

West Midlands Fire and Rescue Authority

Audit and Risk Committee

You are summoned to attend the meeting of Audit and Risk Committee to be held on Monday, 06 December 2021 at 12:00

At Fire Service Headquarters, 99 Vauxhall Road, Nechells, Birmingham B7 4HW and digitally via Microsoft Teams

for the purpose of transacting the following business:

Agenda – Public Session

- | | | |
|----|---|---------|
| 1 | To receive apologies for absence (if any) | |
| 2 | Declarations of interests | |
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Distribution:

David Barrie - Member, Catherine Miks - Chair, Peter Miller - Member, Charn Padda - Vice Chair, Sybil Spence - Member

This meeting of the West Midlands Fire and Rescue Authority will be held at Fire Service Headquarters. However, please note that although the meeting will be open to the public, there will be limited capacity due to ongoing social distancing measures.

The meeting will also be held digitally via Microsoft Teams allowing observers to access remotely. To access the meeting, please contact a member of the 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) or provide guidance if you wish to attend in person at HQ.

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

Minutes of the Audit and Risk Committee

Item 3

27 September 2021 at 10.30 hours

Conducted as a public meeting at Headquarters and digitally via Microsoft Teams

Present: Councillor Catherine Miks (Chair), Councillor Chadda, Councillor Spence, Councillor Ferguson.

Virtually: Councillor Miller, Mr Ager, John Mathews (Internal Audit), Avtar Sohal (Grant Thornton)

Officers: Gary Taylor, Mike Griffiths, Satinder Sahota, Kal Shoker, Paul Gwynn, Martina Doolan, Karen Gowreesunker Phil Fellows, Kirsty Tuffin.

30/21 **Apologies for Absence**

Apologies for absence were received from Councillor Barrie and Neil Chamberlain (West Midlands Police and Chair of WMFS Pension Board).

31/21 **Declarations of Interest**

There were no declarations of interest registered.

32/21 **Minutes of the Audit and Risk Committee held on 19 July 2021**

Resolved:

1. That the minutes of the previous meeting, held on 19 July 2021, be approved as a correct record of proceedings.

33/21 **Audit and Risk Committee Terms of Reference 2021-2022**

Karen Gowreesunker, West Midlands Fire Service (WMFS) Clerk, presented the Audit and Risk Committee Terms of Reference 2021-2022 report that outlined the Audit and Risk Committee Terms of Reference for 2021-2022, as per appendix 1 of the report.

It was recommended that Members noted the Terms of Reference, approved at Fire Authority on 21 June 2021. No amendments were requested, and the Audit and Risk Committee Terms of Reference 2021-2022 were noted.

Resolved:

1. That it be agreed that the Audit and Risk Committee Terms of Reference for 2021-2022 be noted.

34/21 **Immediate Detriment – Contribution Holidays**

Mike Griffiths, (WMFS) Section 151 Officer, presented the Immediate Detriment – Contribution Holidays report, that sought approval to reverse the decision at the last Committee held on 19 July 2021, specifically that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021.

The Committee were advised that following the decision in July 2021 to implement the Home Office Guidance, the Chief Fire Officer had recommended the reversion of this decision as the guidance would result in members who have had a contributions holiday being treated differently to other members that fall within the Immediate Detriment category. This could result in the view aligned to the Equality Act that they are receiving less favourable treatment. Other Fire Authorities/Pension Boards were processing contribution holiday scheme members as immediate detriment cases and not further delaying the outcome of remedy.

The Service had received 3 appeals so far, with the expectation of more, if the decision was not reversed. From a local employee perspective, it had been identified that some employees who are pension scheme members were postponing their retirement. This had been incurring a financial pension detrimental impact. Therefore, the request to reverse the decision to implement the Home Office Guidance had been for the benefit of its members. Satinder Sahota, (WMFS) Monitoring Officer, provided the Committee with legal reassurance that non-Statutory guidance would typically be implemented unless there was a valid reason

as to not and given the reasons outlined to the Committee, the decision would be justifiable.

Resolved:

1. That it be agreed that in consideration of the Court of Appeal interim order entitling claimants to be treated as members of the FPS 1992 and the unresolved pensions issues, the scheme administrator does not apply the updated Home Office guidance issued on 10th June 2021 in its entirety to all future retirement case.
2. That it be agreed that the Scheme administrator revises the treatment to any cases affected since the last Audit and Risk Committee on 19th July 2021.
3. That it be agreed that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021.

35/21 **Internal Audit – Progress Report**

John Mathews, internal auditor, presented the Internal Audit – Progress report that detailed the matters arising from internal audit work undertaken so far in the current year and provided a progress update on the delivery of the 2021/22 Internal Audit Plan issued at the year end.

The Committee were advised that following CIPFA guidance moving forward, where appropriate, reports issued would include an overall opinion based upon criteria outlined in Appendix 1 of the report. These opinions were categorised into the following 4 areas:

1. No assurance
2. Limited
3. Reasonable
4. Substantial

The Committee were advised that some audits had now been completed, as per appendix 1 of the report, and work had started with the Environment Protection Targets. John Mathews re-assured Members that although the key financial audits had not

started, the team had been working with the Fire Service financial team on the new financial system to provide the Committee with a level of assurance. Feedback would be provided to the Committee on the Service Quality Questionnaire (SQQ), once received. The two issues highlighted within the report included:

1. Data Protection
2. Management of Fuel

Following questions on data protection, Martina Doolan, Data and Governance Manager, reassured the Committee that the Fire Service was working within the Government and the national cyber security issued guidance. A work plan, incorporating this guidance, had been in development, to ensure that these standards were being met. A move to Microsoft 365 had also provided the Service with further protection. Phil Fellows advised that all pension files for active and non-active Members had now been digitised onto a secure system.

Resolved:

1. That it be agreed that the Internal Audit Progress Report be noted.

36/21 **Annual Report from Sandwell Audit in Respect of Information Governance**

Gary Taylor, SIRO – Assistant Chief Fire Officer, and Martina Doolan, presented the Annual Report from Sandwell Audit in Respect of Information Governance that provided the assurance from internal audit at Sandwell MBC in relation to how the organisation discharges its duties and responsibilities in relation to information governance.

The Committee were advised that with the assistance of Sandwell's Audit Team, the theme for the financial year 2020-2021 had been focused upon the handling of subject access requested under the Data Protection Act 2018. Although, the audit had been delayed as a result of the Coronavirus pandemic and the availability of staff at Sandwell MBC and West Midlands Fire Service, the audit was conducted between April 2020 and September 2020. Overall, the Service had received a rare

recording of 'substantial assurance', with only the two following areas for improvement identified:

1. Response times for some subject access requests.
2. Monthly reporting of requests to the Strategic Enabling Team (SET).

The Committee were reassured that although some response times for requests had been outside the 30-calendar day statutory limit, the Service was trialling an automated e-discovery tool to help mitigate this issue with a pilot scheduled to take place in September. The issue around the monthly reporting to SET had already been rectified with the implementation PowerBi dashboard for SET members to see requests in real time instead of monthly reports.

The Committee thanked Gary Taylor, Martina Doolan and the team for all their hard work.

Resolved:

1. That it be agreed that the Annual Report from Sandwell Audit in Respect of Information Governance be noted.

37/21 **Audit Findings 2020-2021**

Avtar Sohal, representative from Grant Thornton, presented the Audit Findings 2020-2021 report, that outlined the key messages arising from the external audit work undertaken during the year to support the Auditor's opinions and conclusions.

The Committee were advised that a substantial amount of the audit had been completed and no audit adjustments had arisen from the audit work so far. Grant Thornton had not been aware of any matters that would require modification of their audit opinion or material changes to the financial statements, subject to the outstanding matters, as per Appendix 1, being completed. It was anticipated that the Auditors Annual Report would be issued by 31 December 2021, as a result of the value for money work being incomplete. This deadline would be in line with the National Audit Office's revised deadline, which required the report to be issued no more than three months after the date of the opinion on the financial statements.

Resolved:

1. That it be agreed that the content of the Audit Findings 2020-2021 be noted.

38/21 **Statement of Accounts 2020-2021**

Mike Griffiths presented the Statement of Accounts 2020-2021 report, that outlined the Authority's Statement of Accounts for the financial year ended 31 March 2021.

The Committee were advised that the Statement of accounts had received minimal descriptive changes and no changes had been made to the core figures within the financial statements since the 19 July Committee meeting whereby, the draft version was approved.

Resolved:

1. That it be agreed that the Statement of Accounts for 2020-2021 as set out in appendix A be approved.
2. That it be agreed that the Statement of Accounts Summary for 2020-2021 set out in appendix B be noted.

39/21 **Annual Report of the Pension Board 2020-2021**

Kal Shoker, WMFS Finance Manager, presented the Annual Report of the Pension Board 2020-2021 that outlined the key work of the Pension Board throughout 2020-2021.

The Committee were advised that Pension Board maintained its functioning throughout the Coronavirus pandemic meeting virtually to ensure business continuity of its role and reported to the Audit and Risk Committee as a Standing Committee of the Authority. The attendance of Pension Board Members and the Terms of Reference was also included within the annual report.

The Committee thanked the Pension Board for their hard work.

Resolved:

1. That it be agreed that the Annual Report of the Pension Board 2020-2021 be approved.

40/21 **Audit and Risk Committee Work Plan 2021-2022**

Karen Gowreesunker presented the Audit and Risk Committee Work Plan for 2021-2022. It was agreed that as a result of Coronavirus related delays the Annual SIRO Report be moved from 25 October to the December meeting. It was agreed that a detailed report be provided on vacant properties held by the Fire Service at the December meeting.

Resolved:

1. That it be agreed that the Audit and Risk Committee Work Plan for 2020-2021 be approved.
2. That it be agreed that the Annual SIRO report be brought to the December Audit and Risk Committee meeting.
3. That it be agreed that an update report on vacant properties held by the Fire Service be provided at the December meeting.

41/21 **Exclusion of press and public**

Resolved:

1. That it be agreed that the press and public be excluded from the rest of the meeting to avoid the possible disclosure of exempt information.

42/21 **CIPFA Audit Committee Update No35**

John Mathews presented the CIPFA Audit Committee Update (No35) Report that outlined the publication and contents of issue 35 of CIPFA's Audit Committee Update.

The Committee were advised that the latest edition focused upon three key areas:

- A focus on risk management and the support that audit committees can provide for improving local arrangements,
- A review of the differences between the work of an audit committee and scrutiny and opportunities to work together,
- An update on the new consultation launched by the Ministry of Housing, Communities and Local Government on local audit and audit committees.

Following questions upon training, the Committee were advised that training could be provided by CIPFA themselves and would be held virtually, if Members wish to attend.

Resolved:

1. That the contents of the latest CIPFA Audit Committee update be noted.

The meeting closed at 11.08 hours.

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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 DECEMBER 2021

1. **TREASURY MANAGEMENT – MID YEAR REVIEW
REPORT 2021/22**

Report of the Treasurer.

RECOMMENDED

THAT the report and Appendix are noted, and the prudential and treasury indicators approved.

2. **PURPOSE OF REPORT**

2.1 The Authority agreed its Treasury Management Strategy Statement and Annual Investment Strategy and its Prudential Indicators in February 2021. Part of the requirements of the Treasury Strategy and Prudential Code are that periodic reports are presented to Members.

2.2 The mid-year review report outlines the performance of the Treasury Management function of the Authority in the current financial year.

3. **BACKGROUND**

3.1 The Authority is required to produce a mid-year report of Treasury Management activity in the current financial year.

3.2 Appendix 1, the mid-year Review Report 2021/22, meets the requirement of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code of Capital Finance in Local Authorities (the Prudential Code). The Authority is required to comply with both Codes through regulations issued under the Local Government Act 2003.

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 attached Appendix.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2021

The contact officer for this report is Deputy Chief Fire Officer Wayne Brown, 0121 380 6907.

MIKE GRIFFITHS
TREASURER

WEST MIDLANDS FIRE SERVICE



Treasury Management Strategy Statement and Annual Investment Strategy

Mid-year Review Report 2021/22

1. Background

The Authority operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

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

Accordingly, treasury management is defined as:

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

2. Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management has been adopted by this Authority.

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.
- Receipt by the Authority of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report covering activities during the previous year.

- Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority the delegated body is the Audit and Risk Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first six months of 2021/22;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure and prudential indicators;
- A review of the Authority's investment portfolio for 2021/22;
- A review of the Authority's borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

3. Economic update

UK. The Monetary Policy Committee (MPC) on 24 September 2021 voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.

There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it

expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, the MPC had been prepared to look through a temporary spike in inflation.

In August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement; this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

COVID-19 vaccines have been the game changer which have enormously boosted confidence that life in the UK could largely return to normal during the summer after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels.

EU. The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

Link Asset Services interest rate forecast

Treasury advisor, Link Asset Services, has provided the following forecast:

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 23/24 and a third one to 0.75% in quarter 4 of 23/24.

The Balance of Risks to the UK

The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

The Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

4. Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by the Authority on 15 February 2021. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Prudential Indicator 2021/22	Original Prudential Indicator	Revised Prudential Indicator
Authorised Limit	£42m	£42m
Operational Boundary	£38m	£38m
Capital Financing Requirement (31.3.21)	£35m	£35m

5. The Authority's Capital Position (Prudential Indicators)

This section of the report provides an update on:

- The Authority's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

The table below shows the capital programme which was approved by the Authority 15 February 2021, it has since been revised to reflect the impact of capital expenditure and financing decisions in 2020/21. The forecast outturn position is as at 30th September 2021.

Capital Expenditure 2021/22	Approved Feb 2021 £000	Revised Estimate £000	Forecast Outturn £000
Land & Buildings:			
Boiler Replacement Programme	87	285	280
Roof Replacements	805	892	377
Windows & Door Replacements	677	677	681
Rewires	158	399	399
Drill Tower/Training Facilities	400	689	689
Other Building Modifications	0	59	59
Security Works	0	73	86
Occupational Health Relocation	0	36	36
Aston Fire Station	0	97	80
Health & Safety Work (COVID)	0	320	300
Vehicles:			
Vehicle Replacement Programme	5,636	4,423	3,673
ICT & Equipment:			
C+C Upgrade – Vision 4/ESMCP	0	150	150
Total	7,763	8,100	6,810

Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Authority by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure 2021/22	Approved Feb 2021 £000	Revised Estimate £000	Forecast Outturn £000
Total Spend	7,763	8,100	6,810
Financed by:			
Capital Receipts	0	0	0
Capital Grants / Contributions	0	74	74
Revenue Contribution to Capital	7,763	8,026	6,736
Total Financing	7,763	8,100	6,810
Borrowing Need	0	0	0

Changes to the Prudential Indicators for the CFR, External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – CFR

The Authority is on target to achieve the original forecast CFR.

Prudential Indicator – External Debt / the Operational Boundary

	2021/22 Original Estimate	2021/22 Revised Estimate
Prudential Indicator – CFR		
Total CFR (31.3.21)	£35m	£35m
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	£38m	£38m
Total debt 31 March 2021	£34m	£34m

Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Authority has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2021/22 Original Estimate	2021/22 Revised Estimate
Gross borrowing (Excluding Ex WMCC)	£31m	£31m
CFR (31.3.21)	£35m	£35m

The Treasurer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

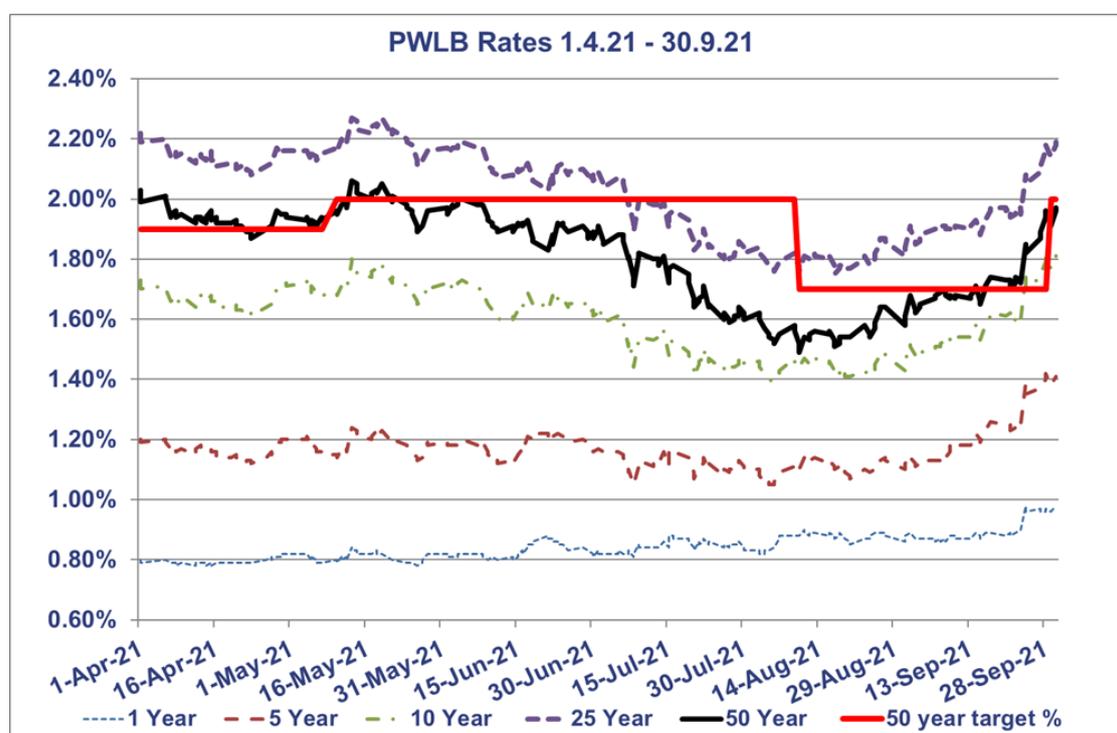
Authorised limit for external debt	2021/22 Original Indicator	2021/22 Revised Indicator
Borrowing	£42m	£42m

6. Borrowing

The Authority's CFR for 2021/22 is £35m (31.3.21). The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

It is not anticipated that borrowing will be undertaken during this financial year however this requirement will be monitored by the Treasurer as part of the capital financing decisions.

The graph below shows the movement in PWLB rates for the first six months of the year:



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%

7. Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

8. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2021, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2021. The Treasurer reports that no difficulties are envisaged for the current or future years in complying with these indicators

9. Investment Portfolio 2021/22

The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Authority on 15 February 2021. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Authority's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach.

As shown by the interest rate forecasts in section 3, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020 until the MPC meeting on 24 September 2021 when 6 and 12 month rates rose in anticipation of Bank Rate going up in 2022. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before mid-2023, investment returns are expected to remain low.

Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment Balances

The Authority held £57.9m of investments as at 30 September 2021 (£36.7m at 31 March 2021) and the investment portfolio yield for the first six months of the year is 0.11% against a benchmark (average 3-month LIBID rate) of -0.05%.

The Treasurer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2021/22.

The Authority's budgeted investment return for 2021/22 is £0.100m, and performance for the year to date is estimated to be £0.050m below budget

10. Other

Changes in risk appetite

The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 DECEMBER 2021

1. **CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit and Risk Committee approve the Corporate Risk Summaries (Quarter 1, 2021/22, Appendix 1 and Quarter 2, 2021/22, Appendix 2) and note the management of Corporate Risk through and emerging from the Business Continuity arrangements.

2. **PURPOSE OF REPORT**

This update covers a six-month period and is provided to ensure Members remain informed about all aspects relating to the management of the Authority's Corporate Risks. It covers Quarter 1, 2021/22 and Quarter 2, 2021/22.

3. **BACKGROUND**

3.1 This report includes the Corporate Risk Summary for Quarter 1, 2021/22 and Quarter 2, 2021/22. In addition, it provides an update on the management of Corporate Risk through and emerging from the Business Continuity arrangements which were put in place in March 2020.

3.2 Corporate Risks are those risks which if they occurred would seriously affect the Authority's ability to carry out its core function or deliver its strategic objectives as set out in 'The Annual Plan'. Currently, the Service maintains 8 Corporate Risks, some of which have more than one element.

- 3.3 Each Corporate Risk is assigned to a risk owner, who is a member of the Strategic Enabling Team (SET). The risk owner has the overall responsibility for monitoring and reviewing the progress being made in managing the risk.
- 3.4 To enable for effective risk management, the risk owner reviews and assesses each corporate risk monthly. A report is subsequently submitted to SET on a quarterly basis.

The review and the estimated risk rating undertaken is based on likelihood x impact. The likelihood is a measure of probability of a given risk occurring using a scale of 1 (low) to 4 (high). The impact is a measure of the severity or loss should the risk occur again, using a scale of 1 (low) to 4 (high).

LIKELIHOOD	4	Yellow	Yellow	Red	Red
	3	Orange	Yellow	Yellow	Red
	2	Green	Orange	Yellow	Yellow
	1	Green	Green	Orange	Yellow
		1	2	3	4
		IMPACT			

- 3.5 In undertaking a review of the Corporate Risks, the risk owner reviews the Corporate Risks and in doing so considers the following:-
 - The direction of travel of the risk
 - The overall confidence that the risk owner has in the risk being realised
 - The current risk scores (Likelihood and Impact)
 - Any issues that have emerged during the previous month
 - Any forthcoming issues that may be likely to emerge that could affect the risk
 - Any changes to the control measures that are in place which are designed to reduce the likelihood of the risk realisation or its impact should the risk be realised

- Additional control measures currently implemented to further reduce the likelihood or impact
- Any interdependencies with other Corporate Risks
- The recommended risk score rating

- 3.6 As part of the review the risk owner has considered the risk score and rating and updated the summary sheet. The risk owner has provided assurance that the control measures identified are still effective in the management of the risk and identified whether any new risk events or controls have been implemented or are required.
- 3.7 Where ongoing additional controls are being implemented, risk owners have confirmed the progress in implementing such controls.

Increase/decrease in Overall Corporate Risk Score

- 3.8 During Quarter 1. Corporate Risk 5.2 increased its risk score in April 2021 to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 8). This has not changed the green 'overall confidence level'. This increase was due to ongoing issues with the Command and Control System, Vision 4.

During Quarter 2, Corporate Risk 5.2 increased its risk score further in July 2021 to Likelihood 4, Impact 3, providing a risk score of 12 (an increase from 9). This has changed the 'overall confidence level' from green to red. This further increase was due to the ongoing issues with Vision 4 and a delay to the upgrade.

Corporate Risk 5.2 has remained at this level throughout Quarter 2.

During Quarter 1, Corporate Risk 7.1 increased in April 2021 to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 6). This has not changed the amber 'overall confidence level'. This risk score has remained during Quarter 2. The increase in the overall risk score was due to a significant failure

of the mobilisation system which resulted in four hours of downtime. Business continuity arrangements were put in place.

During Quarter 2, (September) Corporate Risk 4.1 decreased its risk score to Likelihood 2, Impact 2, providing a risk score of 4 (a decrease from 6). The 'overall confidence level' changed from amber to green. The decrease in the risk score was due to the frequency of testing of water hydrants and the engagement with the water providers. This has progressed and is being managed as part of a 3PT project.

Quarter 1, 2021/22 (April, May, and June)

Quarter 2, 2021/22 (July, August, and September)

3.9 The Corporate Risk Summary for Quarter 1 (June), 2021/22 is attached as Appendix 1 and Quarter 2 (September) 2021/22 is Appendix 2. It provides the confidence levels of the risk management activity in respect of the Authority's 8 Corporate Risks. It should be noted that some risks have more than one element, providing an update on 14 elements of the risks. The following is the status at the end of Quarter 2 (September 2021).

- Corporate Risks 1.2, 2.1, 2.3, 4.1, 5.1, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
- Corporate Risks 2.2, 3.1, 3.2, 7.1 and 7.2 have been awarded an amber (satisfactory) confidence opinion. In all cases, work is in progress to enable for a green rating to be attained.
- Corporate Risk 5.2 and 6.1 has been awarded a red (limited) confidence opinion, due to the inadequacy of key internal controls being in place.

3.10 Corporate Risk Statement Summary

Corporate Risk 1.2, External (Political and Legislative Environment)

The risk owner reported the following during Quarters 1 and 2:-

To create a basis for the Fire Authority consideration of ongoing change aligned to the Community Risk Management Plan (CRMP), Strategy, and the pending White Paper, the Collaboration and Transformation Committee reaffirmed a strategy for collaboration and transformation. This committee will enable an approach which allows the Authority to be at the forefront of considering wider sector change that will impact on the ability for West Midlands Fire Service (WMFS) to implement CRMP outcomes.

Corporate Risk 2.1, People (Positive staff engagement)

The risk owner reported the following during Quarters 1 and 2:-

The Employee Relations Framework continues to be applied with consultation and engagement internally remaining high with potential areas of change being consulted upon at the earliest opportunity. The focus within the current Joint Consultative Committee regarding organisational change continues to be the CRMP. Positive progress is being made in relation to the Technical Rescue Unit at Sutton Coldfield station and the trials for flexible crewing arrangements.

Corporate Risk 2.2, People (Insufficient or ineffective employees)

The risk owner reported the following during Quarters 1 and 2:-

There has been a supply chain issue with wood and pallets impacting on BA courses and potentially Tac Vent. In addition, a new provider is to be sourced prior to the recommencement of water training during 2022.

In addition, there is a low number of Station Based Assessments in some core skills areas impacting on competence and the standard assessment. Measures are being put in place to rectify this.

Corporate Risk 2.3, People (Safe and healthy workplace)

The risk owner reported the following during Quarters 1 and 2:-

There has been a rise in Manual Handling injuries across the Service and the need for a reduction in injuries and to meet our legal obligation. A procurement process has commenced to identify trainers to assist with this.

To provide compliance and assurance information to the Service a rigorous audit process must be in place, Health Safety and Well-being are in the process of testing until December 2021, this will involve the audit of three sites across the Service to ensure the process is fit for purpose and provides the Service with the strategic information required.

Corporate Risk 3.1, Prevention (Engagement with vulnerable members of the community)

The risk owner reported the following during Quarters 1 and 2:-

There is a national shortage of smoke detectors with two of the suppliers on the Safe & Well National Equipment Framework. Stock levels within WMFS are low and procedures for fitting have been amended to accommodate this whilst we await supply from an alternative supplier. Orders are being placed as a contingency if FireAngel cannot supply in sufficient quantities.

The completion of the Tymly Remote Safe and Well data collection form is due to be released shortly. This will allow for a distinction between Safe and Well's carried out face to face and those remotely over the telephone.

Corporate Risk 3.2, Prevention (Partnership arrangements)

The risk owner reported the following during Quarters 1 and 2:-

The supply chain issues with smoke detectors which has resulted in a change to the process for fitting detectors, delaying the completion of the visit and mitigation of vulnerability as far as possible may become a reputational issue with partners

The performance indicators for Safe & Well have started to highlight a drop in performance which may be linked to the continued impact of

the pandemic on partners. The percentage of Safe & Wells that are completed because of a referral from a partner is below target.

Corporate Risk 4.1, Protection

The risk owner reported the following during Quarters 1 and 2:-

There is currently a reduction in posts across the Protection team, however, whilst there is a reduced number of competent Fire Safety Officers, WMFS is effectively discharging its duties under the Regulatory Reform (Fire Safety) Order.

An issue has arisen regarding water supplies for firefighting. Whilst there is no statutory duty to test fire hydrants, we must take all reasonable measures to secure water supplies for firefighting. Recommendations to move this issue forward will be managed within the Protection 3PT Project.

Corporate Risk 5.1, Response (Operational)

The risk owner reported the following during Quarters 1 and 2:-

The number of water Station Based Assessors (SBA) and Voluntary Rescue Swimmers (VRS) continues to fall below the required numbers. There is little opportunity to increase VRS at this stage due to the inability to deliver open water training between November and April.

There is an impact on staffing figures due to the continued high numbers of Voluntary Additional Shifts (VAS) not being filled. This has impacted fleet availability affecting the Service Delivery Model (SDM.)

September saw the transfer to use digital functionality on Motorola fireground radios, this was after software updates and extensive testing. No issues were identified during testing and the transition date of 27/09/2021 was met. No issues were reported during the first 5 days, however, 10 near hits were received from the 01/10/2021 that radio communication was an issue, with clarity and messages that could not be understood. This was deemed a safety critical risk, and a decision was taken to revert to analogue functionality. Work is now being undertaken by ICT to understand the issue and make changes to enable digital to be used.

Corporate Risk 5.2, Response (Fire Control)

The risk owner reported the following during Quarters 1 and 2:-

There is an ongoing situation with 'Gazetteer' which is restricting progress for the upgrade to Vision 4 for Command & Control. Vision 4 needs to be upgraded, as the risk of not progressing with the upgrade is that the current system has limitations, and the technology is becoming older and less reliable.

Corporate Risk 6.1, Business Continuity & Preparedness

The risk owner reported the following during Quarters 1 and 2:-

Due to media reporting, truck driver numbers and consumer behaviour led to filling stations running low on fuel or temporarily closing due to demand exceeding supply. Overall, WMFS had sufficient stocks of fuel to maintain normal activities. Some local stations experienced shortages due to an issue with the fuel ordering system (now on Oracle) and extended delivery periods. These were managed locally; fuel orders have now progressed, and deliveries have taken place.

Corporate Risk 7.1, Digital and Data (Provide and support ICT)

The risk owner reported the following during Quarters 1 and 2:-

With the implementation of Oracle Cloud there have been issues with delays to payroll, mitigations remain in place through agreements with Sandwell Metropolitan Borough Council to ensure continued pay for staff.

There has also been issues with accounts payable, accounts receivable and procurement, this has led to delays in paying suppliers and delays relating to outgoing orders. This has potential for reputational damage and reduced supply chain, mitigations are in place and the backlog is being cleared

There are ongoing supply chain issues for IT Hardware.

Corporate Risk 7.2, Digital and Data (Management of information)

The risk owner reported the following during Quarters 1 and 2:-

WMFS are in receipt of positive substantial assurance from External Audit on the data area, evidencing positive progress in this area.

There is a requirement for on-going development of Data Protection Impact Assessments (DPIA) and early consideration of data which is needed to prevent further data breaches.

In addition, plans are in place for further updates to be made to the Management of Information policy.

Corporate Risk 8.1, Finance & Assets (Funding)

The risk owner reported the following during Quarters 1 and 2:-

The Treasury indicated that the Comprehensive Spending Review (CSR) would cover a 3-year period, 2022/23 to 2024/25. The Authority's 2022/23 budget process and revised 2021/22 budget process has commenced.

The potential resurgence of COVID could have associated costs above current funding allocations.

There is consideration nationally to the annual pay award for Fire Service Green Book staff (budgeted at 0% following the Chancellors statement re: 'pay pause' for the current year).

It may be that there are 'investment' requirements associated with the CRMP proposals.

Corporate Risk 8.2, Finance & Assets (Financial management)

The risk owner reported the following during Quarters 1 and 2:-

The potential for future ICT security breaches and the possibility of inappropriate acts by employees.

3.11 Corporate Risks will continue to be submitted to the SET meetings on a quarterly basis and reported into the Audit and Risk Committee every six months whilst the Covid pandemic continues.

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**

There are no direct legal implications associated with the implementation of the recommendations set out in this report.

6. **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the implementation of the recommendations set out in this report.

7. **ENVIRONMENTAL IMPLICATIONS**

None

BACKGROUND PAPERS

Delivery of The Plan 2021/24
Authority Report, 15 February 2021

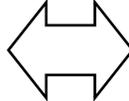
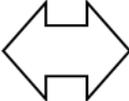
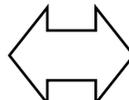
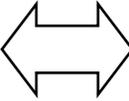
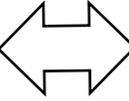
Corporate Risk Update to Audit Committee,
Audit Committee Report, 7 December 2020

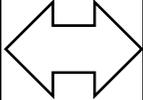
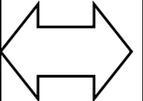
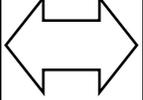
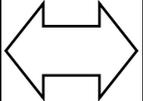
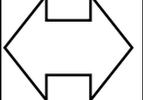
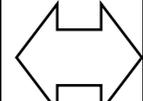
Frequency of Risk Reporting to Audit Committee,
Audit Committee Report, 11 April 2016

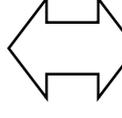
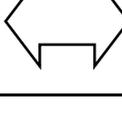
The contact for this report is Assistant Chief Fire Officer, Gary Taylor,
Strategic Enabler – Process, telephone number 0121 380 6914.

PHIL LOACH
CHIEF FIRE OFFICER

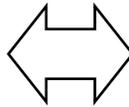
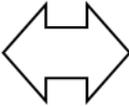
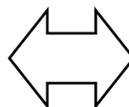
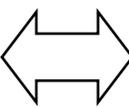
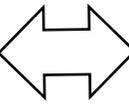
Appendix 1

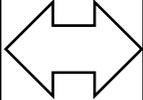
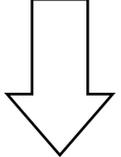
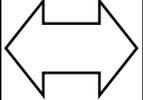
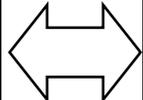
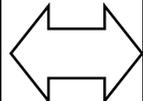
<u>Business Continuity - Corporate Risk</u>				<u>Jun-21</u>			
No.	Outcome of Risk Realisation	Risk Owner	Direction of Travel	Overall Confidence	Likelihood	Impact	Risk Score
CR1	External (Political and Legislative) Environment	SE Strategic Hub - Karen Gowreesunker					
1.2	The Fire Authority is unable to positively position itself within public services reform to sustain and create new services resulting in reduced confidence, credibility and/or reputational damage.	Karen Gowreesunker			2	3	6
CR2	People	SE People - Sarah Warnes (2.3 - Jason Campbell)					
2.1	The Fire Authority is unable to maintain positive staff consultation and engagement, resulting in an inability to deliver strategic objectives, outcomes and continuous improvement.	Sarah Warnes			2	3	6
2.2	The Fire Authority is unable to deliver its Service Delivery Model effectively, as a result of insufficient or ineffective employees, throughout the organisation, resulting in reduced confidence and credibility; and increased reputational damage.	Sarah Warnes			3	3	9
2.3	The Fire Authority is unable to meet statutory duties to provide a safe and healthy workplace and protect the environment, resulting in a significant failure and reduced confidence and credibility; and increased criminal proceedings, litigation and reputational damage.	Jason Campbell			2	3	6
CR3	Delivery of Services - Prevention	SE Prevention - Pete Wilson					
3.1	The Fire Authority is unable to engage with the most vulnerable members of the community and reduce community risk resulting in increased fire and non-fire related incidents, fatalities and	Pete Wilson			3	3	9

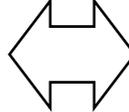
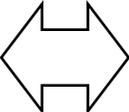
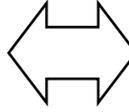
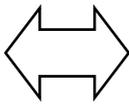
3.2	The Fire Authority is unable to establish effective partnership arrangements and deliver community outcomes, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives.	Pete Wilson			2	2	4
CR4	Delivery of Services - Protection	SE Protection - Sam Burton					
4.1	The Fire Authority is unable to effectively discharge its duties under the Regulatory Reform (Fire Safety) Order and associated legislation, resulting in a decline in non-domestic fire safety standards; reduced confidence and credibility; and increased litigation and reputational damage.	Sam Burton			2	3	6
CR5	Delivery of Services – Response	SE Response - Steve Vincent/Simon Barry					
5.1	The Fire Authority is unable to ensure that operational incidents are dealt with safely, assertively and effectively using appropriate levels of resources and personnel, resulting in increased firefighter and community risk; reduced confidence and credibility; and increased reputational damage.	Steve Vincent			2	4	8
5.2	The Fire Authority is unable to maintain its command and control function, resulting in an inability to receive, process and respond to emergency calls effectively, so increasing community risk; reducing confidence and credibility; and increasing reputational damage.	Simon Barry			3	3	9
CR6	Business Continuity & Preparedness	SE Organisational Preparedness - Steve Vincent					
6.1	The Fire Authority is unable to provide business continuity arrangements, to maintain delivery of core functions, as a result of extensive disruption to normal working arrangements, including national and international deployments, significant and major events, resulting in increased community risk; reduced confidence; increased reputational damage; and external scrutiny.	Steve Vincent			3	4	12
CR7	Information, Communications and Technology	SE Digital & Data - Kash Singh					
7.1	The Fire Authority is unable to provide and maintain an effective ICT provision to support the delivery of core functions, resulting in significant disruption to the organisation's functionality, reduced confidence, credibility, reputational damage and external scrutiny.	Kash Singh			3	3	9

7.2	The Fire Authority is unable to provide effective management and security of organisational information and documentation including the receipt, storage, sharing and transfer of information and data, resulting in reputational damage, litigation, substantial fines and external scrutiny.	Kash Singh			3	3	9
CR8 Finance & Assets		SE Finance and Resources - Mike Griffiths					
8.1	The Fire Authority is unable to deliver its statutory responsibilities, predominantly through the Service Delivery Model, due to insufficient funds, resulting in external scrutiny and intervention; reduced confidence and credibility; and increased reputational damage.	Mike Griffiths			3	3	9
8.2	The Fire Authority is unable to deliver effective financial management arrangements, due to misuse of funds, resulting in external scrutiny, intervention and litigation.	Mike Griffiths			2	3	6

Appendix 2

Business Continuity - Corporate Risk				Sep-21			
No.	Outcome of Risk Realisation	Risk Owner	Direction of Travel	Overall Confidence	Likelihood	Impact	Risk Score
CR1	External (Political and Legislative) Environment	SE Strategic Hub - Karen Gowreesunker					
1.2	The Fire Authority is unable to positively position itself within public service reform to sustain and create new services resulting in reduced confidence, credibility and/or reputational damage.	Karen Gowreesunker			2	3	6
CR2	People	SE People - Sarah Warnes (2.3 - Jason Campbell)					
2.1	The Fire Authority is unable to maintain positive staff consultation and engagement, resulting in an inability to deliver strategic objectives, outcomes and continuous improvement.	Sarah Warnes			2	3	6
2.2	The Fire Authority is unable to deliver its Service Delivery Model effectively, as a result of insufficient or ineffective employees, throughout the organisation, resulting in reduced confidence and credibility; and increased reputational damage.	Sarah Warnes			3	3	9
2.3	The Fire Authority is unable to meet statutory duties to provide a safe and healthy workplace and protect the environment, resulting in a significant failure and reduced confidence and credibility; and increased criminal proceedings, litigation and reputational damage.	Jason Campbell			2	3	6
CR3	Delivery of Services - Prevention	SE Prevention - Pete Wilson					
3.1	The Fire Authority is unable to engage with the most vulnerable members of the community and reduce community risk resulting in increased fire and non-fire related incidents, fatalities and	Pete Wilson			3	3	9

3.2	The Fire Authority is unable to establish effective partnership arrangements and deliver community outcomes, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives.	Pete Wilson			2	2	4
CR4	Delivery of Services - Protection	SE Protection - Sam Burton					
4.1	The Fire Authority is unable to effectively discharge its duties under the Regulatory Reform (Fire Safety) Order and associated legislation, resulting in a decline in non-domestic fire safety standards; reduced confidence and credibility; and increased litigation and reputational damage.	Sam Burton			2	2	4
CR5	Delivery of Services – Response	SE Response - Steve Vincent/Simon Barry					
5.1	The Fire Authority is unable to ensure that operational incidents are dealt with safely, assertively and effectively using appropriate levels of resources and personnel, resulting in increased firefighter and community risk; reduced confidence and credibility; and increased reputational damage.	Steve Vincent			2	4	8
5.2	The Fire Authority is unable to maintain its command and control function, resulting in an inability to receive, process and respond to emergency calls effectively, so increasing community risk; reducing confidence and credibility; and increasing reputational damage.	Simon Barry			4	3	12
CR6	Business Continuity & Preparedness	SE Organisational Preparedness - Steve Vincent					
6.1	The Fire Authority is unable to provide business continuity arrangements, to maintain delivery of core functions, as a result of extensive disruption to normal working arrangements, including national and international deployments, significant and major events, resulting in increased community risk; reduced confidence; increased reputational damage; and external scrutiny.	Steve Vincent			3	4	12
CR7	Digital and Data	SE Digital & Data - Kash Singh					

7.1	The Fire Authority is unable to provide and maintain an effective digital and data provision to support the delivery of core functions, resulting in significant disruption to the organisation's functionality, reduced confidence, credibility, reputational damage and external scrutiny.	Kash Singh			3	3	9
7.2	The Fire Authority is unable to provide effective management and security of organisational information and documentation including the receipt, storage, sharing and transfer of information and data, resulting in reputational damage, litigation, substantial fines and external scrutiny.	Kash Singh			3	3	9
CR8	Finance & Assets	SE Finance and Resources - Mike Griffiths					
8.1	The Fire Authority is unable to deliver its statutory responsibilities, predominantly through the Service Delivery Model, due to insufficient funds, resulting in external scrutiny and intervention; reduced confidence and credibility; and increased reputational damage.	Mike Griffiths			3	3	9
8.2	The Fire Authority is unable to deliver effective financial management arrangements, due to misuse of funds, resulting in external scrutiny, intervention and litigation.	Mike Griffiths			2	3	6

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 DECEMBER 2021

1. **VACANT RESIDENTIAL PROPERTIES UPDATE**

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report and Appendix are noted.

2. **PURPOSE OF REPORT**

- 2.1 To provide the Committee with an update on the current position relating to vacant residential properties

3. **BACKGROUND**

- 3.1 The position regarding vacant residential properties was last presented to the Audit and Risk Committee on 11th November 2019. The Appendix to this report provides an update and latest position on the four station sites where there are vacant residential properties.

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 attached Appendix.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Vacant Residential Properties – Audit and Risk Committee 11th November 2019.

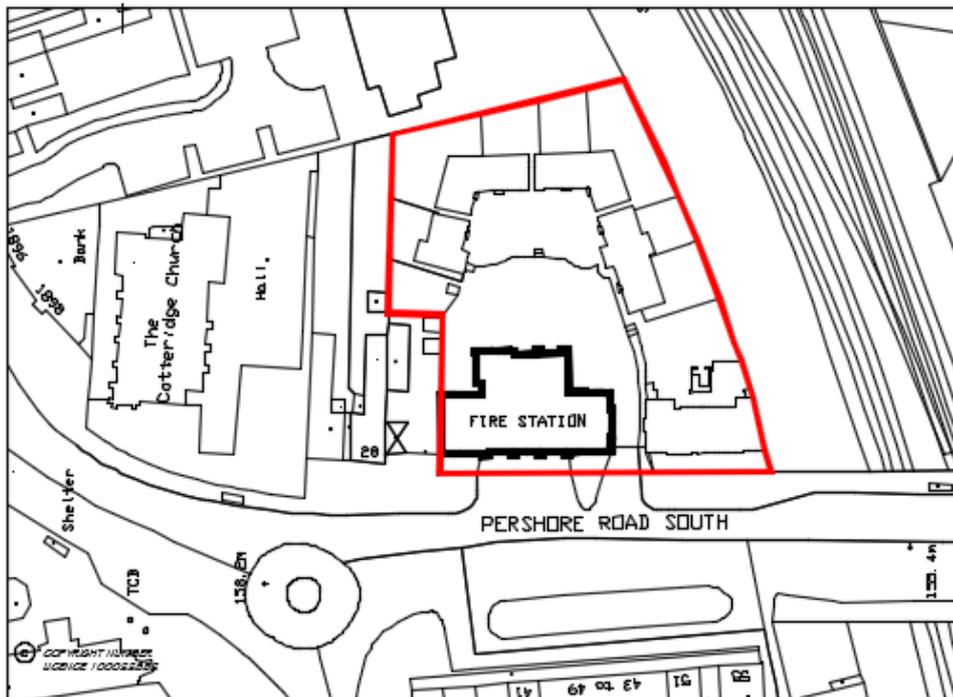
The contact name for this report is Treasurer, Mike Griffiths, Strategic Enabler – Finance and Resources, telephone number 0121 380 6919

MIKE GRIFFITHS
TREASURER

Sites reviewed:

- Kings Norton – 6 Flats, 4 Houses
- Perry Barr - 6 Houses
- Bloxwich – 2 First floor Apartments
- Erdington – 5 Flats

Kings Norton



Kings Norton is accessed via a single gated driveway to the right-hand side of the station (between the station and the apartment block).

Houses

To the rear on a lower ground level are 7 houses with three occupied by secure tenants under WMFS jurisdiction.

Use of properties is restricted, due to the shared driveway, Grade II listed status of the station, limited parking and stepped access (no level access) to the houses.

The Facilities Management (FM) Section are in discussions with a potential partner regarding a commercial lease on one of the remaining properties.

In addition, discussions have taken place with property agencies who have indicated that;

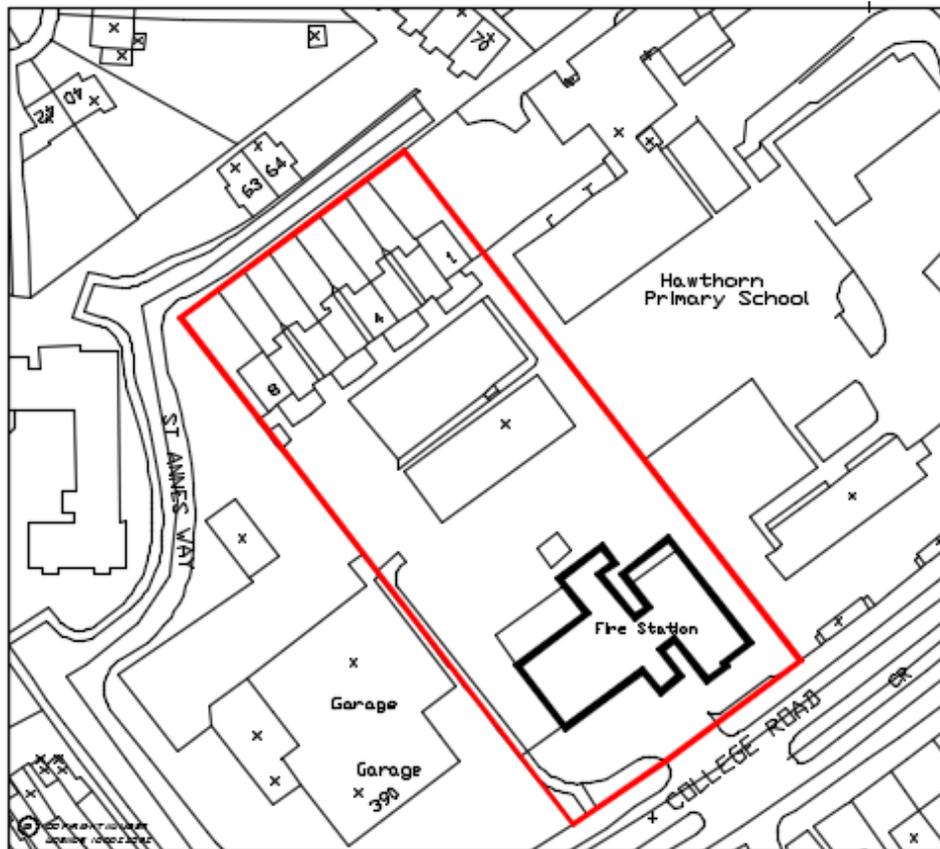
- Sale - not viable due to the site restrictions regarding access, parking, security of the site and also the impact on the site should the Service wish to dispose of it in the future.

- Residential letting - Could be commercially viable under a managed service, however, costs to refurbish 4 houses would be circa £120k plus ongoing professional fees and maintenance.

Flats

To the right-hand side of the station are six flats, currently in the process of being disposed of.

Perry Barr



Perry Barr is accessed by a central combined driveway/off ramp from College Road, this driveway directs traffic to the left-hand side of the appliance bay and around to the rear of the station.

Houses

To the rear of the site are eight houses contained within a stand-alone block, one house has a secure tenant, one is used for storage by Community Fire Safety and one used by Fire Service Cadets.

The main issue restricting alternative use is access via the shared driveway (the only access/entry to the houses).

FM were perusing disposal of the properties. Planning permission was obtained to separate the houses from the station site with a new access formed to the rear. However, the Housing Association at the rear of the Fire Station site refused consent for vehicular access.

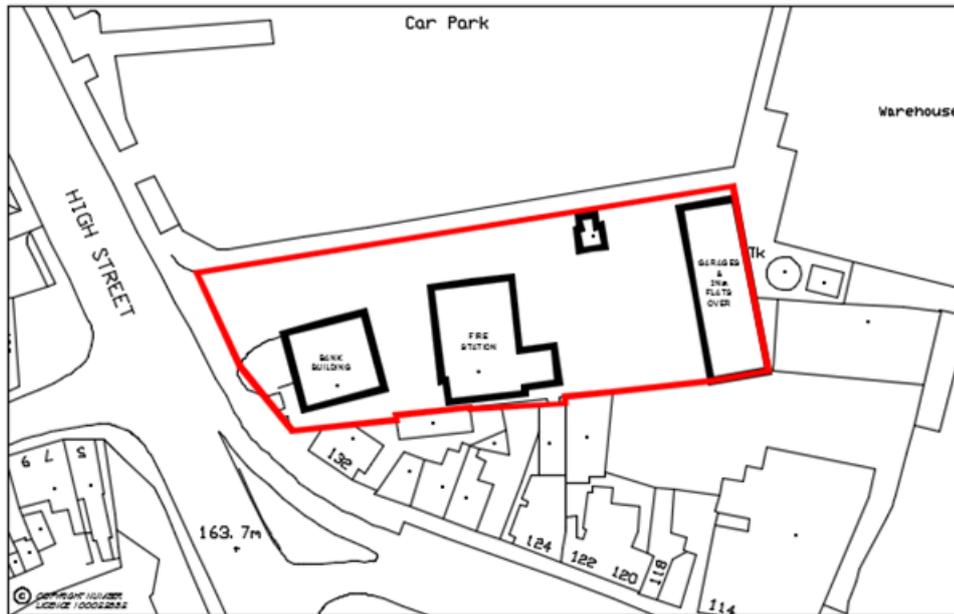
Discussions have taken place with property agencies who indicated that;

- Sale - not recommended due to the location of the dwellings. Having a freehold plot to the rear of the Fire Station would compromise utilisation of the site in the future and access being shared is not suitable for security of the station.
- Residential letting - Could be commercially viable under a managed service, however, costs to refurbish 7 houses would be circa £300k plus ongoing professional fees and maintenance.

In addition, discussions have taken place with staff at the station who suggested the following possible uses:

- Cold training venues (one could be furnished as a family home and black out the windows to make it a realistic house for searching).
- Meeting rooms.

Bloxwich



Bloxwich is accessed via a single driveway to the left-hand side of the appliance bay off High Street.

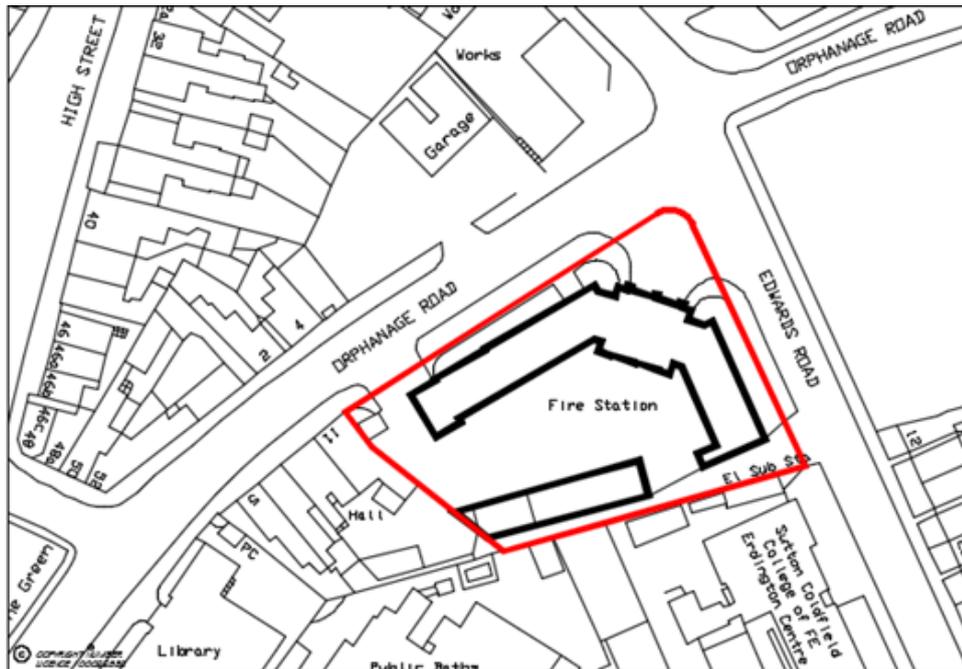
Located at the rear of the plot above the old workshop at first floor level are two apartments, both the workshop and apartments are accessed from one centre stairway leading up to a balcony.

Due to their location, a solution to provide dedicated access to these properties is problematic.

Currently one property is used on an ad-hoc basis by the station as a scenario/rope training facility.

Discussions have taken place with property agencies who indicated that selling with a flying freehold is not a viable option, and residential letting is not commercially viable due to access, no parking and lack of security that would compromise the station.

Erdington



Erdington is accessed via a single gated driveway off Orphanage Road.

9 Flats above the station are integral to the station building on the first and second floor, of which 5 are currently vacant.

The only access to flats is via two stairwells located internally either end of the rear yard.

Planning restrictions prohibit forming any new separate access off Edward Road as any structure would be very large due to differences in ground levels/height.

FM have had discussions with property agents who informed us that sale or residential letting is not considered feasible due to location, access to flats and lack of security that would compromise the station.

AUDIT & RISK COMMITTEE

6 DECEMBER 2021

1. **MONITORING POLICIES ON RAISING CONCERNS AT WORK – WHISTLE BLOWING STANDING ORDER 2/20 AND REGULATION OF INVESTIGATORY POWERS ACT 2000**

Joint report of the Chief Fire Officer and the Monitoring Officer.

RECOMMENDED

- 1.1 THAT the Audit and Risk Committee notes that during the period of 1st April 2019 until 31st March 2020 there were no whistleblowing allegations reported through the Whistle Blowing Policy (SO 2/20).
- 1.2 THAT the Audit and Risk Committee notes that during the period of 1st April 2020 until 31st March 2021 there was 1 allegation of whistleblowing that was reported through the Whistle Blowing Policy (SO 2/20).
- 1.3 During both reporting periods from 1st April 2019 – 31st March 2020 and 1st April 2020 – 31st March 2021 there were no requests to commence a 'RIPA authorisation' under The Regulation of Investigatory Powers Act 2000 at the West Midlands Fire Service.
- 1.4 THAT the Audit and Risk Committee notes the content of the Whistle Blowing Standing Order 2/20 (attached as Appendix 1) and the Management of Information Framework, Standing Order 1/5, Appendix 4, (attached as Appendix 2).

2. **PURPOSE OF REPORT**

From 1st April 2019 – 31st March 2020 there are no cases to report. From 1st April 2020 – 31st March 2021 there is a case to report which went through formal investigation and has now been resolved and closed and the relevant person has been made aware of this resolution and closure.

- 2.2 This report is submitted to inform the Committee of the monitoring of the referrals under the Whistle Blowing Standing Order 2/20 (attached as Appendix 1) and the use of the Regulation of Investigatory Powers Act under the Management of Information, Standing Order 1/5, Appendix 4, (attached as Appendix 2).

3. **BACKGROUND**

Whistle Blowing

- 3.1 Whistle Blowing Standing Order has been fully consulted on with all relevant parties and is due to be published in early 2022. The current Whistle Blowing policy is available to all employees through MESH.
- 3.2 In relation to Whistle Blowing, in May 1996 the Committee on Standards in Public Life stated that “All organisations face the risk of things going wrong or of unknowingly harbouring malpractice. Encouraging a culture of openness within an organisation will help: prevention is better than cure.”
- 3.3 The Public Interest Disclosure Act 1998 sets out a framework for public interest whistle blowing which protects workers from reprisal because they have raised concern about malpractice. Only a disclosure that relates to one of the broad categories of malpractice can qualify for protection under the Act. These include concerns about actual or likely breaches of a legal obligation; miscarriages of justice; dangers to health, safety and the environment and the cover up of any such malpractice. Case law continues to develop in this area of law.
- 3.4 In addition to employees, the Act covers for example, workers, contractors, trainees, agency staff. This list is not exhaustive.
- 3.5 To be protected, the person ‘blowing the whistle’ must believe that their disclosure is “in the public interest”, i.e. the disclosure is an issue of wrongdoing in public office or something that presents a risk that the public at large would wish to know about and it is reasonable for the whistleblower to hold that view.
- 3.6 The Committee should note that there have been **no** allegations of whistle blowing raised by an employee over the twelve months using the Whistle Blowing Policy up to 31 March 2021.

3.7 The Committee should note that there has been 1 allegation of whistle blowing raised by an employee over the last twelve months using the Whistle Blowing Policy within the reporting period 1st April 2020 until 31 March 2021.

3.8 **Data Protection**

Data Protection Framework sits as Appendix 4 within the Management of Information Standing Order 1/5 (attached as Appendix 2).

3.9 **Regulation of Investigatory Powers**

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework for control and supervision of investigatory powers exercised by public bodies, including local authorities, in order to balance the need to protect privacy of individuals with the need to protect others, particularly in light of the Human Rights Act 1998.

3.10 The Committee should note that the Service has not approved any surveillance under RIPA legislation in the last twelve months up to 31 March 2021.

3.11 The West Midlands Fire Service will continue to raise awareness through training on the Whistle Blowing Policy, Management of Information and RIPA to all of our partners.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an Equality Impact Assessment is not required, due to the fact that all our policies have Equality Impact Assessments carried out when updating and amending.

5. **LEGAL IMPLICATIONS**

5.1 Data Protection: depending on the level and or seriousness of a breach of the Data Protection Act 2018 and incoming Data Protection Bill 2018, there are various levels of prosecution ranging from enforcement notices, financial penalties and in extreme cases custodial sentences.

5.2 RIPA: if surveillance operations are not carried out in accordance with the safeguards as laid down in RIPA, the evidence obtained may not be admissible in legal proceedings and the Service may be

subject of a claim on infringing the human rights of the person under surveillance.

6. **FINANCIAL IMPLICATIONS**

Data Protection Act 2018 includes GDPR UK and the maximum monetary penalty that the ICO can impose is £17.5m or 4 % of worldwide turnover. The UK was granted adequacy by the EU earlier this year 2021 and it is GDPR UK which is part of our domestic law but very aligned to EU GDPR.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

The Public Interest Disclosure Act 1998 (PIDA)

PHIL LOACH
CHIEF FIRE OFFICER

SATINDER SAHOTA
MONITORING OFFICER TO THE
AUTHORITY

WEST MIDLANDS FIRE SERVICE

02/20 WHISTLE BLOWING POLICY

Overview of Amendments

1 STRATEGY

Following the Public Interest Disclosure Act (PIDA), which came into force in July 1999 (updated on 1st May 2013 GOV.UK), legal protection is now provided to employees who raise concerns about suspected dangerous or illegal activity that they are aware of through their work. The common term for voicing such concerns is 'whistle blowing'. West Midlands Fire Service (WMFS) wishes to create an open and honest culture with its statutory obligations, detailed in the Act, and ethical standards, detailed in its Core Values. Details on our core values can be found in the Equality & Diversity Policy

2 PURPOSE

The Public Interest Disclosure Act 1998 makes sure that employees, contractors providing services, most agency workers, home workers and trainees on vocational and work experience schemes are legally protected in raising concerns responsibly.

External contractors may encounter wrongdoing that affects WMFS. Therefore, this whistle blowing policy is also open to employees of our contractors.

Whistle blowing is when an employee reports suspected wrongdoing at work. Officially this is called 'making a disclosure in the public interest'

3 RESPONSIBILITIES

3.1 Employee Responsibilities

A whistle blower is an employee, you! You report certain types of wrongdoing. This will usually be something you've seen at work - though not always.

The wrongdoing you disclose must be in the public interest. This means it must affect others, e.g. the general public.

As a whistle blower you're protected by law - you shouldn't be treated unfairly or lose your job because you 'blow the whistle'.

You can raise your concern at any time about an incident that happened in the past, is happening now, or you believe will happen in the near future.

Employees are often the first to realise that there may be something seriously wrong with the organisation that employs them. They may be able to alert the organisation early on to things like fraud, negligence, bribery and health and safety risks. However, they may not express their concerns, because they feel that speaking up would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation. In these circumstances they may feel it easier to ignore the concern rather than report what may be no more than a suspicion of malpractice.

The procedures in this order give ways for individuals to raise concerns and receive feedback on any action taken. It makes sure that individuals receive a response and know how to pursue concerns if they are not happy with the response. It gives reassurance that individuals will be protected from possible reprisals or victimisation if they believe they have made a disclosure.

You're protected by law if you report any of the following:

- a criminal offence, eg fraud

Ref. AU/A&R/2021/Dec/21811212

- someone's health and safety is in danger
- risk or actual damage to the environment
- a miscarriage of justice
- the company is breaking the law, eg doesn't have the right insurance
- you believe someone is covering up wrongdoing

Complaints that don't count as whistleblowing

Personal grievances (eg bullying, harassment, discrimination) aren't covered by whistleblowing law, unless your particular case is in the public interest. Report these under our Grievance Policy 2/2

3.2 Management Responsibilities

The action taken by the Service will depend on the nature of the concern. The matters raised may be investigated internally by an appropriately experienced officer knowledgeable in the area concerned, for example, audit, Line Manager or HR Practitioner.

Alternatively, through the disciplinary process, the matter may be referred to the police, the external auditor or may be the subject of an independent enquiry.

In order to protect individuals and the Service, and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations that fall within the scope of specific procedures, for example, unfair discrimination issues, will normally be referred for consideration under those procedures. Some concerns may be resolved by agreed action without the need for investigation. Members of the SET can seek guidance from the Strategic Enabler - People at any stage in the investigation.

Within 10 working days of a concern being raised, the individual with whom the concern was raised will write to the complainant:

- acknowledging that the concern has been received;
- indicating how the matter is to be dealt with;
- giving an estimate of how long it will take to provide a final response;
- telling the complainant whether any initial enquiries have been made;
- supplying the complainant with information on staff support mechanisms; and
- telling the complainant whether further investigations will take place and if not why not.

The amount of contact between the officer(s) considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant in a discreet manner.

When any meeting is arranged, the complainant will have the right to be accompanied by a representative body or a work colleague. The meeting can be held off site if requested.

West Midlands Fire Service will take steps to minimise any difficulties, which may be experienced as a result of raising a concern and provide any appropriate support. For instance, if required to give evidence in disciplinary or criminal proceedings, the Service will advise the complainant of the procedure and give reasonable support. Subject to legal constraints, complainant will receive information about the outcomes of investigations.

Upon completion of the investigation, all documents will be forwarded to the Strategic Enabler People.

3.3 Responsible Officer

The Strategic Enabler - People has overall responsibility for the maintenance and operation of this policy. This officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger the complainant's confidentiality) and will report as necessary to the Service and Fire Authority.

4 PROCEDURES

4.1 How to raise a concern

If the matter relates to any fraudulent or corrupt activity, concerns should be raised in accordance with procedures detailed in the 0122 Anti-Fraud Corruption and Bribery Policy.

If the complainant wishes to raise or discuss any issues which might fall into the above category then the complainant should contact a member of Strategic Enabling Team (SET), the Treasurer or the Clerk to the Fire Authority, who will be required by WMFS to treat the matter in confidence.

Where possible, the complainant should raise their complaint in writing setting out the background and history of the concern giving names, dates and places where possible and the reason why the complainant is particularly concerned about the situation. If the complainant does not feel able to put the concern in writing, then the complainant can discuss the concerns verbally with a member of the SET, or the Treasurer/ 151 Officer or the Clerk to the Fire Authority.

The earlier that the complainant can express the concern and the more detail that can be provided, the easier it will be for the Service to take appropriate and necessary action. Remember:

- the complainant must disclose the information
- the complainant must believe it to be substantially true
- the complainant must not act maliciously or make false allegations
- the complainant must not seek any personal gain

At this stage the complainant will not be expected to prove the allegation, but will need to demonstrate to the person contacted that there are sufficient grounds for reasonable suspicion or concern.

The complainant may invite a member of the trade union representative body or a work colleague to be present during any meetings or interviews in connection with the concerns raised.

Where a concern relates to a Brigade Manager or SET Manager, then either the Strategic Enabler People (as Responsible Officer), or Deputy Chief Fire Officer or Chief Fire Officer, as appropriate, should be contacted in the first instance. Satinder Sahota as the Monitoring Officer role for the Fire Authority. The Monitoring Officer may be contacted via email Satinder.sahota@wmfs.net.

The Treasurer to the Fire Authority may be contacted on 0121 380 6919. The Clerk to the Fire Authority may be contacted on 0121 380 6678. Address for the Treasurer and the Clerk to the Fire Authority is: West Midlands Fire Service, 99 Vauxhall Road, Birmingham, B7 4HW.

4.2 Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal the identity of the complainant. However, it is likely that further investigation will be necessary and the complainant maybe required to attend a disciplinary or investigative hearing as a witness at the appropriate time. An employee raises a concern confidentially if they give their name only on condition that it is not revealed without their consent. A concern is raised anonymously if the employee does not give their name.

4.3 Harassment or Victimisation

West Midlands Fire Service recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Service will not tolerate harassment or victimisation and will take action to protect the complainant when a concern is raised.

4.4 Untrue Allegations

If the complainant makes an allegation, but it is not confirmed by the investigation, no action will be taken against the complainant. If however the complainant makes an allegation which, upon full investigation, is found to have been malicious or vexatious, disciplinary action will be considered and the protection of the PIDA will be lost.

4.5 Anonymous Allegations

This policy encourages the complainant to put their name to the concerns. Concerns expressed anonymously are much less powerful, but will be considered at the discretion of the Strategic Enabler - People.

In exercising this discretion the factors to be taken into account would include the:

- seriousness of the issues raised;
- credibility of the concern; and
- likelihood of confirming the allegation from attributable sources and information provided.

4.6 How the matter can be taken further

This policy is intended to provide the complainant with an avenue to raise concerns within the Service. We hope the complainant will be satisfied with the response. If not, the complainant must indicate this to the Strategic Enabler - People or the Treasurer or Clerk or Monitoring Officer to the Fire Authority.

Legal advice may be sought on any concerns about malpractice. If the employee feels it is right to take the matter outside the Service, the following are possible contacts:

- The complainant's recognised trade union
- Citizens Advice Bureau
- A solicitor
- The Police
- Relevant professional bodies or regulatory organisations, such as Ombudsmen.

Public Concern at Work (www.pcaw.co.uk) is a charity that offers free advice to people concerned about danger or malpractice in the workplace, but who are unsure whether, or how, to raise the matter.

5 CROSS REFERENCES

This Policy makes reference to and complements issues contained in other Policies, namely:

0122 Anti-Fraud Corruption and Bribery Policy

0201 Disciplinary Procedure

0217 Dignity at Work

6 KEY CONSULTEES

Minor changes only have been made to this Order and consultation was not necessary.

7 EQUALITY IMPACT ASSESSMENTS

The initial Equality Impact Assessment raised no issues so a full impact assessment was not required.

8 OWNERSHIP

This Policy did not require Authority or SET approval.

9 RESPONSIBILITY AND REVIEW/AMENDMENT DETAILS

9.1 Responsible Strategic Enabler Team Member/Department

Strategic Enabler People/People Support Services

9.2 Created/fully reviewed/amended

Ref. AU/A&R/2021/Dec/21811212

This Policy has been reviewed, amended by People Support Service July 2018

Appendix 2

Appendix 4

DATA PROTECTION ACT 2018

1. Procedures

West Midlands Fire Service fully endorse and adhere to the principles of the Data Protection Act 2018 which incorporates the European Union General Data Protection Regulations (EU GDPR).

The Service regards the lawful and correct treatment of personal information as very important to successful service delivery and to maintain confidence between service users, employees including temporary staff, volunteers and those communities we serve. The Service is committed to respecting all rights of those individuals whose personal data it processes and will ensure personal information will be treated lawfully and correctly in accordance with the legislation. It will adopt best practice as designated by the Information Commissioner's Office where possible.

The Information Commissioner's Office is the data protection regulator and supervisory body for the United Kingdom. Its responsibility is to publish guidance and enforce compliance with the Ddata Protection Act 2018, Freedom of Information Act 2000, Environmental Information Regulations 2004 and the Privacy and Electronic Communications Regulations 2003.

The Service has defined a number of distinctive roles to manage data protection.

Role Title	Position in the Organisation
Data Protection Officer	Data and Governance Manager
Information Asset Owner (IAO)	SET member from each function responsible for data management within their respective function. Also to be the liaison point for the Data Protection Officer.
Data User	All those that handle data. All individuals have a responsibility to protect the data they use.

Each employee or potential data user will be given such information, instructions and training as is necessary in order to ensure that they are aware of their contractual responsibilities in relation to personal data and so that they are aware that they can, in some cases, be held personally responsible if any personal data is improperly disclosed, destroyed or obtained.

The Data Protection Officer has responsibility to co-ordinate the Service's response to the Data Protection Act 2018 and the Freedom of Information Act 2000, to ensure that the provisions of the legislation are met.

The IAO will have overall responsibility for the personal data kept within their particular department to ensure that such data is maintained in accordance with the principles of the Data Protection Act 2018. This does not absolve Data Users from their responsibility of ensuring that personal data is maintained in accordance with these principles.

1.1 Scope of personal data

Definition of Personal data or information

Ref. AU/A&R/2021/Dec/21811212

Is any information held electronically (including all emails) or manually – which relates to a **living** individual who can be identified:

- From the information
- From the information combined with other information which is in the possession of the Service or is likely to come in to the possession of the Service
- Includes any intentions or opinions the Service may have towards the individual

Special Category data

The Data Protection Act 2018 defines special category personal information as information related to:

- Racial or ethnic origin
- Political opinions
- Religious or other similar beliefs
- Membership of trade unions
- Physical or mental health or condition
- Sexual life
- Convictions, proceedings and criminal acts
- Genetics and biometrics

1.2 Employee Personal records

All information held on a Personal Record File (PRF) will be maintained with a high level of confidentiality and only disclosed to those individuals who reasonably require it as part of their duties.

Files that are maintained locally or within the Occupational Health Unit will comply with the same level of confidentiality.

Information held on a Personal Record File will not be kept for longer than is absolutely necessary and documents will be removed and destroyed in a timely manner following the period agreed below.

1.2.1 Computerised Personal Record File

It is the policy of West Midlands Fire Service that one primary Personal Record File will be maintained for each employee. The information in this file will relate to the individual only and will be maintained by People Support Services (PSS) and the employee in accordance with the Data Protection Act 2018.

Section 3.14.2 details the information that can be held in the Computerised Personal Record File.

1.2.2 Local Personal Record File

It is acknowledged that in order to manage locally, certain items of personal information must be retained locally on station or within sections; these include performance, attendance management, training information and Permits to Work. These files must be maintained in accordance with the Data Protection Act 2018.

A Personal Record File can be maintained at the location of the individual but must only contain the items of information as listed in Section 4.2

These files should be sent back to PSS when the employee ceases employment. If an employee moves temporarily for more than 4 weeks or permanently to another location the file should be forwarded to the other locations clearly marked confidential and addressed to the new line manager. Any movement of files must be conducted under confidential cover in sealed envelopes, with the delivery and receipt recorded.

Ref. AU/A&R/2021/Dec/21811212

All information must be kept securely and in confidence.

1.3 Employee Access

1.3.1 Personal record file

All employees under the terms of the Data Protection Act 2018 are entitled to know what personal information the organisation holds about them and how it is being processed..

Every employee has the ability to view and print their electronic personal information file. If inaccurate information is found on the system and the employee does not have the access to amend it, details should be forwarded to the PSS who will make the amendments on their behalf.

Requests to access personal information (including personal record files and occupational health files) that the organisation might hold should be made to the Data Protection Officer at Fire Service Headquarters. If the information contains data about any third parties then the information will be released if it is reasonable to do so in line with the legislation, redacted i.e. personal data removed or a summary of the information provided. The Data Protection Act 2018 gives employees an entitlement to information and not documents

- If the employee wishes a third party to have access to their information, for example, a legal or trade union representative, this must be included in the request. Representatives will not be given access to an individual's personal file independently without the explicit written consent of the employee concerned.

If line managers wish to access employees' Personal Record File, the procedure described above must be followed where a reason must be provided for needing to view the file.

1.4 Requests for information

Requests for information in whatever form, for example, paper records, computer records, tapes, and so on, should be forwarded through to the Data Protection Officer.

If a request for information is received in a department, section or on a station it must be date stamped and forwarded immediately for the attention of the Data Protection Officer, Data Management Section, marked 'Confidential - Data Protection Request'. If possible, the request should be sent by e-mail.

The Data Protection Officer will be responsible for recording the request, obtaining the information from the relevant department, charging any appropriate fees and ensuring that the request is answered within the timescale. The timescale for response to requests for information is 30 days.

Requests for the disclosure of personal data related to the 'Transfer of Undertakings (Protection of Employment) Regulations' (TUPE) 2006 are the responsibility of PSS department. These need to be in line with TUPE and Data Protection Act 2018 requirements.

The Data Protection Officer will liaise with the department or station concerned for assistance in providing the information requested. It is imperative that information is provided in a timely manner to ensure that the specified timescales are met.

Requests are sometimes received either in writing or via telephone from third parties to release personal information about employees, in all cases written permission of the individual must be given before this information is released, exception to this will be in certain circumstances where requests are made by statutory bodies for information.

1.4.1 Requests for incident information

The Service receives enquiries from solicitors, loss adjusters, insurance companies and other interested parties for details of fires and other Fire Service activities. The intentions of the enquirer are often unknown or liable to change at a later date.

The Service is not entitled to release information about a data subject to any third party without the data subject's consent; there are a few exceptions, for example, data requested by the police to assist them with criminal investigations. Fire Service reports, in particular the Incident Recording System

(IRS) Fire Report, contain information about persons involved in incidents and are therefore not to be released by fire stations.

All such requests must be submitted in writing by the party wishing to obtain the information. This is to be forwarded to the Central Administration team at e-mail address InformationDisclosure@wmfs.net. A fee will usually be charged for this information.

1.4.2 Requests for the release of information for legal proceedings

When the Fire Service is involved in legal proceedings, the Civil Procedure Rules require that all relevant documents shall be disclosed to the other parties involved. This includes all documents which are, **or have been** in the possession, custody or power of the relevant party and which relate to any matter in question between the parties.

A request for such documentation will usually be made by the PSS Section to the relevant section, department or station. This request includes **all** relevant documents, including original or rough notes, and whether they are supportive or potentially damaging, so a thorough search must be made.

In general terms, it is likely that all available documentation is disclosable and therefore, personnel should forward all documents, which will be considered by the Service's advisors before disclosure.

If original documents are forwarded, copies should be taken and preserved by the forwarding party. Where copies of documents are forwarded, care must be taken to ensure the best possible quality copy is obtained.

Stringent time limits are imposed for disclosure of documentation. Hence it is vital that all documents are forwarded, as soon as possible after the request has been made.

As all relevant documentation should be disclosed, it is not possible to provide a definitive list. However, for the purposes of this order, examples include: **all** paper records, written or printed, reports – including IRS and narratives (where provided), internal and external memoranda, accounts, invoices and contracts, any information held on computer or other mode of electronic storage, for example, e-mails, CD-ROM, diagrams, plans, maps, photographs and videos.

It should be noted that the marking of any disclosable document 'confidential' or 'personal' does not necessarily preclude disclosure in respect of legal proceedings.

The requirements of this standing order emphasise the importance of maintaining comprehensive and accurate filing systems, as the implications of non-disclosure of relevant documents are far reaching.

1.4.3 Requests and exchange of information with the police about employees

On occasions, the Service maybe contacted by police officers, who have either requested personal information about employees, or have notified the Service that employees have been arrested or involved in incidents to which the police have been called. The Fire Service is not a 'notifiable occupation' for disclosing convictions of persons for certain employers.

Therefore, the following procedure will be adopted upon receipt of such requests from the police, or where information is received about individual employees:

- Where the police request information from a station, the officer in charge should only confirm whether or not an individual is employed at the station
- Any requests for further information about employees should be refused and the requesting police officer referred to the duty principal command officer via Fire Control. The Service will then only release personal details where a serious crime is being investigated or where a warrant has been issued
- Information will only be released after receipt of the police force's standard disclosure form
- Employees are obliged to notify the Service if they have been charged with a criminal offence, (senior officers do not visit police stations if informed by the police that an individual has been detained or questioned whilst off duty). The Service does provide welfare support should individuals require it; this should be discussed with the Line Manager

- Personnel who are being questioned or detained by the Police and who would be unable to report for duty as a result, should request the police to contact Fire Control and inform the duty officer that they will be unable to attend for duty. The duty principal command officer will then be informed and will take appropriate action
- Requests from the police for copies of recordings from Fire Control will be managed and actioned by Fire Control. The procedure is detailed in Fire Control

1.5 Data Protection Breaches

It is important to understand if personal data is not handled correctly, there must be processes in place to contain and recover, assess the ongoing risk, notify appropriate parties of the breach and evaluate and respond to the data protection breach.

These are some examples of security incidents that may lead to the loss or compromise of personal data;

- Loss or theft of data or equipment on which data is stored;
- Inappropriate access controls allowing unauthorized use;
- Equipment failure;
- Human error;
- Unforeseen circumstances such as a fire or flood;
- Hacking attack;
- 'Blagging' offences where information is obtained by deceiving the organisation who holds it

The above are examples of events that may lead to a data protection breach but if you are unsure then please seek further advice from the Data Protection Officer.

1.5.1 Data Protection Breach Process

If you are involved in an incident as defined in the examples above or determined by the Data Protection Officer as a data protection breach, then you must:

1. Contact the ICT Service Desk on 0121 380 6666 to record the event as a data protection breach.
2. The ICT Service Desk will liaise with the Data Protection Officer to determine the course of action to manage the incident.
3. The SIRO and relevant SET members will be notified of incident via an initial report.
4. The Data Protection Officer will manage the incident to conclusion and ensure that a log of the incident and all actions taken is maintained to identify trends or areas of weakness.
5. Post incident, an investigation will be instigated and the outcomes will be reported to the SIRO and members of SET.

Management reports on data breaches will be sent out periodically to the SIRO and SET to ensure management are aware of potential risks to the authority.

2. Principles of the Data Protection Act 2018

There are 7 key principles under the Data Protection Act 2018

2.1 Principle 1 -processing should be lawful, fair and in a transparent manner fair processing

Personal data shall be processed fairly, lawfully and transparently, in particular, shall not be processed unless one condition of Article 6 of the EU GDPR is met:

Article 6 gives the following conditions for processing personal data:

- The data subject has given their **consent** to the processing;
- The processing is necessary for the performance of a **contract** to which the data subject is party (the employment contract), or for taking steps to enter into such a contract;
- The Data Controller has to process the information in order to comply with non-contractual **legal obligations** (such as Fire Services Act 2004);
- The processing is necessary to **protect the vital interests** of the data subject;
- The processing is necessary for tasks in the **public interest or the exercise of authority vested in WMFS**
- The processing is necessary for the purposes of **legitimate interests** pursued by WMFS

In the case of special category data, this includes; race, ethnic origin, political belief, religion, trade union membership, genetics, biometrics, health, sex life or sexual orientation, processing is permitted only where Article 6 conditions for processing personal data exists **and** a further condition specified in Article 9 of GDPR is met.

Article 9 gives the following conditions for processing personal data:

- (a) the data subject has given explicit consent to the processing of those personal data for one or more specified purposes;
- (b) processing is necessary for the purposes of carrying out the obligations and exercising specific rights of the controller or of the data subject in the field of employment and social security and social protection law;
- (c) processing is necessary to protect the vital interests of the data subject or of another where the data subject is physically or legally incapable of giving consent;
- (d) processing is carried out in the course of its legitimate activities with appropriate safeguards by a foundation, association or any other not-for-profit body with a political, philosophical, religious or trade union aim;
- (e) processing relates to personal data which are manifestly made public by the data subject;
- (f) processing is necessary for the establishment, exercise or defence of legal claims or whenever courts are acting in their judicial capacity;
- (g) processing is necessary for reasons of substantial public interest;
- (h) processing is necessary for the purposes of preventive or occupational medicine, for the assessment of the working capacity of the employee, medical diagnosis, the provision of health or social care or treatment or the management of health or social care systems and services or pursuant to contract with a health professional;
- (i) processing is necessary for reasons of public interest in the area of public health, such as protecting against serious cross-border threats to health or ensuring high standards of quality and safety of health care and of medicinal products or medical devices;
- (j) processing is necessary for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes;

It is difficult to envisage any activity which does not include processing and a Privacy Impact Assessment (PIA) should be completed when embarking on projects and/or activities that may involve processing personal data.

See Appendix 8

The processing of data for the purposes of carrying out of 'directed' and intrusive covert surveillance; the use of covert human intelligence sources; the interception of communications; and the acquisition

and disclosure of communications data is covered under the Regulation of Investigatory Powers Act 2000 (RIPA).

See Appendix 9

2.2 Principle 2 - Collected for specified, explicit and legitimate purposes

Personal data should only be used for the purpose for which it was originally collected

2.3 Principle 3 – Data minimisation

The amount of personal data should be adequate, relevant and limited to what is necessary for the purpose it is held;

2.4 Principle 4 - Data accuracy

Personal data shall be accurate and kept up to date. Reasonable steps must be taken to ensure that any personal data that is inaccurate is erased or rectified without delay.

2.5 Principle 5 – Storage limitation

Personal data kept in a form where a data subject is identifiable shall not be kept for longer than is necessary for that purpose or purposes. Data that is out of date or no longer necessary must be properly destroyed or deleted.

2.6 Principle 6 – Technical and Organisational measures in the security and management of data

Personal data should be processed in a manner that ensures appropriate security. Technical and organisational measures shall be taken against unauthorized or unlawful processing of personal data and against accidental loss of, destruction of, or damage to personal data.

2.7 Principle 7 – Accountability

WMFS must be responsible for and be able to demonstrate compliance with the other 6 principles.

2.8 Employee Personal Information

Personal information can be obtained from a number of sources, from the employee themselves, from the circumstances of their employment for example, salary information, from their progression through the organisation or from development, training and assessment situations.

This information then allows the organisation to plan and formulate policies and strategies and, in some instances, to conform to legislative requirements. Planning, policy and strategy formulation depends on information which is effective and accurate and will enable the organisation to recruit, train and develop employees to their full potential, to be as effective as possible within the organisation and to provide good service to our community.

It is the intention of the Service to hold information electronically where possible, in preference for paper based records.

3. Personal Record File contents

3.1 Computerised Personal Record File

A computerised Personal Record File will hold the following information:

Type of information	Content	Purpose		Duration held	
Employment	Original application form		Recruitment Recruitment		Minimum duration life of

	<p>Employment references</p> <p>Qualification certificates</p> <p>Contract of employment (inc. relevant role profile)</p> <p>Next of kin information</p> <p>Details of promotion, and successful applications</p> <p>Transfers, successful requests and requests refused</p>		<p>Recruitment</p> <p>Emergency contacts</p> <p>Career progression</p> <p>Equality and Diversity monitoring</p>		<p>employment and 6 years after.</p>
Attendance	<p>Sickness record, PR25, Doctor's certificates</p> <p>Exemptions granted</p> <p>Correspondence issued under the Attendance Management Policy</p> <p>Copies of injury reports</p> <p>Attendance record cards</p> <p>Maternity leave applications</p> <p>Applications for special leave</p> <p>Parental leave applications</p> <p>Paternity leave applications</p> <p>Adoption leave applications</p> <p>PR12 Injury Report Forms</p>	<p>Sickness payments</p> <p>Management of attendance</p> <p>Maternity payments</p> <p>Management of attendance and appropriate payments</p> <p>Accident information</p>		<p>Minimum duration life of employment and 6 years after.</p>	

Training	Training courses nominations and results of attendance Examination results Application for post entry training Qualification certificates	Job competency and development Development Requirement of post entry training funding Development		Minimum duration life of employment and 6 years after.	
Performance	Assessments/ advice/monitoring of performance IPDR form	Management of performance Personal development and review	Minimum duration life of employment and 6 years after		
Awards/ Achievements		Letters of thanks Achievements Letters of commendation	Personal achievement	Minimum duration life of employment and 6 years after	
Discipline	Records of any disciplinary action taken, and associated papers where necessary	Management of discipline	Minimum duration life of employment and 6 years after		
General Correspondence	General correspondence that does not fall within any of the categories above.	For example 'Request for reference'	Minimum duration life of employment and 6 years after		

3.2 Local Personal Record File

A Personal Record File maintained at the location of the individual must only contain the following items of information:

Section	Content	Purpose	Duration held
Training records	Permit to work	Job competency and development	Duration of employment

Performance	Assessments or warnings on performance IPDR	Management of Performance Personal development and review	Until end of warning of monitoring or improvement (then sent to PSS for PRF held for duration of employment) Duration of employment
Attendance Management Information	Absence data	Monitoring	Duration of employment?

4. Data Subject Rights

Data subjects have the right to be informed about the collection and use of their personal data. Data subjects can be employees (including temporary and volunteers), partners and those communities we serve,

The rights that are applicable to all data subjects under DPA are as follows:

- Right to be informed that processing is being undertaken

This is achieved by issuing privacy notices at the point of collecting personal data

- Right to access personal data (requests)

There are processes in place to ensure requests are responded to promptly.

- Right to rectify, block or erase data

This is a limited right as some personal data has to be maintained in line with other legislation e.g. pension regulations so may not be erased on request

- Right to restrict processing of the data

This is a limited right as some personal data has to be processed in line with other legislation e.g. payment of council tax so cannot be restricted for this purpose

- Right to object to processing

This is a limited right as some personal data has to be processed in line with other legislation e.g. financial regulations to calculate taxation so objection cannot be acted upon in some instances

- Rights in relation to automated decision making including profiling

Processes have been identified within the organization and mechanisms put in place to verify the results and provide a simple explanation for the rationale behind the decision:

- Right to data portability

This gives individuals the right to receive personal data they have provided to a controller in a structured, commonly used and machine readable format. It also gives them the right to request that a controller transmits this data directly to another controller. This is applicable in situations such as entering into a contract such as changing banking providers but is not applicable to processing paper files;

- Right to claim compensation for certain breaches of the Act

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 DECEMBER 2021

1. **INTERNAL AUDIT – PROGRESS REPORT**

Report of the Audit Services Manager [Sandwell MBC].

RECOMMENDED THAT

the Internal Audit Progress Report be noted.

2. **PURPOSE OF REPORT.**

To ask the Committee to note the issues raised from the work undertaken by Internal Audit so far in the current financial year.

3. **BACKGROUND**

The Internal Audit Progress Report contains details of the matters arising from internal audit work undertaken so far in the current year. The purpose of the report is to bring the Committee up to date with the progress made against the delivery of the 2021/22 Internal Audit Plan. The information included in the progress report will feed into, and inform, the overall opinion in the Internal Audit Annual Report issued at the year end.

It summarises the audit work undertaken in a tabular format, and includes:

- the areas subject to review (Auditable Area),
- the level of risk to the Authority assigned to each auditable area (high, medium or low),
- the number and type of recommendations made as a result of each audit review,
- the number of recommendations accepted by management,
- the level of assurance given to each system under review, and
- details of any key issues arising from the above.

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 and/or do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

None

Peter Farrow
Audit Services Manager, Sandwell MBC

Internal Audit Progress Report as at 23 November 2021 Audit and Risk Committee – 6 December 2021



1. Introduction
2. Summary of work completed and in progress
3. Issues arising
4. Other activities
5. Service quality questionnaire feedback

1. Introduction

The purpose of this report is to bring the Audit and Risk Committee up to date with the progress made against the delivery of the 2021/22 Internal Audit plan.

The information included in this progress report will feed into and inform our overall opinion in our Internal Audit annual report issued at the year end.

Where appropriate each report we issue during the year is given an overall opinion based on the following criteria:

No Assurance	Limited	Reasonable	Substantial
Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

This is based upon the number and type of recommendations we make in each report. Each recommendation is categorised in line with the following:

Priority rating for issues identified		
Fundamental action is imperative to ensure that the objectives for the area under review are met.	Significant requires action to avoid exposure to significant risks in achieving the objectives for the area under review.	Merits attention action is advised to enhance risk mitigation, or control and operational efficiency.

2. Summary of work in progress as at 23 November 2021

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Complete and reported previously:							
Data Protection	High	0	1	1	2	2	Substantial
Management of Fuel	Medium	0	3	1	4	Draft	Reasonable
Complete and reported for first time:							
Environmental Protection Targets	Medium	0	0	2	2	Draft	Substantial
Absence Management Follow-Up	NA	NA	NA	NA	NA	NA	NA
In progress:							
Workforce Planning	Medium						
Fixed Asset Accounting/Asset Planning	KFS						
To be started:							
Risk Management	High						

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Governance	High						
IT	High						
Payroll	KFS						
Accounts Receivable	KFS						
Accounts Payable	KFS						
Budgetary Control	KFS						

Key: KFS = Key Financial System
ANA = Audit Needs Assessment
Draft = Draft report issued to client and awaiting formal response
NA = Not Applicable

3. **Issues Arising**

Environmental Protection Targets

A review was undertaken to provide assurance on the systems in place to support the Fire Authority in achieving its environmental objectives. No issues of significance were found, and generally sound systems were in place to enable environmental targets to be monitored.

This report is at a draft stage and we are awaiting a management response to it.

Absence Management Follow-Up

A review of Absence Management was undertaken as part of the approved Internal Audit Plan for 2020/21. Five significant issues were identified which resulted in the issue of a limited assurance report. An action plan was produced by the Fire Authority to remedy the issues identified and it was stated that the actions would be implemented by the end of April 2021 (4 * actions) and the remaining issue by September 2021. As part of the 2021/22 Internal Audit Plan, a follow-up review was due to be completed to ensure the matters had been addressed. As at November 2021, the actions had not been addressed and the Fire Authority had set a revised completion date of the first quarter in 2022. As such, we are currently unable to provide assurance on the matters previously reported upon. We have been advised that the delay in meeting the original completion dates is due to a key member of staff responsible for implementing the actions having left the Fire Authority and that only recently had responsibility been re-assigned to another officer. We will now undertake the follow-up as part of the 2022/23 Internal Audit Plan.

Management of Fuel

Details of this review have previously been reported to the committee. The draft report was issued 22 July 2021. We have chased a reply in accordance with agreed protocols (25 August, 9 September and 7 October), but no management response has yet been provided. As such, we are bringing this issue to the attention of the committee.

4. **Other activities**

Advice and Guidance

We provide on-going advice and guidance to the authority to assist with the continuous improvement of the overall control environment.

CIPFA – Audit Committee Updates

We continue to present the regular CIPFA Audit Committee Updates to the Audit and Risk Committee.

Internal Audit Plan 2021/22

We submitted the Internal Audit annual plan for 2021/22 to the committee for approval at the March 2021 meeting.

Internal Audit Annual Report 2020/21

We presented the Internal Audit annual report for 2020/21 to the committee for comment and approval at the June 2021 meeting.

Counter Fraud

We continue to lead on the Cabinet Office's National Fraud Initiative and their other associated fraud related activity (such as the Annual Fraud Survey), on behalf of the authority and to provide the main point of contact for any investigations into potential fraudulent activity.

5. **Service Quality Questionnaire (SQQ) Feedback**

Feedback to be provided when completed SQQs are received.

Pensions Board

Item 9

08 September at 09:00 hrs by Digital Meeting

Attendance:

Neil Chamberlain (Chair) – West Midlands Police

Employer Representatives:

Wendy Browning-Sampson

Julie Felton

Kal Shoker

Employee Representatives:

Adam Harper

Emmett Robertson

Alan Tranter

Officers in attendance:

Karen Gowreesunker - Clerk to the Authority

Phil Fellows - Team Manager Strategy and Risk

Paul Gwynn – Pensions Advisor

Kirsty Tuffin – Democratic Services Officer

1. Apologies

Apologies were received from Councillor Catherine Miks, Chair of the Fire Authority Audit and Risk Committee.

2. Minutes of Pension Board – 09 June 2021

The Chair advised, with reference to item 9 of the previous minutes, that although a face-to-face meeting had been agreed for the 8 September 2021 meeting, the rise in Covid-19 cases had prevented this from happening.

It was agreed that the Board development session, as per item 3, would be re-scheduled to take place in November 2021. Wendy Browning-Sampson advised of her potential retirement before year end and of the requirement of the Service to appoint an Employer representative replacement in that instance. She suggested that the new representative be invited to the session should they be appointed in the meantime. In advance of a formal announcement, the Chair and Members extended their best wishes to Wendy for the future and thanked her for the support she had provided.

Following discussions, as per item 3 and supplemented by confirmation from the Chair of recent Audit and Risk Committee approval, it was agreed that membership would be extended for the following Board Members, with the provision that a letter

be circulated to Members advising them of the potential membership extension and no concerns be raised:

- Alan Tranter and Adam Harper, until March 2023.
- Emmett Robertson, until March 2022 having expressed to limit the period of his service on the Board.

Resolved:

1. That the minutes of the Pension Board held on 9 June 2021 be approved as a correct record of proceedings.
2. That it be agreed that the Board development session be re-scheduled to take place in November 2021.
3. That it be agreed membership be extended for the following Board Members, with the provision that a letter be circulated to Members advising them of the potential membership extension and no concerns be raised:
 - Alan Tranter and Adam Harper, until March 2023.
 - Emmett Robertson, until March 2022.
4. That the process for recruitment of the Employer representative be determined by the Statutory Officers of the Service and confirmed to the Board.

3. Chair's verbal report on Audit and Risk Committee – 19 July 2021

The Chair advised the Board that the Audit and Risk Committee had considered the composition of the Board and acknowledged its strength of commitment and advice during its response to the Covid-19 pandemic. The Board had been perceived as challenging the Committee in a constructive manner, enabling an assurance to its decision-making role as Scheme Manager. The Chair of Audit and Risk Committee had recognised the need for increased liaison with the Pension Board moving forward; the need for the Audit and Risk Committee and Pension Boards management of risk to be integrated was highlighted. Board Members were made aware that a revised report on Immediate Detriment would be considered at the next Audit and Risk Committee, due to take place on Monday 27 September.

Resolved:

1. That the Chairs verbal update on Audit and Risk Committee – 19 July 2021, be noted.

4. Remedy

Upon request of the Board, Paul Gwynn re-affirmed of the proposed timescales to progress resolution of Remedy. In addition, he advised of an Immediate Detriment – Contributions Holiday report, due to be taken to Audit and Risk Committee on Monday 27 September. The recommendations of the report would seek Scheme Manager approval to reverse their decision at the Committee held on 19 July 2021, specifically that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021. The Board were re-assured that the decision to potentially reverse the decision had been a result of the possible impact it may have on individuals and other Fire and Rescue Service not seeking to apply the updated guidance.

The provision of Annual Benefits Statements was discussed. Statements to all Active Members had been published to the deadline set, however there were approximately 150 Deferred Members who were not in receipt due to an administrative oversight and resourcing capacity. It was agreed that Paul Gwynn would email Pension Board members to advise of the completion of Annual Benefit Statements being circulated to deferred Members. Paul Gwynn was requested to report the failure to complete circulation of statements to the Pension Regulator on behalf of Pension Board. The Chair requested receipt of an email to confirm completion of statement provision and reporting to Regulator. The Board were reassured that in 2022 Annual Benefits Statements would be issued online and online estimates would be provided to Pension Scheme Members to prevent a delay in statements being in the future. Funding had also been provided by the Government, some of which had been used to employ a fourth Member to the Pensions Team to help deal with the impact of Remedy and the additional resources this would require. It was agreed that a status report be provided at the next Pension Board meeting outlining the controls put in place to prevent failings taking place in the future and key data on the Annual Benefit Statements to Deferred Members.

It was agreed that the Chair would meet with Mike Griffiths in the upcoming weeks to discuss all points raised by Pension Board members regarding Remedy and look to develop a plan to present at a future Pension Board meeting.

It was agreed that the Chair, Phil Fellows and Kirsty Tuffin would meet to discuss the development of a Pension Board workplan prior to the December Pension Board meeting. The Plan would be similar in purpose and design to that used by Committees of the Fire and Rescue Authority.

Resolved:

1. That the update on Remedy be noted.
2. That it be agreed that Paul Gwynn would email Pension Board members to advise of the completion of Annual Benefit Statements being circulated to Deferred Members.
3. That it be agreed that Paul Gwynn would report the failings of uncompleted circulation of Annual Benefit Statements to the Pension Regulator on behalf of Pension Board. An email would be circulated to the Chair of Pension Board once complete.
4. That it be agreed that Paul Gwynn provide a status report at the next Pension Board meeting outlining the controls put in place to prevent failings taking place in the future and key data on the Annual Benefit Statements to Deferred Members.
5. That it be agreed that the Chair would meet with Mike Griffiths in the upcoming weeks to discuss all points raised by Pension Board members regarding Remedy and look to develop a plan to present at a future Pension Board meeting.
6. That it be agreed that the Chair, Phil Fellows and Kirsty Tuffin would meet to discuss the Pension Board workplan prior to the December Pension Board meeting.

5. Risk Register

Julie Felton presented the Pension Board Risk Register advising that feedback following the June Pension Board meeting had all been incorporated into the

document accordingly. It was agreed that sections for Administration risks, System risks, resources and succession planning risks be included on the Risk Register. It was agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn on operational mitigation. The updated Risk Register to be circulated to the Board for comments prior to the next Pension Board meeting.

Resolved:

1. That the update on the risk register be noted.
2. That it be agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn on operational mitigation and circulate to Board Members for comments prior to the next Pension Board meeting.

6. Update on Topical, Legal and Regulatory

Paul Gwynn advised the Board that all pension files for active Members had now been digitised and all non-active members in which paper copies were held, would be transferred to digital archiving by the end of September 2021.

Following discussion on pre-retirements and Remedy, Paul Gwynn advised that Pension Scheme members need guidance to make decisions following Remedy and subsequent impact to individuals regarding taxation. Consideration was being given to work with companies to provide such guidance to scheme members.

The Chair thanked all Members in advance for their continued support over the next 18 months.

Resolved:

1. That the update on topical, legal and regulatory issues be noted.

7. Any other business

There was no other business discussed.

The Pension Board meeting ended at 10:55 hrs.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

WORK PROGRAMME 2021/22

Date of Meeting	Item	Responsible Officer	Completed
2021			
19 July 2021	Statement of Accounts 2020/21 (Draft Unaudited Approval)	Treasurer	19 th July 2021
	Treasury Management Annual Report 2020/21	Treasurer	19 th July 2021
	Monitoring Policies and RIPA (Annual Whistleblowing Report)	Monitoring Officer/ACFO Strategic Enabler (Enabling Services)	Note: deferred to 6 December
	Minutes of the Audit and Risk Committee held on 7 June 2021	Democratic Services Officer	19 th July 2021
	Minutes of the Pension Board held on 30 March 2021	Democratic Services Officer	19 th July 2021
	Minutes of the Pension Board held on 9 June 2021	Democratic Services Officer	19 th July 2021
	Training Requirements of Audit and Risk Members	Democratic Services Officer	

	<p>Audit and Risk Committee Draft Work Plan 2021/22</p> <p>Request for a decision on Action to be taken in respect of immediate detriment cases under the McCloud_Sargeant Ruling</p>	<p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>ACFO Strategic Enabler (Enabling Services) / Treasurer</p>	<p>Note: deferred from 19 July meeting</p> <p>19th July 2021</p> <p>19th July 2021</p>
27 Sept 2021	<p>Terms of Reference of Audit and Risk Committee</p> <p>Audit Findings Report 2020/21</p> <p>Statement of Accounts 2020/21 (for approval)</p> <p>Audit Progress & Sector Update</p> <p>Internal Audit Progress Report</p> <p>Internal Audit Report - Data Governance</p>	<p>Democratic Services Officer</p> <p>Grant Thornton</p> <p>Treasurer</p> <p>Grant Thornton</p> <p>Audit Manager</p> <p>ACFO Strategic Enabler (Enabling Services) /Data and Governance Manager</p>	<p>27th September 2021</p> <p>27th September 2021</p> <p>27th September 2021</p> <p>Deferred from 27th Sept Meeting 27th September 2021</p> <p>27th September 2021</p> <p>27th September 2021</p>

	Minutes of the Audit and Risk Committee held on 19 July 2021 Audit and Risk Committee Work Plan 2021/22	Democratic Services Officer Democratic Services Officer	27 th September 2021
4 Oct 2021 [Authority]	Audit Findings Report 2020/21 Statement of Accounts 2020/21 Minutes of the Audit and Risk Committee held on 07 June and 19 July	Grant Thornton Treasurer Democratic Services Officer	4 th October 2021 4 th October 2021 4 th October 2021
25 Oct 2021 - <i>Cancelled</i>	Minutes of the Audit and Risk Committee held on 27 September 2021 Audit Progress & Sector Update Internal Audit Progress Report Treasury Management Mid-Year Report 2021/22 Annual Audit Letter 2020/21 Corporate Risk Update Q1 & Q2 2021/22	Democratic Services Officer Grant Thornton Audit Manager Treasurer Grant Thornton ACFO Strategic Enabler (Enabling Services)	Deferred to 6 December Deferred to 6 December Deferred to 6 December Deferred to 6 December Deferred to 21 March 2022 Deferred to 6 December

	<p>Annual SIRO report</p> <p>Audit and Risk Committee Work Plan 2021/22</p> <p>Minutes of the Pension Board held on 08 September 2021</p> <p>Fraud Awareness Training (tbc)</p>	<p>ACFO Strategic Enabler (Enabling Services)</p> <p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>Phil Tromans John Matthews</p>	<p>Deferred to 21 March 2022</p> <p>Deferred to 6 December</p> <p>Deferred to 6 December</p> <p>Deferred to 21 March 2022</p>
6 December 2021	<p>Minutes of the Audit and Risk Committee held on 27 September 2021</p> <p>Audit Progress & Sector Update</p> <p>Internal Audit Progress Report</p> <p>Treasury Management Mid-Year Report 2021/22</p> <p>Corporate Risk Update Q1 & Q2 2021/22</p> <p>Vacant Residential Properties Update</p> <p>Monitoring Policies and RIPA</p>	<p>Democratic Services Officer</p> <p>Grant Thornton</p> <p>Audit Manager</p> <p>Treasurer</p> <p>ACFO Strategic Enabler (Enabling Services)</p> <p>Treasurer</p>	<p>6 December 2021</p> <p>Deferred to 21 March 2022</p> <p>6 December 2021</p>

	(Annual Whistleblowing Report) Audit and Risk Committee Work Plan 2021/22 Minutes of the Pension Board held on 08 September 2021	Monitoring Officer/ACFO Strategic Enabler (Enabling Services) Democratic Services Officer Democratic Services Officer	6 December 2021
13 December 2021 (Authority)	Minutes of the Audit and Risk Committee held on 27 September Minutes of the Pension Board held on 08 September 2021 Annual Audit Letter 2020/21	Democratic Services Officer Democratic Services Officer Grant Thornton	Deferred to 14 February

2022

14 February 2022 (Authority)	Minutes of the Audit and Risk Committee held on 6 December 2021	Democratic Services Officer	
21 March 2022	Minutes of the Audit and Risk Committee held on 6 December 2021	Democratic Services Officer	

	<p>Internal Audit Progress Report</p> <p>Audit Progress & Sector Update</p> <p>Internal Audit Plan 2022/23</p> <p>Audit Plan 2021/22 (possibly in June 2022 - tbc)</p> <p>Internal Audit Charter – Annual Review</p> <p>Informing the Audit Risk Assessment – West Midlands Fire and Rescue Authority 2021/22 (possibly in March 2022 but may need to be June 2022 - tbc)</p> <p>Annual Audit Letter 2020/21</p> <p>Annual SIRO report</p> <p>Minutes of the Pensions Board held on 10 December 2021</p> <p>Audit and Risk Committee Work Plan 2021/22</p> <p>Fraud Awareness Training</p>	<p>Audit Manager</p> <p>Grant Thornton</p> <p>Audit Manager</p> <p>Grant Thornton</p> <p>Audit Manager</p> <p>Grant Thornton</p> <p>Grant Thornton</p> <p>ACFO Strategic Enabler (Enabling Services)</p> <p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>Phil Tromans John Matthews</p>	
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	<i>Committee Members' Private meeting with Internal Auditors (to follow Committee)</i>	<i>Audit Manager</i>	
6 June 2022	Annual Internal Audit Report 2021/22	Audit Manager	
	Governance Statement 2021/22	Treasurer	
	Monitoring Policies and RIPA (Annual Whistleblowing Report)	Monitoring Officer/ACFO Strategic Enabler (Enabling Services)	
	Corporate Risk Update Q3 & Q4 2021/22	ACFO Strategic Enabler (Enabling Services)	
	Audit Plan 2021/22 (possibly in March 2022 - tbc)	Grant Thornton	
	Informing the Audit Risk Assessment – West Midlands Fire and Rescue Authority 2021/22 (possibly in March 2022 but may need to be June 2022 - tbc)	Grant Thornton	
	Annual Report of the Audit and Risk Committee 2021/22 for approval	Chair, Audit and Risk	
	Audit Progress & Sector Update	Grant Thornton	
	Internal Audit Progress Report	Audit Manager	

	<p>Minutes of the Audit and Risk Committee held on 21 March 2022</p> <p>Minutes of the Pensions Board held on XXXX - tbc</p> <p>Annual Report of the Pension Board 2021/22</p> <p>Audit and Risk Committee Work Plan 2021/22</p> <p><i>Committee Members' Private meeting with External Auditors</i></p> <p><i>Workshop for Members on Statement of Accounts 2021/22</i></p>	<p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>Chair, Pensions Board</p> <p>Democratic Services Officer</p> <p><i>Grant Thornton</i></p> <p><i>Treasurer</i></p>	
<p>27 June 2022 [Authority]</p>	<p>Governance Statement 2021/22</p> <p>Minutes of the Audit and Risk Committee held on 21 March 2022</p> <p>Minutes of the Audit and Risk Committee held on 6 June 2022</p> <p>Annual Report of the Audit and Risk Committee 2021/22</p>	<p>Treasurer</p> <p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>Chair, Audit and Risk</p>	

<p>XX July 2022 (Audit and Risk Committee 2022/23)</p>	<p>Minutes of the Audit and Risk Committee held on 6 June 2022</p> <p>Statement of Accounts 2021/22 (Draft Unaudited Approval)</p> <p>Treasury Management Annual Report 2021/22</p> <p>Audit and Risk Committee Draft Work Plan 2022/23</p> <p>Minutes of the Pension Board (tbc)</p> <p>Note: Audit Findings Report 2021/22 (needs to be in Sept 2022)</p>	<p>Democratic Services Officer</p> <p>Treasurer</p> <p>Treasurer</p> <p>Democratic Services Officer</p> <p>Democratic Services Officer</p> <p>Grant Thornton</p>	
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