale should be expected to complete within one year of the date of classification.

Assets Held for Sale are valued at the lower of their carrying amount and fair value (market value) less costs to sell at initial reclassification and at the end of each reporting date and are not subject to depreciation. Investment Properties that are to be disposed of are not reclassified as an Asset Held for Sale and remain as Investment Properties until disposed of, reclassified to short term investment properties where they are expected to be disposed of within a year of the balance sheet date.

1.15. Minimum Revenue Provision

Under the Local Government Act 2003, the Authority is required to set aside an amount from revenue as a provision for debt repayment. This amount is known as the MRP.

The calculation is based on Asset Life Method, which is to make a provision over the estimated life of the asset for which borrowing was undertaken.

From 2015/16 onwards the proposed MRP policy was amended to an Annuity base.

The Treasurer has the discretion to make an additional provision.

1.16. Provisions and Contingent Liabilities

1.16.1 Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year — where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

1.16.2 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.17. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the Un-earmarked General Fund Balance in the MIRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then transferred back into the Un-earmarked General Fund Balance in the MIRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, local taxation, retirement and employee benefits and do not represent usable resources for the Authority — these reserves are explained in the relevant policies.

1.18. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.19. Restated Figures

For comparative purposes, 2018/2019 figures are provided.

The CIES cost of services, notes 7, 8 and 11 show 2018/19 restated figures for service expenditure and income as there are now eleven service areas which replace the former arrangement of service delivery, service support, corporate management and corporate charges.

1.20. Roundings

Unless otherwise stated, the figures that follow have been rounded to the nearest £'000.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Authority.

The standards introduced in the 2020/21 Code that are relevant to the above are:-

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures. This amendment clarifies that a company applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture. This will have no impact on the 2020/21 Statement of Accounts.
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IAS19 Employee benefits: Plan amendment, curtailment or settlement - This will require the remeasurement of net pension asset/liability following plan amendments, curtailments or settlements to be used to determine current service cost and net interest for the remainder of the year after the change to the plan. The updating of these assumptions only applies to changes from 1st April 2020.

The Code requires implementation from 1 April 2020 and there is therefore no impact on the 2019/20 Statement of Accounts.

The Authority has concluded that there will be no material impact upon the 2020/21 Statement of Accounts.

IFRS 16 Leases – This will require lessees to recognise most leases on their balance sheet as right of use assets with corresponding lease liabilities (there is recognition for low value and short-term leases). The Chartered Institute of Public Finance and Accountancy (CIPFA)/Local Authority (Scotland) Accounts Advisory Committee Local Authority Accounting Code Board has agreed to defer the implementation of IFRS 16 Leases to 1st April 2021.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in the Accounts, the Authority has had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Statement of Accounts are:-

- Insurance – The Authority continues to operate a self-insure scheme for all of its property and vehicle assets.
- No Residual Value of Assets – The Authority assumes that the residual value of plant and equipment will be nil when they are de-commissioned, as the assets are held to provide a service rather than for resale at the end of their useful life. The Authority has determined that the amounts received when assets are decommissioned are negligible and depend on the market demand for the assets at time of disposal.
- Property valued at Current Value – The Authority has had all its land and property assets valued on the basis of current value as at 31st March 2020. The Code requires that land and property assets must be revalued every five years as a minimum but must be revalued more regularly where a five year valuation is insufficient to keep pace with material changes in fair value. In 2011 the Authority introduced component accounting to its land and property assets as part of its valuations.

The current global pandemic has meant that the valuer is faced with an unprecedented set of circumstances upon which to base a judgement. Valuations are therefore reported on the basis of “material valuation uncertainty” as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case.

- Government Funding - There remains a degree of uncertainty about future levels of core funding for local government. The funding settlement for 2020/2021 is a one year only arrangement. Whilst there have been indications that some public sector services may continue to receive growth when the anticipated Comprehensive Spending Review process is clarified (circa October/November 2020), potentially for a three or four year funding settlement period, some Services, including the Fire Service, may still face ongoing core funding reductions. In addition, there are ongoing budget uncertainties, particularly Firefighter pension related issues, that have significant funding implications but at this stage still remain unclear in terms of ongoing cost and whether those costs will need to be found by Fire and Rescue Authorities and/or by Government funding. The Authority has however determined that the level of uncertainty is not yet sufficient to indicate that the assets of the Authority may be significantly impaired because of a need to close facilities and reduce levels of service provision.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31st March 2020 for which there is a risk of a material adjustment in the following financial year are:

- Pensions Liability – Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes to retirement age, mortality rates and expected return on pension fund assets. The Government Actuary's Department (GAD) and Barnett Waddingham provide the Authority with expert advice about the assumptions to be applied (Note 34).
- Property, Plant and Equipment – The Authority's assets are depreciated over the useful life assigned by the external valuer. Assumptions are made about the level of repairs and maintenance which could affect the useful lives assigned to assets.
- Provisions – The Authority has made an insurance provision for employee and public liability claims. The provision is based on the advice of the Authority's Risk Management advisor. However, the figure could increase or decrease based on the final settlement.

The ongoing impact of the Covid-19 pandemic has created uncertainty surrounding mortality rates and asset values.

5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

5.1 WMMAPF – Employer Pension Contributions 2017/18 to 2019/20

On 28 April 2017 the Authority made a payment of £7.9m to the WMMAPF in respect of pension contributions for the three years from 1st April 2017 to 31st March 2020. The full payment has been accounted for as a reduction in the Authority's net pension liability and accounting regulations require that only the amount due in relation to 2019/20 of £2.5m is recognised as a cost to the General Fund this year. Until 2019/20, there was a difference between the net pension liability and the pension reserve, equal to the amount that was paid in relation to future years.

6. EVENTS AFTER THE REPORTING PERIOD

6.1. WMMAPF – Employer Pension Contributions 2020/21 to 2022/23

On 30 April 2020 the Authority made a payment of £7.9m to the West Midlands Pension Fund. This payment was based on Barnett Waddingham's Rates and Adjustments Certificate for the amounts due for Employer Pension Contributions 1st April 2020 to 31st March 2023. A saving of £0.5m was achieved by making a lump sum payment covering the three year period.

6.2 Taxation and Government Grants

The Authority received the 2020/21 Fire Pensions Grant of £5.7m on 20 April 2020. Funding for future years will be considered as part of the Comprehensive Spending Review therefore it is not possible to confirm any grant from 2021/22 onwards.

To help respond to Covid-19 pressures and to support funding, the Authority received from MHCLG on 14 May 2020, a second tranche emergency government grant of £2.2m.

To drive improvement in fire and rescue services across the country and to support protection work in 2020/21, the Authority received notification from MHCLG that a government grant of £0.6m would be received. It should enable the Authority to have the technical expertise required to fulfil this function and ensure fire protection officers have the skills they need.

The move to 75% business rates retention and changes to how funding is distributed between local authorities under the fair funding review will not be implemented in April 2021 as originally planned.

The government will continue to work with local authorities on the best approach to 2021-22, including how to treat accumulated business rates growth and the approach to the 2021-22 local government finance settlement.

6.3 McCloud/Sargeant Judgement

The timetable for changes to the legislation for each of the FPS and LGPS is uncertain. However, it is anticipated that proposals to provide a remedy for the uniformed firefighters may be drafted in the summer of 2020.

The Fire Brigades Union (FBU) on 24 April 2020 filed a court proceedings claim in conjunction with three other unions in the latest chapter of a lengthy battle over concerns of a breach of the pensions cost gap. The claim intends to force the government to lift the pause and improve employee benefits in line with the FBU's own regulations.

The main issues are:

- The FBU and other unions are challenging the “pause” to the implementation of the public sector pension scheme “cost control” exercise which would have triggered an improvement in some, mainly 2015 Scheme benefits or a reduction in employee contributions (or both), and
- the Government's assertion that the continuation of this “pause” is appropriate while discussions on how to do address the McCloud discrimination continue.

6.4 HM Treasury (HMT) Public service pension schemes consultation: changes to the transitional arrangements to the 2015 schemes.

On 16 July 2020 HMT published their Public service pension schemes consultation: changes to the transitional arrangements to the 2015 schemes. Included in this proposal are details of which members are eligible for remedy. In particular, those who were members of a public sector pension scheme on or before 31 March 2012 and on or after 1 April 2015 will be in scope to choose between their 2015 scheme or legacy scheme benefits for the period April 2015 to April 2022.

Following HMT publication of the consultation into changes to the transitional arrangements to the 2015 Scheme, GAD updated the 2019/2020 pension disclosures on 27 August 2020 to only allow for potential McCloud remedy costs for those who were in service on 31 March 2012 and 1 April 2015. This change is based on the eligibility criteria set out by HMT in their consultation and reduces the overall McCloud liability by £10m.

7. EXPENDITURE AND FUNDING ANALYSIS

This shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2018/2019 Restated				2019/2020		
Net Expenditure Chargeable to the General Fund* £000	Adjustments Between Funding and Accounting Basis (Note 7.1) £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund* £000	Adjustments Between Funding and Accounting Basis (Note 7.1) £000	Net Expenditure in the CIES £000
916	217	1,133	Democratic Representation & Brigade Managers	1,275	290	1,565
3,064	73,247	76,311	Corporate Charges	(2,613)	2,217	(396)
1,409	198	1,607	Strategy & Organisational Intelligence	1,463	236	1,699
720	93	813	Communications	756	118	874
7,130	704	7,834	Finance & Resources	7,485	731	8,216
5,922	338	6,260	Digital & Data	5,667	413	6,080
696	96	792	People Services	716	153	869
4,872	737	5,609	Training, Health & Wellbeing	5,350	1,201	6,551
2,511	375	2,886	Prevention, Preparedness & Response	2,721	545	3,266
3,877	871	4,748	Protection & Organisational Assurance	5,532	1,693	7,225
62,381	12,250	74,631	Command Delivery, Fire Control & Workforce Planning	67,067	17,802	84,869
93,498	89,126	182,624	Cost of Services	95,419	25,399	120,818
(86,418)	32,915	(53,503)	Other Income and Expenditure	(91,085)	38,635	(52,450)
7,080	122,041	129,121	(Surplus)/Deficit on Provision of Services	4,334	64,034	68,368
(47,374)			Opening General Fund Balance	(40,294)		
(40,294)			Closing General Fund Balance @ 31 March	(35,960)		

* As reported to the SET.

7.1 Adjustments between funding and accounting

2018/2019 Restated	Adjustments for capital purposes (Note 7.2)	Net change for the pension adjustments (Note 7.3)	Other statutory differences (Note 7.4)	Total Adjustments
	£000	£000	£000	£000
Democratic Representation & Brigade Managers	-	206	11	217
Corporate Charges	6,614	66,633	-	73,247
Strategy & Organisational Intelligence	-	206	(8)	198
Communications	-	89	4	93
Finance & Resources	-	726	(22)	704
Digital & Data	-	337	1	338
People Services	-	97	(1)	96
Training, Health & Wellbeing	-	745	(8)	737
Prevention, Preparedness & Response	-	397	(22)	375
Protection & Organisational Assurance	-	872	(1)	871
Command Delivery, Fire Control & Workforce Planning	-	12,509	(259)	12,250
Cost of Services	6,614	82,817	(305)	89,126
Other Income and Expenditure	(9,299)	42,335	(121)	32,915
Total	(2,685)	125,152	(426)	122,041

2019/2020	Adjustments for capital purposes (Note 7.2)	Net change for the pension adjustments (Note 7.3)	Other statutory differences (Note 7.4)	Total Adjustments
	£000	£000	£000	£000
Democratic Representation & Brigade Managers		308	(18)	290
Corporate Charges	4,586	(2,369)	-	2,217
Strategy & Organisational Intelligence		232	4	236
Communications		122	(4)	118
Finance & Resources		732	(1)	731
Digital & Data		428	(15)	413
People Services		142	11	153
Training, Health & Wellbeing		1,117	84	1,201
Prevention, Preparedness & Response		522	23	545
Protection & Organisational Assurance		1,588	105	1,693
Command Delivery, Fire Control & Workforce Planning		17,839	(37)	17,802
Cost of Services	4,586	20,661	152	25,399
Other Income and Expenditure	(6,067)	44,138	564	38,635
Total	(1,481)	64,799	716	64,034

7.2 Adjustments for capital purposes

This column adds in depreciation and impairment and revaluation gains and losses in the corporate charges services line, and within other income and expenditure:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. MRP and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. The taxation and non-specific grant income line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.3 Net change for the pension adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

7.4 Other statutory differences

Other statutory differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

- For services this represents the impact of accruals for accumulating compensated absences.
- The adjustment under other income and expenditure for taxation and non-specific grant income represents the difference between what is chargeable under statutory regulations for council tax and non-domestic rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

8. PRIOR PERIOD RESTATEMENTS

Prior Period Restatement of Service Expenditure and Income

The Code requires that the Authority shows its expenditure and income on a service basis. There are now eleven service areas which replace the former arrangement of service delivery, service support, corporate management and corporate charges. This note sets out how the net expenditure and income has been restated.

Service	As reported CIES 2018/19 £000	Adjustments £000	2018/19 Restated £000	Service
Corporate Management	3,316	(2,184)	1,132	Democratic Representation & Brigade Managers
Corporate Charges	76,365	(54)	76,311	Corporate Charges
Service Support	22,955	(21,348)	1,607	Strategy & Organisational Intelligence
		813	813	Communications
		7,834	7,834	Finance & Resources
		6,260	6,260	Digital & Data
		792	792	People Services
		5,609	5,609	Training, Health & Wellbeing
Service Delivery	79,988	(77,101)	2,887	Prevention, Preparedness & Response
		4,748	4,748	Protection & Organisational Assurance
		74,631	74,631	Command Delivery, Fire Control & Workforce Planning
Net Expenditure	182,624	-	182,624	

Service	As reported CIES 2018/19 £000	Adjustments £000	2018/19 Restated £000	Service
Corporate Management	3,513	(2,380)	1,133	Democratic Representation & Brigade Managers
Corporate Charges	76,376	(54)	76,322	Corporate Charges
Service Support	25,496	(23,770)	1,726	Strategy & Organisational Intelligence
		830	830	Communications
		9,369	9,369	Finance & Resources
		6,430	6,430	Digital & Data
		1,080	1,080	People Services
		5,616	5,616	Training, Health & Wellbeing
Service Delivery	83,340	(79,958)	3,382	Prevention, Preparedness & Response
		5,714	5,714	Protection & Organisational Assurance
		77,123	77,123	Command Delivery, Fire Control & Workforce Planning
Gross Expenditure	188,725	-	188,725	
Corporate Management	(197)	197	-	Democratic Representation & Brigade Managers
Corporate Charges	(11)	-	(11)	Corporate Charges
Service Support	(2,541)	2,422	(119)	Strategy & Organisational Intelligence
		(17)	(17)	Communications
		(1,535)	(1,535)	Finance & Resources
		(170)	(170)	Digital & Data
		(288)	(288)	People Services
		(7)	(7)	Training, Health & Wellbeing
Service Delivery	(3,352)	2,856	(496)	Prevention, Preparedness & Response
		(966)	(966)	Protection & Organisational Assurance
		(2,492)	(2,492)	Command Delivery, Fire Control & Workforce Planning
Gross Income	(6,101)	-	(6,101)	

9. EXPENDITURE AND INCOME ANALYSED BY NATURE

9.1 The Authority's expenditure and income is analysed as follows:

2018/2019 £000		2019/2020 £000
	Expenditure	
167,244	Employee expenses	111,485
14,869	Other services expenses	16,121
6,613	Depreciation, amortisation and impairment	4,586
42,335	Pensions interest cost and expected return on pension assets	44,138
1,969	Interest payments	1,922
410	Other operating expenditure	329
233,440	Total Expenditure	178,581
	Income	
(4,620)	Fees, charges and other service income	(4,224)
(436)	Interest and investment income	(426)
(41,883)	Council tax income	(43,318)
(9,867)	Non-domestic rates income from West Midlands Local Authorities	(9,932)
(47,423)	Government grants and contributions	(52,259)
(90)	Disposal of non-current assets	(54)
(104,319)	Total Income	(110,213)
129,121	(Surplus)/Deficit on the provision of services	68,368

9.2 Revenue from contracts with service recipients

The Authority recognises revenue from contracts with service recipients in accordance with the provisions of IFRS 15 Revenue from Contracts with Customers as reflected in the Code of Practice. Revenue is recognised in the financial year that services are provided in accordance with the performance obligations of the contract.

Amounts included in the CIES for contracts with service recipients:

	2018/2019 £000	2019/2020 £000
Revenue from contracts with service recipients:		
Service Delivery – provision of Fire Control	964	996
Total included in CIES	964	996

Amounts included in the Balance Sheet for contracts with service recipients:

	2018/2019 £000	2019/2020 £000
Receivables included in short term debtors	-	-
Payables included in short term creditors	(7)	-
Total Included in Net Assets	(7)	-

The value of revenue that is expected to be recognised in the future related to performance obligations that are unsatisfied at the end of the year is:

	2018/2019 £000	2019/2020 £000
Not Later than one year	996	1,016
Later than one year	1,016	1,036
Amounts of transaction price fully unsatisfied	2,012	2,052

Revenue relates to the recovery of 30% of the total running costs of the Fire Control function. The performance obligations of the contract are met when the services are rendered. An invoice is raised for a fixed amount each month for the service in the month that the service is provided and adjusted at year end for variations.

10. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2018/2019	Usable Reserves		
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied
Adjustments to Revenue Resources	£000	£000	£000
Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:			
Pension costs transferred to/(from) the Pensions Reserve	(125,152)	-	-
Council tax and NDR transfers to/(from) Collection Fund Adjustment Account	121	-	-
Holiday pay transferred to the Accumulated Absences Reserve	305	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(6,355)	-	-
Total Adjustments to Revenue Resources	(131,081)	-	-
Adjustments between Revenue and Capital Resources			
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	57	(57)	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	834	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	8,149	-	-
Total Adjustments between Revenue and Capital Resources	9,040	(57)	-
Adjustments to Capital Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-
Application of capital grants to finance capital expenditure	-	-	304
Total Adjustments to Capital Resources	-	-	304
Total Adjustments	(122,041)	(57)	304

2019/2020	Usable Reserves		
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied
Adjustments to Revenue Resources	£000	£000	£000
Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:			
Pension costs transferred to/(from) the Pensions Reserve	(64,799)	-	-
Council tax and NDR transfers to/(from) Collection Fund Adjustment Account	(564)	-	-
Holiday pay transferred to the Accumulated Absences Reserve	(152)	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(4,603)	-	-
Total Adjustments to Revenue Resources	(70,118)	-	-
Adjustments between Revenue and Capital Resources			
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	884	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,200	-	-
Total Adjustments between Revenue and Capital Resources	6,084	-	-
Adjustments to Capital Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-
Application of capital grants to finance capital expenditure	-	-	83
Total Adjustments to Capital Resources	-	-	83
Total Adjustments	(64,034)	-	83

11. MOVEMENTS IN EARMARKED RESERVES

This note sets out the amounts set aside within the General Fund Balance for earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in both 2018/19 and 2019/20.

General Fund:	Balance at 31 st March 2018 (R) £000	Transfers out 2018/19 (R) £000	Transfers in 2018/19 (R) £000	Balance at 31 st March 2019 (R) £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31 st March 2020 £000
Capital							
Capital Program Shortfall	10,951	206	1,384	12,129	1,034	2,784	13,879
Fire Station Investment	9,069	5,051	-	4,018	3,253	-	765
Occupational Health Relocation	-	-	200	200	124	-	76
Insurance							
Insurance Reserve	7,188	67	67	7,188	245	-	6,943
Strategy & Organisational Intel.							
Project Management/Support	266	145	54	175	165	97	107
Organisational Intel.	-	-	63	63	63	73	73
New Risks	35	25	50	60	19	-	41
Communications							
Community Engagement	26	24	35	37	63	173	147
Communications/Media Events	16	11	26	31	43	19	7
Finance & Resources							
Property Maintenance	1,210	176	22	1,056	188	12	880
Procurement of Operational Equip.	218	121	-	97	97	66	66
Loss of Use Recovery	50	-	27	77	68	57	66
Project Management/Support	23	43	20	-	25	39	14
Other	2,257	1,662	111	706	708	2	-
Digital & Data							
Enterprise Resource Planning (ERP)	29	3	2,000	2,026	184	61	1,903
ESMCP-Local Transition	1,916	351	85	1,650	660	331	1,321
Other IT Equip. & System Upgrades	1,230	1083	218	365	357	346	354
Incident Reporting System (IRS)	-	-	200	200	-	-	200
Staffing	75	41	118	152	145	145	152
Office 365 Development	30	-	150	180	40	-	140
Enabling Future Technology	316	159	145	302	178	-	124
Management of Information	98	68	-	30	30	-	-
Vision 4 Data Cleansing	45	31	-	14	14	-	-
Firelink Grant	278	278	341	341	341	-	-
People Services							
Safeguarding Arrangements	-	-	-	-	-	56	56
Training, Health & Wellbeing							
Staff Training & Development	449	558	266	157	345	313	125
Health & Wellbeing	1,213	1,208	206	211	124	14	101
Training Equipment/Facilities	136	56	42	122	107	-	15
Prevention, Preparedness & Response							
Project Management/Support	-	-	-	-	135	643	508
COVID 19 Funding	-	-	-	-	-	459	459
Community Partnerships	456	198	93	351	235	99	215
Community Safety	-	2	90	88	101	113	100
Education Materials/Facilities	65	33	24	56	33	2	25
Youth Services	-	86	86	-	94	104	10

General Fund: (Continued)	Balance at 31st March 2018 (R) £000	Transfers out 2018/19 (R) £000	Transfers in 2018/19 (R) £000	Balance at 31st March 2019 (R) £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st March 2020 £000
Protection & Organisational Assurance							
SSRI/RIDGE	-	-	-	-	-	400	400
Project Management/Support	95	173	90	12	100	185	97
Legal Services	96	81	130	145	55	-	90
Fire Safety	25	25	43	43	79	59	23
Trauma Care Training	-	-	10	10	10	-	-
Command Delivery, Fire Control & WP							
Tech Rescue	823	193	144	774	624	260	410
Command Delivery	300	604	618	314	626	557	245
TOTAL	38,984	12,762	7,158	33,380	10,712	7,469	30,137

Further information on the Reserves Strategy can be found at <https://www.wmfs.net/about-us/openness/documents/>

12. UNUSABLE RESERVES

31 March 2019 £000		31 March 2020 £000
(42,683)	Revaluation Reserve	(45,321)
(60,284)	Capital Adjustment Account	(62,693)
1,807,689	Pensions Reserve	1,697,233
(801)	Collection Fund Adjustment Account	(237)
989	Accumulated Absences Account	1,141
1,704,910	Total Unusable Reserves	1,590,123

12.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its property, vehicles, plant, and intangible assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

2018/2019 £000		2019/2020 £000
(58,720)	Balance 1 April	(42,683)
(5,529)	Upward revaluation of assets	(9,380)
20,311	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	5,897
(43,938)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(46,166)
1,255	Amount written off to the Capital Adjustment Account	845
(42,683)	Balance 31 March	(45,321)

12.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The note below provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2018/2019 £000		2019/2020 £000
(56,096)	Balance 1 April	(60,284)
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
4,565	Charges for depreciation and impairment of non-current assets	4,152
2,044	Revaluation losses on Property, Vehicles, Plant and current assets	403
4	Amortisation of intangible assets	31
97	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	17
(49,386)		(55,681)
(1,255)	Adjusting amounts written out of the Revaluation Reserve	(845)
(50,641)	Net written out amount of the cost of non-current assets consumed in the year	(56,526)
	Capital financing applied in the year:	
-	Use of the Capital Receipts Reserve to finance new capital expenditure	-
(356)	Capital grants and contributions credited to the CIES that have been applied to capital financing	-
(304)	Application of grants to capital financing from the Capital Grants Unapplied Account	(83)
(834)	Statutory provision for the financing of capital investment charged against the General Fund	(884)
(8,149)	Capital expenditure charged against the General Fund and HRA balances	(5,200)
(60,284)	Balance 31 March	(62,693)

12.3 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2018/2019 £000		2019/2020 £000
1,676,394	Balance 1 April	1,807,689
6,143	Re-measurements of the net defined benefit liability/(asset)	(175,255)
136,584	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	82,051
(11,432)	Employer's pensions contributions and direct payments to pensioners payable in the year	(17,252)
1,807,689	Balance 31 March	1,697,233

12.4 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and NDR in the CIES as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund. The balance at the 31 March 2020 is (£0.237m) and was (£0.801m) as at 31 March 2019.

12.5 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2018/2019			2019/2020	
£000	£000		£000	£000
	1,294	Balance 1 April		989
(1,294)		Settlement or cancellation of accrual made at the end of the preceding year	(989)	
989		Amounts accrued at the end of the current year	1,141	
	(305)	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		152
	989	Balance 31 March		1,141

13. OTHER OPERATING EXPENDITURE

2018/2019 £000		2019/2020 £000
7	(Gains)/losses on the disposal of non-current assets	(37)
314	Levies	312
321	Total	275

14. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2018/2019 £000		2019/2020 £000
1,969	Interest payable and similar charges	1,922
42,335	Net interest on the net defined benefit liability/(asset)	44,138
(436)	Interest receivable and similar income	(426)
43,868	Total	45,634

15. TAXATION AND NON SPECIFIC GRANT INCOMES

2018/2019 £000		2019/2020 £000
(41,883)	Council tax income	(43,318)
(9,867)	NDR income from West Midland Local Authorities	(9,932)
(20,582)	Revenue support grant	(18,857)
(25,004)	Business rates retention scheme grants	(25,658)
-	Covid-19 Emergency funding grant	(594)
(356)	Capital grants and contributions	-
(97,692)	Total	(98,359)

16. PROPERTY, VEHICLES, PLANT AND EQUIPMENT

16.1 Comparative Movements in 2018/2019

2018/19	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Assets Under Construction	Total Property, Vehicles, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000
At 1 April 2018	130,969	32,334	1,884	2,763	167,950
Additions	1,035	212	-	7,428	8,675
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(17,590)	-	94		(17,496)
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(2,055)	-	11		(2,044)
De-recognition – Disposals	-	(1,785)	(220)	-	(2,005)
Assets reclassified (to) / from Held for Sale	-	-	-	-	-
Other movements in cost or valuation	8,316	(383)	383	(8,316)	-
At 31 March 2019	120,675	30,378	2,152	1,875	155,080
Accumulated Depreciation and Impairment					
At 1 April 2018	-	23,722	220	-	23,942
Depreciation charge	2,688	1,851	26	-	4,565
Depreciation written out to the Revaluation Reserve	(2,688)	-	(26)	-	(2,714)
De-recognition – Disposals	-	(1,688)	(220)	-	(1,908)
De-recognition – Other	-	(383)	383	-	-
At 31 March 2019	-	23,502	383	-	23,885
Net Book Value					
At 31 March 2018	130,969	8,612	1,664	2,763	144,008
At 31 March 2019	120,675	6,876	1,769	1,875	131,195

16.2 Movements on Balances 2019/2020

2019/20	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Assets Under Construction	Total Property, Vehicles, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000
At 1 April 2019	120,675	30,378	2,152	1,875	155,080
Additions	2,916	482	-	1,885	5,283
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	1,031	-	31	-	1,062
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(403)	-	-	-	(403)
De-recognition – Disposals	-	(1,482)	(46)	-	(1,528)
Assets reclassified (to) / from Held for Sale	-	-	-	-	-
Other movements in cost or valuation	-	1,420	985	(2,405)	-
At 31 March 2020	124,219	30,798	3,122	1,355	159,494
Accumulated Depreciation and Impairment					
At 1 April 2019	-	23,502	383	-	23,885
Depreciation charge	2,394	1,731	27	-	4,152
Depreciation written out to the Revaluation Reserve	(2,394)	-	(27)	-	(2,421)
De-recognition – Disposals	-	(1,465)	(46)	-	(1,511)
De-recognition – Other	-	(984)	984	-	-
At 31 March 2020	-	22,784	1,321	-	24,105
Net Book Value					
At 31 March 2019	120,675	6,876	1,769	1,875	131,195
At 31 March 2020	124,219	8,014	1,801	1,355	135,389

16.3 Depreciation

The depreciation rates used in the table above are consistent with those described in the accounting policies statement.

16.4 Capital Commitments

As at the 31st March 2020, the Authority approved capital expenditure in future years of £16.873m of which £1.5m has been contractually committed leaving £15.373m as the uncommitted sum which relates to expenditure on property, plant and equipment.

The largest of these contractual commitments represents:

	£000
• Vehicle Replacement Programme	816
• Command & Control – Network Upgrade	291

16.5 Revaluations

The Authority had all its property assets valued as at 31st March 2020 based on current value. The work was completed by qualified external valuers, WH&E. Valuations were carried out in accordance with the methodologies and bases for estimation set out in the Royal Institution of Chartered Surveyors (RICS) Professional Standards manual (The Red Book) and is International Valuation Standards compliant. The use of the manual means there is certainty with the valuation process.

Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

17. INTANGIBLE ASSETS

The movement on Intangible Asset balances during 2018/19 and 2019/20 is as follows:

	2018/19 Other Assets £000	2019/20 Other Assets £000
Balance at start of year:		
Gross carrying amounts	663	797
Accumulated amortisation	(650)	(654)
Net carrying amount at end of year	13	143
Additions:		
Purchases	134	-
Amortisation for the period	(4)	(31)
Net carrying amount at end of year	143	112
Comprising of:		
Gross carrying amounts	797	797
Accumulated amortisation	(654)	(685)
Net carrying amount at end of year	143	112

18. FINANCIAL INSTRUMENTS

18.1 Balance Sheet

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		31-Mar 2019 £000	31-Mar 2020 £000
	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000		
Amortised Cost	-	-	-	-	40,302	45,097	1,574	1,375	41,876	46,472
Total financial assets	-	-	-	-	40,302	45,097	1,574	1,375	41,876	46,472
Non-financial assets	-	-	-	-	-	-	15,287	13,285	15,287	13,285
Total	-	-	-	-	40,302	45,097	16,861	14,660	57,163	59,757

Financial Liabilities	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		31-Mar 2019 £000	31-Mar 2020 £000
	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000	31-Mar 2019 £000	31-Mar 2020 £000		
Amortised Cost	(35,697)	(33,675)	-	-	(455)	(2,172)	(3,090)	(4,337)	(39,242)	(40,184)
Total financial liabilities	(35,697)	(33,675)	-	-	(455)	(2,172)	(3,090)	(4,337)	(39,242)	(40,184)
Non-financial liabilities	-	-	-	-	-	-	(6,649)	(7,461)	(6,649)	(7,461)
Total	(35,697)	(33,675)	-	-	(455)	(2,172)	(9,739)	(11,798)	(45,891)	(47,645)

18.2 Income, Expense, Gains and Losses

	2018/19		2019/20	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Amortised Cost:				
(Gains)/Losses on de-recognition	7	-	(37)	-
Interest revenue	(436)	-	(426)	-
Interest expense	1,969	-	1,922	-
Total	1,540	-	1,459	-

18.3 Loans Outstanding

The Authority has its own portfolio of loans payable directly to the PWLB. Loans are also outstanding to Dudley MBC, which represent the Authority's share of the outstanding loan debt of the WMCC abolished in 1986.

Under accounting requirements, the financial instruments shown in the balance sheet are shown at "amortised cost". This is the carrying amount and comprises the principal amount borrowed and adjusted for breakage costs or stepped interest loans (measured by an effective interest rate calculation) and includes accrued interest.

The amounts owing are as follows:

	2018/2019		2019/2020	
	Long-Term £000	Short-Term £000	Long-Term £000	Short-Term £000
PWLB	(33,112)	-	(31,425)	(1,687)
Dudley MBC	(2,585)	(305)	(2,250)	(335)
Total Principal Amount	(35,697)	(305)	(33,675)	(2,022)
Plus Accrued Interest	-	(150)	-	(150)
Total Amortised Cost	(35,697)	(455)	(33,675)	(2,172)

18.4 Fair Value Measurement

IFRS 13 requires that local authorities measure some of their financial instruments at fair value and to apply the relevant input levels of the fair value hierarchy that are detailed in 1.9.3 of the Authority's accounting policies.

18.4.1 Fair Value of Assets and Liabilities at Amortised Costs

Except for the financial liabilities and financial assets carried at fair value, all other financial liabilities and financial assets held by the authority are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of cash flows that will take place over the remaining life of the instruments, using the following assumptions:

- Actual ranges of interest rates at 31st March 2020 of 8.625% to 3.95% for loans from the PWLB;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than twelve months, the fair value is taken to be the principal outstanding or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

18.4.2 Financial Liabilities

The fair values are as follows:

	2018/2019		2019/2020	
	Carry Amount £000	Fair Value £000	Carry Amount £000	Fair Value £000
PWLB Short & Long Term Loans	(33,112)	(61,368)	(33,112)	(66,870)
Dudley MBC (WMCC)	(2,890)	(2,890)	(2,585)	(2,585)
Total	(36,002)	(64,258)	(35,697)	(69,455)

Overall, the fair value for 2018/2019 is greater than the carrying amount because the Authority's portfolio of loans includes several fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

The fair values for the financial liabilities have been determined by for loans from the PWLB, Link Asset Services provide fair value estimates using both redemption and new borrowing (certainty rate) discount rates. The fair value of WMCC debt is taken to be the same as the amount of principal outstanding.

18.4.3 Financial Assets

The carrying amount and the fair value of the Authority's financial assets are the same due to the short term nature of the transactions.

18.4.4 Fair Value Hierarchy for Financial Assets and Financial Liabilities

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 in the table below have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	TOTAL 31 March 2019
	(Level 1) £000	(Level 2) £000	(Level 3) £000	£000
<u>FINANCIAL LIABILITIES</u>				
Loans	-	(64,258)	-	(64,258)
Plus Accrued Interest	-	(150)	-	(150)
Total Borrowing	-	(64,408)	-	(64,408)
Creditors	-	(3,090)	-	(3,090)
Total Financial Liabilities	-	(67,498)	-	(67,498)
<u>FINANCIAL ASSETS</u>				
Cash & Cash Equivalents	-	40,302	-	40,302
Total Investments	-	40,302	-	40,302
Debtors	-	1,574	-	1,574
Total Financial Assets	-	41,876	-	41,876

	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	TOTAL 31 March 2020
	(Level 1) £000	(Level 2) £000	(Level 3) £000	£000
<u>FINANCIAL LIABILITIES</u>				
Loans	-	(69,455)	-	(69,455)
Plus Accrued Interest	-	(150)	-	(150)
Total Borrowing	-	(69,605)	-	(69,605)
Creditors	-	(4,337)	-	(4,337)
Total Financial Liabilities	-	(73,942)	-	(73,942)
<u>FINANCIAL ASSETS</u>				
Cash & Cash Equivalents	-	45,097	-	45,097
Total Investments	-	45,097	-	45,097
Debtors	-	1,375	-	1,375
Total Financial Assets	-	46,472	-	46,472

18.5 Nature and extent of risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.

Liquidity risk – the possibility that the Authority might not have the funds available to meet its commitments to make payments.

Market risk – the possibility that financial loss might arise for the Authority because of changes in such measurements as interest rates.

18.5.1 Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

The Authority does not generally allow credit for customers, such that £0.593m of the £14.660m Debtors balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2019 £000	31 March 2020 £000
Less than three months	658	554
Three to six months	155	20
Six months to one year	19	13
More than one year	14	6
Total	846	593

18.5.2 Liquidity risk

As the Authority has ready access to borrowings, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

All trade and other payables are due to be paid in less than one year.

18.5.3 Market risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments.

During 2019/20, if interest rates on investments had been 0.25% lower with all other variables held constant, the impact on the CIES would be a fall in interest received of £0.122m (2018/2019 £0.136m). The impact of a 0.25% increase in interest rates would be the same but reversed, interest would increase by £0.122m (2018/2019 £0.136m).

The Authority's borrowing is at fixed rates, therefore there is little flexibility for any movement and impact on the CIES.

19. INVENTORIES

	General Stores		Mechanical Stocks		Heating Oil Petrol/ Diesel		Total	
	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000
Balance outstanding at start of year	466	425	165	163	94	100	725	688
Purchases	895	578	385	320	592	576	1,872	1,474
Recognised as an expense in the year	(935)	(562)	(387)	(321)	(586)	(590)	(1,908)	(1,473)
Written off balances	(1)	-	-	-	-	-	(1)	-
Balance outstanding at year-end	425	441	163	162	100	86	688	689

Inventories are valued at the year end and included in the balance sheet at latest price.

20. SHORT TERM DEBTORS

31 March 2019 £000		31 March 2020 £000
	Financial Instruments	
836	Trade receivables	587
693	Accrued income	738
45	Other receivable amounts	50
1,574	Total Financial Instruments	1,375
	Other Debtors	
8,625	Home Office - Pension Fund Top up Grant	6,267
5,579	Collection Fund	5,703
788	Prepayments	838
295	Sandwell MBC – VAT	477
15,287	Total Other Debtors	13,285
16,861	Total Debtors	14,660

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	31 March 2019 £000	31 March 2020 £000
Less than one year	2,034	2,190
One to two years	833	851
Two to six years	1,549	1,443
More than six years	362	444
Total	4,778	4,928

21. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2019 £000		31 March 2020 £000
10	Cash held by the Authority	10
(612)	Bank current account	(496)
40,904	Bank call account	45,583
40,302	Total Cash and Cash Equivalents	45,097

22. CREDITORS

31 March 2019 £000		31 March 2020 £000
	Creditors – Revenue	
	Financial Instruments	
(2,261)	Other entities and individuals	(3,304)
(348)	Central government bodies	(205)
(107)	Other local authorities	(208)
(2,716)	Total Financial Instruments	(3,717)
	Other Creditors	
(4,779)	Collection fund	(5,467)
(1,819)	Her Majesty's Revenue and Customs	(1,942)
(51)	Deferred income	(52)
(6,649)	Total Other Creditors	(7,461)
(9,365)	Total Creditors - Revenue	(11,178)
	Creditors – Capital	
	Financial Instruments	
(374)	Other entities and individuals	(620)
(374)	Total Creditors – Capital	(620)
(9,739)	Total Creditors	(11,798)

23. PROVISIONS

An insurance provision of (£0.664m) has been provided for previous years' employee and public liability claims, it is held in line with recommendations of the actuarial valuation. Whilst the Actuary can give advice about the total value of claims they are not able to confirm when these will be submitted.

24. CASH FLOW STATEMENT – OPERATING ACTIVITIES

24.1 The cash flows for operating activities include the following items:

2018/2019 £000		2019/2020 £000
(251)	Interest received	(436)
1,995	Interest paid	1,922

24.2 The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2018/2019 £000		2019/2020 £000
(4,565)	Depreciation	(4,152)
(2,044)	Impairment and downward valuations	(403)
(4)	Amortisation	(31)
(8)	(Increase)/decrease in impairment for doubtful debts	-
1,856	(Increase)/decrease in Creditors	(4,124)
3,770	Increase/(decrease) in Debtors	(2,200)
(37)	Increase/(decrease) in Inventories	-
(127,779)	Movement in pension liability	(67,340)
296	Contributions to Provisions	(238)
(97)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(17)
(128,612)	Net cash (inflows)/outflows from adjustments to net surplus or deficit on the provision of services for non-cash movements	(78,505)

24.3 The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2018/2019 £000		2019/2020 £000
57	Proceeds from the sale of property, vehicles, plant and equipment, investment property and intangible assets	50
25	Capital Grants credited to Surplus or Deficit on the provision of services	-
82	Net cash (inflows)/outflows from adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	50

25. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2018/2019 £000		2019/2020 £000
9,207	Purchase of property, vehicles, plant and equipment, investment property and intangible assets	5,037
(57)	Proceeds from the sale of property, vehicles, plant and equipment, investment property and intangible assets	(50)
(25)	Capital Grants Received	-
9,125	Net cash (inflows)/outflows from investing activities	4,987

26. CASH FLOW STATEMENT - FINANCING ACTIVITIES

2018/2019 £000		2019/2020 £000
1,316	Repayments of short and long term borrowing	305

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 March 2018 £000	Financing cash flows £000	Non-cash changes £000	31 March 2019 £000
Long term borrowings	(36,002)	-	305	(35,697)
Short term borrowings	(1,537)	1,361	(279)	(455)
Total liabilities from financing activities	(37,539)	1,361	26	(36,152)

	31 March 2019 £000	Financing cash flows £000	Non-cash changes £000	31 March 2020 £000
Long term borrowings	(35,697)	-	2,022	(33,675)
Short term borrowings	(455)	305	(2,022)	(2,172)
Total liabilities from financing activities	(36,152)	305	-	(35,847)

28. OFFICERS' REMUNERATION

The remuneration paid to the Authority's senior employees is as follows:

Total (Inc. pension) 2018/2019		Salary	Expenses Allowances	Total (excluding pension)	Pension	Total (including pension) 2019/2020
£		£	£	£	£	£
	Senior Officer whose salary is £150,000 or more per year:					
209,642	CFO – Phil Loach	175,151	1,339	176,490	65,331	241,821
	Senior Officers' whose salary is less than £150,000 but equal or more than £50,000 per year:					
168,095	Deputy CFO - Director Service Support (Note 1)	35,597	352	35,949	13,278	49,227
-	Deputy CFO – Culture Programme (Note 2)	61,163	516	61,679	16,758	78,437
160,545	Assistant CFO – Process Programme	134,422	1,598	136,020	49,098	185,118
90,097	Assistant CFO – People Programme	130,006	1,339	131,345	25,668	157,013
121,605	Strategic Enabler of Finance and Resources	104,581	-	104,581	19,452	124,033
83,698	Strategic Enabler Culture (Temporary – Note 3)	96,010	1,123	97,133	17,416	114,549
69,107	Strategic Enabler Strategy and Organisational Intelligence	59,435	-	59,435	11,055	70,490
902,789		796,365	6,267	802,632	218,056	1,020,688

Note 1 – Former Deputy CFO retired on 30 June 2019.

Note 2 – Deputy CFO appointment with effect from 4 November 2019.

Note 3 – Temporary promotion to Assistant CFO (22 July 2019 to 2 January 2020). Left the Authority on 2 February 2020.

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration band	2018/19 Number of employees	2019/20 Number of employees
£ 50,000 to £ 54,999	37	27
£ 55,000 to £ 59,999	20	29
£ 60,000 to £ 64,999	19	14
£ 65,000 to £ 69,999	-	5
£ 70,000 to £ 74,999	4	3
£ 75,000 to £ 79,999	1	3
£ 80,000 to £ 84,999	-	1
Total	81	82

The table above excludes the senior officers who are reported separately.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band [(b) +(c)]		(e) Total cost of exit packages in each band £	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
£0 - £20,000	-	-	-	14	-	14	-	15,574
£20,001 - £40,000	-	-	1	-	1	-	36,563	-
£40,001 - £60,000	-	-	1	-	1	-	57,186	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
Total	-	-	2	14	2	14	93,749	15,574

The Authority agreed to terminate the contracts of 14 employees in 2019/20, incurring costs of £16k (£94k in 2018/19).

29. MEMBERS' ALLOWANCES

The Authority paid the following amounts to Members of the Authority as allowances and expenses incurred during the year:

2018/2019 £000		2019/2020 £000
182	Allowances	168
9	Expenses	13
191	Total	181

30. EXTERNAL AUDIT COSTS

Fees payable to the external auditor:

2018/2019 £000			2019/2020 £000
30	Grant Thornton UK LLP	Fees payable for the external planned audit work	36
-	Grant Thornton UK LLP	Additional 2018/19 audit fee paid in 2019/20	4
30		Total	40

31. RELATED PARTIES

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Letters have been sent to Brigade Managers, Statutory Officers and current and former Councillors asking them to identify whether they have any relationships with related parties. No members' of the Authority or Chief Officer or parties related to them have undertaken any disclosable related party transactions during the year.

The following material transactions with related parties took place during the year:

2018/2019 £000	Related Party	Nature of Transaction	2019/2020 £000
20,582	Central Government	Revenue Support Grant	18,857
25,004		Business Rates Retention Scheme Grants	25,658
-		Pensions Grant	5,713
-		Covid-19 Emergency Funding Grant	594
356		Capital Grant	-
41,883	West Midland Local Authorities	Council Tax Income	43,318
9,867		NDR Income	9,932

Grants received are set out in Note 32.

32. GRANT INCOME

32.1 The Authority credited the following grants, contributions and donations to the CIES in 2019/2020:

	2018/2019 £000	2019/2020 £000
<i>Credited to Taxation and Non Specific Grant Income:</i>		
Revenue Support Grant	20,582	18,857
Business Rates Retention Scheme Grants	25,004	25,658
Covid-19 Emergency Funding Grant	-	594
Capital Grants and Contributions	356	-
Total	45,942	45,109
<i>Credited to Services:</i>		
Pensions Grant	-	5,713
New Dimension Training Crewing and Accommodation	820	877
Apprenticeship Levy	-	185
Fire Reduction Partnership	138	150
ESMCP WMFS Project Management	-	89
National Resilience	42	78
New Risks Section 29	82	49
New Burdens	8	8
Birmingham City Council Heritage	11	1
Fire Control Project	341	-
Home Office Surge Decontamination	30	-
CFOA Seconded Officer National Procurement	9	-
Total	1,481	7,150

32.2 Grants – Receipts in Advance

The Authority has received the following grant that has yet to be recognised as income as it has conditions attached to it that could require the monies to be returned to the giver. The balance at the year-end is as follows:

Current Liabilities	31 March 2019 £000	31 March 2020 £000
Grants - Receipts in Advance (Revenue Grants):		
Section 31 Business Rates Relief 2020/21	-	2,311

The section 31 business rates relief 2020/21 grant was received from MHCLG on 27 March 2020 to help the Authority respond to the Covid-19 pandemic pressures by assisting with cashflow. This grant as at the 31st March 2020 has been reflected as a Receipt in Advance.

33. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the CFR, a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The movement in the CFR is analysed in the second part of this note.

	2018/2019 £000	2019/2020 £000
<i>Opening CFR</i>	37,977	37,143
Capital investment:		
Property, Vehicles, Plant and Equipment	8,809	5,283
Sources of finance:		
Capital Receipts	-	-
Government grants and other contributions	(660)	(83)
Sums set aside from revenue:		
Direct Revenue Contributions	(8,149)	(5,200)
MRP/the Statutory Repayment of Loans Fund Advances	(834)	(884)
<i>Closing CFR</i>	37,143	36,259

<i>Movements in year</i>	2018/2019 £000	2019/2020 £000
MRP/the Statutory Repayment of Loans Fund Advances	(834)	(884)
<i>Increase/(decrease) in CFR</i>	(834)	(884)

34. DEFINED BENEFIT PENSION SCHEMES

34.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

At the 31st March 2020 the Authority participated in four post-employment schemes:

- The WMMAPF for civilian and fire control employees, administered locally by Wolverhampton City Council — this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- The 1992, 2006 and 2015 FPS for fire officers — these are unfunded defined benefit arrangements, there are no investment assets built up to meet the pensions liabilities. Fund Accounts have been set up, into which the Authority and scheme members make contributions and pension payments are made from the fund.

34.2 Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the MIRS. The following transactions have been made in the CIES and the General Fund Balance via the MIRS during the year:

2018/2019	LGPS £000	Firefighters'				Total £000
		Pension Scheme 1992 £000	Pension Scheme 2006 £000	Pension Scheme 2015 £000	Compensation Scheme £000	
CIES						
Cost of services:						
Current service cost	4,298	6,280	160	14,080	310	25,128
Past service costs, including curtailments	1,428	60,150	7,490	10	-	69,078
Administration Expenses	43	-	-	-	-	43
Financing and Investment Income and Expenditure:						
Net interest expense	1,075	36,880	1,830	1,510	1,040	42,335
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	6,844	103,310	9,480	15,600	1,350	136,584
Other post-employment benefits charged to the CIES:						
Remeasurement of the net defined benefit liability comprising:						
Changes in demographic assumptions	(8,054)	-	-	-	-	(8,054)
Changes in financial assumptions	6,952	39,250	3,900	3,800	830	54,732
Experience (gains) and losses	-	(3,850)	(1,480)	1,250	(310)	(4,390)
Return on fund assets in excess of interest	(1,118)	-	-	-	-	(1,118)
Other	-	(43,774)	21	8,726	-	(35,027)
Total post-employment benefits charged to the CIES	4,624	94,936	11,921	29,376	1,870	142,727
MIRS						
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(6,844)	(103,310)	(9,480)	(15,600)	(1,350)	(136,584)
Actual amount charged against the General Fund Balance for Pensions in the year:						
Employers' contributions payable to the scheme	2,740	2,336	51	4,616	-	9,743
Retirement benefits payable to pensioners	59	-	-	-	1,630	1,689

2019/2020	LGPS £000	Firefighters'				Total £000
		Pension Scheme 1992 £000	Pension Scheme 2006 £000	Pension Scheme 2015 £000	Compensation Scheme £000	
CIES						
<i>Cost of services:</i>						
Current service cost	4,769	4,430	100	28,240	590	38,129
Past service costs, including curtailments	-	6,360	(6,720)	80	-	(280)
Administration Expenses	64	-	-	-	-	64
Financing and Investment Income and Expenditure:						
Net interest expense	1,118	37,730	2,050	2,230	1,010	44,138
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	5,951	48,520	(4,570)	30,550	1,600	82,051
Other post-employment benefits charged to the CIES:						
Remeasurement of the net defined benefit liability comprising:						
Changes in demographic assumptions	4,087	(46,720)	(2,800)	(3,380)	(1,510)	(50,323)
Changes in financial assumptions	(17,974)	(58,700)	(6,250)	(4,210)	(830)	(87,964)
Experience (gains) and losses	2,956	(12,160)	320	1,500	(100)	(7,484)
Return on fund assets in excess of interest	6,410	-	-	-	-	6,410
Other	(5,781)	(45,168)	88	14,967	-	(35,894)
Total post-employment benefits charged to the CIES	(4,351)	(114,228)	(13,212)	39,427	(840)	(93,204)
MIRS						
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(5,951)	(48,520)	4,570	(30,550)	(1,600)	(82,051)
Actual amount charged against the General Fund Balance for Pensions in the year:						
Employers' contributions payable to the scheme	2,542	2,482	88	10,437	-	15,549
Retirement benefits payable to pensioners	53	-	-	-	1,650	1,703

34.3 Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

2018/2019	Funded liabilities: Local Government Pension Scheme £000	Unfunded liabilities: Local Government Pension Scheme £000	Unfunded liabilities: Firefighters' Pension Scheme 1992 £000	Unfunded liabilities: Firefighters' Pension Scheme 2006 £000	Unfunded liabilities: Firefighters' Pension Scheme 2015 £000	Unfunded liabilities: Firefighters' Compensation Scheme £000	Total £000
Present value of the defined benefit obligation	(145,513)	(633)	(1,558,510)	(83,630)	(74,820)	(41,590)	(1,904,696)
Fair value of plan assets	99,548	-	-	-	-	-	99,548
Net liability arising from defined benefit obligation	(45,965)	(633)	(1,558,510)	(83,630)	(74,820)	(41,590)	(1,805,148)

2019/2020	Funded liabilities: Local Government Pension Scheme £000	Unfunded liabilities: Local Government Pension Scheme £000	Unfunded liabilities: Firefighters' Pension Scheme 1992 £000	Unfunded liabilities: Firefighters' Pension Scheme 2006 £000	Unfunded liabilities: Firefighters' Pension Scheme 2015 £000	Unfunded liabilities: Firefighters' Compensation Scheme £000	Total £000
Present value of the defined benefit obligation	(140,350)	(632)	(1,441,800)	(70,330)	(103,810)	(39,100)	(1,796,022)
Fair value of plan assets	98,789	-	-	-	-	-	98,789
Net liability arising from defined benefit obligation	(41,561)	(632)	(1,441,800)	(70,330)	(103,810)	(39,100)	(1,697,233)

34.4 Reconciliation of the movements in the fair value of scheme (plan) assets:

2018/2019	Funded assets: Local Government Pension Scheme £000	Unfunded assets: Local Government Pension Scheme £000	Unfunded assets: Firefighters' Pension Scheme 1992 £000	Unfunded assets: Firefighters' Pension Scheme 2006 £000	Unfunded assets: Firefighters' Pension Scheme 2015 £000	Unfunded assets: Firefighters' Compensation Scheme £000	Total £000
Opening fair value of scheme assets	97,499	-	-	-	-	-	97,499
Interest income	2,467	-	-	-	-	-	2,467
Remeasurement gain/(loss):							
Return on assets less interest	1,118	-	-	-	-	-	1,118
Other	-	-	43,774	(21)	(8,726)	-	35,027
Contributions from Employer	113	59	2,336	51	4,616	1,630	8,805
Contributions from employees into the scheme	814	-	1,360	50	4,110	-	6,334
Benefits paid	(2,420)	(59)	(47,470)	(80)	-	(1,630)	(51,659)
Administration expenses	(43)	-	-	-	-	-	(43)
Closing fair value of scheme assets	99,548	-	-	-	-	-	99,548

2019/2020	Funded assets: Local Government Pension Scheme £000	Unfunded assets: Local Government Pension Scheme £000	Unfunded assets: Firefighters' Pension Scheme 1992 £000	Unfunded assets: Firefighters' Pension Scheme 2006 £000	Unfunded assets: Firefighters' Pension Scheme 2015 £000	Unfunded assets: Firefighters' Compensation Scheme £000	Total £000
Opening fair value of scheme assets	99,548	-	-	-	-	-	99,548
Interest income	2,360	-	-	-	-	-	2,360
Remeasurement gain/(loss):							
Return on assets less interest	(6,410)	-	-	-	-	-	(6,410)
Other	5,781	-	45,168	(88)	(14,967)	-	35,894
Contributions from Employer	1	53	2,482	88	10,437	1,650	14,711
Contributions from employees into the scheme	834	-	930	40	4,640	-	6,444
Benefits paid	(3,261)	(53)	(48,580)	(40)	(110)	(1,650)	(53,694)
Administration expenses	(64)	-	-	-	-	-	(64)
Closing fair value of scheme assets	98,789	-	-	-	-	-	98,789

34.5 Reconciliation of present value of the scheme liabilities (defined benefit obligation):

2018/2019	Funded liabilities: Local Government Pension Scheme	Unfunded liabilities: Local Government Pension Scheme	Unfunded liabilities: Firefighters' Pension Scheme 1992	Unfunded liabilities: Firefighters' Pension Scheme 2006	Unfunded liabilities: Firefighters' Pension Scheme 2015	Unfunded liabilities: Firefighters' Compensation Scheme	Total
	£000	£000	£000	£000	£000	£000	£000
Opening balance at 1 April	(138,945)	(700)	(1,465,910)	(71,760)	(50,060)	(41,350)	(1,768,725)
Current service cost	(4,298)	-	(6,280)	(160)	(14,080)	(310)	(25,128)
Interest cost	(3,525)	(17)	(36,880)	(1,830)	(1,510)	(1,040)	(44,802)
Contributions from scheme participants	(814)	-	(1,360)	(50)	(4,110)	-	(6,334)
Remeasurement gains and (losses):							
Changes in demographic assumptions	8,016	38	-	-	-	-	8,054
Changes in financial assumptions	(6,939)	(13)	(39,250)	(3,900)	(3,800)	(830)	(54,732)
Experience gains/(losses)	-	-	3,850	1,480	(1,250)	310	4,390
Past service costs, including curtailments	(1,428)	-	(60,150)	(7,490)	(10)	-	(69,078)
Benefits paid	2,420	59	47,470	80	-	1,630	51,659
Closing balance at 31 March	(145,513)	(633)	(1,558,510)	(83,630)	(74,820)	(41,590)	(1,904,696)

2019/2020	Funded liabilities: Local Government Pension Scheme	Unfunded liabilities: Local Government Pension Scheme	Unfunded liabilities: Firefighters' Pension Scheme 1992	Unfunded liabilities: Firefighters' Pension Scheme 2006	Unfunded liabilities: Firefighters' Pension Scheme 2015	Unfunded liabilities: Firefighters' Compensation Scheme	Total
	£000	£000	£000	£000	£000	£000	£000
Opening balance at 1 April	(145,513)	(633)	(1,558,510)	(83,630)	(74,820)	(41,590)	(1,904,696)
Current service cost	(4,769)	-	(4,430)	(100)	(28,240)	(590)	(38,129)
Interest cost	(3,463)	(15)	(37,730)	(2,050)	(2,230)	(1,010)	(46,498)
Contributions from scheme participants	(834)	-	(930)	(40)	(4,640)	-	(6,444)
Remeasurement gains and (losses):							
Changes in demographic assumptions	(4,056)	(31)	46,720	2,800	3,380	1,510	50,323
Changes in financial assumptions	17,948	26	58,700	6,250	4,210	830	87,964
Experience gains/(losses)	(2,924)	(32)	12,160	(320)	(1,500)	100	7,484
Past service costs, including curtailments	-	-	(6,360)	6,720	(80)	-	280
Benefits paid	3,261	53	48,580	40	110	1,650	53,694
Closing balance at 31 March	(140,350)	(632)	(1,441,800)	(70,330)	(103,810)	(39,100)	(1,796,022)

34.6 LGPS assets comprised:

Asset category	31 March 2019 £000	%	31 March 2020 £000	%
Equities	58,838	59	56,236	57
Gilts	9,563	10	11,482	12
Other bonds	3,836	4	4,128	4
Property	8,455	8	8,787	9
Cash	3,153	3	3,545	3
Other	15,703	16	14,611	15
Total Assets	99,548	100	98,789	100

34.7 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The FPS have been assessed using an approach and model supplied by GAD and certified by them on 27 August 2020. The WMMAPF has been based on triennial actuarial valuations, the last review being 31 March 2019 and assessed by Barnett Waddingham. In calculating the IAS19 figures for the WMMAPF the actuary assumed an investment return of -4%.

The significant assumptions used by the actuary have been:

	LGPS		FPS	
	2018/2019	2019/2020	2018/2019	2019/2020
Mortality assumptions:				
Longevity at 65 for current pensioners:				
• Men	20.9	21.9	22.0	21.3
• Women	23.2	24.1	22.0	21.3
Longevity at 65 for future pensioners:				
• Men	22.6	23.8	23.9	23.0
• Women	25.0	26.0	23.9	23.0
Rate of inflation CPI	2.4%	1.85%	2.35%	2.00%
Rate of increase in salaries	3.9%*	2.85%	4.35%	4.00%
Rate of increase in pensions	2.4%	1.85%	2.35%	2.00%
Rate for discounting scheme liabilities	2.4%	2.35%	2.45%	2.25%

* Allowed for short-term overlay from 31 March 2016 to 31 March 2020 for salaries to rise in line with CPI. This is consistent with the 2016 valuation of the Fund.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the schemes i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

A sensitivity analysis for the WMMAPF as at 31 March 2020 is shown below:

Sensitivity analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	(138,013)	(140,982)	(144,018)
Projected service cost	(4,428)	(4,541)	(4,657)
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	(141,356)	(140,982)	(140,612)
Projected service cost	(4,543)	(4,541)	(4,539)
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	(143,657)	(140,982)	(138,366)
Projected service cost	(4,655)	(4,541)	(4,429)
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	(146,588)	(140,982)	(135,604)
Projected service cost	(4,689)	(4,541)	(4,397)

The tables below show the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions and the impact on the total liability as at 31 March 2020 for the FPS:

Firefighters' Pension Scheme 1992 Change in assumption*	Approximate % increase to Employer liability	Approximate effect on total liability £m
0.5% increase in real discount rate	-8.5%	123
0.5% increase in long term salaries rate	1.0%	(11)
0.5% increase in the pensions increase rate	7.0%	(102)
1 year increase in member life expectancy	3.0%	(45)

The weighted average duration of the defined benefit obligation for scheme members is approximately 18 years.

Firefighters' Pension Scheme 2006 Change in assumption*	Approximate % increase to Employer liability	Approximate effect on total liability £m
0.5% increase in real discount rate	-17.0%	12
0.5% increase in salaries rate	7.5%	(5)
0.5% increase in the pensions increase rate	9.5%	(7)
1 year increase in member life expectancy	3.0%	(2)

The weighted average duration of the defined benefit obligation for scheme members is approximately 38 years.

Firefighters' Pension Scheme 2015 Change in assumption*	Approximate % increase to Employer liability	Approximate effect on total liability £m
0.5% increase in real discount rate	-16.5%	17
0.5% increase in salaries rate	7.5%	(8)
0.5% increase in the pensions increase rate	9.5%	(10)
1 year increase in member life expectancy	3.0%	(3)

The weighted average duration of the defined benefit obligation for scheme members is approximately 36 years.

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.

34.8 Impact on the Authority's Cash Flows

The objective of the LGPS is to keep employers' contributions at as constant a rate as possible. The WMMAPF has agreed a strategy with the scheme's actuary to achieve a funding level of 100% by no more than 17 years with effect from the 2019 valuation.

The LGPS will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings scheme to pay pensions and other benefits to certain public servants.

The £7.9m payment to the WMMAPF in April 2020 for employer pension contributions for the LGPS, included payments for the 1st April 2020 to 31st March 2021 £2.66m, 1st April 2021 to 31st March 2022 £2.63m and 1st April 2022 to 31st March 2023 £2.61m.

On 28 February 2019, GAD published the final reports in relation to the 2016 valuation of the FPS. This included the scheme specific employer contribution rates for the period April 2019 to March 2023. Employer contribution rates increased significantly because of the valuation. To cover approximately 90% of the additional cost, a section 31 government grant of £5.7m was received in 2019/20. In a letter dated 6 February 2020, the Home Office confirmed that a section 31 government grant would be paid to the Authority at the same level in 2020/21 but gave no commitment for future years. Expected employers' contributions for the FPS in the year to 31 March 2021 are approximately £13m.

35. CONTINGENT LIABILITIES

35.1 Municipal Mutual Insurance Limited (MMI)

MMI, through which the Authority had part of its insurance, ceased writing new insurance business in 1992 and is currently using its available resources to meet outstanding claims. MMI may not know the full extent of its liability claims as it may take several years for them to arise, however the Company has continued to settle claims in an orderly manner. To prevent the costs associated with an insolvent run off, the Company entered into a scheme of arrangement with its creditors. Following a Supreme Court judgement on 28th March 2012 which found against the Company, it is now highly likely that the scheme of arrangement will be triggered. Once the scheme is implemented, the Authority and others will be called upon to reimburse the company with a proportion (up to 100%) of its claims settled since 1st October 1993. The Contingent Liability is for approximately 50% (£2.060m). Payments of £0.402m (2013/14) & £0.268m (2016/17) have been made and an earmarked reserve is provided for £0.038m. The balance is held in the insurance earmarked reserve (£1.352m).

PENSION FUND ACCOUNT

2018/2019 £000					2019/2020 £000			
1992	2006	Modified	2015		1992	2006	Modified	2015
				Contributions Receivable				
				From Fire Authority				
(2,066)	(29)	(22)	(4,596)	Contributions in relation to pensionable pay	(2,362)	(41)	(27)	(10,437)
(270)	-	-	(20)	Ill health retirements	(120)	(20)	-	-
(1,363)	(27)	(24)	(4,117)	From firefighters' contributions	(928)	(17)	(20)	(4,643)
				Transfers in				
-	-	-	(13)	Individual	(112)	-	-	(80)
				Benefits Payable				
39,341	20	7	-	Pensions	40,967	24	8	1
8,228	46	-	4	Commutations and lump sum retirement benefits	7,616	-	-	-
-	-	-	-	Lump sum death benefits	-	-	-	95
				Payments to and on account of leavers				
-	-	-	-	Individual transfers	-	5	-	14
43,870	10	(39)	(8,742)	Net amount payable for the year	45,061	(49)	(39)	(15,050)
(43,870)	(10)	39	8,742	Top up Grant payable by the Government	(45,061)	49	39	15,050
-	-	-	-		-	-	-	-

2018/2019 £000	NET ASSETS STATEMENT	2019/2020 £000
-	Commutations and lump sum retirement benefits	(100)
8,625	Top-up receivable from the Government	6,267
(8,625)	Amount owing to General Fund	(6,167)
-		-

NOTES TO THE PENSION FUND ACCOUNT

The fund was established at 1st April 2006 under the Firefighters' Pension Scheme (Amendment) England Order 2006 and covered both the 1992 and 2006 FPS. From 1st April 2015, a new firefighters' pension scheme and a modified section in the 2006 scheme was established. The fund now includes the 1992, 2006 and 2015 schemes. Before 1st April 2006 the Authority was responsible for paying the pensions of its own former employees on a pay as you go basis. The FPS remain unfunded and consequently the fund has no investment assets. Benefits are funded by contributions from the Authority and employees and any difference between benefits payable and contributions receivable is met by top-up grant from the MHCLG.

Government funding by top-up grant is paid in two installments, 80% of the estimated annual amount is received in August of the relevant year with the balance paid once actual figures have been determined.

Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the MHCLG and are subject to revaluation every four years' by GAD. The contribution rates for 2019/20 are shown in the tables below:

	1992 Scheme %	2006 Scheme %	Modified %
Employer's	37.3	27.4	37.3
Employees' Pensionable pay band			
Up to £15,609	11.0	8.5	11.0
> £15,609 to £21,852	12.2	9.4	12.2
> £21,852 to £31,218	14.2	10.4	14.2
> £31,218 to £41,624	14.7	10.9	14.7
> £41,624 to £52,030	15.2	11.2	15.2
> £52,030 to £62,436	15.5	11.3	15.5
> £62,436 to £104,060	16.0	11.7	16.0
> £104,060 to £124,872	16.5	12.1	16.5
> £124,872	17.0	12.5	17.0

	2015 Scheme %
Employer's	28.8
Employees' Pensionable pay band	
Up to £27,818	11.0
£27,819 to £51,515	12.9
£51,516 to £142,500	13.5
£142,501 or more	14.5

The fund is administered by the Authority and managed by the Strategic Enabler of Finance and Resources. Benefits are paid to retired officers, their survivors and others who are eligible for benefits under both the 1992, 2006 and 2015 FPS.

The fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund. These expenses are borne by the Authority in its main accounts.

The Net Assets Statement does not include liabilities to pay pensions and other benefits after the 31st March 2020. For further information on the liability to pay pensions see Note 34.

The account is prepared in accordance with the same code of practice and accounting policies as outlined in the Statement of Accounting Policies, with one exception that accounting for transfer values are on a cash basis rather than accruals basis.

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

- 1.1 West Midlands Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this duty, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.
- 1.3 The Authority has complied with the code of corporate governance which is consistent with the principles of the revised CIPFA/SOLACE Framework 2016 published by CIPFA in association with the International Federation of Accountants (IFAC) – Delivering Good Governance in Local Government. The Authority has also complied with the requirements of CIPFA's statement on the role of the Chief Financial Officer in Local Government. This Annual Governance Statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 which require the Authority to prepare an Annual Governance Statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to and engages with 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.
- 2.2 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 and potential impact of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31st March 2020 and up to the date of the approval of the annual report and statement of accounts.

3. The Governance Framework

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

- 3.1 The Authority has produced a Corporate Strategy setting out its objectives and there is regular performance monitoring in which achievement of the Authority's objectives is measured and monitored.
- 3.2 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. This also encourages open communication.
- 3.3 The Authority facilitates policy and decision-making via regular Policy Planning Forums and Authority and Executive Committee meetings. An Audit and Risk 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 constitution of the Committees including the terms of reference is reviewed annually and available on the Internet.
- 3.4 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 programme in place and information regarding strategies and procedures are held on the intranet, which continues to be developed. The Authority has a strong Internal Audit function and established protocols for working with External Audit.
- 3.5 West Midlands Fire and Rescue Authority will continue to enhance and strengthen its internal control environment through the review of current policies and procedures.
- 3.6 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 its services to meet objectives. To consider the effectiveness of the Authority's risk management arrangements is a specific term of reference for the Audit and Risk Committee and risk management is a specific responsibility of both the Chair and Vice Chair.
- 3.7 The Authority's Corporate Risk Register identifies the principal risks to the achievement of the Authority's objectives and assesses the nature and extent of those risks (through assessment of likelihood and impact). The Register identifies risk owners whose responsibility includes the identification of controls and actions to manage them efficiently, effectively and economically.

- 3.8 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 the business planning process. This ensures that resources are aligned to priorities and secures best value from the resources that are available.
- 3.9 The Chief Financial Officer is a key member of the leadership team, helping to develop and implement the Authority's strategy. 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 ensures that any significant budget variances are identified in a timely way, and corrective action initiated.
- 3.10 The Authority's performance management and reporting of performance management continues to be improved with a more focused Corporate Strategy, the setting of priorities and is supported by regular performance monitoring. Corporate performance is reported on a quarterly basis and this process provides officers and Members with the opportunity to share knowledge and understanding about key performance issues affecting services.
- 3.11 The Authority within its committee framework has an Appointment, Standards and Appeals Committee to promote high ethical standards amongst Members. This Committee leads on developing policies and procedures to accompany the Code of Conduct for Members and is responsible for local assessment and review of complaints about members' conduct. The Authority also has a Scrutiny Committee which undertakes performance management functions and informs policy development.
- 3.12 The Fire and Rescue National Framework for England sets out a requirement for Fire and Rescue Authorities to publish 'Statements of Assurance'. Specifically, Fire and Rescue Authorities must provide assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in this Framework. The Authority has approved the Statement of Assurance which is available on the Service's website.

4. Review of Effectiveness

- 4.1 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.

4.2 Section unit business plans contain a variety of performance indicators and targets that are regularly reviewed.

4.3 The Authority's political governance arrangements, which are appropriately reviewed by officers, set out the responsibilities of both Members and senior managers. In particular the Authority has identified the following statutory post holders:-

- Chief Fire Officer
- Treasurer
- Monitoring Officer

In addition to the statutory posts, the post of Clerk to the Authority has been maintained.

4.4 The arrangements for the provision of internal audit are contained within the Authority's Financial Regulations. 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 Regulations 2015. The internal audit provision operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government. The Authority's Audit Plan 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. The work is further supplemented by reviews around the main financial systems, scheduled visits to Authority establishments and fraud investigations. Internal Audit leads on promoting a counter-fraud culture within the Authority.

4.5 The resulting Audit Plan is discussed and agreed with officers of the Strategic Enabling Team and the Audit and Risk 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 Audit reports include an assessment of the adequacy of internal control and prioritised action plans to address any areas needing improvement.

4.6 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;
- The work undertaken by the external auditor reported in their annual audit;
- Other work undertaken by independent inspection bodies.

4.7 From the work undertaken by Internal Audit in 2019/2020 the Internal Audit has given a 'reasonable assurance' that the Authority has adequate and effective governance, risk management and internal control processes. This represents an unqualified opinion and the highest level of assurance available to Audit Services. In giving this opinion it is recognised that assurance can never be absolute. 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.

- 4.8 The Authority is able to confirm that its financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- 4.9 Audit Services have reported and advised on the implications of the result of the review of effectiveness of the governance framework by the sources noted above and that the arrangements continue to be regarded as fit for purpose in accordance with the Authority's governance framework. The areas to be specifically addressed are outlined in 5.5.

5. Significant governance arrangements within the Authority

- 5.1 West Midlands Fire & Rescue Authority has a legal duty to provide an efficient, safe and effective fire and rescue service. The key priorities are:-
- Prevention – Safer and healthier communities
 - Protection – stronger business communities
 - Response – dealing effectively with emergencies
- 5.2 These form the basis of the Authority's Corporate Strategy known as The Plan 2019-2022 which sets out the outcomes and priorities based on the Community Safety Strategy. The five-minute attendance standard lies at the heart of the Service Delivery Model. The model shows how staff provide the core prevention, protection and response services to make the West Midlands safer, stronger and healthier.
- 5.3 Grant Thornton, the Authority's External Auditors, published the Audit Findings Report for its 2018/2019 audit work which reported an unqualified opinion on the financial statements. It also issued an unqualified value for money conclusion stating that the Authority had proper arrangements in all significant respects to ensure it delivered value for money in the use of resources.
- 5.4 Based on audit work undertaken during the year an Annual Internal Audit Report was presented to the Audit and Risk Committee on 27 July 2020, Audit work which was completed in 2019/2020 included:-
- Risk Management
 - Fixed Asset Accounting
 - Accounts Receivable
 - Accounts Payable
 - Budgetary Control
 - Payroll
 - Governance
 - Data Protection / IT
 - Freedom of Information
 - Partnerships

5.5 As a result of these audits the following was identified as the main issue:-

Payroll

A review of the payroll process was undertaken to ensure that the Fire Service had appropriate controls in place to mitigate the risk of fraud and error in the calculation, recording and payment of the payroll. We identified two issues of significance, the first of which is a re-iteration of the recommendation made in last year's report relating to:

- the People Support Services section did not have formal procedure notes which detailed the process for obtaining and evidencing approval for new starters.
- end dates for employees with temporary contracts were not recorded, which could lead to the overpayment of salaries to these individuals

5.6 The issues outlined above, together with any other issues highlighted in the Annual Internal Audit Report have been raised with relevant managers and actions have been taken to achieve improvements.

5.7 As part of the Finance Settlement for 2016/17, an offer was made for a multiyear 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 considered and approved the Efficiency Plan which was submitted to the Home Office.

5.8 In February 2020, the Secretary of State for Ministry of Housing, Communities and Local Government (MHCLG) confirmed the Authority's funding settlement for 2020/21, which was a one-year settlement only. In the Secretary of State for MHCLG settlement announcement, there was no indication of further funding levels beyond 2020/21. In planning for 2021/22 onwards, a reduction of 2% was assumed to the overall core funding. It should be noted that this is a very provisional figure and there is the potential for the scale of reductions to be of a greater magnitude than this base assumption. Every 1% reduction in core funding represents a loss of circa £0.5m funding for the Authority.

5.9 With the anticipation of cuts to government funding continuing into future years, the Authority faces considerable financial pressures which could result in difficulties to deliver an efficient and effective service, which in turn would increase the risk to the communities of the West Midlands. A key aim for the Authority is to therefore identify and deliver further Service efficiencies to ensure the ongoing stability of the Authority's financial position.

5.10 Covid-19 Governance Impact

During March 2020, the Coronavirus pandemic resulted in a nationwide lockdown and an emergency response, which had an impact on the Authority's "business as usual". This has and will continue to have an impact on the Authority's governance arrangements.

During the lockdown period temporary governance arrangements have been approved by the Chief Fire Officer to enable decision making to continue where needed, including:

- approval of the appointment of a deputy monitoring officer,
- approval of the WMFS key performance targets.

A number of meetings were cancelled during the early weeks of the lockdown period and arrangements were made for Authority Members to be kept informed and make decisions through the use of weekly Authority briefings via video conferencing. For future meetings, the Authority will hold these virtually in accordance with the Regulations published by the Government allowing participation by remote attendance, during the period that physical meetings are not permitted.

Whilst business continuity arrangements have been in place the Authority's Audit and Risk Committee met virtually on 1 June 2020 and a further meeting is scheduled for 27 July 2020. An extraordinary meeting of the Pensions Board also took place virtually on 8 June 2020. A full meeting of the Authority, which would be the Annual General Meeting is planned for September 2020,

6. Certification

- 6.1 To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our annual review.

Greg Brackenridge
Chair
West Midlands Fire & Rescue Authority

Phil Loach
Chief Fire Officer

GLOSSARY OF TERMS

Accruals

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid (see Debtors and Creditors).

Accumulated Absences Account

The estimated cost of any untaken employee benefits.

Balance Sheet

A statement of assets, liabilities and other balances at the end of an accounting period.

Capital Adjustment Account

The fundamental principal of capital accounting is that accounting for non-current assets is separated from accounting for their financing. This is one of two reserves that help to manage this separation. It provides a balancing mechanism between the different rates at which assets are depreciated and are financed through the capital controls system.

Capital Expenditure

Expenditure on the acquisition of a fixed asset, or expenditure which adds to, and not merely maintains the value of an existing fixed asset.

Capital Receipt

Money received from the disposal of land and other assets. Capital receipts can only be used to fund capital expenditure.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The only leading professional accountancy body in the UK specialising in the public sector. It has responsibility for setting accounting standards for local government.

Code – code of practice on local authority accounting

The rules and regulations governing the information and layout of the financial reporting statement of the Authority.

Creditor

An amount owed by an authority for work done, goods received or services rendered but for which payment has not been made at the end of the year.

Current Assets

Items from which the Authority derives a benefit but which will be consumed or realised during the next accounting period, e.g. stocks, debtors, cash.

Current Liabilities

Amounts falling due for payment in the next accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Debtor

A sum due to the Authority but not received at the financial year end.

Deferred Liability

Amounts owed to outside bodies to be paid in predetermined instalments over more than one accounting period; e.g. leasing charges.

Defined Benefit Pension Scheme

A scheme in which the rules specify the benefits to be paid and the scheme is financed accordingly.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

Emoluments

These are payments received from employment, usually in the form of wages, salaries or fees.

Employee Benefits

This is the net cost of any untaken benefit e.g. annual leave at the end of the financial year. This figure is shown in the Provision for Accumulated Absences and Accumulated Absences Accounts. The difference between the amounts held on the two balance sheet dates represents the movement in the Comprehensive Income and Expenditure Account.

Fixed Asset

An item from which the Authority will derive a benefit over several accounting periods.

General Fund

The total services of the Authority, the net cost of which is met by Council Tax, NDR and Government Grants.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfer of assets to an authority, in return for past or future compliance with certain conditions relating to the activities of the Authority.

Heritage Assets

Assets which are primarily held and maintained for knowledge and cultural purposes.

Impairment

A diminution in value of a fixed asset resulting from, inter alia, obsolescence or physical damage.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

International Financial Reporting Standards (IFRS)

The set of accounting standards that has been introduced across the private and public sector from 1st April 2010.

Inventories

The value of those items of raw materials and stores the Authority has procured to use on a continuing basis, but which are not used at the balance sheet date.

Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are payable within one year of the balance sheet date.

Long term Borrowing

The total amounts borrowed from external lenders for capital purposes but not repaid at the balance sheet date.

Long term Debtors

Amounts due to the Authority to be paid in predetermined instalments over more than one accounting period; e.g. car loans to staff.

Materiality

An item is material if its omission, non-disclosure or mis-statement in financial statements could be expected to lead to a distortion of the view given by the financial statements.

Minimum Revenue Provision

An amount that is considered prudent which must be set aside from revenue as provision for the repayment of loan debt.

NDR

Rates which are levied on business properties.

Net Book Value

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Realisable Value

The open market value of the asset in its existing use (or market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non Operational Assets

Non-current assets held by the Authority but not used or consumed in the delivery of services.

Operational Assets

Non-current assets held and occupied, used or consumed by the Authority in the delivery of services for which it has either a statutory or discretionary responsibility.

Past Service Cost (Pensions)

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in the prior periods arising in the current period because of the introduction of, or improvement to, retirement benefits.

Payment in Advance

Amounts actually paid in a given accounting period prior to the period for which they were payable

Precept

The amount levied upon local authorities in the West Midlands by the Fire Authority.

Provisions

Amounts set aside to meet future liabilities arising from past events but the exact amount and date on which it will arise is uncertain.

Receipts in Advance

Amounts actually received in a given accounting period prior to the period for which they were receivable.

Related Party

The Authority is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority, related parties are deemed to include:

Central Government.

West Midlands Local Authorities.

Members of the Authority or parties related to them.

Chief Officer or parties related to them.

Reserves

Amounts set aside to meet future contingencies but whose use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account. This is a crucial distinction between provisions and reserves.

Revaluation Reserve

The fundamental principal of capital accounting is that accounting for non-current assets is separated from accounting for their financing. This is one of two reserves that help to manage this separation. It records unrealised revaluation gains arising (since 1st April 2007) from holding non-current assets.

Revenue Expenditure

Revenue Expenditure is money spent on the day-to-day running costs of providing services. It is usually of a constantly recurring nature and produces no permanent assets.

Revenue Support Grant (RSG)

A grant from central Government towards the cost of providing services.

Temporary Loans

This represents money borrowed for a period of less than one year

Useful Life

The period over which the Authority will derive benefits from the use of a fixed asset.

SUMMARY OF ACCOUNTS



Item 11

2019-2020

INTRODUCTION



This document is a summary of the Authority's Statement of Accounts for 2019/20.

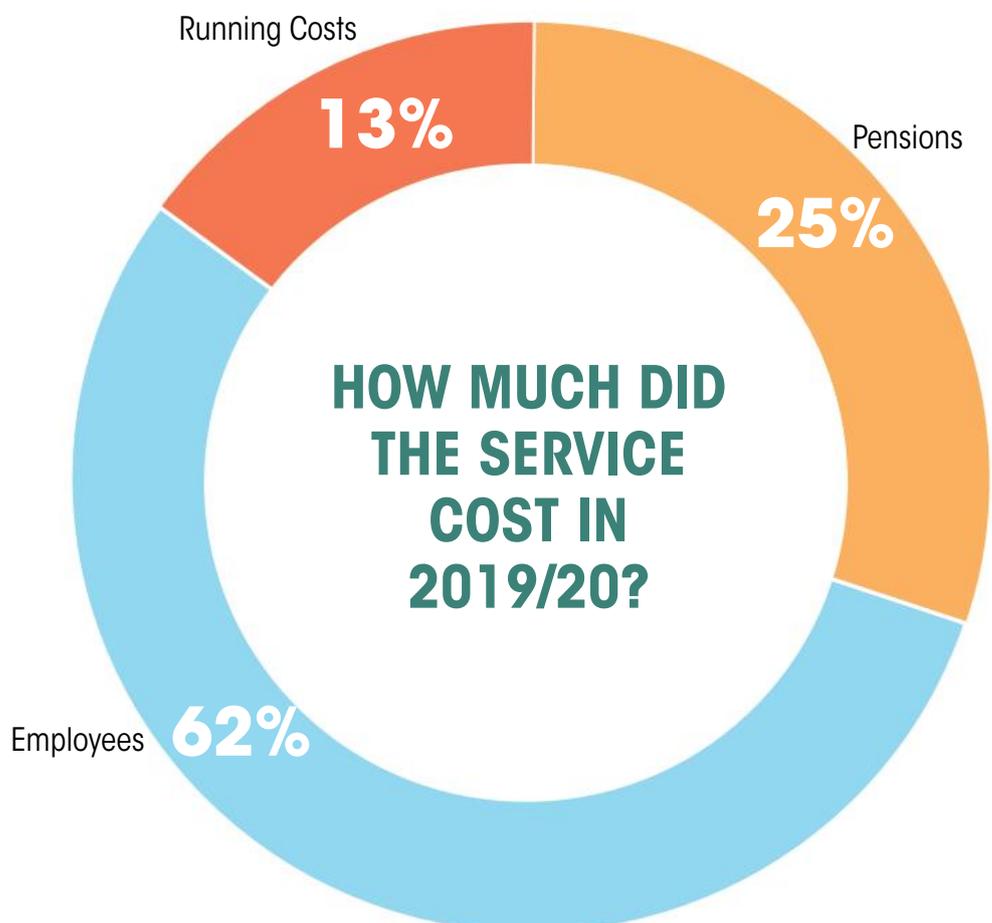
The Authority is responsible for the stewardship of public money and the production of summary accounts allows it to enhance its accountability to the residents of the West Midlands.

The Authority's 2019/20 Statement of Accounts is prepared in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, under International Financial Reporting Standards.

These summary accounts have no legal standing and are not subject to external audit.

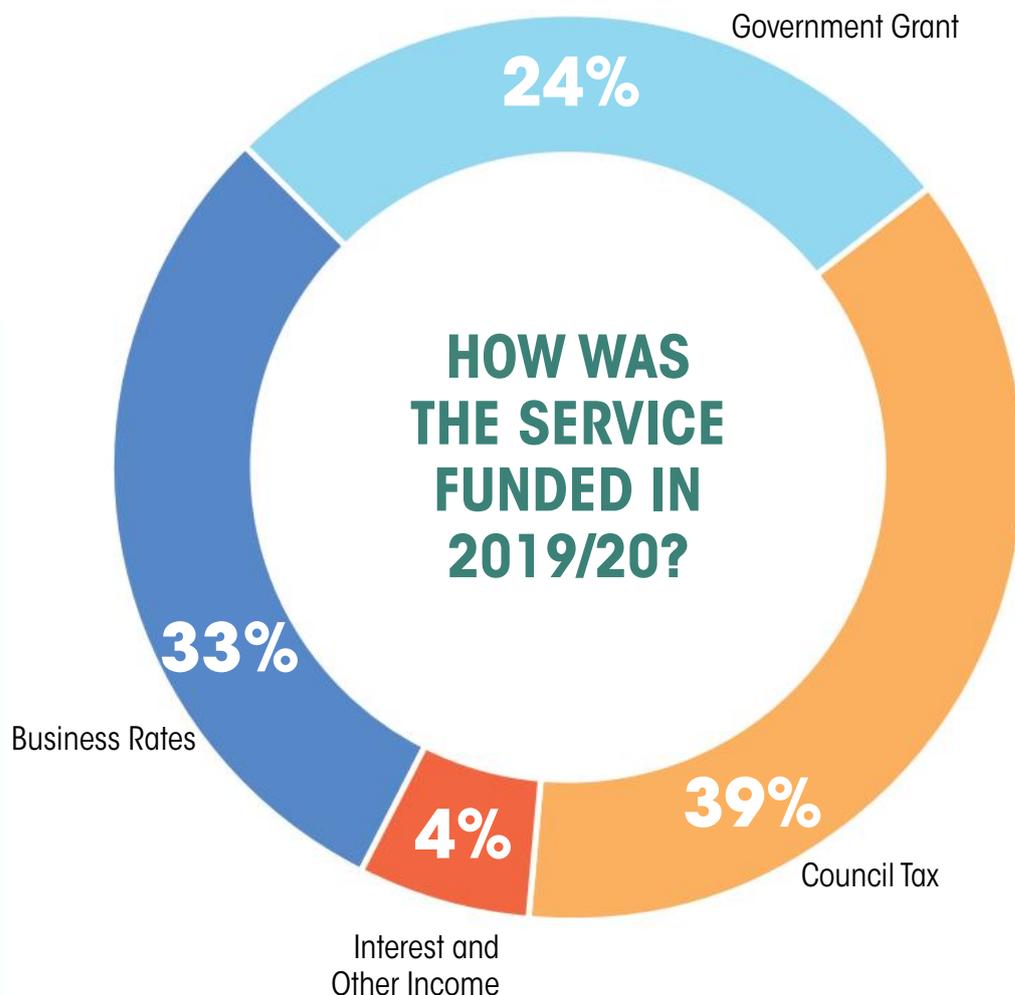
The majority of the net cost of Fire Service expenditure relates to the cost of services (£120.818m).

The total Provision of Services in 2019/20 shows a deficit of £68.368m. Within this deficit is the expenditure of the Authority which for 2019/20 was £178.581m. The type of costs can be broken down as shown opposite:



The total income of the Authority in 2019/20 was £110.213m. The majority of funding came from the government in the form of grant and a share of business rates.

The main sources of funding are shown opposite.



BALANCES AND RESERVES

The Fire Authority must consider the level of general balances it wishes to maintain before it can decide the level of Council Tax to charge in any year.

In order to set a balanced budget in 2019/20 the Authority assumed using £1.1m general balances. The actual level of general balances decreased in the year by £1.091m, leaving £5.823m general balances at the end of the financial year. The Authority holds general balances as funding to meet any unforeseen events which it may need to respond to. Interest is earned on any unused balances.

In addition, as part of the closedown of accounts process, consideration needs to be given to the level of earmarked reserves required. These are amounts set aside to meet specific anticipated future demands. The level of earmarked reserves decreased by £3.243m, this brought the total level of these reserves to £30.137m. Interest is earned on any balances until expenditure is committed against the demands identified.

CAPITAL EXPENDITURE AND FUNDING

In 2019/20, the Authority spent £5.283 million on capital projects.

The expenditure was incurred on the following:

	£m
Land and buildings	2.916
Vehicles	1.691
ICT & Equipment	0.676

The total expenditure was financed directly by the application of direct revenue contributions (£5.2m) and capital grants (£0.083m)

No borrowing was undertaken to assist with purchase of assets during 2019/20. Borrowing in earlier years meant that at the end of 2019/20 the Authority had total loans of £35.7m (the interest and principal on any loans needs to be met from future revenue budgets). The value of long-term assets held by the Authority as at 31 March 2020 which the loans had helped fund was £135.6m, of which approximately 93% related to land and buildings and 7% related to vehicles and equipment.

Further information can be found by contacting the Finance Manager at West Midlands Fire Service Headquarters,
99 Vauxhall Road,
Birmingham, B7 4HW.

Telephone: 0121 380 6920 or e-mail kal.shoker@wmfs.net

The Authority's full 2019/20 audited Statement of Accounts can be found on our website www.wmfs.net/

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **RESPONSE TO THE GOVERNMENT CONSULTATION ON REMOVING AGE DISCRIMINATION FROM PUBLIC SECTOR PENSION SCHEMES**

Report of the Chief Fire Officer.

RECOMMENDED

THAT The Fire Authority approve the response to the Government Consultation on “Changes to the transitional arrangements to the 2015 schemes”

2. **PURPOSE OF REPORT**

This report is submitted to seek approval of the response to the Government’s Consultation.

3. **BACKGROUND**

3.1 As a result of the Hutton Report into Public Service Pensions the Government introduced new Pension Schemes in 2015.

3.2 As part of the introduction of these schemes, protection was offered to some existing members under transitional arrangements.

3.3 Following the introduction of the new schemes, Unions, representing Judges and Firefighters, took Court action against the Government claiming that the transitional arrangements were discriminatory on grounds of age.

3.4 In December 2018 the Court of Appeal ruled in favour of the Unions.

3.5 In July this year the Government published a Consultation on their proposals for removing the discrimination from all Public Sector Pension schemes. The Consultation closes on

11th October.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

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**

Removing the discrimination from the Firefighters' Pension Schemes will have financial implications for the Fire Authority in respect of increased administration costs and additional employer contributions. Until a decision has been made on the timing and methodology to be used, it is not possible to accurately estimate the level of these costs.

BACKGROUND PAPERS

Public service pension schemes: changes to the transitional arrangements to the 2015 schemes Consultation

The contact name for this report is Mike Griffiths, Strategic Enabler Finance and Resources, telephone number 0121 380 6919.

PHIL LOACH
CHIEF FIRE OFFICER

Response to the Government consultation Public service pension schemes: changes to the transitional arrangements to the 2015 schemes

Question 1:

Do you have any views about the implications of the proposals set out in this consultation for people with protected characteristics as defined in section 149 of the Equality Act 2019? What evidence do you have on these matters? Is there anything that could be done to mitigate any impacts identified?

Answer

We have reviewed the proposal and can find no issues affecting individuals with protected characteristics as defined in the 2019 Act.

Question 2:

Is there anything else you would like to add regarding the equalities impacts of the proposals set out in this consultation?

Answer

We would highlight the fact that how the policy is finally implemented may have a differing impact across different areas of the public sector. Within the Fire Service, any proposals will affect more men than women. This will however be very different in the NHS where the workforce is predominantly female.

Question 3:

Please set out any comments on our proposed treatment of members who originally received tapered protection. In particular, please comment on any potential adverse impacts. Is there anything that could be done to mitigate any such impacts identified?

Answer

Our own experience indicates that a reasonable number of employees at senior management level or just below are affected by this issue. Whilst we acknowledge that the tapering system provided an unintended benefit for this group, most of them have made plans based on the ability to accrue between up to 30 years in the 1992 scheme before becoming able to then begin to increase their pension by moving into the 2015 scheme. These members have made plans for their future, including remaining in post beyond the date at which they may have retired under the legacy schemes. The proposed changes may make these members reassess their position and could lead to an increase in retirements between now and 31st March 2022. This would lead to a loss of experienced officers.

The impact to the members themselves should also not be underestimated. Some of those affected have remained in employment and scheme membership for several years although they are accruing no further benefits because they anticipated being able to join the 2015 scheme in the future.

One possible method of limiting the impact of the changes on this group may be to extend the current payment holiday arrangements in the 1992 scheme to anyone who reaches 30 years' service during the remedy period.

As an alternative we would like to see members being given protection based on the level of benefits that would accrue under the tapering arrangements.

Question 4:

Please set out any comments on our proposed treatment of anyone who did not respond to an immediate choice exercise, including those who originally had tapered protection.

Answer

In most cases we would accept that defaulting to the legacy scheme will be in the member's best interest. However, there will be situations, specifically when dealing with members of the 2006 Firefighters Pension scheme, where this will not necessarily be the case.

If a member does not respond, under an immediate choice exercise, there will still be the opportunity for the member to make a decision at the point at which benefits come into payment.

At this time the member would be required to make a commitment, otherwise benefits could not be put into payment. We would prefer a system where this option was the fallback position.

Question 5

Please set out any comments on the proposals set out above for an immediate choice exercise.

Answer

An immediate choice exercise will mean members making a decision anything up to 32 years before benefits will come into payment. The potential for this choice not to be in their best interests could potentially be high. The number of members at the maximum of the 32 year period is likely to be small but we would still expect a reasonable number of current members to be retiring between 20 and 25 years after the end of the remedy period. Each member who is in the position could raise a case, under IDRPs arrangements, if the choice they made in 2022 turns out not to have been in their best interests. These cases could be taken up by the Unions but there is also the opportunity for private law firms to take cases on behalf of scheme members as happened in the 80's and 90's miss-selling cases.

Question 6

Please set out any comments on the proposals set out above for a deferred choice underpin.

Answer

A deferred choice option would ensure that members are able to make decisions in the full knowledge of what their benefits will be. Set against this is the need for schemes to maintain records and knowledge over a long period. Whilst this will provide major administrative challenges, administrators are already working with a requirement from the Pension Regulator to keep detailed and accurate records. The extra requirement is simply an extension to the ones that exist.

The need to run two sets of benefit design will also increase complexity for schemes but Fire Authority Pension Administrators are already dealing with four separate schemes, so again the work to deliver a deferred choice is simply an extension of the current position.

Question 7

Please set out any comments on the administrative impacts of both options

Answer

The changes necessary as a result of the Court Case were always going to have a major administrative impact. The work required is technically detailed but is not different to that currently being done. Administrators are already dealing with different levels of contributions, multiple schemes and the impact of taxation on a member's benefits. Currently though, schemes may have different staff dealing with different elements or there may be limited numbers of administrators who deal with specific issues. This is likely to affect the taxation elements of the proposals. Remedy will result in a need for more staff to have the widest possible level of knowledge to enable the increased workloads to be better shared across teams. Some services may therefore need to increase the pay of some of

their staff to account for working at a higher level. Consideration also needs to be given to the training of staff to ensure that the new rules are fully understood. All of these things will incur costs which will fall to the employers of the scheme administrators to pick up.

Whichever option is chosen as a result of this consultation, the additional work to ensure delivery is going to fall on the scheme administrators. Both choices will result in an increased workload for a group of staff who have specialist skills and unless the impact is carefully managed some of these may choose to leave employment. Given that all public sector schemes will be looking for appropriately skilled staff during this period, replacing those that leave may prove to be difficult. Whilst this may not have a major impact on day to day operations in Local Government Pension Funds or in the large centrally administered schemes such as the NHS, the impact of the loss of a single pension administrator from a Fire Authority would be keenly felt.

As well as considering the issue of staffing, attention needs to be paid to the storage and location of payroll records. Accurately processing the proposed solution will require the analysis of an individual's payroll record for the whole of the remedy period, 1st April 2015 to 31st March 2022. In a number of cases the Payroll teams and Pension Administrators may not be in the same location or even work for the same employer. The work involved could be complicated further if the member moves between scheme employers during the remedy period. Take for example a Firefighter born in 1992, who joins the 2006 Firefighters Scheme on taking up employment on 1st February 2012. They move into the 2015 scheme on 1st April 2015 and transfer from Fire Authority A to Fire Authority B on 1st May 2016. They then move again three years later, before joining Fire Authority D on 27th March 2022. The member then retires in 2042 having been working for Fire Authority E since 2032. The member would be offered the choice of being a member of the 2006 or 2015 schemes for the remedy period and if they chose the 2006 scheme they would be due a refund of contributions. This refund of contributions would be made by Fire Authority E although the member was not employed by them at any point during the remedy period. The refund itself could only be calculated if the latest employing authority had a full record of the pay and contributions, information which it would need to obtain by contacting Authorities A, B, C, and D.

Having considered the position of employee contributions, a further question then arises with regard to the employer contributions. If an employee chooses legacy benefits and is required to pay additional contributions to receive this, will the employer also have to make additional payments? If this is to happen in the case outlined above where a member has moved between Authorities, will the final employer be responsible for the additional payment across the whole period or will each Authority need to pay their own share?

Question 8

Which option, immediate choice or DCU, is preferable for removing the discrimination identified by the Courts, and why?

Answer

Both options remove the discrimination but immediate choice may result in further claims at a later date. On this basis we feel that DCU best delivers the requirements of the Court.

Question 9

Does the proposal to close legacy schemes and move all active members who are not already in the reformed schemes into their respective reformed scheme from 1 April 2022 ensure equal treatment from that date onwards?

Answer

We feel that closing the legacy schemes and moving all active members who are not already in the reformed schemes into their respective reformed scheme from 1 April 2022 does ensure equal treatment from that date onwards.

Question 10

Please set out any comments on our proposed method of revisiting past cases.

Answer

Whilst we find the arrangements for revisiting past cases acceptable, we would highlight our concerns regarding the potential tax impacts of implementation. A Firefighter who chooses to have their pension retrospectively based on the 1992 scheme will be eligible for an increased pension from retirement. They will also have the opportunity to increase the amount of pension commuted to provide a lump sum. If the additional lump sum is paid more than 12 months after the original retirement date then it will be deemed to be unauthorised and a 40% tax charge, payable by the member, will arise. If we assume that authorities process past cases in reverse chronological order of retirement date some members will not be caught as the extra payment will still be within the relevant payment window. Any member retiring before 1st April 2021 will certainly be caught. In addition to the Unauthorised Payment Tax Charge, a Scheme Sanction charge of 15% will also be payable. This charge will fall to the scheme. In the case of GAD V Milne the additional tax charges were paid by the Government and the Scheme Sanction charges were waived. We would wish to see similar consideration given to these payments in this case.

Question 11

Please provide any comments on the proposals set out above to ensure that correct member contributions are paid in schemes where they differ between legacy and reformed schemes.

Answer

As outlined in our earlier answer, movement of a scheme member between scheme employers may make it difficult to collect the information required to accurately assess the contributions due. This could be exacerbated by the length of time between the end of the remedy period and final retirement. We would prefer to see a two stage approach to the problem but not as outlined in the proposal. We are of the opinion that most members of the 1992 Firefighters Pension scheme, when faced with the decision regarding benefits, will choose to have the remedy period treated as legacy membership. In these cases, arrears of contributions will need to be calculated and repaid by the member. We would wish to undertake the relevant calculations and begin the recovery of overpaid amounts at the earliest opportunity following the end of the remedy period. The details of the underpaid sums could be easily passed between scheme employers in the form of a certificate detailing the breakdown. If at retirement the member does choose reformed benefits, then a refund of the contributions could be easily made. Taking this approach would mean that contributions arrears along with tax relief could be dealt with through salaries and the member would not have a large debt to pay at retirement.

Question 12

Please provide any comments on the proposed treatment of voluntary member contributions that individuals have already made.

Answer

As the 1992 Firefighters Pension scheme does not have an Additional Voluntary Contribution option, the scheme rules will need to be altered to enable this and the proposal indicates that this would be done. Doing this enables a member, who was moved to the 2015 scheme and chose to pay additional contributions, to have additional pension in the 1992 scheme. Will a fully protected member of the 1992 scheme be offered the opportunity of paying additional contributions at the point of retirement, as by not allowing this there may be the potential for claims of discrimination as the fully protected members are older? To avoid this occurring and for simplicity we would prefer any Additional Voluntary

Contributions paid to be unaffected by the remedy arrangements and left in the scheme to which they were paid.

Question 13

Please set out any comments on our proposed treatment of annual benefit statements.

Answer

We understand the proposed treatment of Annual Benefit Statements and believe that this is the correct approach to take. It may however be extremely difficult for Fire Authorities to implement in the short term.

We assume that, until the outcome of the consultation is known and revised scheme regulations are published, statements will continue to be issued under the current arrangements, with a large caveat stating that the figures provided do not take any account of the proposed changes. For most members the figures provided will be understated but for members with taper protection there is a high risk of overstatement. Will it be left to individual schemes to decide how these cases should be dealt with?

For the Annual Benefit Statements due by 31st August 2022 the new arrangements would be expected to apply. To enable these statements to be produced to a reasonable level of accuracy, it will be necessary for administrators to have collected pay data related to the reformed schemes for the period from 1st April 2015 to 31st March 2022 for all members where this data was not previously collected. It is possible that this data is in payroll systems now but even if it is, the task of collecting and verifying it will be time consuming. Where members have moved between employers this will further complicate the task. It is also quite possible that accurate data does not exist in payroll systems. In these cases, the Pension Administrator will need to discuss with the Payroll provider how the correct data can be obtained. Where there are no direct links between the two teams it will be the responsibility of the employer to make the arrangements.

We would believe that in most cases collating, validating, and entering the data required will not be achievable in time to enable the 2022 Annual Benefit Statements to be published in the format proposed in line with a deadline of 31st August. A range of alternatives to deal with this problem exist.

- A. Provide Annual Benefit Statements on the same basis as we do now but highlight that these do not include the impact of the changes.
- B. As the legacy scheme is deemed to be the default scheme for the remedy period, publish Annual Benefit Statements showing current value of benefits only as at 31st March 2022 and do not include projections. The figures would be on legacy scheme pension only and no future CARE benefits would be included.
- C. As option B but with an estimate to the schemes normal retirement age based on reformed scheme benefits from 1st April 2022.
- D. Delay the issuing of benefit statements until schemes are able to issue them in the required format.
- E. Do not provide benefit statements at all for the year in question.

It would be our preference to choose option C above as this most closely meets the terms of the proposal and is potentially achievable within the given timeframes.

It should be noted that the task of producing Annual Benefit Statements is time consuming and during the year in question will place a major strain on Pension Administrators who will be heavily involved in dealing with changes within the normal processing arrangements. We expect that employing organisations will need to recruit additional staff during the period whether immediate or deferred choice is the final option chosen. The costs of recruitment will need to be met from within already reducing local authority budgets and this could have implications for front line services.

Question 14

Please set out any comments on our proposed treatment of cases involving ill-health retirement.

Answer

We have no comments to make on the proposed treatment of ill health cases.

Question 15

Please set out any comments on our proposed treatment of cases where members have died since 1 April 2015.

Answer

The issue of revisiting cases where death or survivor benefits have been paid since 2015, is as outlined, going to need sensitive handling. We welcome the approach that in cases where a benefit is available under reformed arrangements but no benefit exists under the legacy scheme, it is not necessary to make contact and also note the writing off of any overpaid children's benefits where the reformed scheme introduces a new adult survivor pension.

It is possible, in a small number of some cases, that it will not be possible to trace individuals. It would be helpful if the final solution included guidance on handling these cases.

Question 16

Please set out any comments on our proposed treatment of individuals who would have acted differently had it not been for the discrimination identified by the Court.

Answer

As a Fire Authority we would expect cases under this area to be dealt with under the Internal Dispute Resolution Procedure. If this is to be the case then different employers may take a different approach to the issue, which is less than ideal. The potential number of cases may also be large. It would not be unreasonable to foresee a position where these cases progressed through all internal stages without resolution and then became a matter for the Pension Ombudsman.

To ensure that all members are treated equally, and to avoid a progression of complaints winding up with the Ombudsman, we would request that the Responsible Authority for each specific scheme provided scheme employers with instructions on how to handle these cases.

Question 17

If the DCU is taken forward, should the deferred choice be brought forward to the date of transfer for Club transfers?

Answer

As members to who this situation applies will have earned a deferred benefit entitlement in the transferring scheme we would support deferred choice being brought forward to the date of transfer.

Question 18

Where the receiving Club scheme is one of those schemes in scope, should members then receive a choice in each scheme or a single choice that covers both schemes?

Answer

We would support the option of a member being given a single choice that covers both schemes.

Question 19

Please set out any comments on our proposed treatment of divorce cases.

Answer

We have no additional comments to be made on the proposed treatment of divorce cases.

Question 20

Should interest be charged on amounts owed to schemes (such as member contributions) by members? If so, what rate would be appropriate?

Answer

It is normal practice for interest to be charged in the circumstances outlined and we would expect this to apply in this case. We feel that this should be paid at the Bank of England base rate applicable at the time the arrears of contributions arose.

Question 21

Should interest be paid on amounts owed to members by schemes? If so, what rate would be appropriate?

Answer

It is normal practice for interest to be charged in the circumstances outlined and we would expect this to apply in this case. We feel that this should be paid at the Bank of England base rate applicable at the time underpayment occurred.

Question 22

If interest is applied, should existing scheme interest rates be used (where they exist), or would a single, consistent rate across schemes be more appropriate?

Answer

Where interest rates already exist it would be sensible to use these in respect of the issues raised in questions 21 and 22. Where scheme rules do not specify a rate then the Bank of England base rate should be used.

Question 23

Please set out any comments on our proposed treatment of abatement.

Answer

We are concerned that the proposed treatment of abatement may lead to further discrimination cases. Take the case of a fully protected member of the 1992 Firefighters Pension scheme who retires at 58 on a pension of £20,000 and is reemployed in a part time role on a salary of £22,000. Their earnings before retirement were £40,000. Abatement is applied to the pension reducing it to £18,000.

A taper protected member retires 18 months later at age 55. They have a pension of £18,000 from the 1992 scheme and a pension of £1,200 from the 2015 scheme. They also have a salary of £22,000. As the 2015 Pension is disregarded, abatement is not applied. Whilst the second member is receiving a higher total income now, this is not open to challenge as the pensions are coming from different schemes with differing rules. Under deferred choice, the member opts for their legacy benefits so the 1992 scheme pension is retrospectively increased to £20,000 and the 2015 scheme pension is cancelled.

In this case the younger member would have a total income of £42,000 but the older one would be worse off. We would be concerned that this could generate additional age discrimination cases.

To remove the potential for claims in these situations we would wish to see abatement applied from the point at which the remedy was applied but any retrospective overpayment should not be recovered.

Question 24

Please set out any comments on the interaction of the proposals in this consultation with the tax system

Answer

The interaction of this proposal with the tax system is complex and the full range of potential issues and their impact may not be known until many years after remedy. The situation will be different for all members and the choice between immediate and deferred choice will also alter the effects.

We welcome the government statement that any Annual Allowance charges generated at retirement where a member takes reformed scheme benefits instead of the legacy scheme would be paid by the scheme and not the member. We do however have some concerns about how easy it would be to split out the effects of changing to reformed scheme benefits from any pension growth as a result of a pay increase in the final year.

5 OCTOBER 2020

1. **MONITORING OF FINANCES**

Report of the 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**

3.1.1 The Authority's 2020/2021 Council Tax requirement is £44.485 million and the revenue budget is £100.147 million.

3.1.2 Appendix A compares the revenue budgeted to the end of August 2020 with the actuals to that date. Devolved budgets are managed by the Section responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Section on behalf of the Brigade as a whole.

3.1.3 Actual spend to August 2020, including commitments, was £39.970 million compared to a projected budget of £40.534 million, an overall favourable variance of £0.564 million.

3.1.4 The most significant variance relates to Command Delivery, Fire Control & Workforce Planning, an overall favourable variance mainly due to an underspend on the Operational pay budget. Other areas of underspend mainly relate to staff vacancies.

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

3.2 **Capital Expenditure**

3.2.1 The Authority's approved capital programme for 2020/2021 is £8.077 million. A scheme analysis is shown on Appendix C. Expenditure to the end of August 2020 is shown as £1.024 million.

3.2.2 The main forecast variance within the capital programme relates to:

- Vehicle Replacement Programme – delayed purchase of the:
 - Command Support Vehicle,
 - Detection, Identification & Monitoring Vehicle,
 - Water & Foam Units,
 - Community Safety Trailers,
 - slippage of 6 PRL's to 2021/22.

- Replacement of windows and doors at 7 Fire Stations has been re-phased to 2021/22 due to supplier lockdown during the pandemic.

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 2020
Finance Office Budget Monitoring Files

The contact officer for this report is Wayne Brown, Deputy Chief Fire Officer, telephone number 0121 380 6907.

MIKE GRIFFITHS
TREASURER

REVENUE MONITORING SUMMARY TO AUGUST 2020
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	LATEST BUDGET 2020/2021 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
DEVOLVED BUDGETS				
Democratic Representation & Corporate Management	1,178	494	477	-17
Corporate Charges	0	0	2	2
Strategy & Organisational Intelligence	1,318	575	496	-79
Communications	746	311	285	-26
Digital & Data	4,913	2,914	2,899	-15
Finance & Resources	5,604	2,325	2,307	-18
People Services	644	272	272	-
Training, Health & Wellbeing	4,959	2,187	2,172	-15
Prevention, Preparedness & Response	3,319	1,334	1,270	-64
Protection & Organisational Assurance	5,418	2,324	2,360	36
Command Delivery, Fire Control & Workforce Planning	5,127	1,983	1,888	-95
CORPORATE BUDGETS				
Finance & Resources	16,191	4,376	4,335	-41
Digital & Data	190	99	84	-15
People Services	2,390	1,145	1,116	-29
Training, Health & Wellbeing	111	42	46	4
Protection & Organisational Assurance	24	42	31	-11
Command Delivery, Fire Control & Workforce Planning	46,491	19,474	19,294	-180
Other Income & Expenditure	1,524	637	636	-1
Appropriation to Reserves				
TOTAL (NET BUDGET REQUIREMENT)	100,147	40,534	39,970	-564
Core Funding	-55,662	-28,418	-28,418	0
TOTAL (COUNCIL TAX REQUIREMENT)	44,485	12,116	11,552	-564

FIREFIGHTERS' PENSION SCHEMES

NON-FINANCIAL INFORMATION	2020/21 PROJECTION				ACTUAL POSITION AS AT AUGUST 2020			
	1992 FPS	2006 FPS	2015 FPS	TOTAL	1992 FPS	2006 FPS	2015 FPS	TOTAL
Members of FPS at 1 st April 2020	139	6	1,108	1,253	139	6	1,108	1,253
New Members	-	-	95	95	-	-	13	13
Opt-In (including net auto-enrolment)	-	-	-	-	-	-	3	3
Transitional Members during year	-32	-1	33	-	-22	-	22	-
Transfers from Other Pension Schemes	-	-	4	4	-	-	-	-
Transfers to Other Pension Schemes	-	-	-4	-4	-	-	-1	-1
Retirements	-57	-4	-	-61	-14	-	-8	-22
Opt-Out	-	-	-20	-20	-	-	-1	-1
Leavers	-	-	-12	-12	-	-	-8	-8
Ill-Health Retirements	-4	-	-	-4	-	-	-1	-1
Members of the Fire Pension Schemes as at 30 August 2020					103	6	1,127	1,236

CAPITAL MONITORING STATEMENT 2020/21

Scheme	Year 2020/21	Latest Budget £'000	Actuals August 2020 £'000	Forecast £'000	Variance £'000
<u>LAND & BUILDINGS</u>					
Boiler Replacement Programme	Ongoing	348	44	348	-
Roof Replacements	Ongoing	87	0	87	-
Windows/Door Replacement	Ongoing	531	1	1	-530
Rewires	Ongoing	385	21	385	-
Drill Towers / Training Facilities	3 of 3	526	5	526	-
Security Works	2 of 2	105	26	105	-
Occupational Health Relocation	2 of 2	60	38	60	-
Coventry Fire Station	6 of 6	84	0	84	-
Aston Fire Station	6 of 7	675	252	589	-86
Health & Safety Works (COVID-19)	1 of 1	155	0	155	-
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	4,215	361	2,659	-1,556
<u>ICT & EQUIPMENT</u>					
Enterprise Resource Planning (ERP)	2 of 4	499	0	499	-
C&C Upgrade Vision 4 / ESMCP	3 of 3	407	276	407	-
Grand Total		8,077	1,024	5,905	-2,172
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants / Contributions		74		74	-
Capital Receipts to be Applied		0		0	-
Revenue Financing / Earmarked Reserves		8,003		5,831	-2,172
TOTAL		8,077		5,905	-2,172
SURPLUS(-)/DEFICIT(+)					

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **CONTRACT AWARDS SUMMARY FOR PERIOD TO 30 SEPTEMBER 2020**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority note the attached Appendix which summarises the contracts in excess of £250,000 that have been awarded since April 2020.

2. **PURPOSE OF REPORT**

This report provides a six-month summary of all contracts that have been awarded since April 2020.

3. **BACKGROUND**

3.1 As part of the Authority's procurement arrangements a retrospective twice yearly summary report of tender contract awards in excess of £250,000 needs to be submitted to the Fire Authority for information purposes.

3.2 In accordance with the above requirement, a summary of those contracts awarded is attached as Appendix 1.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

The procurement processes that were followed for the procurement exercises detailed in the Appendices to this report were conducted in accordance with the Authority's Procurement Standing Orders and

the Public Contract Regulations 2015.

6. **FINANCIAL IMPLICATIONS**

These are contained in the attached Appendix.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Authority Meeting 21 September 2015

Policy 1/8 – Procurement Procedures

The contact name for this report is DCFO Wayne Brown - Telephone Number - 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

APPENDIX 1

Contract Title	Winning Supplier	Approval Date	Contract Period (Including Extension Options)	Annual Contract value or Total Value for one off Purchase	Total Contract Value (including extension periods)	Budget PA	Basis of award e.g. Lowest Price or MEAT*	Date and Minute Number of Planned Tender Report	Any Other Relevant Information
Pump Rescue Ladders (PRL)	Emergency One (UK) Ltd	6 August 2020	2 years with option to 3 rd year	£1.7m	£5.1m	£1.7m	MEAT	17 February 2020	

* Most Economically Advantageous Tender (MEAT)

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **RESULT OF RECENT FIRE SAFETY PROSECUTIONS**

Report of the Chief Fire Officer

RECOMMENDED

THAT the details of the fire safety prosecution 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 This section of the report relates to 16 College Road, Handsworth Wood, Birmingham, and the prosecution pursued by this Authority against one defendant who was charged with 3 offences contrary to the Regulatory Reform (Fire Safety) Order 2005. This was as a result of a fatal fire in which one man died from burns, and a subsequent fire safety investigation.

3.2 The matters were heard at Birmingham Crown Court on 28 February 2020 before His Honour Judge Melbourne Inman QC. The defendant was Mr. Some Nath of 13 Golds Hill Gardens, Handsworth, Birmingham. The offences included no working fire alarm, no doors to prevent the spread of fire and roller shuttered exit doors.

3.3 Mr. Nath pleaded guilty to all offences. He was sentenced to six months imprisonment for each offence (concurrent) suspended for 18 months and ordered to make a contribution of £5,000 towards costs to be paid within 10 months.

3.4 The Articles contravened were:

Article 8 – General fire precautions (spread of fire).

Article 13 – Alarms and detectors.

Article 14 – Means of escape (shuttered exits)

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

5. **LEGAL IMPLICATIONS**

The Regulatory Reform (Fire Safety) Order 2005 places a general duty on Responsible Persons, and others who have control to any extent, to provide general fire precautions to keep people safe in case of fire. The Order imposes a statutory duty on Fire and Rescue Authorities to enforce the provisions of the Order.

6. **FINANCIAL IMPLICATIONS**

The total costs of bringing the prosecution were approximately £9k of which £3,800 were Fire Service costs. The Judge ordered the defendant to make a contribution of £5,000.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Fire Safety Files

The contact name for this report is Gary Taylor - telephone number – 0121 380 6006.

PHIL LOACH
CHIEF FIRE OFFICER

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **RESULT OF RECENT FIRE SAFETY PROSECUTIONS**

Report of the Chief Fire Officer

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 Health and Safety at Work etc. Act 1974 and Regulatory Reform (Fire Safety) Order 2005.

3. **BACKGROUND**

- 3.1 This section of the report relates to Unit 3, Doal Trading Estate, Rolfe Street, Smethwick, and the prosecution pursued by this Authority against two defendants, Fireworks Direct (Midlands) Limited and Mandeep Singh Doal, who were each charged with 4 offences contrary to the Health and Safety at Work etc. Act 1974 (HASAWA) and The Regulatory Reform (Fire Safety) Order 2005 (FSO). This was as a result of the discovery of an excessive amount of fireworks in a trading estate unit 2 doors away from where a serious fire was in progress on 1 August 2018.
- 3.2 The storage unit was licensed to store 250kg net explosive content of fireworks. There was 873kg present.
- 3.3 The intention to prosecute the defendants was notified to the Authority at the meeting on 18 November 2019.
- 3.4 The matters were heard at Wolverhampton Crown Court on 20 May 2020 before His Honour Judge Barry Berlin. The offences against each defendant included overstocking, failure to apply separation distances, failure to review the risk assessment and failure to maintain a working fire alarm.

3.5 The company pleaded guilty to all offences and received a fine of £84,000 to be paid within 3 years and were ordered to pay costs of £8,815.24. Mr Doal was sentenced to 17 months' immediate custody. He was not ordered to pay costs of £11,036.90 because he received immediate custody.

3.6 The legislation contravened was:

HASAWA section 33(1)(c) and the Explosives Regulations 2014;
Regulation 26(1)(b) – overstocking

HASAWA section 33(1)(c) and the Explosives Regulations 2014;
Regulation 27(1) – separation distances

HASAWA section 33(1)(c) and the Management of Health and
Safety at Work Regulations 1999; Regulation 3(3) – review of risk
assessment

FSO Article 17(1) – failure to maintain fire alarm

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

5. **LEGAL IMPLICATIONS**

5.1 The Health and Safety at Work etc. Act 1974 and Explosives Regulations 2014 in relation to the storage of fireworks place a general duty on duty holders to keep people safe from fire or explosion. The Regulatory Reform (Fire Safety) Order 2005 places a general duty on Responsible Persons, and others who have control to any extent, to provide general fire precautions to keep people safe in case of fire. The Order imposes a statutory duty on Fire and Rescue Authorities to enforce the provisions of the Order. The 1974 Act imposes a similar duty in Metropolitan Fire and Rescue Authorities.

5.2 It is the intention of the Authority to revoke the licence to store explosives currently issued to Mr Surjit Singh Doal because at the time of the offence he was named as a co-licensee with Mr Mandeep Singh Doal. Mr Surjit Doal later asked for Mr Mandeep Doal's name to be removed from the licence leaving him as the sole licensee.

5.3 It is also the intention of the Authority to refuse to issue storage licences to the company, Mr Jaswinder Doal, Mr Mandeep Doal and any of their related companies. These matters are dealt with in a separate report.

6. **FINANCIAL IMPLICATIONS**

The total costs of bringing the prosecution were £19,852.14 of which £7,397.50 were Fire Service costs (company - £3,300.00; Mr Doal - £4,097.50). The Judge ordered the company to pay full costs.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Fire Safety Files

Authority Report – Notification of Fire Safety Prosecution 18 November 2019. Document reference – AU/2019/Nov/92910195

The contact name for this report is Gary Taylor - telephone number – 0121 380 6006.

PHIL LOACH
CHIEF FIRE OFFICER

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **REVOCATION OF EXPLOSIVES STORAGE LICENCE**

Report of the Chief Fire Officer

RECOMMENDED

THAT the details of the revocation be noted.

2. **PURPOSE OF REPORT**

This report is submitted to inform the Authority of the revocation of an explosives storage licence as a result of prosecutions under the Health and Safety at Work etc. Act 1974.

3. **BACKGROUND**

- 3.1 This section of the report relates to Unit 3, Doal Trading Estate, Rolfe Street, Smethwick, and the prosecution pursued by this Authority against two defendants, Fireworks Direct (Midlands) Limited and Mandeep Singh Doal, who were fined and sentenced to immediate custody respectively for offences contrary to the Health and Safety at Work etc. Act 1974 (HASAWA) and The Regulatory Reform (Fire Safety) Order 2005 (FSO). Mr Mandeep Doal was also disqualified from being a director of a company for 5 years.
- 3.2 The matters were heard at Wolverhampton Crown Court on 20 May 2020 before His Honour Judge Berlin. The offences against each defendant included overstocking, failure to apply separation distances, failure to review the risk assessment and failure to maintain a working fire alarm.
- 3.3 As a result of the serious nature of the offences and the heavy awards of the court the Authority revoked the explosives (fireworks) storage licence issued to Mr Surjit Singh Doal (as a director of Fireworks Direct (Midlands) Limited) and Mandeep

Singh Doal.

4. **REVOCAATION**

- 4.1 The licence was revoked on 14 July 2020.
- 4.2 The reasons for revocation are based upon the offences which show that Mr Surjit Singh Doal and Mr Mandeep Doal are unfit persons to be licensed. Provision for revocation in the case of an unfit person is contained in the Explosives Regulations 2014; Regulation 23(1)(b)(i). All fireworks will have to be removed from site as soon as is practicable after revocation.
- 4.3 At the time of the offences Mr Surjit Doal and Mr Mandeep Doal were co-holders of the storage licence. At the time of the revocation Mr Surjit Doal was the current licensee.

5. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment has been carried out and is included in the Background Papers.

6. **LEGAL IMPLICATIONS**

- 6.1 The Health and Safety at Work etc. Act 1974 and Explosives Regulations 2014 in relation to the storage of fireworks place a general duty on duty holders to keep people safe from fire or explosion. The 1974 Act imposes a duty on Metropolitan Fire and Rescue Authorities to enforce the provisions of the Act in their areas.
- 6.2 In the case of revocation of a licence the aggrieved party may make representations to the licensing authority.
- 6.3. Representations were made by Mr Surjit Singh Doal's solicitor. A response was made by the Authority's legal advisers stating the decision to revoke stands. This has not been challenged further.
- 6.4 The revocation was undertaken through the Chief Fire Officer as per the Scheme of Delegations section 3.8 of the WMFRA constitution (2018).

7. **FINANCIAL IMPLICATIONS**

As a result of the need to take legal advice from Sandwell Legal Services and Mr Mark Jackson, who prosecuted on behalf of the Authority, the projected cost of the advice and written response should not exceed £1,000.

9. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Fire Safety Files

Authority Report – Result of Recent Fire Safety Prosecutions 22 June 2020. Document reference – AU/2020/June/10206205

Extracts of the Explosives Regulations 2014 – Pages 28 – 30

Equality Impact Assessment

The contact name for this report is Gary Taylor - telephone number – 0121 380 6006.

PHIL LOACH
CHIEF FIRE OFFICER

INITIAL EQUALITY IMPACT ASSESSMENT FORM

Name of policy/activity/project:

Revocation of Explosives Storage Licence for fireworks – Explosives Regulations 2014.

Is this a new or an existing policy/activity/project?

New.

Scope/timescales for project or activity (including review date):

The licence was revoked on 14 July 2014 due to 2 co-licencees being deemed to be unfit persons. [Regulation 23(1)(b)]. Representations were made but after taking legal advice the Authority's decision stood. The opportunity to appeal to the Secretary of State was not exercised.

Department/ Directorate:

Protection

Policy/project lead:

FSIO Mick Norton

Author of EIA:

FSIO Mick Norton

Outline of main aims of this activity/policy/project:

By revoking this licence the safety of the public and employees is being maintained. The revocation will also seek to deter those in the wider industry from flouting the law by storing excessive amounts of fireworks above quantities laid down in their respective licences.

Who will benefit/be affected by this policy/activity?

Of utmost priority is the protection of the public when entering premises storing fireworks. Others within the wholesale, distribution and retail sector of the fireworks industry will have a heightened awareness of the stance of this enforcing authority in relation excessive over-storage.

If an existing policy/activity, do you have any data of use by or impact on different groups which may raise concerns over an equality impact?

No evidence exists to raise concerns. This is the first revocation by this Authority using the legislation – Explosives Regulations 2014; Regulation 23. All procedures are laid down within the legislation. Those deemed unfit to store were informed of the procedure and one of the co-licensees did, in fact, make representations. [Regulations 23(3) and 23(4)]. A response was made by the Authority under Regulation 23(5). The second co-licensee is currently in prison and did not respond.

Does the activity have the potential to impact differently on groups due to a protected characteristic (race/ethnicity, gender, transgender, disability, religion & belief, age, sexual orientation, maternity/paternity) within:-

(a) Service users/community? Which groups are likely to be affected?

No.

(b) WMFS employees? (If yes who? Do you have information on the make up of staff affected? How many have a protected characteristic?)

None.

Does this activity make a positive contribution to our general or specific duties under the Equality Act 2010? If yes, please detail.

No. The appropriate procedures as laid down in Regulation 23 were followed.

Having reviewed the potential impact of the policy/activity listed above, I believe a full impact assessment is **NOT required**.

Justification:

No evidence of any potential risks to equality is highlighted by this legislative process.

Equality & Diversity Team comments:-

.....
.....
.....

Having reviewed the potential impact of the policy/activity listed above I believe a full impact assessment is **required**.

Justification:

.....
.....
.....

Equality & Diversity Team comments:-

.....
.....
.....

Please e-mail this completed form to the Equality and Diversity section. You will receive feedback and comments within 7 working days.

Explosives Regulations, Page 28

- (e) where the person is a body corporate, no director or secretary of the body corporate, and where the person is a Scottish firm, no partner in the firm, is a prohibited person;
- (f) where the application is for an explosives certificate relating only to acquisition of relevant explosives—
 - (i) it is not reasonably practicable for the applicant to be an occupier of a site for the storage of relevant explosives for which the person would be required to have a licence, and
 - (ii) either the relevant explosives will not be kept, or, if kept, the applicant will ensure that they are kept at a site where such storage is permitted pursuant to a licence or at a site occupied by the Secretary of State having responsibility for defence; and
- (g) where the application is for an explosives certificate relating to the keeping of relevant explosives, either—
 - (i) the applicant will ensure that the relevant explosives are kept at a site where the storage is permitted pursuant to a licence;
 - (ii) the relevant explosives will be kept at a site occupied on behalf of the Crown, or
 - (iii) in the case where the applicant does not hold a licence in respect of the storage of the relevant explosives, no licence is required to be held by the applicant in respect of that storage by virtue of regulation 7(2).

Refusal of a licence and draft licence and refusal of a renewal or transfer of a licence

20. (1) Subject to paragraphs (3) to (5), the licensing authority must— (a) refuse an application for a licence; and
- (b) where regulation 14(1) applies, refuse to issue the draft licence referred to in regulation 14(1), where paragraph (2) applies.
- (2) This paragraph applies where the licensing authority is of the opinion that—
- (a) the proposed site or, within it, any place where the manufacture or storage of explosives is proposed to take place is unsuitable for that manufacture or storage; or
 - (b) the applicant is not a fit person—
 - (i) to store explosives, in the case of an application for a licence to store explosives; or (ii) to manufacture explosives, in the case of an application for a licence to do so.
- (3) Where a licensing authority proposes to refuse an application for— (a) a licence;
- (b) a renewal of a licence;
 - (c) a variation of a licence; or

- (d) a transfer of a licence; it must, before taking any such action, notify the applicant of its proposed course of action and afford that applicant the opportunity of making representations to the licensing authority about it, within a period of 28 days from the date of the notification.
- (4) Representations made for the purpose of paragraph (3) may be made in writing, or both in writing and orally. (5) Where the licensing authority decides to refuse an application for—
- (a) a licence;
 - (b) a renewal of a licence;
 - (c) a variation of a licence; or
 - (d) a transfer of a licence; it must provide the applicant with written reasons for its decision.

Explosives Regulations, Page 29

(6) A refusal by the licensing authority, pursuant to paragraph (1), to issue the draft licence referred to in regulation 14(1) is to be treated for the purposes of these Regulations as a refusal of an application for a licence.

PART 7

REVOCATION OF AUTHORISATIONS AND APPEALS AGAINST CERTAIN DECISIONS

Revocation and expiry of an explosives certificate

- 21 (1) A chief officer of police may revoke an explosives certificate which that chief officer of police has issued if, at any time, that chief officer of police is satisfied that the holder was not when the explosives certificate was issued, or is no longer, a fit person to hold an explosives certificate in the terms of that explosives certificate.
- (2) A chief officer of police must revoke an explosives certificate which that chief officer of police has issued if, at any time, that chief officer of police is satisfied that any of the conditions in paragraph (1) or (2) of regulation 19 was not met when the explosives certificate was issued, or is no longer met.
- (3) An explosives certificate ceases to be valid—
- (a) 5 years after the date of issue; or
 - (b) after such lesser time as may be stated therein; or
 - (c) after notice of revocation by the chief officer of police for the relevant police force has been served on the holder of the certificate, whichever happens first.
- (4) The holder of an explosives certificate must surrender it to the chief officer of police who issued it immediately after a notice of revocation has been served on that holder under paragraph

Appeals and applications to the Crown Court or Sheriff

22. (1) A person aggrieved by any decision of a chief officer of police to refuse an explosives certificate under regulation 19 or to revoke an explosives certificate under regulation 21 may appeal within 21 days of receiving notice of that decision.
- (2) An appeal under this regulation in England and Wales is to be to the Crown Court and in Scotland is to be to the sheriff by way of summary application.
- (3) The court hearing an appeal under this regulation may dismiss the appeal or allow the appeal and give directions to the chief officer of police to issue or restore the explosives certificate.
- (4) A prohibited person may apply to the Crown Court or, in Scotland, to the sheriff by way of summary application for an order that that person is no longer

a prohibited person and the court hearing any such application may make an order exempting that person from the provisions of these Regulations relating to a prohibited person.

Revocation of a licence

23. (1) The licensing authority which grants a licence may, subject to paragraphs (3), (4), (5) and (6), revoke that licence—
- (a) where there has been a change in circumstances such that the site or, within it, any place in which explosives are manufactured or stored which the licence relates to is no longer suitable for that manufacture or storage;
 - (b) where it appears to the licensing authority on information obtained by it after the grant of the licence that the licensee is not a fit person—

Explosives Regulations, Page 30

- (i) to store explosives, in the case of a person licensed to store explosives; or
 - (ii) to manufacture explosives, in the case of a person licensed to manufacture explosives; or
 - (c) by agreement with the licensee.
- (2) A person whose licence is revoked must ensure that—
- (a) all explosives are removed from a site as soon as is practicable after revocation of a licence in respect of that site;
 - (b) those explosives are deposited at a site which is the subject of a licence which permits any storage resulting from that depositing, or suitable arrangements are made for those explosives to be disposed of; and
 - (c) the licence is returned to the licensing authority within 28 days of the date that the revocation takes effect pursuant to paragraph (6).
- (3) Where a licensing authority proposes to revoke a licence, it must, before taking any such action, notify the licensee of its proposed course of action and afford that person the opportunity of making representations to the licensing authority about it, within a period of 28 days from the date of the notification.
- (4) Representations made for the purpose of paragraph (3) may be made in writing, or both in writing and orally.
- (5) Where the licensing authority decides to revoke a licence, it must provide in writing to the licensee the reasons for its decision.
- (6) Where the licensing authority revokes a licence, that revocation takes effect from a date to be determined by the licensing authority which must be a date after the 28 day period referred to in paragraph (3).

PART 8

LICENCES FOR SITES WHICH CEASE TO BE, OR BECOME, ONR REGULATED SITES

Licences for sites which cease to be ONR regulated sites

24. (1) Where this regulation applies a licence granted by, or treated as granted by, the ONR is to be treated on and after the relevant date as a licence granted by the relevant licensing authority.
- (2) This regulation applies where—
- (a) the site in respect of which the licence was granted ceases to be an ONR regulated site; and
 - (b) the licence mentioned in sub-paragraph (a) remained in force immediately before the relevant date. (3) In this regulation—
- (a) "relevant date" means, in relation to a site, the date on which the site ceased to be an ONR regulated site; and

- (b) "relevant licensing authority" means the licensing authority for the site determined in accordance with Schedule I, other than paragraph 4 of that Schedule, as if an application for a licence were to be made.

Licences for sites which become ONR regulated sites

- 25. (1) Where this regulation applies a licence granted by, or treated as granted by, a licensing authority (other than the ONR) is to be treated on and after the relevant date as a licence granted by the ONR.
- (2) This regulation applies where—

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5 OCTOBER 2020

1. **DECISIONS TAKEN UNDER 'MATTERS OF URGENCY'**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Members note the decisions taken and approved under 'Matters of Urgency' during the period of the Covid-19 pandemic when the West Midlands Fire and Rescue Authority (WMFRA) meeting was postponed.

The decisions were:

1. The Appointment of a Deputy Monitoring Officer
2. The Corporate Performance Indicators for 2020/21

2. **PURPOSE OF REPORT**

This report is submitted to confirm retrospectively the two decisions taken and approved under 'Matters of Urgency' whilst the WMFRA meeting was postponed during the Covid-19 pandemic.

3. **BACKGROUND**

- 3.1 Following the notification of a major incident being declared across West Midlands and Warwickshire by West Midlands Police (Thursday, 19th March 2020) in response to the Covid-19 pandemic, the full WMFRA and its Committee meetings were cancelled, and decisions postponed. The exception was the Audit and Risk Committee which is a Standing Committee.
- 3.2 The WMFRA operated within the auspices of new legislation; The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) (England) Regulations 2020 came into force on 3 April 2020 and will remain so initially until 7 May 2021. The legislation enabled WMFRA (as a local authority) to hold and alter the

frequency and occurrence of statutory meetings without requirement for further notice (Regulation 4) and make provision for Councillors/Members of WMFRA to attend meetings remotely (Regulation 5). Attendance at meetings can be done via audio link, if video link is unavailable. The WMFRA met weekly for online briefings from the Chief Fire Officer on business continuity planning during the response phase of the pandemic; the Audit and Risk Committee met twice.

- 3.3 The Constitution of WMFRA makes provision for required decisions that cannot be postponed being considered under Standing Order 17.1 'Urgent Matters', which provides the CFO with the delegation to make urgent decisions in consultation with the Chair and Vice Chair. This approach was implemented primarily to enable officers to focus on Business Continuity Planning for the Covid-19 pandemic, thereby reducing the impact on officer capacity.

4. **APPOINTMENT OF A DEPUTY MONITORING OFFICER**

- 4.1 In most Local Authority arrangements, the Statutory appointment of a Monitoring Officer will be supported by the appointment of a Deputy to support resilience where the Authority Monitoring Officer is unable to act due to illness or absence. This arrangement is similar for the role of a Section 151 Officer.
- 4.2 During the Covid-19 pandemic the Service was operating within its business continuity policy. Initially, there was no business continuity arrangement in place for the Authority's Monitoring Officer provision. Section 5 of the Local Government in Housing Act 1989 sets out the requirement for the designation of a Monitoring Officer; Sub section 7, sets out that "the duties of a relevant authority's monitoring officer under this section shall be performed by him personally or, where he is unable to act owing to absence or illness, personally by such member of his staff as he has for the time being nominated as his deputy for the purposes of this section."
- 4.3 The appointment of a Deputy Monitoring Officer ensured WMFRA had appropriate resilience in its Monitoring Officer provision during the period, as well as during normal business. The engagement of the provision was/will only be necessary if the Authority's Monitoring Officer is unable to act due to illness or absence.

It was RECOMMENDED:

That the Chief Fire Officer appoint a Deputy Monitoring Officer for resilience purposes.

The decision was made in accordance with Standing Orders by the Chief Fire Officer in consultation with the Chair, Vice Chair, Opposition Leader and Clerk to WMFRA. The decision was reported to the WMFRA Covid-19 Briefing of 3 April 2020. It was resolved that the resolution be reported to the next ordinary meeting of the Fire Authority.

5. **APPROVAL OF CORPORATE PERFORMANCE INDICATORS**

- 5.1 The WMFRA discusses and approves annually the Corporate Performance Indicators by which the Service will measure its performance against the priorities published in its three-year rolling strategy.
- 5.2 The Service, despite operating under Business Continuity Plans, was seeking to fulfil its responsibilities and Service Delivery Model to its communities. The impact of the Covid-19 pandemic upon performance could not be adequately measured without the identified performance targets (based on a three-year average of previous performance) being in place. Such an approach supported the process of graduated tolerances for performance introduced in 2017/18. The future reporting to both Scrutiny Committee and Audit and Risk would be detrimentally affected without the continuity of systems of measuring performance.

It was RECOMMENDED:

That the Chief Fire Officer approves the Corporate Performance Indicators (PIs) and targets for 2020/21 as set out in Appendix 1.

The decision was made in accordance with Standing Orders by the Chief Fire Officer in consultation with the Chair, Vice Chair, Opposition Leader and Clerk to WMFRA. The consultation included information about the rationale that formulated the revised targets and can be found as provided in Appendix 2. The decision was reported to the WMFRA Covid-19 Briefing of 24 April 2020. It was resolved that the resolution be reported to the next ordinary meeting of the Fire Authority.

6. **EQUALITY IMPACT ASSESSMENT**

In preparing this report a full Equality Impact Assessment has not been undertaken.

7. **LEGAL IMPLICATIONS**

There are no legal implications associated to this report.

8. **FINANCIAL IMPLICATIONS**

There are no direct implications arising from this report. The Authority's budget for 2020/21 supports the delivery of the priorities, strategic objectives and outcomes.

9. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications.

BACKGROUND PAPERS

West Midlands Fire and Rescue Authority 17 February 2020 'The Plan 2020-23

The contact name for this report is Karen Gowreesunker, Strategic Enabler, Strategic Hub.
Telephone number 07973 810338

PHIL LOACH
CHIEF FIRE OFFICER

APPENDIX 1

Number	Performance Indicator	Notes Overall target expressed as a % +/- against 3-year performance average	Overall Target 2020/21
PI 1	The Risk Based Attendance Standard	5 mins	5 Minutes
PI 2	Accidental Dwelling Fires	-1%	1615 incidents
PI 3	Injuries at Accidental Dwelling Fires	-1%	54 incidents
PI 4	The number of deaths from accidental fires in dwellings	We seek to minimise deaths from fires	No target set
PI 5	Safe and Well Referred by Partners	+5%	45%
PI 6	Safe and Well Points	TBC%	275,000
PI 7	Killed & Seriously Injured (KSI) – Road Traffic Collisions	-4%	TBC
PI 8	The number of Deliberate Fires in Dwellings	-3%	210
PI 9	The number of Deliberate Fires in Non-Domestic Premises	-15%	127
PI 10	The number of Deliberate Vehicle Fires	-10%	713
PI 11	The number of Deliberate Rubbish Fires	-5%	1607
PI 12	The number of Deliberate Fires in Derelict Buildings	-1%	120
PI 13	The number of Accidental Fires in Non-Domestic Premises	-1%	436

PI 14	The number of False Alarm Equipment in Dwellings and Non-Domestic Premises	0%	5631
PI 15	The percentage of employees that have disclosed their Disabled Status	+4.8%	100%
PI 16	The number of female uniformed staff	+14.1%	(190) 60% of recruits
PI 17A	The percentage of Uniformed Staff from BAME Communities	+13.6%	(184) including 35% of recruits
PI 17	The percentage of all staff from BAME Communities	+14%	(259) including 35% of recruits
PI 18	The average number of working days/shifts lost to Sickness - all staff	-7.8%	7.3
PI 19	The average number of working days/shifts lost to Sickness – uniformed staff and Fire Control staff	-7.8%	7.0
PI 20	The average number of working days/shifts lost to Sickness - non-uniformed	-7.8%	8.2
PI 21	The total number of Injuries (employees & non-employees)	-12.5 %	128
PI 22	The total number of RIDDOR injuries	-12%	14
PI 23	To reduce the Fire Authority's Carbon Emissions	-1%	5257 (tCO2e)
PI 24	To reduce gas use of Fire Authority premises	-1%	9869 kWh
PI 25	To reduce electricity use of Fire Authority premises	-1%	5166 kWh

Performance Indicators Target Setting 2020/21

Priorities

Response Priorities

Through risk management, we will attend the most serious emergency incidents in high risk areas within five minutes to save life, protect homes and businesses, the environment and our transport networks.

Risk to life and property will be reduced through our commitment to operational excellence and to providing an assertive, effective and safe emergency response to all incidents.

Appropriate rescue operations will be led and coordinated by WMFS and we will work collaboratively with other agencies to deliver an excellent response in line with public expectations.

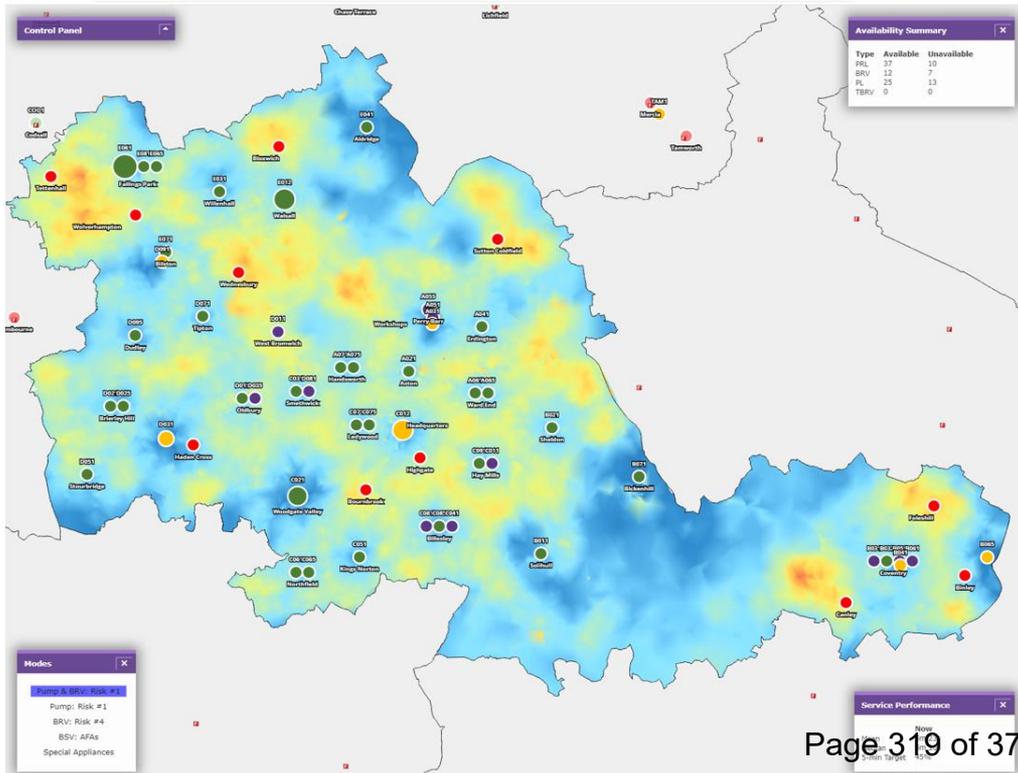
Our specialist response teams will deliver National Resilience arrangements for responding to local, national and international major incidents, new risks (including weather) and humanitarian situations.

PI1 – Category 1 Risk Based Attendance Standard

2019/20 forecast	04:40
2018/19 actual	04:45
2017/18 actual	04:44

Target 2020-2021 target

5.00 Minutes



Notes

- The 5-minute attendance standard based on academic survivability studies and evidence based approaches, giving people the best chance of survival for those involved in category one incidents.

Continuous Improvement –

- I- Console (New Station -Turn out system)
- Vision 4 going live
- Improvements through extended digital transformation **Pre-Alert system**

Priorities

Prevention Priorities

The number of people killed or seriously injured by fire related incidents will reduce as we focus with our partners, on reducing the risks faced by our most vulnerable people in our communities.

The safety, health and well being of the people in our communities who are most at risk from fire will be improved by our targeted prevention activities.

Arson related incidents will fall, supporting safer and stronger communities, as a result of our partnership work.

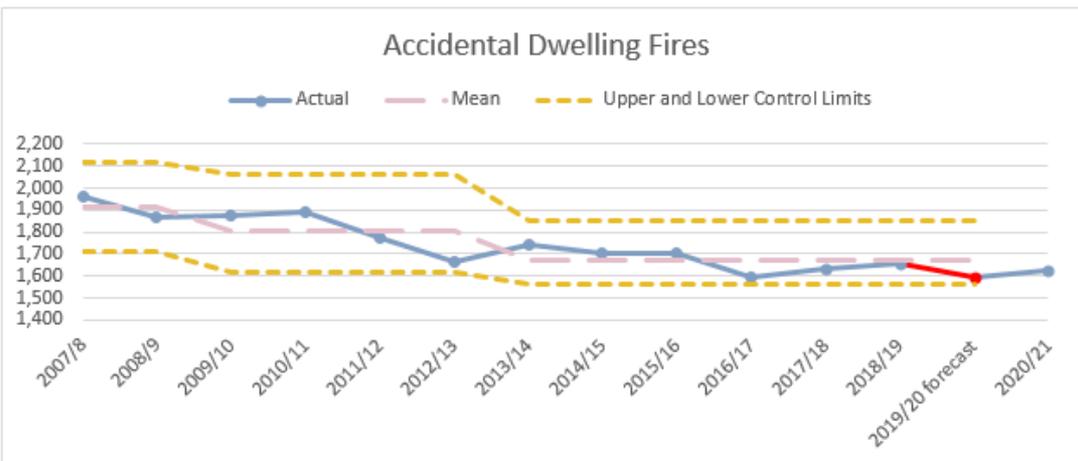
Fewer people will be killed or seriously injured on West Midlands roads, and we will keep transport networks moving, as we work with partners in support of the West Midlands Regional Road Safety Strategy.

PI 2 – Accidental Dwelling Fires

Financial Year	Incidents
2007/8	1,958
2008/9	1,867
2009/10	1,876
2010/11	1,889
2011/12	1,773
2012/13	1,668
2013/14	1,742
2014/15	1,704
2015/16	1,702
2016/17	1,592
2017/18	1,631
2018/19	1,658
2019/20 forecast	1,594
2020/21	1,611

Decision for the 2020-2021 target

1% reduction
= 1611 incidents



Notes

- The Accidental Dwelling Fire action plan rolled out across all Command areas.
- Localised targeting of hot spot areas.
- Current forecasted figures back in line with 2016/17.

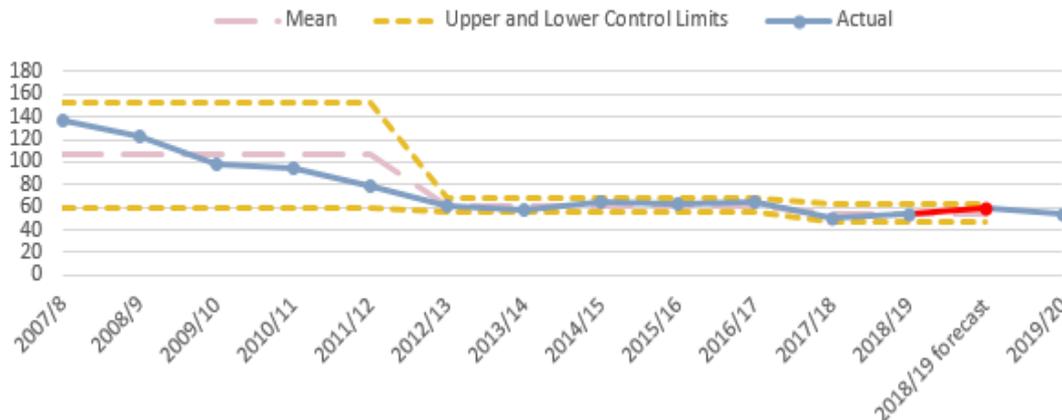
PI 3 – Injuries at Accidental Dwelling Fires

Financial Year	Incidents
2007/8	137
2008/9	123
2009/10	99
2010/11	95
2011/12	78
2012/13	61
2013/14	57
2014/15	64
2015/16	63
2016/17	65
2017/18	51
2018/19	54
2019/20 forecast	59
2020/21	54

Decision for the 2020-2021 target

1% reduction = 54 incidents

Injuries at Accidental Dwelling Fires



Notes

- Over the last three years there is consistent reduction in the total number of Injuries in accidental dwelling fires.
- Localised- WMFS Prevention campaign regarding advice for individuals to not tackle or extinguish Fires.
- Localised- WMFS Prevention Campaign regarding Unattended cooking or distraction while cooking.
- National Campaign diary (NFCC) targeting specific areas.

PI 5 Safe & Well referred by partners

Year	Target	Actual
15/16	40%	27.9%
16/17	40%	41.8%
17/18	50%	47.9%
18/19	55%	37.5%
19/20	40%	43% Forecast
20/21	45%	

**2020-2021
target.**

45%

Notes

- 43% Currently achieved across the organisation with Tymly project included.
- 75% of referrals for Tymly trial in Black Country South from partnership referrals.
- Revolutionary change to completing prevention based activities through Safe and Well.
- Tymly Project roll out in 20/21 for all Commands areas.
- Partnership and initiative quality assurance completed for all stations by Prevention.

PI 6 - Safe & Well Points

Date	Target	Achieved
14/15	130,000	127,622
15/16	135,000	190,553
16/17	135,000	215,518
17/18	275,000	212,749
18/19	300,000	302,583
19/20	259,680	202,357
20/21	275,000	

Target 7.5 average points per visit (Based on Vulnerability)

Decision for the 2020-2021 target

5.9% (Increase)
= 275,000 points

Notes

- The SAW completion aligned to resource availability for 20/21.
- Interim trial period Black Country South before project go live.
- Roll out the Tymly project.
- Partnership engagement sessions held across all Commands.
- On line learning for care and support agencies about recognising risk and vulnerability to fire and referring to WMFS.

PI7 – Killed & Seriously Injured (KSI) – Road Traffic Collisions

2015 - 2017 average Targeted Reduction by 2028

	Adult pedestrian	264	158
	Child pedestrian	95	57
	Pedal Cyclist	126	75
	Powered 2 Wheelers <small>(including passengers)</small>	183	110
	Car/ Taxi* <small>(including passengers)</small>	343	207
	Public Transport	8	5
	Total	1021	612

2020-2021 Target

4% reduction

Notes

- On average 1021 are killed or seriously injured on the roads (2015-2017 figures) shown in left hand table.
- The WMCA Regional Road Safety Strategy started in 2018 with 10 year target reduction plan for killed or seriously injured (KSI's) until 2028.
- 40% target to be achieved over next 10 years (- 4% reduction per year)
- The strategy set encourages effective partner collaboration to achieve a 40% reduction in the number KSI's over the next ten years based on the 2015/17 average.

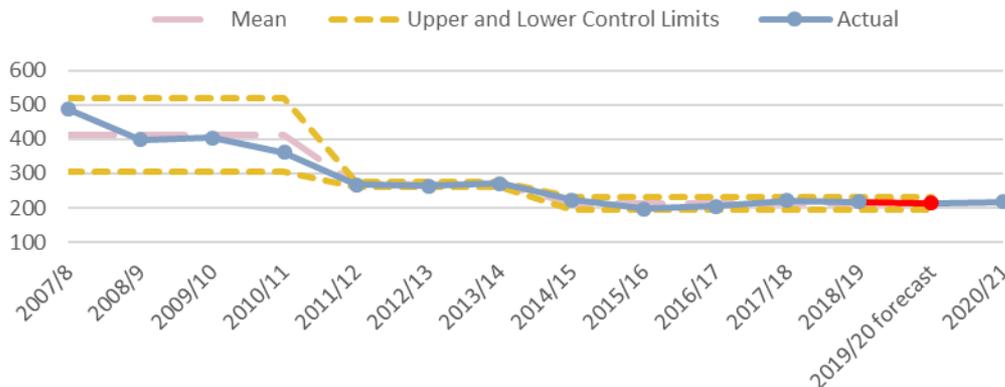
PI 8 – Deliberate fires in dwellings

Fin Year	Total
2007/8	487
2008/9	399
2009/10	404
2010/11	361
2011/12	268
2012/13	264
2013/14	271
2014/15	223
2015/16	198
2016/17	205
2017/18	220
2018/19	216
2019/20 forecast	213
2020/21	210

2020-2021 Target

3% reduction
= 210 incidents

Deliberate Fires in Dwellings



Notes

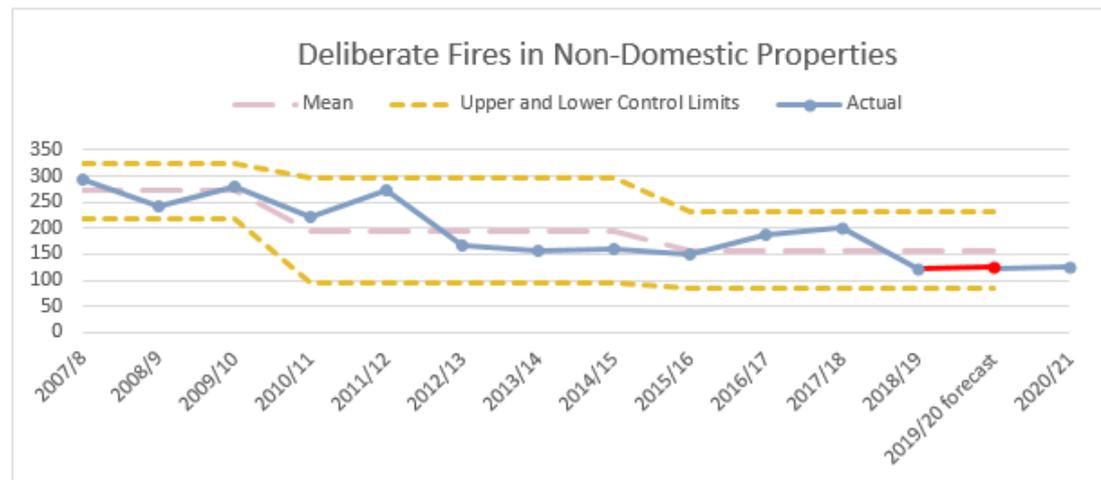
- Incidents stable since 2014-15
- Localised action plans are being put in place for hot spot areas and potential areas from information shared and gathered.
- WM Police and partner collaboration sharing information with Fire Investigation regarding release of convicted arsonists and holding addresses.

PI 9 Deliberate Fire in non-domestic properties

Fin Year	Total
2007/8	293
2008/9	242
2009/10	280
2010/11	223
2011/12	273
2012/13	166
2013/14	157
2014/15	159
2015/16	151
2016/17	189
2017/18	202
2018/19	121
2019/20 forecast	127
2020/21	128

2020-2021 Target

-15% reduction
= 128 incidents



Notes

- Effective relationships have been developed with HMP Winson Green, which is proving to be able to influence behaviours and actions taken at the prison. Continued partnership working will ensure further reductions in PI9.
- Fire Investigation continue to work closely with WM Police to ensure collaboration and that cause and individuals are identified, apprehended and criminally charged.

PI 10 – Deliberate vehicle fires

Fin Year	Total
2007/8	1,582
2008/9	1,377
2009/10	1,096
2010/11	983
2011/12	811
2012/13	563
2013/14	640
2014/15	646
2015/16	725
2016/17	913
2017/18	867
2018/19	806
2019/20 forecast	705
2020/21	713

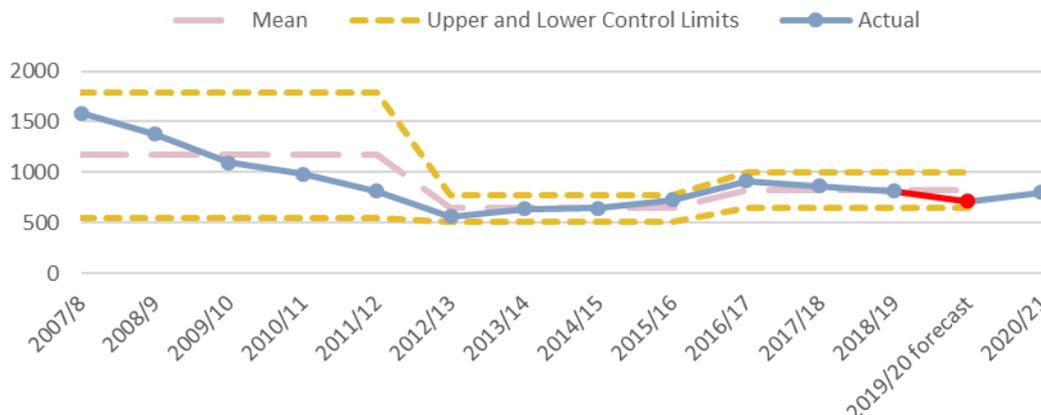
Decision for the 2020-2021 target

10% reduction
=713 incidents

Notes

- Deliberate vehicle fires are forecasted to reduce in 19-20 over the three year average (12.5% below target set). Third year in a row this type of incident has reduced.
- Clear project management through 3PT to create tasks to deal with areas such as deliberate vehicle and target and maintain significant reduction in Incidents.
- Crews referring abandoned vehicles to partners quickly.
- Localised action plans identifying hot spots shared with WM Police.
- Highways, Authority and WM police removing unlicensed and uninsured vehicles from road networks.

Deliberate Vehicle Fires



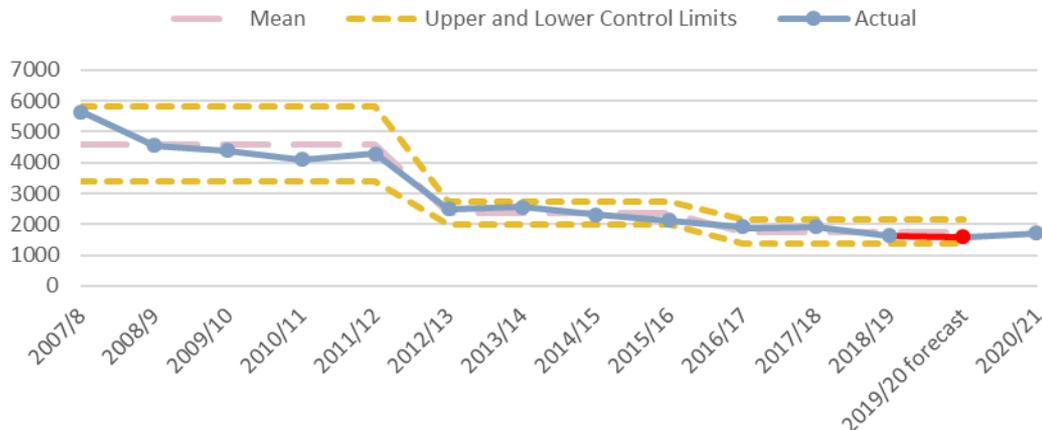
PI 11 – Deliberate rubbish fires

Fin Year	Total
2007/8	5,647
2008/9	4,565
2009/10	4,398
2010/11	4,098
2011/12	4,286
2012/13	2,486
2013/14	2,557
2014/15	2,310
2015/16	2,133
2016/17	1,917
2017/18	1,923
2018/19	1,601
2019/20 forecast	1,560
2020/21	1,610

2020-2021 Target

5% reduction
= 1610 incidents

Deliberate Rubbish Fires



Notes

- Deliberate Rubbish fire localised action plans introduced and actioned.
- Crews rubbish referrals into Local authority services.
- Joint working and engagement with partners, Local authority, WM Police, Environmental services and locality boards.

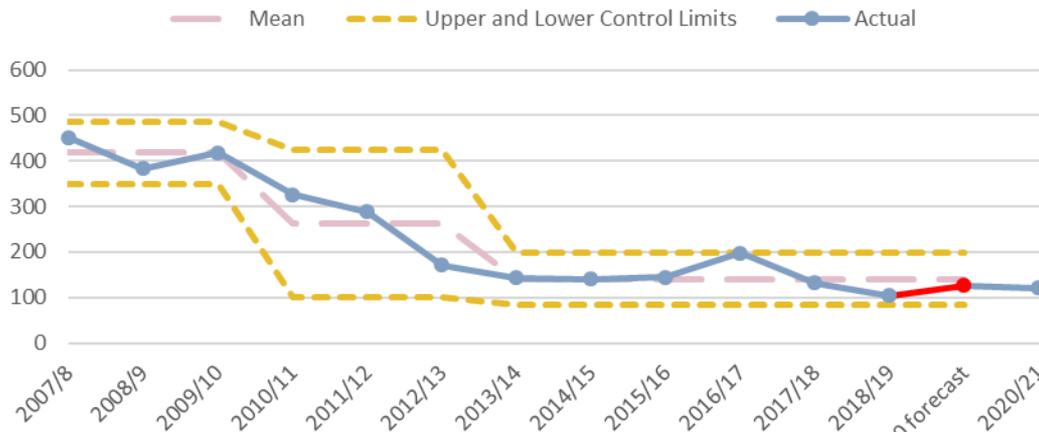
PI 12 – Deliberate fire in derelict buildings

Fin Year	Total
2007/8	452
2008/9	384
2009/10	418
2010/11	326
2011/12	289
2012/13	171
2013/14	143
2014/15	141
2015/16	144
2016/17	197
2017/18	132
2018/19	103
2019/20 forecast	126
2020/21	119

Decision for the 2020-2021 target

1% reduction
= 119 incidents

Deliberate Fires in Derelict Building



Notes

- Deliberate Derelict Strategy and action plan launched across commands.
- Clear guidelines set to ensure partner engagement and responsibilities.
- Local authority very proactive with acting on referrals and identification of void unsecure buildings.

Priorities

Protection Priorities

Life and property will be protected by ensuring high risk buildings and vulnerable businesses comply with fire safety legislation, which will enforce if necessary.

Community safety will be improved through our work with the owners and managers of tall buildings to ensure the new Fire Safety Bill and supporting Fire Safety Guidance is understood and implemented.

We will collaborate with our regulators and partner agencies to support major developments and events.

Disruption caused to businesses and West Midlands Fire Service by unnecessary fire alarms will be reduced through the enhanced role of our Business support vehicles and our work to manage alarm signals more effectively and efficiently.

Prosperity and economic growth will be enhanced by educating and supporting businesses.

PI 13 – Accidental fire in non-domestic properties

Fin Year	Total
2007/8	696
2008/9	643
2009/10	696
2010/11	651
2011/12	631
2012/13	612
2013/14	511
2014/15	511
2015/16	461
2016/17	446
2017/18	437
2018/19	434
2019/20 forecast	450
2020/21	437

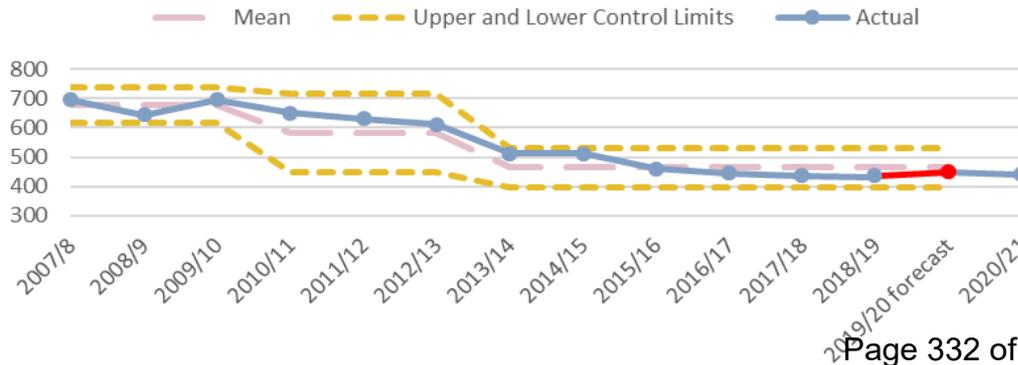
Decision for the 2020-21 target

1% reduction
= 437 Incidents

Notes

- End of Year forecast for 19/20 is 450 incidents, over the last 10 years incident numbers have decreased.
- Safe and Strong rolled out all across all commands, educating and making businesses safer, encouraging fire risk assessments and Fire Safety referrals.
- Fire Safety Officers now on all Stations to support crews.
- BSV and Officer available for on site support
- Localised- WMFS Prevention campaign regarding advice for individuals to not tackle or extinguish Fires.

Accidental Fires in Non-Domestic Properties



PI-14 False Alarms Equipment in Dwellings and Non-Domestic Properties

Fin Year	Total
2007/8	11,129
2008/9	10,478
2009/10	10,026
2010/11	9,908
2011/12	6,404
2012/13	6,344
2013/14	6,333
2014/15	6,803
2015/16	5,735
2016/17	5,649
2017/18	5,407
2018/19	5,837
2019/20 forecast	5,917
2020/21	5,631

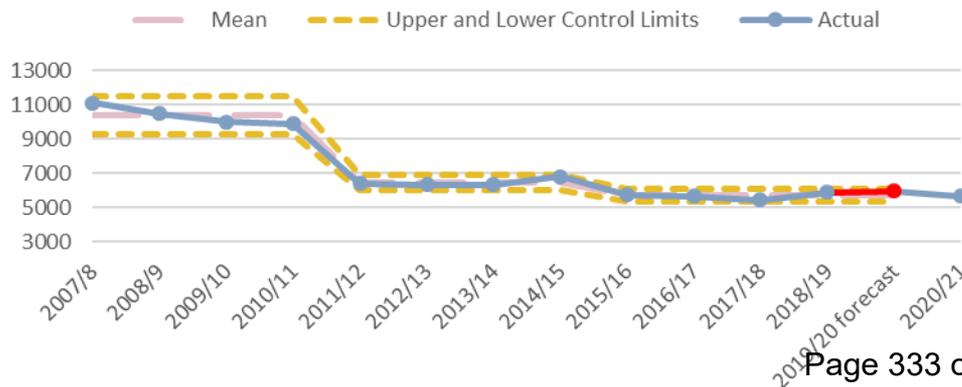
Decision for the 2020-21 target

0% reduction = 5631 incidents

Notes

- Non Domestic figures improved due to targeted approach BSV/ Safe and Strong.
- False Alarm Equipment strategy and action plan launched.
- Commercial and Domestic responsibilities set for Protection and Command delivery.
- Fire Safety Officers on all Stations
- FF8 (Fire safety) continued development and training for all operational personnel

False Alarms Equipment in Dwellings and Non-Domestic Properties



Priorities

People Priorities

By engaging with employees to create the culture in which everyone can feel valued by developing ways of working together which support and engage employees in responding to a changing environment in which we work, both internally and externally.

By promoting awareness, good practice and proactive support around health and well being among our employees.

By enabling personal development opportunities which support their ability to be highly effective and competent in the delivery of excellent services to our communities.

By using “positive-action” to attract, recruit, retain and support progression for individuals with protected characteristics to reflect the communities we serve.

People – PI's

Indicator	15/16	16/17	17/18	18/19	19/20 Est	20/21 Target
PI 15 the percentage of employees that have disclosed their disabled status.	88.8%	91.6%	92.5%	95%	95.2%	100%
PI 16 The number of female uniformed staff.	78 (5.2%)	75 (5.3%)	89 (6.3%)	129 (9.2%)	145 (10.5%)	190 (14.1%) (60% of recruits)
PI17(a) The percentage of uniformed staff from BAME communities.	8.0%	8.2%	9.2%	10.1%	11.4%	13.6% (35% of recruits)
PI 17 The percentage of all staff from BAME communities.	9.8%	10%	10.6%	11.7%	12.3%	14%

Notes

- Guardian Public Service Awards – WMFS was the winner of the 2019 Workplace Diversity category recognising work carried out to encourage more people from underrepresented groups to consider a career in the fire service.
- Annual AFSA conference and awards – WMFS won in several categories including Outstanding Endeavor, Outstanding Charity award and Outstanding Charity Innovation. WMFS Fire Authority Members were recognised in the AFSA Shining Light Executive Award.
- Positive Action workshops sessions are being delivered to all stations and all watches over the next 6 months to raise awareness of our approach to firefighter recruitment and Positive Action.
- Fitness programme for female firefighter candidates is being delivered to assist females in their preparation for new entrant training.
- Recruitment Programmes are being run on a regular basis for both BAME and female candidates.
- We are now seeing a consistent and sustained level of diversity on all Trainee Firefighter Development Programmes (5 courses per year) with good representation of both women and BAME employees.

People – PI's

Indicator	15/16	16/17	17/18	18/19	19/20	20/21 Target	20/21 target % change
PI 18 The average number of working days /shifts lost due to sickness- all staff	6.3	6.8	6.6	8.0	7.9	7.3	-7.8%
PI 19 The average number of working days/shifts lost due to sickness- Uniformed and Fire Control	6.3	6.7	6.5	7.7	7.6	7.0	-7.8%
PI 20 The average number of working days/shifts lost due to sickness- Non-Uniformed staff	6.2	7.2	6.9	9.1	8.8	8.2	-7.8%

Notes

- Maintain a continued reduction on attendance targets.
- Achieve a ridership factor of 13.5 in 2020/21.
- Attendance management development sessions held for all Middle/Supervisory managers.
- Attendance management Tool kit introduced.

PI 21 The total number of injuries (employees and non-employees)

PI 21	16/17	17/18	18/19	19/20	20/21
Actual	131	120	128	Forecasted 146	
Target	144	130	128	126	128

2020-21 target

-12.5% reduction
=128

Notes

- Good Health and Safety record.
- Safety, Health and Environmental stake holder improvement group representing the whole service.
- On going assurance recognised following a spike in injuries related to increased numbers of tac vent sessions in the fire house. Action plan devised and introduced, mitigation now creating reduced Injuries during sessions.
- Regular and updated risk assessments for all activities, including quarterly reporting procedure for all premises (HS1).
- External partner/customers using facilities regularly.

PI 22 The total number of RIDDOR Injuries

PI 22	16/17	17/18	18/19	19/20	20/21
Actual	11	11	13	Estimated 16	
Target	19	18	15	14	14

2020-21 target

12% reduction
= 14

Notes

RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations).

- Good health and safety record with excellent and extended use of WMFS facilities by our communities.
- Near hit reporting tool
- 100% of accidents investigated by trained officers
- Recommendations acted upon
- Release of STARR (concept) for Operational Personnel

PI 23 To reduce the Fire Authority's carbon emissions

PI 23	16/17	17/18	18/19	19/20	20/21
Actual	5445	5375	4708	Awaiting actual	
Target	6872	5446	5848	5848	5257*

2020-21 target

1% reduction

Notes

*Carbon emissions above are measured in tonnes of carbon dioxide equivalent per cubic meter of CO₂ (tCO₂e).

- As a responsible organisation, WMFS strives to be proactive and continuously continues to upgrades facilities, with solar panels, external LED lighting is already in use on a number of stations and all premises are using recycling bins.

Future plans include-

- Upgrade plans for Windows, Doors, Boiler replacements, Re-wires and Re-roofing

WMFS recognises business responsibilities to reduce carbon emissions and footprint and has introduced.

- Blended Fleet of vehicles
- Vehicle replacement scheme
- Including a range of Electric and Hybrid support vehicles
- Distributed Training Model (DTM) to reduce none essential vehicle movements

PI 24 To reduce gas use of fire authority

Number	Performance Indicator	2019/20 Target	2019/20 Estimated 3 yr baseline average**	Percentage reduction for 20/21	Overall Target 20/21
PI 24	To reduce gas use of fire authority premises	9966 kWh	9864 kWh	-1%	9869 kWh

2020-21 target

1% reduction

Notes

2020/21 Planned works to assist with reducing Gas usage include;

- 1 station re-roof works
- 4 station boiler upgrades
- 7 station window and door replacements

These works will all help to improve the energy efficiency of our sites and support the reduction of gas usage.

PI 25 To reduce electricity use of fire authority

Number	Performance Indicator	2019/20 Target	2019/20 Estimated 3 year base line average	Percentage reduction for 20/21	Overall Target 20/21
PI 25	To reduce electricity use of fire authority premises	5219 kWh	5141 kWh	-1%	5166 kWh

2020-21 target

1% reduction
=5166

Notes

2020/21 Planned works to improve energy efficiency and assist in reducing electricity usage include;

- 3 Station re-wires
- Ongoing LED lighting improvements

These works will all help to improve the energy efficiency of our sites and support the reduction of electricity usage

Questions



Notes of the Policy Planning Forum

Item 19

**13 January 2020 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Members of the Authority
Councillor Brackenridge (Chair)
Councillor Iqbal (Vice Chair)
Councillors Barlow, Barrie, Dehar, Edwards, Hogarth,
Jenkins, Miks, Miller, Spence, Walsh and Young
Professor S Brake, G Josan and S Middleton
M Carter (Unison) and K Rowsell (FOA)
Mr Ager

Officers: West Midlands Fire Service
Chief Fire Officer P Loach
Deputy Chief Fire Officer Brown
Assistant Chief Fire Officers G Taylor and S Warnes
A Afsar, S Burton, J Campbell, P Fellows, M Hamilton-
Russell, M Price, M Pym, S Timmington, S Vincent

Clerk and Monitoring Officer

K Gowreesunker (Clerk)
S Sahota (Monitoring Officer)
M Griffiths (Treasurer)

Apologies: Councillors Cooper and Gill
S Price-Hunt (FBU)

Observers: Nil

01/20 Chair and CFO Announcements

Cllr Greg Brackenridge, Chair of West Midlands Fire and Rescue Authority (WMFRA), welcomed all attendees to the Policy Planning Forum.

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The Guardian had announced WMFS as the winner of the Workplace Diversity category of their Public Service Awards 2019. The Guardian had recognised the work that the Service had done to encourage more people from under-represented groups, including women and people from black, Asian and minority ethnic (BAME). It was a fantastic achievement and congratulations to all of the staff involved in particular members of the Organisational Learning, and People Development (OLPD), and the Diversity Inclusion Cohesion and Equality team (DICE).

Fire Magazines 'Excellence in Fire and Emergency Awards' saw Coventry Fire Station and a number of our partners pick up the Resilience and Learning from Major Incidents award for the fantastic multi agency work that has taken place at the simulation centre at Coventry University. Rounding off the event was the surprise announcement that Administration's Candy Woods had won the Unsung Hero award for her tireless efforts for charity.

Candy Woods also picked up the Outstanding Charitable Activity award at the Asian Fire Service Association annual awards dinner that took place during their 11th National Conference. Like the 'Excellence in Fire and Emergency Awards' the award recognised her continuous charitable activities. Firefighter Wayne Samuels from Smethwick was recognised in the Outstanding Endeavour category for his work with the deaf community, Station Commander Warren Davies picked up the award in the Outstanding Charity Challenge Innovation category and the Fire Authority picked up the Shining Light Executive Team Award.

Former Deputy Chief Fire Officer, Phil Hales, was awarded the Queen's Fire Service Medal in the New Year Honours List, recognising his distinguished service.

Yorkshire and the surrounding regions were hit by severe flooding following heavy rain in November. Officers and crews from both Technical Rescue and Sheldon were deployed to the scene. Our firefighters rescued nearly 50 stranded people, helped to move several cars and lorries, and ferried staff to check on business premises. The operation involved night-time searches for submerged vehicles and any stranded livestock.

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The Cultural Review continued to be progressed with meetings of the Cultural Review Stakeholder Group scheduled. An action plan would be formulated and a draft of which would be circulated to Members prior to the next Policy Planning Forum in February. The Chair thanked all staff involved in the Cultural Review and noted the continuing engagement.

Memorandums of Understanding had been agreed and signed by the representative bodies and the representatives would be attending future meetings of the Fire Authority (starting with the next meeting in February). The representatives from Unison and the Fire Officers Association were welcomed to the meeting. It was noted that the representative from the Fire Brigades Union had unfortunately needed to send their apologies. There was currently no representative in post for the Fire Leaders Association.

Phil Loach, Chief Fire Officer, welcomed everyone to the meeting.

The 'Getting to Know You' session held in December had proved to be successful and similar sessions would be held in the future.

In preparing presentations for the Policy Planning Forum, members of the Strategic Enabling Team (SET) ensured that the information provided represented and were informed by the forefront of national thinking. To do this, SET Members utilised information as a result of their various roles nationally. For example, Mike Griffiths, Strategic Enabler Finance and Resources, held the role of the English advisor to the National Joint Council (NJC) for finance, Sarah Warnes, Assistant Chief Fire Officer, was on the national people's board, and Jason Danbury, Strategic Enabler Digital, was on the national digital and data board. In addition to holding the post of Vice-Chair of the National Fire Chiefs Council (NFCC), Chief Fire Officer Phil Loach was the chief advisor to the NJC, lead on the strategy and leadership work within the NFCC, and Programme Executive for the Community Risk Programme (which focused on Integrated Risk Management Plans).

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02/20 Our Plan 2020-23 – Our Vision

Making West Midlands Safer, Stronger and Healthier was the vision of the Service. However, not sure all were as engaged with the vision as they should be. A question for Members to consider was if the vision was fit for purpose.

An overview was provided of the strategic influences that influence our rolling three-year strategy:

- External – national, regional and local:
 - Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) State of the Nation report outcomes – influencing sector and government expectations of fire sector
 - Grenfell – responding to outcomes and increased focus of protection services and skills of staff
 - National pay / role of a firefighter discussions - impact
 - Pensions ruling – liabilities for Fire and Rescue Services
 - Mayoral and Police and Crime Commissioner (PCC) elections
 - Continued expectation of fire reform
 - Climate change

The HMICFRS State of the Nation report was due to be published in January and it was expected that its findings and subsequent outcomes would influence the fire sector. The report would make a number of recommendations that would need to be considered at a local, regional and national level.

The Service had been rated overall as good for People by the HMICFRS following its inspection. Five Fire and Rescue Services had been rated as requiring improvement for People and there was expected to be a lot of emphasis on this area. This would align with government expectations and therefore, it was expected that action would be required to be taken to address this area further.

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As a result of the outcomes of Grenfell, the Authority had approved investment enabling an increase in resources in protection. The fire sector had questioned the approach taken to the Grenfell inquiry, in terms of focussing on the incident itself and the actions of London Fire Brigade, to be followed by Phase 2 of the inquiry which would focus on building construction and the regulatory regime. It was acknowledged that the findings and recommendations from Phase 1 of the inquiry were pertinent and valid. Therefore, the Service wanted to embrace the recommendations and measure them against its operational capability. The Service believed that it was ahead of the curve in terms of this.

It was acknowledged that the discussions around firefighters pay and the role of a firefighter could potentially represent the largest impact upon the Service depending on how these progressed and this was managed. It was noted that industrial action had been added to the national risk register. There could be an impact upon the delivery of the IRMP and there was a direct relationship between the IRMP and firefighter activity discussions. A draft agreement 'Broadening the Role' was forming the basis of discussions. Work was being undertaken into the funding of the fire sector which looked at the risks Fire and Rescue Services face. This in turn would indicate what Fire and Rescue Services have to do, which would then allow Fire and Rescue Services to assess existing capability. If new skills were found to be required, then these would form part of the discussions regarding firefighters pay and the role of a firefighter. In the event skills were to be found to be part of existing skill sets, these would be built into the IRMP. If discussions were positive, this work would provide the evidence to form role maps.

The ruling on the firefighters 2015 pension scheme had found the scheme to be unlawful and as a result, pensions were reverting to the 1992 scheme. This had resulted in the rerouting of contributions, 90% of which had been provided by the Government with the remaining 10% the responsibility of the Service (resulting in an approximate net cost of £500k). It was believed that the same arrangement would be in place for this year, but this had not been confirmed at the time of the meeting. It was believed that the

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arrangement would not include inflation, therefore resulting in a slightly higher burden.

Mayoral and PPC elections were due to be held in May. The Authority's Collaboration and Transformation Committee had been established. The Service not only had a legal duty to collaborate, but it was something that the Service wants. There was a need for the Service to maintain and continue to review its position.

There would be continued expectation of fire reform by the Home Office and the Local Government Association, including within the areas of diversity, culture and, efficiency and effectiveness through collaboration. The findings of the inspection of the Service found that the HMICFRS were convinced by the Services commitment and approach to diversity and had found areas for improvement across values and culture. With the implementation of the cultural review, the Service was confident that it had a grip on this area.

It was noted that there was a potential that the HMICFRS State of the Nation report would mention the viability of the number of Fire and Rescue Services within England (currently 45), particularly county Fire and Rescue Services. The Service had examined this subject in the past and had enjoyed success with regards to collaboration, in particular with Staffordshire Fire and Rescue Service.

Climate change was a subject that was constantly growing. Discussions had indicated that a number of organisations including some Fire and Rescue Services were starting to consider declaring a climate emergency due to the constant impact on resources. It was noted that such a situation had not been reached by the Service yet but further increases in demand was expected.

WMFS Community Risk:

HMICFRS had rated the Service as outstanding for response, an element that was underpinned by the five-minute risk-based attendance standard. In essence, the Integrated Risk Management Plan (IRMP) was an improvement plan. The Service can only provide a five-minute response time to just over half of the geographic area of the West Midlands. There was an increased

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expectation to not only look back at where incidents had occurred and risks were present, but also to looking forward and anticipating risks and incidents. Additionally, more effective maintenance under the Regulatory Reform Order was expected.

Safe and Well visits were the most basic contact the Service had with vulnerable persons. The Service may not undertake as many Safe and Well visits as many other services, but the Service was confident that it was targeting the most vulnerable people within our communities. The Service was committed to the Safe and Well principle.

Road safety was considered as part of the maintenance of the IRMP.

There were expectations for the Service to provide increased assurance as a result of the Commonwealth Games in 2022. A legacy from the Commonwealth Games would be the ability to use the framework to developing relations with young people, etc.

The Service provided a level of safety for vulnerable people and the vulnerable in business. The Service took an advice and enforce approach rather than enforce and prohibit. It was in the Services interest to ensure that businesses were kept in business rather than prohibition leading to potential closure. The approach taken by the Service was called Safe and Strong.

The Service continued to invest in the protection function due to the focus from Phase 1 of the Grenfell Inquiry and also the findings of the independent panel and other recommendations which had not come into effect yet. Legislation could be changed which could create extra responsibilities for the Service, and in turn opportunities and burdens.

In terms of budgets, the comprehensive spending review in September would result in a multi-year settlement.

Digital transformation continued and was fundamental to how the Service managed the organisation effectively. The findings of HMICFRS inspections had expressed reasons for services moving

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away from paper-based processes and legacy systems which can be expensive to maintain.

It was noted that a further inspection of the Service by the HMICFRS would take place later in the year (date to be confirmed).

In answer to Members' questions, the following points were raised:

- The fire sector including the NFCC were engaged with the Home Office and Treasury. It was evident from discussions that further data and evidence was required by the Treasury. It was noted that the Treasury did not necessarily recognise social return on investment as being more financially focussed.
- The pension liability for the Service had represented a cost of £6.3m with the Service responsible for 10% (net cost of £500k). It was believed that the arrangement for next year would not include inflation. If inflation was the only factor, then the increase in burden on the Service would represent 1 or 2 percent on 5 £500k. However, the funding arrangement was also subject to allocation between Fire and Rescue Services.
- In relation to the topic of climate change, the draw on resources was large, in particularly with regard to water related incidents. The majority of the West Midlands was located on a plateau which meant it was quickly affected by significant amounts of rain but did not suffer such incidents for long durations unlike other areas of the country. These types of incident, including those that were water related, also required the need to apply specialist resources and there was a need to develop the Service's capability in this respect and to consider how it ensured that it had the correct skills in place.
- With the exception of London Fire Brigade, Fire and Rescue Services had not been included within proposed congestion charges, however it was believed that they would be included at some point in the future. The Service would need to look at alternative technologies regarding vehicles and equipment. Initiatives undertaken by the Service to date including energy saving at stations meant that the Service

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was ahead of the curve in many aspects. Additionally, the Service had trialled electric vehicles and continued to carry out research and development. However, it was important to note that the Service no longer received capital funding and there will be a need to ensure that any technology introduced to the Service was correct and fit for purpose, avoiding potential pitfalls of having to keep changing vehicles etc.

- Coventry being City of Culture in 2021 was indeed an excellent opportunity and the Service was keen to not only provide an input into the events but also to maximise the outputs.
- With regard to changes in ambulance location within Solihull, the Chief Fire Officer would discuss with the Chair the potential of writing to the Ambulance Service providing an offer to accommodate such a resource.
- The Service was part of the process in enabling a strong economy, supporting as a link in the chain. The Service ensured buildings were safe via work undertaken in accordance via the RRO, and when business did have a fire, they remained in business due to strong fire plans. Additionally, the Service aimed to reopen carriageways as fast possible following road traffic collisions.

03/20 Budget Overview 2020 - 2023

Mike Griffiths, Treasurer to the Authority and Strategic Enabler Finance and Resources delivered a presentation on the budget.

The Service had received a one-year settlement. However, many issues remained as the Service continued to wait for decisions to be made.

Continued core funding reductions had resulted in a reduction of £38m, the largest reduction in core funding experienced by a service.

A degree of caution was required as the settlement was for one year. The settlement included a CPI increase of approximately 1.6%. The Service allowed for a 2% increase in employee salaries as part of its forecasting.

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In terms of the council tax precept, the referendum principle of 2% remained.

When the budget had been set last year, it had been believed that the comprehensive spending review would take place last September / October. However, due to national issues, the comprehensive spending review would now take place in the September / October of this year. This would include the setting of budgets for all public services. It was known that there was some expectations and commitments made to increase public spending. However, it was not known if any such increases would apply to fire and rescue services. Additionally, there was the fire funding formula to take into account, which dictated the amount of funding that individual fire and rescue services received.

With regard to pay awards, the Service had made the assumption of a 2% increase. However, the Service was mindful of increasing pay award pressures across the public sector and also the pressures around firefighter pay.

The Service had received a grant towards the pension costs last year and a similar grant had been confirmed for the year ahead. Funding beyond this point was currently unknown. Additionally, clarity was yet to be provided regarding issues around the 2015 pension scheme and how they would be remedied.

The outcomes of the Grenfell Inquiry, continued pressures on support services, and appliance availability had resulted in an additional budget of £3.8m and it was assumed that the same figure would be required this year.

The Authority sets the lowest council tax of any fire and rescue service in England. The proposed council tax precept for the forthcoming year was 1.99%. Proposals regarding flexibility on council tax had been deliberated at a national level but the proposals had not come to fruition and due to the timescales, it was assumed that 1.99% would be the maximum amount without triggering the referendum principle.

Forecasts indicated a £2m improvement on the budget position. As a result, it was proposed to defer the use of general balances.

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However, due to the uncertainties that remained, it was possible that there could be a need to use deferred general balances.

It was assumed that the target of £3.8m resulting from appliance availability would remain but the more positive budget meant that the target could be lowered if required.

It was noted that investment in digital would be required going forward.

Capital expenditure was reducing over the year and was funded via earmarked reserves. There was no sign of capital funding being reinstated.

In answer to Members' question, the following points were raised:

- There was an expectation from central government that a Fire Authority had to justify carrying reserves of more than 5%. In broad terms, the Authority held reserves of approximately 5%. There was a need to provide some form of safety net due to the uncertainties going forward, some of which would depend upon the outcomes of the comprehensive spending review later in the year which would provide a more informed view.
- The £3.8m target resulting from appliance availability represented 96% to 98% of the fleet being available (approximately five or six appliances). Brigade Response Vehicles were usually pre-stated off the run as they responded to the lesser incidents. The reduction in appliance availability had a minor impact upon incident types.
- Investment in digital was required as some of the systems used by the Service were legacy systems that were expensive and were not efficient. The Service was utilising a digital approach to improve processes internally, realising cashable savings. Externally, the investment in digital did not provide cashable savings but did provide greater data.
- It was acknowledged that the variations in appliance availability had impacted upon staff. The Service had

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continued to focus on providing the best service to its communities based on risk. The alternative decision to the current approach would be to reduce the fleet, a decision which would mean that resources would be removed from the service delivery model and would never be reintroduced. It was noted that it was a difficult situation and the Service continued to wait for the fair funding settlement and the comprehensive spending review. The Authority needed to continue to make the argument with government regarding funding. There was a need to ensure that the Authority had its say in the fair funding process.

04/20 Our Response to Grenfell Phase 1 Outcomes

Gary Taylor, Assistant Chief Fire Officer, delivered a presentation on the Service's response to the Grenfell Phase 1 outcomes.

Phase 1 of the Grenfell Inquiry had examined the events of the night. Phase 2 of the inquiry would feed into the Hackett report examining the regulatory regime.

The report had been published in October and it included 47 recommendations. Some of the recommendations would be provided a legal basis, mainly for buildings managers. Recommendations were also made in relation to the generic risk assessment for fires in buildings, specifically high rise, and that policies needed updating. Significant recommendations were also made regarding survival guidance. Additionally, recommendations had placed a focus on the operations, communication and training of London Fire Brigade. Although the focus was on London Fire Brigade, the recommendations and findings of the report were to be considered nationally and locally by fire and rescue services.

The main focus was on operational training, communication and command, stay put advice and fire survival guidance, and the Joint Emergency Services Interoperability Programme (JESIP). It was noted that the issues around training were not whether staff had received training but whether staff were able to implement the training. Communications was focused on the communication at the incident and with Fire Control and other agencies.

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A number of changes to legislation would revolve around information sharing of organisations. It was noted that the Service were in front of the curve regarding this but still needed to be ready for the implementation of the changes.

Recommendations include how the fire and rescue services can improve Site Specific Risk Inspections (SSRI). Legislation would be introduced to ensure that building managers advise fire and rescue services of evacuation plans and any changes to buildings, for example, lifts not working.

The National Fire Chiefs Council (NFCC) undertook the role of the national operational learning and national operational guidance. The NFCC also provided a mechanism to feed views of the sector back to government. The Service had undertaken the co-ordination of the cladding inspections that had been carried out nationally following the incident, on behalf of the NFCC.

In terms of WMFS assurance, the Organisational Assurance team were assessing the learning from the outcomes of the inquiry and a Grenfell / high-rise action plan based upon the recommendations had been developed, taking an organisational approach. Work was being delivered on a daily basis and not being undertaken in isolation. The Service had not waited for the report to be published, taking a proactive approach, for example the extra investment in the protection function. It was noted that existing in year resources would be required to provide training within this area.

The tall buildings policy had been introduced and enhanced around specific areas. Additionally, the Generic Risk Assessment was being replaced by the National Operational Guidance which was being developed as the sector standard for such incidents. The Service was also ensuring consistency on a regional basis, for example via closely working with Staffordshire Fire and Rescue Service.

Fire survival guidance and evacuation procedures had been emphasised to be more explicit within the tall buildings policy. Fire

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survival guidance has its place but there was a need to ensure that the signs were known when to order an evacuation.

There was a significant amount of training required to ensure that all staff recognised the changes and knew what to do. Additionally, there was a need for staff to have an awareness of building construction and to understand when a building / fire was not behaving normally. Training also included information on when building features failed such as dry risers and wet risers. Incident command competence was important. The incident command competence risk assessment had been increased to ensure that all officers had to undertake high-rise incident command.

Visits had been carried out all 551 high rise premises and the Service had held a variety of conferences which various organisations and partners had attended. Action plans were in place for all tall buildings within the Service area. It was noted that the Service would use enforcement where building owners would not co-operate and prohibition would be used to force owners to rectify issues quicker. Data on all high-rise premises was now integrated into the Risk Identification Data Gathering Engine (RIDGE) system.

The longer-term strategy was in place which included all of the work outlined above. This work also provided a degree of assurance regarding the corporate risk which reflected that there was a high level of confidence that the Service was in a good position.

In answer to Members' questions, the following points were raised:

- Incident command competence risk assessments were applied to all officers, from supervisory to the Chief Fire Officer. It was noted that although this was resource intensive, additional assessors had been bought in with the aim to complete the rollout of the enhanced assessments within a 12-month period (by April 2020).
- The position of the Authority was that it supported the installation of sprinkler systems. It was noted that some Local Authorities had made real positive steps with regard to

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the installation of sprinklers. Birmingham City Council and Wolverhampton City Council had taken steps to retrofit sprinkler systems in their high-rise premises.

- The Service would recommend the fitting of sprinkler systems at the planning stage of a new development as standard. However, it was not possible to enforce such a recommendation.

The meeting closed at 12:42 hours.

Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680

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Notes of the Policy Planning Forum

Item 20

**3 February 2020 at 11.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

- Present: Members of the Authority
Councillor Brackenridge (Chair)
Councillor Iqbal (Vice Chair)
Councillors Barlow, Barrie, Dehar, Edwards, Hogarth,
Miks, Miller, Spence, Walsh and Young
M Carter (Unison), B Holland (FBU) and K Rowsell
(FOA)
Mr Ager
- Officers: West Midlands Fire Service
Chief Fire Officer P Loach
Deputy Chief Fire Officer W Brown
Assistant Chief Fire Officers G Taylor and S Warnes
S Barry, M Hamilton-Russell, S Timmington, S Vincent
- Clerk and Monitoring Officer**
K Gowreesunker (Clerk)
S Sahota (Monitoring Officer)
M Griffiths (Treasurer)
- Apologies: Councillors Cooper, Gill and Jenkins
Professor S Brake, G Josan, S Middleton
S Price-Hunt (FBU)
FLA post is currently vacant
- Observers: A Afsar, J Connor, P Fellows, M Pym

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**Policy Planning Forum
3 February 2020**

Fire Authority Session:

05/20 Chair and CFO Announcements

Cllr Greg Brackenridge, Chair of West Midlands Fire and Rescue Authority (WMFRA), welcomed all attendees to the Policy Planning Forum.

The Grenfell action plan was being implemented and actions being progressed. New legislation would be expected as a result of the findings of the Hackett report. Members were asked to liaise with their respective Local Authorities to ensure they were fully engaged within the fire safety agenda.

The Policy Planning Forum would include an update on the budget. It was noted that the Authority was continually making the case for the fire sector with regard to funding and had requested further flexibility around council tax, for example, an 8% increase in the council tax fire precept would equate to an increase of just £5 on a Band E property but would generate additional funding of £3.5m per annum.

The Guardian had announced WMFS as the winner of the Workplace Diversity category of their Public Service Awards 2019, and the award was displayed to attendees.

Phil Loach, Chief Fire Officer, welcomed everyone to the meeting.

Members were informed that Ben Brook had been appointed as Assistant Chief Fire Officer at Warwickshire Fire and Rescue Service. It was noted that congratulations would be sent on half behalf of the Service and the Authority.

The Service had been rated as good against the people pillar as part of the recent Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection, something which was reflected by the Guardian award. Issues regarding recruitment in the sector had been reported nationally. Members were reassured that such issues were not an issue for the Service which had an effective and proactive recruitment policy. The

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Service promoted the use of positive action. Members should feel confident to communicate that the Service's recruitment was strong and confident.

The Grenfell Tower Inquiry Phase 1 report included a number of recommendations applicable to all of the fire sector. It was noted that the recommendations did apply to the sector as a whole, but in different ways. Some of the recommendations did not apply to the Service to the same extent as other parts of the sector as the Service was not necessarily in the same place as a result of actions taken to date. Additionally, the Service's focus on the assessment of training meant that it had the means to provide evidence of firefighter competencies.

06/20 Plan Priorities 2020-21

Phil Loach, Chief Fire Officer, delivered a presentation on the Priorities 2020-21:

The presentation included the draft priorities and outcomes for prevention, protection and response, and the supporting priority statements for people, digital transformation, and value for money (which included collaboration). The draft priorities and outcomes would be included within the report entitled 'Our Plan' which would be submitted for approval at the February meeting of the Fire Authority.

It was noted that the Home Office had developed the Fire Protection Board which had started to ask for assurance on a range of issues. The National Fire Chief Council (NFCC) were supportive of the Fire Protection Board. However, there was the potential for Fire and Rescue Authorities to provide assurance on things which they could not do or have control over. There were issues that were the responsibility of responsible persons for buildings. It was important that the Authority did not fall into the trap of providing assurances that it could not actually provide, for example, the West Midlands was simply too large in some cases.

To deliver the supporting priority for people, the Service needed a motivated and connected workforce.

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To support digital transformation, Jason Danbury, Strategic Enabler Digital had been moved out from the head of Information, Communication and Technology into digital solutions internally and externally.

Value for money and collaboration continued to be an important aspect.

Next steps:

- 13 February – Authority to approve the Budget and Plan Priorities
- April 2020 – launch of Our Plan 2020-23
- May / June 2020 – Integrated Risk Management Plan (IRMP) consultation
- Continual review to provide Strategic Assurance

With the forthcoming comprehensive spending review, as a metropolitan fire and rescue authority, the Service needed to put forward the best case possible with regard to funding. There was the potential for the flat cash settlement for 2020-21 to provide an impression that everything was ok. However, there were a lot of issues and uncertainties regarding funding going forward.

In answer to Members' questions, the following points were raised:

- Deliberate fires were an area of focus for the Service. Prevention worked with partners regarding buildings that were vulnerable to deliberate fires. The Service also worked with the Police regarding suspects.
- It was noted that all of the performance indicators related to deliberate fires were rated as good with the exception of deliberate fires in derelict buildings. The Service worked with Local Authorities to target harden such sites, making them safe and secure.
- It was important that there was a degree of consistency across the Local Authorities in terms of enforcement teams. It was noted that the issue of deliberate fires in derelict buildings was an area in which Section 41 Members could assist by liaising with their respective Local Authorities and

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Cabinets Members. There was an opportunity to protect Local Authority assets and to liaise with private owners.

07/20 State of Fire – Report Outcomes

Steve Vincent, Strategic Enabler, delivered a presentation on the outcomes of the State of Fire report:

The State of Fire report (full title – State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019) published by Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) was the first annual assessment of the efficiency and effectiveness of the sector. It was noted that the next tranche of inspections was due to commence soon with the Service expecting its next inspection to take place in September 2020.

The principle themes of the report were:

- There was a lack of clarity and consensus over what the role of a firefighter was, and what a Fire and Rescue Authority was responsible for.
- National terms and conditions – there was a need for these to be resolved and greater clarity was required.
- The need for Chief Fire Officers to have operational independence – the report had identified eight different governance models and had noted that this was an area that was hindering the sector moving forward.
- Operational response – the report recognised that operational response was the sectors greatest strength.
- Fire and Rescue Services were not doing enough to ensure compliance with fire safety regulations – as a result of the Grenfell Tower Inquiry and the Hackitt Report. Additionally, it was believed that the variations between services with regard to protection was undesirable. It was noted that this was an area that the Service had invested in over the previous 12 to 18 months.
- The on-call model needed attention – although this did not directly affect the Service, the report identified that the model was not sustainable.

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- Staff needed to be treated better – the report highlighted findings of the HMICFRS in some services of a toxic culture, including reports of bullying and harassment. The Service took such issues very seriously and had already started to address some of the issues raised as a result of the cultural review.
- Better performance and talent management was needed.
- Workforce diversity must be addressed by the sector. It was noted that the Service was bucking the trend; approximately 30% of all new recruits this year were female or from black and minority ethnic (BME) backgrounds.
- Wellbeing – looking at how wellbeing services could be extended to all services.
- Some services were financially strapped, and others were found to be inefficient. The report highlighted the benefits of providing greater certainty regarding funding rather than a one-year settlement. The report also referenced that capital funding was an issue.

The report made a number of recommendations for the Home Office, the Local Government Association, the NFCC, and representative bodies, including:

- The need to review and with precision, determine the roles of fire and rescue services and those who work for them.
- Consider whether the current pay negotiation machinery requires fundamental reform.
- Consider the case for legislating to give chief fire officers operational independence.
- Should produce a code of ethics for fire and rescue services.

The report related to the Authority in a variety of ways:

- Reviewing governance and operational roles and responsibilities through the constitution.
- Cultural review touching all areas of the organisation in relation to recommendations.
- Tall buildings incident development developing competency, continually pushing the boundaries towards operational excellence.
- Supporting the NFCC community risk programme.

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- Recognised approach to recruitment that is 'bucking the trend' nationally regarding females.

In answer to Members' questions, the following points were raised:

- The State of Fire report covered all English fire and rescue services and diversity was an issue nationally. A number of fire and rescue services were making progress and the Service was one of the best, if not the best performing service in terms of recruiting females and people from BAME communities. However, it was acknowledged that progress was slow and it would take time to achieve a level of diversity that reflected the communities of the West Midlands.
- The report noted that the findings of the HMICFRS had found a blurring of actual incidents of bullying and the perception of bullying, where people stated they were being bullied but when such instances were examined in more detail, it was found that they did not like certain processes, change, management, etc, rather than actual cases of bullying.
- It was agreed that people feeling they were being bullied, whether or not circumstances actually amounted to actual bullying, should not feel that way. It was noted that this was an area of concern that would be addressed via the Cultural Review.

Multi Stakeholder Session:

08/20 **Delivering Against the Strategy**

Simon Barry, Strategic Enabler, delivered a presentation on delivering against the strategy:

- Delivery of the strategy - response

The implementation of a risk-based approach to fleet management was introduced on 1 April 2019, to achieve the savings identified within the Financial Efficiency Plan. This had resulted in reductions in the number of appliances available at any one time. It was noted that the approach was delivering financial savings and was going well although it did present some challenges.

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The ridership factor had an impact. Currently, the ridership factor was above target and 75% of which was due to attendance / sickness. The fleet management was continually reviewed, and the approach adapted as required.

Attendance was not only a key part of the ridership factor but also an indicator of the wellbeing of staff. Workshops had been held to further understanding and to identify ways in which staff could be helped to remain at work. The early indications from the workshops were positive.

Linked to the Service Delivery Model and the digital transformation of the Service, daily staffing was assisted via the staffing dashboard which helped the management of staffing, helping people to understand availability. The staffing dashboard had been developed in response to feedback from staff.

Despite less resources on any given day, very effective performance continued to be delivered against the risk-based attendance standard. Reaction times had been broadly consistent over the last four quarters. Response had increased slightly in quarter three but this reflected seasonal conditions.

- Delivery of the strategy - prevention

The annual target for the percentage of Safe and Well visits referred by our partners was 40%. Reductions in the percentage achieved had been previously reported. However, it was positive to report that the percentage had increased during quarter three and the performance for the quarter was 42.5%. 75% of the Safe and Well visits on the Tymly system (Black Country South only) were from partner referrals. Work continued with the Tymly system with a Tymly 2 update implemented which included a number of additions and improvements. The system would eventually lead to a far more efficient and effective system with the aim to remove the delay between booking and delivering a Safe and Well visit which was currently experienced.

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- Delivery of the strategy - protection

There had been an increase in the number of high-risk premises audits that had been completed (Q1 – 207, Q2 – 230, Q3 – 300) and an increase in the percentage of statutory building regulations timescales achieved (Q1 73%, Q2 99%, Q3 99%).

As part of the investment in protection, 14 new fire safety officers had completed level 4 qualifications in quarter three and a further 16 members of staff were on the progression pathway to qualification ending in July 2020.

Immediate action had included:

- Enforcement action (the Service always took an advice and enforce approach).
- Proactive involvement with buildings identified to have ACM cladding.
- Assurance exercise conducted for the NFCC Protection Board, with the provision of proportionate assurance.
- Fire Safety Audits completed on all risk properties.

09/20 Cultural Review Update

Wayne Brown, Deputy Chief Fire Officer, delivered a presentation on the cultural review:

The independent cultural review had been conducted by RealWorldHR and had taken place during June to September 2019.

A series of stakeholder meetings (comprising Officers, Members – Chair, Vice Chair, Leader of the Opposition, and representative bodies) had been held and they had agreed themes, agreed the role for the Steering Group, and were committed to working together. This had resulted in the formulation and issuing of the Joint Stakeholder Declaration.

The Steering Group was comprised of the Authority, Strategic Enabling Team, Representative Bodies, Affinity, Fire Out, Inspire, Asian Fire Service Association, and non-represented staff

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members. The membership of the Steering Group reflected the Service to ensure that everyone's voice was heard. Terms of Reference for the Steering Group had been agreed which included agreement of the Joint Cultural Implementation Plan (JCIP), ongoing monitoring and assurance of the JCIP, and an ongoing commitment to joint working.

The first meeting of the Steering Group had taken place on 23 January. It had proven to be an opportunity to engage with all stakeholders and to seek views on how to populate the JCIP. The JCIP was not owned by any particular group(s) as it was a joint plan, and jointly owned across all stakeholders.

It had been agreed with all stakeholders that the JCIP would be the vehicle to move the cultural review forward. The JCIP was currently in draft form with a view to finalise it in March 2020.

The JCIP was formed around four key themes:

- An inclusive organisation
- Communication
- Relationship management
- Organisational development

The JCIP would be implemented through the Service's programme structure of people, process and culture. Project Executives would be asked to feed back progress to the Steering Group, thereby ensuring clear reporting lines.

In answer to Members' questions, the following points were raised:

- Updates on the cultural review including the JCIP would be provided to Members via the Policy Planning Forum and as often as Members required. It was noted that it could take some time to deliver some elements and to make changes. It was suggested that updates could be provided on a quarterly or bi-annual frequency, with any major developments / changes reported as and when required. Additionally, updates would be provided via MESH which Members could access.

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**Policy Planning Forum
3 February 2020**

The meeting closed at 12:58 hours.

Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680

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Minutes of the Audit and Risk Committee
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Item 21

01 June

2020

Conducted as a virtual meeting

Present: Councillor Catherine Miks (Chair), Councillors Barrie, Edwards, Miller, Spence and Mr Ager

Apologies: Councillor Gill (Vice Chair), Richard Percival (Grant Thornton) Neil Chamberlain (Chair, WMFS Pension Board)

The following officers attended: Karen Gowreesunker, Mike Griffiths, Paul Gwynn, Kal Shoker and Gary Taylor

01 **Declarations of Interest**

Councillor Edwards declared receipt of a Fire Service Pension. As substitute for the Vice Chair of the Committee, he considered further participation would be inappropriate regarding discussion of item 2 on the agenda. The Chair agreed that Councillor Edwards should leave the meeting and the decision process would be unaffected as the meeting was quorate.

02 **Review of Ill Health Retirement Pensions Decision**

Resolved that the Committee, as Scheme Manager, agree with the approach proposed that the frequency of a review will be a matter for the Independent Qualified Medical Practitioner (IQMP) at the time they consider the Ill Health request and; approve the service to review the nine Ill Health Pensions currently in payment under the rules of the 1992 Pension Scheme.

The Committee discussed the recommended approach the service should take to the review of Ill Health Pensions. The Chair invited Paul Gwynn (Pensions and Payroll Manager) to summarise the content and context of the report.

It was explained that West Midlands Fire and Rescue Authority, are responsible to manage the requirements of three Firefighter Pensions Schemes legislated in 1992, 2006 and 2015. There are variances between each, specific to the review of Ill Health

Pensions. There is a requirement to review those paid under the 2006 or 2015 schemes, whilst there is no requirement to review those paid under the 1992.

It is proposed that the service should align reviews across the three schemes to ensure equity. Additionally, the frequency of the review be a matter for the IQMP at the time they consider the Ill Health request. Should the application for Ill Health Retirement be supported by the IQMP, they be asked to confirm a suitable review time.

Councillor Barrie considered it equitable to review all three schemes in a consistent manner, enabling a discharge of duties in a proper manner. The Chair supported this position and emphasised the importance of the service being guided by the IQMP in case management.

Councillor Spence enquired how inflation affected the duration of a review process. Mike Griffiths (Strategic Enabler for Finance and Resources) assured the Committee that adjustments are made to Pension payments reflecting acknowledged percentage levels of inflation within the economy.

The Chair sought clarification on the context of Section 7.0 Legal Implications. Mike Griffiths informed Members that reviews may lead to changes in pension payment amount, hence their awareness of the appeals process against decisions made by the IQMP and the Fire and Rescue Authority.

The Chair requested that the nine persons affected by the review be advised of the decision of the Committee.

Mike Griffiths thanked the Committee for its decision and assured them that a process to enact it would be promptly progressed.

03 **Minutes of the Pension Board held on the 16 December 2019**

The Committee noted the minutes of the Pension Board held on 16 December 2019.

The minutes were presented for information to the Audit and Risk Committee in their role as Scheme Manager.

04 **Minutes of the Audit and Risk Committee held on 13 January 2020**

Resolved that the minutes of the Audit and Risk Committee held on 13 January 2020 be approved as a correct record of proceedings.

05 **Audit and Risk Committee Work Programme**

The Committee noted its Work Programme.

The Chair requested that all reports outstanding from the postponed Committee meeting of 23 March 2020, be brought forward to the next meeting of 27 July 2020. Karen Gowreesunker (Clerk to the Fire Authority) confirmed this intention.

The meeting closed at 14.00 hours.

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