



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Monday, 21 September 2015 at 11:00

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

| Distribution of councillors | |
|------------------------------------|---|
| <u>Birmingham</u> | M Afzal G S Atwal D Barrie L Clinton N Eustace M Idrees H Quinnen R Sealey S Spence A Ward |
| <u>Coventry</u> | B Singh C Miks D Skinner |
| <u>Dudley</u> | A Aston N Barlow M Mottram (JP) |
| <u>Sandwell</u> | J Edwards A Shackleton C Tranter |
| <u>Solihull</u> | S Davis P Hogarth |
| <u>Walsall</u> | S Craddock B Douglas-Maul A Young |
| <u>Wolverhampton</u> | J Dehar T Singh P Singh |

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

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

Fire Authority

**You are summoned to attend the meeting of Fire Authority to be held on Monday,
21 September 2015 at 11:00**

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

for the purpose of transacting the following business:

Agenda – Public Session

| | | |
|-----------|--|----------------------|
| 1 | <u>To receive apologies for absence (if any)</u> Details | 1-2 |
| 2 | <u>Declarations of interests in contracts or other matters</u> Details | 1-2 |
| 3 | <u>Chair's announcements</u> Details | 1-2 |
| 4 | <u>Minutes of Fire Authority 29 June 2015 (2)</u> Details | 7 - 30 |
| 5 | <u>Revision to Procurement Standing Order</u> Details | 31 - 56 |
| 6 | <u>Statement of Accounts 2014-15</u> Details | 57 - 62 |
| 7 | <u>Audit Findings 2014-2015</u> Details | 63 - 96 |
| 8 | <u>Monitoring of Finances</u> Details | 97 - 102 |
| 9 | <u>Contract Awards Summary 1 April to 30 Sept 2015</u> Details | 103 - 106 |
| 10 | <u>Update on Rebuild of Aston and Coventry Fire Stations</u> Details | 107 - 114 |
| 11 | <u>Birmingham Electoral Review</u> Details | 115 - 120 |
| 12 | <u>Policy Planning Forum Notes of Meeting held on 7 September 2015</u> Details | 121 - 130 |

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| 13 | <u>Minutes of the Audit Committee - 7 September 2015</u> Details | 131 - 138 |
| 14 | <u>Scrutiny Committee Minutes - 17 08 15</u> Details | 139 - 142 |
| 15 | <u>Exclusion of the public and press</u> Chair to move:- " <i>That the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 for the reasons stated below.</i> " | 1-2 |

Agenda (not open to public and press).

| | | |
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| 16 | <u>Planned Procurement Exercise</u> | 1-2 |
| | <ul style="list-style-type: none"> Information relating to the financial or business affairs of any particular person (including the authority holding that information); | |
| 17 | <u>Action of the CFO in Consultation with the Chair & Vice-Chair</u> | 1-2 |
| | <ul style="list-style-type: none"> Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime. | |

Distribution:

Stuart Davis - Leader of Principal Opposition Group, B A Douglas-Maul - Member, Peter Hogarth - Member, Robert Sealey - Member, David Skinner - Member, Adam Aston - Member, Lynda Clinton - Member, John Edwards - Chair of the Authority, Mohammed Idrees - Vice Chair of the Authority, Melvyn Mottram - Member, Hendrina Quinnen - Member, Ann Shackleton - Member, Tersaim Singh - Member, Gurdial Singh Atwal - Member, Sybil Spence - Member, Chris Tranter - Member, Ann Young - Member, Neil Eustace - Member, Nicolas Barlow - Member, David Barrie - Member, Paul Singh - Member, Muhammad Afzal - Member, Jasbinder Dehar - Member, Catherine Miks - Member, Bally Singh - Member, Anita Ward - Member, Stephen Craddock - Member

Agenda prepared by Julie Connor

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

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Clerk Telephone: 0121 380 6678

Clerk Email: Karen.Gowreesunker@wmfs.net

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

**29 June 2015 at 11.00 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Councillor Edwards (Chair)
Councillor Idrees (Vice-Chair);
Councillors Afzal, Aston, Singh Atwal,
Barlow, Clinton, Craddock, Davis, Dehar,
Douglas-Maul, Edwards, Eustace,
Hogarth, Idrees, Miks, Mottram, Quinnen,
Sealey, Shackleton, B Singh, P Singh,
T Singh, Skinner, Ward and Young.

Apologies: Councillors Barrie, Spence and Tranter.

Observer: Mr Ager

39/15 Election of the Chair of the Authority for the ensuing year

Resolved that Councillor Edwards be elected Chair of the Authority for the period ending with the annual meeting in 2016.

40/15 Election of the Vice Chair of the Authority for the ensuing year

Resolved that Councillor Idrees be elected Vice Chair of the Authority for the period ending with the annual meeting in 2016.

41/15 Declarations of Interest

Councillor Edwards declared a non-pecuniary interest in Minute No. 52/15 below (Monitoring of Finances).

Chair's Announcements

The Chair requested that Members sign the Attendance Sheet for both the Authority meeting and a second Attendance Sheet if they were able to attend the Members Awareness Session that had been arranged for the 6 July 2016 at Fire Service Headquarters.

The Chair informed Members that the packages placed before them included badges and passes to enable access to Headquarters together with a form to be completed giving information to be placed on the Committee Management Information System (CMIS). Members were asked to include their Twitter handle if appropriate or to email Julie.Connor@wmfs.net with this. An agenda for the Member's Awareness Session and Training and Development Plan had been included in the package.

The Chair reminded Members of the Schools Quiz Final which was to take place on Saturday 11 July 2015 at Safeside. In answer to a Member's question, one of the finalists was confirmed as Holy Trinity from Sandwell. Details of the other schools who had reached the finals would be circulated to Members.

The Chair paid tribute to Councillors Delaney, Finnegan, Lines, O'Boyle, Howells, Phillips, Collingswood and Yardley, who had now left the Authority, for their contribution during their terms of office, in some cases over many years.

Congratulations were also given to former Councillor Kevin Foster who had successfully been appointed as the Member of Parliament for Torbay.

The Chair welcomed Councillors Afzal, Barrie and Ward from Birmingham, Councillors B Singh and Miks from Coventry, Councillor Craddock from Walsall and Councillors P Singh and Dehar from Wolverhampton. He looked forward to working with them and to seeing them at the Members Awareness Session on Monday 6 July 2015.

The Chair stated that it would be difficult in the future and the recent past had been difficult, so far the Authority had lost 36% of its grant which amounted to £28m. The Authority has taken a huge hit on its stand-alone budget with very little other place to go for its finances as the Authority rely heavily on Government Grant. Prior to the Election, the Authority had been planning for a further

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reduction of 24% over the next three years 2016/19, which equated to approximately another £14m cut and a total loss of 60% of grant between 2011 and 2019. This posed an enormous attack on effective firefighting.

During the General Election and the following weeks, the Chancellor would be looking to front load public spending cuts but more than initially indicated. The reduction could possibly double and if this happened the Authority would be unable to deliver the Fire and Rescue Service in the way the public would expect. An indication of the possible cuts would be announced in the Emergency Budget on 8 July 2015, however, only overall trends were likely to be announced with no specific reference to the Fire Service.

This budget announcement will be critical to the future of the Fire Service and the impact will be severe.

The Treasurer would gather intelligence but the Authority would not be aware of the three year settlement figure from the Government until December 2015.

The Authority plan to achieve some of the £14m expenditure reduction through the staffing options. Primarily through reducing the number of firefighters and bringing in additional shifts to keep the service delivery model we have. Negotiations were on going and a further report would be brought back to Members with an update on Monday 6 July 2015.

The Chair felt that enough was enough and they the Authority could do no more. 275 frontline staff had been lost in the last four years and any further changes would impact directly on firefighters with firefighters being lost, fire stations closing and the five minute response time would be unachievable. Serious consideration would be given to holding a referendum in 2017 to ask the public of the West Midlands if they were willing to pay more council tax rather than lose firefighters and see stations close.

It was felt that a tipping point had been reached and Members were encouraged to speak to their local MPs, regarding the impact of real damage to frontline services following the budget announcements and the enormity of the task being faced by the Fire Authority.

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43/15 **Minutes**

Resolved that the minutes of the meeting held on 13 April 2015, be confirmed as a correct record.

44/15 **Membership of the Authority 2015/16**

The Clerk reported on the membership of the Authority for 2014/15.

45/15 **Questions on the Discharge of Functions**

Resolved that the following Councillors be nominated under Section 41 of the Local Government Act, 1985, to answer questions put in the course of proceedings of constituent councils on the discharge of the Authority's functions:-

| | <u>Lead Councillor</u> | <u>Substitute Councillor</u> |
|---------------|----------------------------|----------------------------------|
| Birmingham | Idrees | Clinton |
| Coventry | B Singh | Miks |
| Dudley | Aston | Mottram JP |
| Sandwell | Edwards | Tranter |
| Solihull | Davis | Hogarth |
| Walsall | Young | Douglas-Maul |
| Wolverhampton | T Singh | Dehar |

46/15 **Governance of the Authority 2015/16**

The Authority considered a report on governance of the Authority for 2015/16. The report set out draft terms of reference for committees and panels; member role descriptions and a calendar of meetings for the year. A copy of the amended Constitution had been circulated with the Agenda, however, the intention would be to move towards a paperless approach in future.

In accordance with Article 1, The Constitution and Article 16, Review and Revision of the Constitution, a review had taken place to ensure clarity on how the Authority operates and makes its decisions in line

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with the purpose set out in Article 1, section 1.12. The review had been undertaken in consultation with the Chair, Brigade Managers and Statutory Officers and proposed a number of changes and amendments, to add further clarity to the role of the Authority and to provide a more flexible and timely approach to decision making for budget and governance.

Amendments and additions were made to:

Article 4 Matters for Authority:

- Section 4.2.1 Governance,
- Section 4.2.2 Finance and Land Matters,
- Section 4.2.3 Human Resources
- Section 4.2.4 Service Delivery

Article 6 Executive Committee

Article 7 Scrutiny Committee

Article 8 Audit Committee

Article 10 Appointments Committee

Disestablishment of the Chair's Committee

Article 14 Decision Making

Part 3 – Scheme of Delegations

Members' Allowances

There had been minimal increases in local government pay, it was proposed to reaffirm the stance taken previously to defer any review of the members' allowances scheme for a further 12 months, and to refrain from increasing the level of members allowances, in the light of continuing financial stringency.

In answer to Members' questions concerning changes being proposed to Articles 4.2.2, the Clerk confirmed that the increase in the amount the Authority approves in relation to the procurement process where tenders are in excess of £100,000 to 'in excess of £250,000', was similar to other Metropolitan Fire Authorities. In the last financial year

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27 of 48 contracts approved by the Authority were between £100,000 and £250,000, with the majority being for goods and services of a day to day nature or as part of planned works. The Monitoring Officer confirmed that EU Regulations do not apply. Members would be informed of contracts let in the usual way.

Consideration had been given to the Constitution being printed and posted to all Members. It was felt necessary to follow this course of action as a number of new Members had joined the Authority and it was felt unrealistic for Members to print the papers at home. However, it was acknowledged that this was an expensive way of circulating the information and would not be repeated in future and therefore further savings would be made to the printing and postage budget. By 2016, the intention would be for all Members to be able to access Authority documentation via the use of an electronic tablet.

In answer to a Members' question regarding postal addresses, the Chair recommended that if Members wished their papers to be posted to their home address they should let the Clerk know at the end of the meeting.

Resolved:

- (1) that the proposed revisions to the Constitution as referred to in the report and as set out in Book 2 to the Agenda, including the terms of reference of committees and panels, be approved;
- (2) that member role descriptions as set out in the Constitution, be approved;
- (3) that the calendar of meetings for 2015/16, with a slight amendment, as set out in Appendix 1, be approved;
- (4) that no percentage increase be made in members' allowances in 2015/16 by way of indexing or otherwise;
- (5) that the Members' Allowances Scheme for 2015/16 as set out in Part 6 of the Constitution, be approved;
- (6) that in the light of the current financial situation, no action be taken for the time being with regard to convening an independent remuneration panel to review the members' allowances scheme and that the situation be reviewed in 12 months' time;

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- (7) that the Clerk be authorised to make any necessary consequential amendments to other constitutional documents in the light of decisions made with regard to governance arrangements for 2015/16;
- (8) that the Monitoring Officer and the Clerk undertake a further review of the Constitution and, if appropriate, submit a report to the Authority in September, 2015.

47/15 **Political Balance and Membership of Committees and Panels 2015/16**

The Authority considered the constitution and political balance of committees and the assignment of members to committees and panels for 2015/16.

The Localism Act 2011 had implemented changes to the standards framework and independent members of the Standards Committee had now been replaced by an 'independent person' who must be consulted before any decision is taken on a complaint which had been investigated. The Authority had approved an arrangement whereby the independent persons appointed by Sandwell Council would also be used by the Authority. In 2013/14 these roles had been undertaken by Mr Frederick Bell and Mrs Yetunde Akande. Mrs Akande had not applied for re-appointment, but Mr Bell had been re-appointed as an independent person by Sandwell Council for the period expiring 30th June 2016. In view of the low level of complaints activity at the Authority, it was suggested that the appointment of one independent person would be sufficient.

It was noted that at the meeting of the Authority held on 24th June 2013, Mr M Ager had been appointed as an independent member of the Audit Committee for a term of office expiring with the Annual Meeting of the Authority in 2016.

The Leader of the Opposition Group would advise the Clerk of his appointments to the various Committees following the meeting.

Resolved:

- (a) that the political balance and membership of committees and panels for 2014/2015, as set out in Appendix 2, be approved;
- (b) that the appointment to the roles of Chairs and Vice-Chairs of committees and panels, as set out in Appendix 2, be approved;
- (c) that the appointment of Mr M Ager as an independent non-voting member on the Audit Committee be affirmed;
- (d) that the appointment of Mr F Bell to the role of independent person, appointed in pursuance of Section 28 of the Localism Act 2011, for the term of office expiring 30th June, 2016, be approved.

48/15 **Appointment of Representatives to Service on Other Bodies**

The Authority considered the appointment of representatives to serve on other bodies during 2014/15.

It was noted that Members were disappointed with the withdrawal of funding for road safety education in Metropolitan Borough Councils (MBC). Councillor Clinton would continue to lead the Road Safety Reduction Group on behalf of the Authority and the Fire Service would now take the lead in this work. Lead Members were requested to support the work of the Group by providing the name of a person from each MBC to Juliet.Malone@wmfs.net. The Chair asked Members to support Councillor Clinton in this priority area of work.

It was noted that the West Midlands Fire Service Business Safety Limited was now dormant, but all party membership would be maintained to allow for future opportunities. The Monitoring Officer advised the appointed representatives of the company to declare an interest as Directors of the Company, to both the Fire and Rescue Authority and their constituent Authorities.

Resolved:-

- (1) that the appointments of representatives to serve on other bodies, as set out in Appendix 3, be approved;

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- (2) that the Chair (Councillor Edwards), (or his nominee), be authorised to exercise the Authority's Corporate Vote at the Local Government Association General Assembly and that the Authority's General Assembly voted be allocated in accordance with proportionality of the Association.

49/15 **Member Attendance at Conferences, Seminars and Visits**

The Authority considered a report setting out the arrangements for authorising attendance at conferences, seminars and visits.

In response to a Member's question, the Monitoring Officer recommended that when travelling to events outside of the West Midlands boundary, Members should start to record their whole journey from their home address.

Resolved that the events for 2015/16, as set out in Appendix 4, be approved for the purpose of the payment of travel and subsistence allowances and conference fees (where appropriate) subject to the necessary budgetary provision being available.

50/15 **Governance Statement 2014/15**

The Authority considered a report seeking their comments and consideration of the Annual Governance Statement for 2014/15 attached as Appendix 1 to the report. The Audit Committee had received the draft Governance Statement for 2014/15 at their meeting held on 15 June 2015. Under the Local Government Act 1999 the Authority has responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded. The Authority also has responsibility for proper arrangements for the governance of its affairs including arrangements for the management of Risk.

The Authority's Governance Statement together with its Statement of Accounts were signed by the Chair of the Authority and Chief Fire Officer and were available to view at the end of June 2015.

In answer to a Member's question, the Deputy Chief Fire Officer confirmed that the issues in respect of the Management of Fuel on Fire Stations had been addressed. The issues had related to a backlog

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and discrepancies with the measuring equipment. The Auditors were now satisfied with the actions that had been taken to achieve improvements.

Resolved that the Authority Governance Statement 2014/15 be received.

51/15 **Pay Policy Statement 2015/16**

Further to minute 28/15 (13 April 2015), the Authority considered an amendment to the Pay Policy Statement for the financial year 2015/16. The Pay Policy Statement 2015/16 had been amended to reflect the Authority's agreement to implement a rate of pay for all employees at least in line with the 'Living Wage' and this approach would be revised annually.

In answer to a Member's question, it was confirmed that the wording "any settlement of £100,000 or more or any other payments will be subject to the approval of the Authority on a case by case basis" referred to pension implications.

A previous unusual case was discussed and the Clerk confirmed that the terms of reference of the Appointments Committee had been amended to allow the Committee to make decisions. The Chair confirmed that following a ruling from the Secretary of State, for reasons of transparency the Authority would be involved in leaving packages.

Resolved that an amendment to the Pay Policy Statement for the financial year 2015/16 be approved.

52/15 **Monitoring of Finances**

In answer to a Members' question, the Treasurer confirmed that a tendering exercise would be carried out in respect of the works required to Coventry Fire Station.

The Authority noted a report on the monitoring of finances to the end of June 2014.

53/15 **Annual Report of the Audit Committee 2015/16**

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The Annual Report of the Audit Committee was received.

54/15 **Annual Report of the Scrutiny Committee 2015/16**

The Annual Report of the Scrutiny Committee was received.

55/15 **Minutes of the Audit Committee**

The minutes of the Audit Committee held on 15 June 2015 were received.

56/15 **Minutes of the Scrutiny Committee**

The minutes of the Scrutiny Committee held on 15 June 2015 were received.

57/15 **Notes of the Policy Planning Forum**

The notes of Policy Planning Forum held on 15 June 2015 were received.

58/15 **Notes of the Joint Consultative Panel**

The notes of the Joint Consultative Panel held on the 13 April 2015 were received. The Chair of the Panel stated that the panel would be receiving a report on the outcome of the request from the Trade Unions to re-introduce Elected Members in the Appeal Process for Grievance, Discipline and Dismissals at the meeting being held on 21 September 2015.

59/15 The Chief Fire Officer welcomed returning Members and new Members and invited Members, new and old, to attend the Members Awareness Session on 6 July 2015 where the Service Delivery Model and the latest financial position would be discussed in detail.

The proposed Staffing Trial was still subject to negotiation and a further update would be provided in due course.

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Members were informed that a member of the Young Firefighters Association from Coventry had been injured in the recent terrorist attack in Tunisia, but had now returned home and had received treatment. Members were recommended to view the Foreign Office website www.fco.gov.uk for daily updates.

The thoughts and sympathies of the Authority were conveyed to the Members and Officers from Sandwell MBC following the death of one of their employees who had lost their life in the terrorist attack in Tunisia.

60/15 **Exclusion of the Public and Press**

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

61/15 **Purchase of ICT Licences**

Retrospective approval was sought to the decision made by the Strategic Enabler (Finance and Resources) to grant a Special Exemption of the Authority's Procurement Procedures to enable the Procurement of a Microsoft Enterprise Subscription Agreement.

The Authority received a report that provided the rationale for the procurement of the Microsoft Enterprise Subscription Agreement under Special Exemptions 2.17 (d) and (f) of the Authority's Procurement Procedures (Standing Order 1/8).

West Midlands Fire Service had utilised Microsoft Licences which had been bought under a "Select Agreement". The Licences (Microsoft 2002) were owned outright by WMFS and required no annual support costs and in order to save costs had not been upgraded.

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In March 2015 Microsoft announced the discounted pricing agreement for Microsoft Licences, which had been negotiated between Microsoft and the government for Public Sector organisations since 2012 (PSA12) would come to an end in April 2015.

The procurement of the Microsoft Enterprise Subscription Agreement, bought under this outgoing PSA12 pricing agreement avoided significant future price increases if Orders were placed before 30th April 2015. The price for Microsoft products was due to increase dramatically following this period. (The price after 1st July 2015 rises by 158.34% to £223,263.96 per annum - see illustration below for scale of price increases after 30th April 2015.

| Enterprise Subscription Agreement | | | |
|-----------------------------------|---|--|--|
| | PSA 12 - before 30 th April | In Transition Window - 1 st May - 30th June | No framework – 1 st July onwards |
| | 1 | 1a | 1b |
| Year 1 | £ 86,423.02 | £ 90,472.37 | £ 223,263.96 |
| Year 2 | £ 86,423.02 | £ 90,472.37 | £ 223,263.96 |
| Year 3 | £ 86,423.02 | £ 90,472.37 | £ 223,263.96 |
| Years 1-3 Total | £ 259,269.05 | £271,417.10 | £ 669,791.88 |
| Year 4 | £ 90,472.37 | £223,263.96 | £ 223,263.96 |
| Year 5 | £ 90,472.37 | £223,263.96 | £ 223,263.96 |
| Year 6 | £ 90,472.37 | £223,263.96 | £ 223,263.96 |
| Years 4-6 Total | £ 271,417.10 | £669,791.88 | £ 669,791.88 |
| Six Year Total | £ 530,686.15 | £941,208.98 | £1,339,583.76 |

Licences are based on a per-device metric of which 1400 were purchased. The framework allowed for a direct award and under the circumstances, to avoid having to pay significantly higher prices later in the year, an exemption was sought from the Strategic Enabler of Finance and Resources which was granted.

The new contract is for a 3 year term with a view to extending this for a further 3 years at preferential rates and had been awarded in April 2015.

The prices for years 4 – 6 were indicative only at this stage. It was the level of discount that had been secured with Microsoft under this PSA12 agreement. The exact price would depend on the Microsoft price list at the time of requesting the extension in Year 3.

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The cost to the Authority for the whole of the contract is estimated at £258,000 or £86,000 per annum for the first three years and £270,000 or £90,000 per annum for year's four to six.

In answer the Member's questions, it was confirmed that the Strategic Enabler (Information and Communications Technology) would be reviewing the numbers of hardware assets, however, it was felt that the amount of appliances would only increase in the future due to the design of appliances.

The reason for the increase was due to Microsoft's decision to change licensing around the 365 software package and their desire to use enterprise agreements and to move towards cloud based computing.

Resolved that the procurement of the Microsoft Enterprise Subscription Agreement under Special Exemptions 2.17(d) and (f) of the Authority's Procurement Procedures (Standing Order 1/8) be endorsed and the award of a contract approved.

62/15 **Planned Procurement Exercises for 2015/16**

Approval was sought to a number of planned tender exercises for goods and services during 2015/16, in accordance with Procurement Standing Orders.

Resolved that the following tender exercises for the provision of goods and services to West Midlands Fire and Rescue Authority during 2015/16 be proceeded with:-

- (i) Cycle to Work Scheme
- (ii) Insurance Arrangements
- (iii) Time and Attendance Management System
- (iv) Classification of Information Assets
- (v) Replatforming ICT systems Development
- (vi) Boiler Replacements

In answer to a Member's question the Monitoring Officer recommended that any interests should be declared on the general Declarations of Interest form.

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63/15 **Action of the Chief Fire Officer in Consultation with the Chair and Vice-Chair of the Authority**

The Chief Fire Officer reported on action which he had taken, in consultation with the Chair and Vice-Chair, to authorise the instigation of legal proceedings for failure to comply with the Regulatory Reform (Fire Safety) Order 2005.

64/15 The Chair looked forward to welcoming Members old and new to the Members' Awareness Session on the 6 July 2015 and wished everyone a good Summer.

(The meeting ended at 1158 hours)

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| Contact Officer: Julie Connor Strategic Hub West Midlands Fire Service 0121 380 6906 |
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**WEST MIDLANDS FIRE AND RESCUE AUTHORITY
CALENDAR OF MEETINGS 2015/16**

| Date | Time | Meeting |
|---------------------|--|---|
| 2015 | | |
| Monday 29 June | 11.00 am | Authority [Annual Meeting] [political groups at 10 am] |
| Monday 17 August | 10.30 am | Scrutiny Committee |
| Monday 7 September | 9.00 am 10.00 am 10.30 am 12.30 pm | Chair's agenda meeting Executive Committee Policy Planning Forum Audit Committee |
| Monday 21 September | 11.00 am to follow | Authority [political groups at 10 am] Joint Consultative Panel [pre meeting tbc] |
| Monday 12 October | 10.00 am 10.30 am 12.30 pm 12.30 pm | Executive Committee Policy Planning Forum Audit Committee Scrutiny Committee |
| Monday 9 November | 9.00 am 10.00 am 10.30 am 12.30 pm | Chair's agenda meeting Executive Committee Policy Planning Forum Joint Consultative Panel [pre meeting tbc] |
| Monday 16 November | 10.30 am | Scrutiny Committee |
| Monday 23 November | 11.00 am | Authority [political groups at 10 am] |
| Monday 14 December | 10.00 am 10.30 am | Executive Committee Policy Planning Forum |

| | | |
|--------------------------------------|---|--|
| 2016 | | |
| Monday 18 January | 10.00 am 10.30 am 12.30 pm | Executive Committee Policy Planning Forum Audit Committee |
| Monday 1 February | 9.00 am 10.00 am 10.30 am To follow | Chair's agenda meeting Executive Committee [non domestic ratepayers consultation meeting] Policy Planning Forum Joint Consultative Panel [pre meeting tbc] |
| Monday 15 February | 11.00 am 12.30 pm | Authority [budget and precept setting] [political groups at 10 am] Scrutiny Committee |
| Monday 21 March | 9.00 am 10.00 am 10.30 am 12.30 pm 12.30 pm | Chair's agenda meeting Executive Committee Policy Planning Forum Audit Committee Scrutiny Committee |
| Monday 11 April | 11.00 am To follow | Authority [political groups at 10 am] Joint Consultative Panel [pre meeting tbc] |
| Monday 6 June | 9.00 am 10.00 am 10.30 am 12.30 pm 12.30 pm | Chair's agenda meeting Executive Committee Policy Planning Forum Audit Committee Scrutiny Committee |
| NEW MUNICIPAL YEAR Monday 27 June | 11.00 am | Authority [Annual Meeting] [political groups at 10 am] |

The Standards, Appointments and Appeals Committees will meet as and when required

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West Midlands Fire and Rescue Authority
Appointments to Committees and Panels 2015/16

| | |
|--|--|
| Authority (27 elected members) (Lab 17; Con 8; Lib Dem; UKIP 1) All Members to attend. | Policy Planning Forum (27 elected members) (Lab 17; Con 8; Lib Dem 1; UKIP 1) All Members to attend. |
| Appointments Committee 9 elected members (Lab 6; Con 3) At least one Member from each Authority | |
| Councillor | Substitute |
| Chair of the Authority (Chair) Cllr Edwards (Sandwell) | Cllr Tranter |
| Vice-Chair of the Authority (Vice-Chair) Cllr Idrees (Birmingham) | Cllr Afzal |
| Cllr Clinton (Birmingham) | Cllr Quinnen |
| Cllr T Singh (Wolverhampton) | Cllr Dehar |
| Cllr Spence (Birmingham) | Cllr Atwal |
| Cllr Young (Walsall) | Cllr Shackleton |
| Cllr Skinner (Coventry) | Cllr Sealey |
| Cllr Stuart Davis (Solihull) | Cllr Hogarth |
| Cllr Barlow (Dudley) | Cllr Barrie |

| Executive Committee 10 elected members (Lab 7; Con 3) Members of the Executive Committee shall not serve on the Scrutiny Committee | |
|---|-------------------|
| Councillor | Substitute |
| Chair of the Authority (Chair) Cllr Edwards | Cllr Clinton |
| Vice-Chair of the Authority (Vice-Chair) Cllr Idrees | Cllr T Singh |
| Cllr Aston | Cllr Mottram |
| Cllr Afzal | Cllr Dehar |
| Cllr Atwal | Cllr Miks |
| Cllr Quinnen | Cllr Mottram |
| Cllr Shackleton | Cllr Clinton |
| Cllr Davis | Cllr Hogarth |
| Cllr Sealey | Cllr Barrie |
| Cllr Douglas-Maul | Cllr Barlow |

| Scrutiny Committee (8 elected members) (Lab 5; Con 3) Members of the Scrutiny Committee shall not serve on the Executive Committee | |
|---|-------------------|
| Councillor | Substitute |
| Cllr Tranter (Chair) | Cllr T Singh |
| Cllr Spence (Vice-Chair) | Cllr Mottram |
| Cllr B Singh | Cllr Miks |
| Cllr Ward | Cllr Clinton |
| Cllr Young | Cllr Dehar |
| Cllr Skinner | Cllr Barlow |
| Cllr Hogarth | Cllr P Singh |
| Cllr Barrie | Cllr |

| | |
|--|-------------------|
| Appeals Committee (6 elected members) (Lab 3; Con 2; Lib Dem 1) | |
| Councillor | Councillor |
| Cllr Mottram (Chair) | Cllr Aston |
| Cllr Eustace (Vice-Chair) | Cllr Edwards |
| Cllr Clinton | Cllr Idrees |
| Cllr Spence | Cllr Quinnen |
| Cllr Barrie | Cllr Sealey |
| Cllr Hogarth | Cllr Davis |

| | |
|---|-------------------|
| Audit Committee 6 members (Lab 4; Con 2) | |
| Councillor | Substitute |
| Cllr T Singh (Chair) | Cllr Dehar |
| Cllr Miks (Vice-Chair) | Cllr B Singh |
| Cllr Aston | Cllr Mottram |
| Cllr Quinnen | Cllr Spence |
| Cllr Sealey | Cllr Barlow |
| Cllr P Singh | Cllr Barrie |
| Independent Member: Mr M Ager | |

| Joint Consultative Panel (6 elected members + 5 employee representatives) (Lab 4; Con 2) | |
|---|-------------------|
| Councillor | Councillor |
| Cllr Clinton (Chair) | Cllr Quinnen |
| Cllr Dehar (Vice-Chair) | Cllr T Singh |
| Cllr Afzal | Cllr Idrees |
| Cllr Shackleton | Cllr Edwards |
| Cllr Douglas-Maul | Cllr Davis |
| Cllr P Singh | Cllr Barrie |

| Standards Committee (6 elected members + 1 observer) (Lab 4; Con 2) |
|--|
| Councillors |
| Cllr Tranter (Chair) |
| Cllr Edwards |
| Cllr Miks |
| Cllr Young |
| Cllr Barlow |
| Cllr P Singh |
| 1 Independent Person (observer):- Mr Bell |

West Midlands Fire and Rescue Authority**Appointments to Other Bodies 2015/16**

| Organisation | Representative/s 2015/16 | Notes |
|--|--|---|
| Local Government Association General Assembly* (4 representatives) | Chair and Vice-Chair (Councillors Edwards and Idrees) and Councillors Davis and Eustace (or their nominees) The Chair was authorised to exercise the Authority's Corporate Vote at the Local Government Association General Assembly. The Authority is entitled to 18 General Assembly votes which are allocated on the basis of proportionality of the General Assembly. | Proportionality applies. The Association encourages Authorities entitled to three or four representatives on the General Assembly to allocate one of those positions to Minority Group Leaders on their Authorities. |
| Local Government Association - Fire Service Commission (3 representatives) | Chair (Councillor Edwards) and Councillors Davis and Idrees (or their nominees) | Proportionality applies. Formerly the Fire Services Forum. |
| Local Government Association Urban Commission (2 representatives) | Councillor Tranter and the Chief Fire Officer (or their nominees) | Only elected members may vote at meetings. Authorities may appoint two elected members or one member and one officer |
| Black Country Consortium – Observer Member | Councillor Tranter (or his nominee) | It is recommended that the appointed Member should be from one of the four Black Country boroughs. |
| West Midlands Road Safety Partnership | Councillor Clinton | |

[ILO: UNCLASSIFIED]

| | | |
|--|--|---|
| Association of Metropolitan Fire and Rescue Authorities | Chair and Vice-Chair of the Authority (Councillors Edwards and Idrees) | |
| Fire Control Project Governance Board [joint board with Stoke on Trent and Staffordshire Fire and Rescue Authority] | Chair and Vice Chair of the Authority (Councillors Edwards and Idrees) and Councillors Davis and Tranter | |
| West Midlands Fire Service Business Safety Limited | Chief Fire Officer, the Chair of the Authority (Councillor Edwards) and Vice-Chair of the Authority (Councillor Idrees), Councillors Davis and Eustace | Personal appointment which terminates with the appointment of a new member. |

[ILO: UNCLASSIFIED]

| Event 2015/16 | Attendance By | Financial Implications |
|--|--|--|
| Local Government Association Annual Fire Conference | Chair and Vice-Chair (or their nominees) and the Leader of the main Opposition Group | Conference fees and travel and subsistence |
| Local Government Association Annual Conference | Chair and Vice-Chair (or their nominees) | Conference fees and travel and subsistence |
| Asian Fire Services Association Conference | Chair and Chair and Vice-Chair of the Scrutiny Committee | Travel and subsistence |
| Fire Service Briefing Meetings arranged by the Department for Communities and Local Government | Chair and Vice-Chair (or their nominee) OR all members of the Authority (as appropriate) | Travel and subsistence |
| Visits to the Houses of Parliament to meet West Midlands MPs and members | All Members | Travel and subsistence |
| Member training events/seminars organised by the Authority or approved by the Chair and Vice-Chair | All Members | Travel and subsistence |
| Monitoring visits to fire stations (up to two per quarter) | All Members | |

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 September 2015

1. **REVISION TO PROCUREMENT PROCEDURE STANDING ORDER**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approve the revised Procurement Procedures Standing Order attached as Appendix 1.

2. **PURPOSE OF REPORT**

This report is submitted to Members to seek approval to amend Standing Order 1/8 Procurement Procedures.

3. **BACKGROUND**

3.1 This Standing Order has been reviewed in line with the Public Contract Regulations 2015 which came into effect on 26 February 2015. The main changes include:

- Clarity on awarding a contract to another Contracting Authority
- Changes in reporting requirements
- Changes to evaluation criteria rules
- Changes in timescales for return of tenders
- Clarity on pre-market engagement
- Introduction of new competitive procedures
- Clarity on variations to contracts

3.2 Tenders in excess of £100,000 are currently reported to Members requesting permission to tender and again after award for information. In line with changes made to The Constitution, approved by the Authority at its meeting on the 29 June 2015, this value has been amended to £250,000.

- 3.3 The introduction of an electronic tendering system has led to changes to the issuing of tender opportunities and in the opening procedure.
- 3.4 Enhanced requirements to consider Social Value in all contracts in addition to the Public Services (Social Value) Act 2012, given the increased significance of this issue. [Social Value is a measure of outcomes and benefits from any activity that tackles social problems, improves people's lives, communities or the environment].

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 within this report are low impact and will not lead to a change in policy.

5. **LEGAL IMPLICATIONS**

The review of this Standing Order complies with the Public Contract Regulations 2015 in which Fire and Rescue Authorities are defined as Contracting Authorities.

6. **FINANCIAL IMPLICATIONS**

There are no financial implications as a result of the course of action recommended.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications as a result of the course of action recommended

BACKGROUND PAPERS

The Public Contract Regulations 2015

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

PHIL LOACH
CHIEF FIRE OFFICER

Ref. AU/Auth/Sep/21208155

WEST MIDLANDS FIRE SERVICE PROCUREMENT PROCEDURES

1. STRATEGY

It is the strategy of West Midlands Fire Service (WMFS) that all expenditure or income, incurred or received, in relation to any contract into which the Service enters, shall be processed in accordance with this standing order and the Authority's Financial Regulations. The aim is to ensure a consistent value for money approach to procurement in all areas of activity, in a way that maintains public accountability and complies with all UK and EU Procurement Legislation and minimises the risk of any allegations of fraud or malpractice.

There are three documents to ensure spending officers receive the support they need when undertaking any kind of procurement activity. These documents are as follows:

- Standing Order 1/8 – Procurement Procedures;
- Procurement Manual; and
- Financial Regulations (Refer to Alfresco, Finance and Resources).

This standing order must be read in conjunction with the Procurement Manual which is available on Alfresco (Finance and Resources). The manual contains more detailed guidance on all areas of the procurement process.

When letting a contract, its monetary value and strategic importance shall determine the appropriate course of action in accordance with the WMFS Procurement Policy. All procurements, no matter of value, must follow the EU Treaty principles of Equal Treatment, Non-discrimination, Mutual Recognition, Proportionality and Transparency.

All procedural matters set out in the Procurement Standing Order shall be subject to audit by the Authority's internal and external auditors.

It is a mandatory requirement that all expenditure by the Authority in excess of £5,000 is published on the Authority's internet site and this can lead to the submission of Freedom of Information requests. It is therefore vital that suitable records of all expenditure are maintained for this as well as audit purposes.

The Procurement Standing Orders must be complied with on all occasions.

The procurement of all ICT goods and services must be secured via ICT and must not be purchased directly.

2. PROCEDURES

2.1 Conformity with Procurement Standing Order and Financial Regulations

This standing order applies to capital and revenue expenditure. It shall also apply in respect of income, excluding income obtained from external funding, partnerships, sponsorship, or any special funding obtained as part of a bidding process, (see Standing Order 22/2 Partnership Working)

These procedures will also apply to any tendering activity that is carried out by West Midlands Fire Service Business Safety Limited (currently dormant).

2.2 Pecuniary and other interests

Any employee of WMFS with a pecuniary or other interest in any contract let by the Authority must, whether or not they have been directly involved in the award of such a contract, submit a report to the Team Leader, Service Support Administration detailing the nature of their interest.

Service Support Administration will maintain a register of pecuniary interests for inspection by auditors and will verify annually that any declared interests are still current.

Employees should not let personal or private interests affect their judgement of the public interest. Members of the Authority and employees should treat these non-pecuniary interests on the same basis as the law requires them to treat pecuniary interests. Members' interests shall be registered by the Clerk to the Authority.

Employees should ensure that hospitality given or received in connection with their appropriate duties can always be justified in the public interest. Similarly, gifts should not be accepted, the only exception being items of a very minor complimentary or token nature which could in no way be construed as offering financial or other material inducement (see Standing Order 1/22 Anti Fraud & Corruption Policy and [Standing Order 2/15](#) – Declaration of Membership of External Organisations and Acceptance of Donations, Gifts and Hospitality for further guidance).

2.3 Definition of terms:

'Administration Officer': the Officer charged with the responsibility for despatching, opening and registering formal quotations and tenders and notifying the successful supplier of the Authority's intention to award.

'Authority': West Midlands Fire and Rescue Authority (WMFRA)

'Central Purchasing Team': the team responsible for sourcing and converting non catalogue requisitions into Purchase Orders (including supplier selection) plus resolving invoice issues.

'contract': an agreement between two or more competent parties for the provision of goods, services or works. Some contracts are required to be in writing in order to be enforced.

'contract value': the total sum for the whole period of the contract excluding VAT.

'Corporate Procurement': central procurement charged with providing strategic direction and advice to secure value for money on all procurement matters. The Corporate Procurement Manager is in charge of this section under the Strategic Enabler - Finance and Resources.

'EU Threshold': the contract value at which the EU Procurement Directives apply.

'Financial Regulations': The financial regulations outlining employee responsibilities for financial matters and issued by the Strategic Enabler – Finance and Resources.

'formal quotations': An offer to provide goods, services or works, with a value exceeding £25,000, in writing, using the Authority's quotation documentation, as provided by Corporate Procurement.

'formal tenders': An offer to provide goods, services or works, with a value exceeding £100,000, in writing, using the documentation for the completion of tenders as provided by Corporate Procurement.

'framework agreement': An arrangement set up by the Authority or a third party organisation for the procurement of specific goods, services or works on agreed terms with agreed supplier(s) that may be utilised by other organisations as specified in the contractual agreement.

'Lots': The parts into which a procurement of supplies, works or services might be divided.

'most economically advantageous tender': Represents value for money when assessing both quality and cost. This should be used as the basis to assess more complex tenders that are high risk or above £25,000 in value.

'Procurement Manual': the guidance notes, together with a number of standard documents and forms, which support the implementation of this standing order. The manual is available on Alfresco, Finance and Resources.

'Service Support Administration': the section charged with the responsibility for despatching, opening and registering formal quotations and tenders and notifying the successful supplier of the Authority's intention to award. This section is also responsible for the retention of all documentation relating to formal quotations and tenders.

'Social Value': a measure of outcomes and benefits from any activity that tackles social problems, improves people's lives, communities or the environment.

'spending officer': an employee of WMFS who has a requirement for goods, services or works to be purchased from a third party in order to support the West Midlands Fire Service.

'specification': a detailed description of the characteristics of a commodity or service required or desired.

'supplier': a person, firm, company or organisation supplying, tendering or quoting for goods, services or works. May also be known as a contractor or service provider.

'whole life costs': all costs associated with the acquisition, use, maintenance and disposal of the good(s) being purchased.

2.4 Letting contracts

The letting of all contracts shall comply with any UK legislation and/or any overriding requirement of the European Union.

Financial provision must exist within the approved budgets; if it does not, a report should be submitted to the Strategic Enabler - Finance and Resources to consider the issue.

Spending officers shall ensure that a purchase order is raised for the provision of all goods, services or works.

Spending officers must determine whether there is an existing contract already in place for the goods, services or works to be purchased. This information can be obtained from the contracts database by contacting Corporate Procurement.

Spending officers must ensure they protect the interests of the Authority and it may be appropriate to enter into a legally binding contract irrespective of the level of expenditure. Clarification can be sought from the Corporate Procurement Manager.

In obtaining quotations and tenders, spending officers must ensure that (where possible) the appropriate levels of quality and social value are specified and when considering quotations and tenders, that outcomes are evaluated on a comparable basis.

In respect of income, this Procurement Standing Order and values shall apply, for example, for the disposal of assets.

When any employee either of the Authority or of a service provider may be affected by any transfer arrangement, spending officers must ensure that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain advice from People Support Services and Corporate Procurement before proceeding with inviting quotations or tenders.

2.5 Use of other public sector contracts or framework agreements

Where it is considered advantageous to make use of the contracts or framework agreements awarded by other Public Sector Organisations, for example, Crown Commercial Services (CCS), or other Fire Authorities, the spending officer must ensure that they offer value for money.

A contract may be awarded to another Contracting Authority (e.g. Local Authority, Fire and Rescue Service) where the contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that the public services they have to perform are provided with a view to achieving objectives

they have in common and the implementation of that co-operation is governed solely by considerations relating to the public interest.

Advice should be sought from the Corporate Procurement Manager before using any such contracts or agreements.

2.6 Monetary limits

All reference to monetary limits included in this standing order shall be deemed to exclude value added tax applicable to the contract, levied by the Government, for the time being in force.

For the purpose of applying the monetary limits throughout this Procurement Standing Order, the appropriate estimated value shall be the contract value. Values (or estimated values) used in the operation of this standing order will normally be the total value of the goods and services supplied. However, where a series of purchases are made for the same or similar purpose, then the value will be the aggregate value (or estimated value) of the purchases made within any single contract or period of 12 consecutive months or financial year and should take into account where possible the changes in quantity or value which would occur in the course of the 12 months following the initial contract.

The aggregate contract value must also take into account both capital and revenue expenditure during the life of the contract, for example, the purchase of a software package may also include ongoing annual support and training. All of these costs must be aggregated to arrive at the total contract value where it is to be included in the same quotation or tender exercise.

In the case of innovation partnerships, the value to be taken into consideration shall be the maximum estimated value, net of VAT, of the research and development activities to take place during all stages of the envisaged partnership as well as of the supplies, services or works to be developed and procured at the end of the envisaged partnership.

Purchase orders must not be artificially divided to make two or more orders of a lower value to avoid the requirement to obtain quotations or tenders.

In the event that the contract value exceeds the EU threshold the contract should be awarded in lots where appropriate. A lot can be a specific geographical area or subject category e.g. goods and training. Where the contract value exceeds the EU threshold and is not divided into lots an audit trail of the reasons must be submitted to the Strategic Enabler - Finance and Resources. Corporate Procurement should also be contacted for advice in this instance.

2.7 Contract value guidance

The procurement process adopted is dependent on the value of the purchase. Please refer to the table below to determine the process to be adopted and refer to the appropriate section within this order to obtain guidance.

If an existing contract or framework agreement is not in place, the appropriate procedure shall be followed as detailed in the table below:

| Value of purchase (contract value) | Procurement process | Approval Required | Procedure |
|---------------------------------------|---|--|-------------|
| Under £3,000 | Obtain three quotations if appropriate. | If lowest quote, accept. If you wish to accept other than the lowest quote, the reasons and justification must be | Section 2.8 |

| | | | |
|--------------------------|--|---|--------------|
| | | recorded and retained by spending officer. | |
| £3,000 - £24,999 | Three written quotations Where the estimated contract value exceeds £10,000 three sealed written quotations must be obtained and opened in the presence of two officers | If lowest quote, accept (subject to the signing provisions contained in <u>Standing Order 1/6</u>) If wish to accept other than the lowest quote, report to be submitted to the Corporate Procurement Manager to obtain approval prior to acceptance. | Section 2.9 |
| £25,000 up to £99,999 | Formal quotations from at least three suppliers processed through Service Support Administration | Spending officer must submit written report to the Corporate Procurement Manager (where contract value is less than £50,000) or the Strategic Enabler - Finance and Resources (where the contract value exceeds £50,000) to obtain approval prior to acceptance or in his or her absence refer to a Brigade Manager. A copy of the report and approval must be forwarded to Service Support Administration for information and retention. | Section 2.10 |
| £100,000 – E U Threshold | Formal tenders from at least three suppliers | Spending officer must submit written report to the Strategic Enabler - Finance and Resources to obtain approval prior to acceptance or in his or her absence refer to a Brigade Manager. Such approval will be subject to: a) The contract being awarded to the supplier submitting the most economically advantageous tender b) The value of the contract being within identified funding provisions If either of the above criteria are not met, a report must be submitted to the Executive Committee or | Section 2.11 |

| | | | |
|--|--|--|--------------|
| | | Fire Authority for consideration prior to the award of the contract. | |
| Goods or services in excess of £172,514* Works or construction in excess of £4,322,012* | Formal tender (in accordance with EU Legislation). | As, £100,000 to the EU threshold, above | Section 2.11 |

The Strategic Enabler - Finance and Resources shall review all monetary limits (with the exception of the EU Thresholds) shown in this standing order annually and any resulting amendments shall be reported to the Authority.

**European Public Procurement Thresholds*

For the procurement of goods and services the expenditure threshold value is €207,000 Euros or £172,514.

For construction the expenditure threshold value is €5,186,000 Euros or £4,322,012.

These limits are applicable for the period 1st January 2014 to 31st December 2015.

2.8 Contracts valued at under £3,000

This section shall apply to contracts for the provision of goods, services or works where the estimated contract value is below £3,000 and there is no existing contract in place.

Due regard should be given to the desirability of securing competition in appropriate cases and, in so doing, spending officers must take steps to obtain the best value for money and be prepared to justify the method of selection of the supplier.

Where considered appropriate, a minimum of three verbal or written quotations must be recorded and documentation retained locally for a period of six years. In circumstances where three quotations have not been obtained, the reasons to justify the method of selection shall be recorded for audit purposes.

Examples of cases where it may not be considered appropriate to obtain 3 verbal or written quotations are as follows:

- security works;
- health and safety works;
- operational impact;
- specialist works;
- Contract valued under £100; and
- proprietary item(s).

Reference should also be made to the special exemptions detailed in section 2.17 of this standing order.

Spending officers must not disclose the contents and value of quotations between competing suppliers.

2.9 Written quotations (contracts valued between £3,000 and £24,999)

This section shall apply to contracts for the provision of goods, services or works where the estimated contract value is between £3,000 and £24,999 and there is no existing contract or framework agreement in place.

Where practically possible quotations should be evaluated based on quality, social value and price.

Where the estimated cost exceeds the sum of £10,000 spending officers should obtain at least three sealed written quotations which must be opened simultaneously. Spending officers shall record and retain the quotations received. The Central Purchasing Team will arrange for the documents to be uploaded on the Authority's e-tendering system and for the quotations to be opened as soon as possible after the closing date.

Where the spending officer has endeavoured to obtain three quotations and where fewer than three were received, the reasons why must be justified and approved by the Corporate Procurement Manager. In the event of only one quotation being received the Corporate Procurement Manager may request that additional bids are obtained.

If the spending officer wishes to accept other than the lowest quote a report must be submitted to the Corporate Procurement Manager to obtain approval prior to acceptance.

Spending officers wishing to enter into a contract where there is deemed to be a 'special exemption' (as detailed in section 2.17 of this standing order), must obtain prior approval from the Corporate Procurement Manager.

The Spending Officer must contact Corporate Procurement to place a Purchase Order.

All associated documentation is to be retained within the section of the spending officer for six years.

2.10 Formal quotations (contracts valued between £25,000 and £99,999)

In the case of contracts with an estimated value between £25,000 and £99,999, formal quotations must be processed via Service Support Administration.

The involvement and approval of Corporate Procurement is required on all occasions for contracts with an estimated value that exceeds £25,000.

Spending officers must submit the following information to Corporate Procurement:-

- The name and contact details of the spending officer
- a completed specification, including social value requirements;
- a note of any special conditions that will apply;
- evaluation criteria, e.g. minimum (pass/fail) criteria plus cost
- completion or delivery date
- a list of suppliers (minimum of three) from which quotations are to be invited;
- an estimate of the predicted contract value, and
- the proposed closing date for quotations (this should be a minimum of 2 weeks from the date the quotation is despatched and the date must not fall on a weekend or public bank holiday).

The quotation request must be submitted to Corporate Procurement at least two weeks prior to the quotation despatch date. The Authority's e-tendering system should be used for this purpose. Service Support Administration will arrange for the documents to be uploaded and for quotations to be opened as soon as possible after the closing date. Late bids will be automatically rejected by the e-tendering system.

The quotations will be opened by the Team Leader, Service Support Administration or their nominated representative;

At the time of opening the Team Leader will print a report detailing the bids received. The Team Leader will sign, date and retain this report.

The quotations will then be forwarded to both Corporate Procurement and the appropriate spending officer to evaluate quality, social value and cost and to submit a report to the Strategic Enabler - Finance and Resources (when the value of the quotation exceeds £50,000) or the Corporate Procurement Manager (when the value of the quotation is less than £50,000) detailing their recommendations and requesting approval to proceed.

Where the spending officer has endeavoured to obtain three quotations and where fewer than three were received, the reasons why must be justified and approved by the Corporate Procurement Manager or the Strategic Enabler - Finance and Resources. In the event of only one quotation being received the Corporate Procurement Manager may request that additional bids are obtained.

Where examination of a quote reveals:

- any manifest error or ambiguity (such as an obvious arithmetical error) that can readily be clarified, the supplier shall be given the opportunity to clarify their quotation and confirm this in writing;
- an abnormally low quote, the spending officer shall ask the supplier to confirm the details of the costing
- that the offer requires clarification, the spending officer shall contact the supplier to seek clarification; and
- an arithmetical error, subject to the prior approval of the Strategic Enabler - Finance and Resources or an officer designated by him or her, the necessary correction shall be notified to the supplier in writing who shall within seven days from receipt of such notice either confirm their quote in writing as corrected or withdraw it.

Once approved by the Corporate Procurement Manager or the Strategic Enabler - Finance and Resources, the appropriate spending officer must send a copy of the report and recommendations and all quotations received to Service Support Administration who shall send successful and regret letters to the suppliers as appropriate. Service Support Administration will retain a copy of all relevant documents, for audit purposes, for a period of six years and will upload them onto the contracts database. The Spending Officer must then contact Corporate Procurement to place a Purchase Order.

2.11 Formal tenders (contracts valued in excess of £100,000)

For any contract for the provision of goods, services or works where the estimated contract value exceeds £100,000, a sourcing strategy shall be agreed between the spending officer and Corporate Procurement in accordance with WMFS Procurement Manual. Formal tenders must be processed via Service Support Administration.

Prior to commencing a procurement process with a value in excess of £250,000 a report must be submitted to the Executive Committee or Fire Authority detailing the rationale for the forthcoming tender exercise and must include the proposed route to market and funding provisions. Corporate Procurement is responsible for collating and submitting these reports.

2.11.1 EU Directives

The EU Procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire goods, services, civil engineering or building works. They set out procedures which must be followed before awarding a contract when its value exceeds the published thresholds. They are incorporated into UK law by the Public Contract Regulations 2015 and amendments.

It is necessary to advertise in the Official Journal of the European Union (OJEU) in the case of contracts to which the Regulations apply. To confirm whether a contract necessitates advertising, spending officers shall contact Corporate Procurement to seek advice prior to processing any tender.

Any contract for the provision of goods or services for which the estimated contract values exceeds the limits stated in 2.7 (formal tender in accordance with EU legislation) must be advertised in the OJEU irrespective of the method of letting the contract.

It should be noted that the contract value is the total estimated value over the **whole** of the contract life including any extension options and includes both capital and revenue expenditure that is to be included in the same tender exercise.

The above financial thresholds are applicable to 'public contracts' with effect from 31st January 2014 and are revised every two years.

The Authority is also required to consider the provisions of the Public Services (Social Value) Act 2012 for any service contracts that are above the EU financial threshold. The main aim of this Act is to ensure that public bodies consider how the services that they are commissioning and procuring might improve the economic, social and environmental well-being of the area in which the services will operate.

All OJEU notices shall be placed by Corporate Procurement who will also provide advice in this regard.

General guidance regarding EU Procurement Rules and the requirements of the Social Value Act 2012 can be obtained from Corporate Procurement.

2.11.2 The tendering process

The sourcing strategy shall encompass the tendering process, which may be by:

- competitive tendering
- further competition or direct award under a framework agreement.
- E-auction

2.11.3 Public advertisement

A public advertisement is required for all contracts over £100,000 except when a Framework Agreement is being utilised.

Methods of advertisement **may** include:

- Official Journal of the European Union (OJEU) - mandatory when value exceeds EU Thresholds;
- Contracts Finder – mandatory for all contracts advertised
- WMFS Procurement website;
- Other portal websites specifically created for contract advertisements, e.g. Find it in Birmingham, Find it in Sandwell
- Local and national newspapers; and
- Other specialist publications or trade journals.

All such advertisements will be placed via Corporate Procurement, who will advise on the content.

Advertisements must provide information regarding the nature of goods, services or works being tendered and the minimum capabilities required from a supplier e.g. technical capacity, financial stability, insurance cover, relevant contract experience, etc. The advertisement will also disclose the scoring criteria and the closing date.

All documentation shall be available to download from the Authority's e-tendering portal.

A Prior Information Notice (PIN), if required, can be published 12 months in advance of the procurement. The PIN shortens the timescales for the procurement exercise and means that no further advertising of the procurement needs to be carried out.

2.11.4 Invitation to tender

2.11.4.1 Short listing following public advertisement and pre-qualification exercise (Restricted Procedure)

The restricted procedure is not to be used for contracts under the EU Threshold.

If it is intended that after public advertisement a shortlist of suppliers will be compiled then the procedure below must be followed:

- A minimum of 30 days' public notice should be given using one or more of the advertising methods mentioned in section 2.11.3 above. The wording of any advertisement must clearly indicate that a select list of potential suppliers will be compiled.
- All such advertisements will be placed by Corporate Procurement who will advise on the content.
- A pre-qualification questionnaire (PQQ) will be produced by Corporate Procurement in conjunction with the appropriate spending officer and will be available for all interested firms to download from the Authority's e-tendering portal on same day the EU notice is published.

The purpose of the PQQ is to assess whether potential suppliers can meet minimum criteria in the following areas:

- economic and financial standing including insurance cover;
- technical ability and capacity;
- health and safety (where applicable);
- equality & diversity (where applicable);
- sustainability (where applicable);

All adverts and the contract notice shall indicate the objective and non-discriminatory criteria or rules that apply, the minimum number of suppliers to be invited to tender and, where applicable the maximum number. The minimum number of suppliers shall be no less than 5. Only suppliers that meet the minimum criteria can be invited to tender.

All tender documentation (e.g. Invitation to Tender (ITT), specifications, drawings, evaluation criteria etc) must be made available electronically from the date of publication of the OJEU notice (or Contracts Finder advert).

Completed questionnaires must be evaluated by the appropriate spending officer in conjunction with Corporate Procurement (and other stakeholders as appropriate) against the above mentioned and pre-determined criteria. Corporate Procurement or Service Support Administration, if advised by Corporate Procurement, will notify any applicants that are excluded with the reasons why.

Any appeal by an unsuccessful applicant or request for further details of the reason for exclusion must be handled by Corporate Procurement in conjunction with the spending officer. Details should then be forwarded to the Team Leader, Service Support Administration, who will provide a written response to the applicant.

If there are fewer than five persons who have expressed an interest or who meet the minimum pre-qualification criteria, then the written approval of the Strategic Enabler - Finance and Resources must be sought, prior to inviting tenders.

From April 2017 all Contracting Authorities must accept a European Single Procurement Document (ESPD) from a supplier as proof that the supplier meets the mandatory and discretionary criteria for the procurement.

2.11.4.2 Open procedure

If the contract value is below the EU threshold or it is not intended to shortlist following public advertisement then the procedure below must be followed:

- A minimum of 30 days' public notice should be given using one or more of the advertising methods mentioned in section 2.11.3 above.
- All such advertisements will be placed by Corporate Procurement who will advise on the content.
- An invitation to tender (ITT) will be produced by Corporate Procurement in conjunction with the appropriate spending officer and will be available for all interested suppliers to download from the e-Tendering system.
- The ITT will include selection and award sections with detailed scoring criteria. All suppliers passing mandatory selection questions will go through to the award section.
- The timescales for conducting an open tender process for an EU tender exercise are prescribed within the EU Procurement Directives and Corporate Procurement **must** be contacted for advice in this instance.
- The process for the receipt of tenders will be handled by Service Support Administration via the e-tendering system.
- Completed tenders must be evaluated by the appropriate spending officer in conjunction with Corporate Procurement (and other stakeholders as appropriate) against the criteria detailed in the ITT.

2.11.5 Developing the invitation to tender (ITT)

All tender documentation must be developed in conjunction with Corporate Procurement and should include:

- a specification of the goods, services or works that describes the Authority's requirements in sufficient detail;
- the schedule of rates or pricing schedule;
- the terms and conditions of payment;
- the contract period or time within which the contract is to be performed (including any extension options);
- the basis (minimum criteria plus lowest whole life cost or most economically advantageous tender) on which the tenders will be evaluated;
- the evaluation criteria (mandatory and discretionary) against which the tenders will be evaluated (including weightings);
- the conditions of contract or specimen contractual agreement (advice should be sought from Corporate Procurement regarding suitable conditions of contract); and
- the statement that the Authority does not bind itself to accept the lowest or any tender and will not be responsible for any costs incurred by suppliers associated with the preparation of their tender.

Unless otherwise agreed, the formal advice of the Corporate Procurement Manager must be sought for the following types of tenders or contracts:

- where the total value exceeds £100,000;
- those involving leasing arrangements;
- where it proposed to use a supplier's own terms and conditions; and
- those involving the purchase of ICT hardware and/or application software (Note: The strategic head of ICT should also be informed of these types of contracts).
- any tenders that may be let using an e-auction.

2.11.6 Developing specifications

The Authority may conduct market consultations prior to preparing the specification and should inform the market of their plans. Any decisions made from the

engagement should not distort competition or result in a violation of the principles of non-discrimination and transparency. A record of any market consultations must be kept with the tender records.

Where a supplier or a third party related to a supplier has been involved in a pre-market consultation exercise, the Authority must ensure that it takes appropriate measures to ensure that competition is not distorted by the participation of that supplier in the procurement process.

Specifications should set out the characteristics and quantity of the goods, service or works to be purchased to enable the supplier to determine and understand that which is to be supplied. This information can be in the form of a description of the physical, functional or performance characteristics. It can include a description of any requirement for inspecting, testing or preparing a material, equipment, supplies, social value or service for delivery.

The spending officer must ascertain the relevant British, European or International Standards which are necessary to describe the required quality.

The Authority is permitted to request specific labels when procuring goods, services or works with the specific (relevant) social or environmental characteristics linked to the subject matter of the procurement as long as the label requested is objectively verifiable, established in an open and transparent manner and accessible to all interested parties e.g. Fairtrade.

To comply with the EU Directives the use of brand or trade names must be avoided where possible when describing products. Alternatively, the words 'or equivalent and approved' must also be included.

Specifications must not be written to discourage competition regardless of the contract value.

2.11.7 Developing the tender evaluation criteria

Under the EU Regulations, there is an obligation to state the criterion and sub-criterion on which the tenders will be evaluated in addition to the relative weighting given to each criterion. The criterion should be split into quality, social value and cost, with a minimum of 5% being allocated to social value. Although this is not a mandatory requirement for contracts that are valued below the EU Thresholds it is still considered best practice to follow this same procedure when developing the evaluation criteria.

Tender evaluation criteria and their relevant weightings should be determined and agreed prior to the invitation of tenders and must be published in either the tender advertisement or the tender documentation.

The criteria for awarding contracts shall be most economically advantageous tender (MEAT).

Tender shall be evaluated on the basis of the price or cost, using a cost-effectiveness approach, such as life-cycle costing in accordance with regulation 68 of the Public Contract Regulations 2015, and criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question.

Such criteria may comprise, for example—

- quality, including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions;
- organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract; or
- after-sales service and technical assistance, delivery conditions such as delivery date, delivery process and delivery period or period of completion.

Evaluation criteria must not include:

- non-commercial considerations;
- matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement, for example, giving preference to local or UK based suppliers; or
- anything that contravenes the EU Treaty principles of equal treatment, non-discrimination, mutual recognition, proportionality and transparency
- criteria that has already been applied as part of the pre-qualification process

Once the tender documentation is complete the spending officer should forward it to Service Support Administration or Corporate Procurement, who will upload the tender documents on the e-tendering system.

2.11.8 Submission, opening and registration of formal tenders

Where the procurement falls above the EU Threshold then specific tendering time periods must be adhered to (refer to the guidance in the Procurement Manual and seek advice from Corporate Procurement).

For tenders below the EU Threshold, suppliers must be given an adequate period of time in which to prepare and submit a proper tender which is consistent with the complexity of the contract requirement.

Normally a minimum of 30 days must be allowed for the submission of tenders following despatch.

All communications in relation to tender correspondence must be issued, returned and opened via Service Support Administration on behalf of Corporate Procurement using the e-tendering portal.

Service Support Administration will ensure that all tenders are opened at the same time, as soon as possible after the closing date and time. Late bids will automatically be rejected by the e-tendering system.

The tenders will be opened by the Team Leader, Service Support Administration or their representative.

At the time of opening the Team Leader will print a report from the e-tendering system, detailing the opening of each bid. The Team Leader will sign, date and retain this report.

The tenders will then be forwarded to Corporate Procurement and the appropriate spending officer for evaluation.

Where the spending officer has endeavoured to obtain three tenders and where fewer than three were received, the reasons why must be justified and approved by the Strategic Enabler - Finance and Resources. In the event of only one tender being received the Corporate Procurement Manager may request that additional bids are obtained and that the tender exercise is repeated.

2.11.9 Tender evaluation

Tenders shall be evaluated to assess how requirements will be met and to ensure that consideration has been given to the cost, social value and quality of the solutions offered. Evaluations shall be carried out by the spending officer and Corporate Procurement following receipt of completed tenders.

Evaluations shall be carried out in an open and transparent manner ensuring that all tenders submitted are treated equally.

All completed tenders shall be evaluated against the assessment or award criteria as set out in the invitation to tender documentation.

Where the examination of a tender reveals:

- any manifest error or ambiguity (such as an obvious arithmetical error) that can readily be clarified, the supplier shall be given the opportunity to clarify their tender and confirm this in writing;
- that the offer requires clarification, Corporate Procurement shall contact the supplier to seek clarification; and
- an arithmetical error, subject to the prior approval of the Strategic Enabler – Finance and Resources or an officer designated by him or her, the necessary correction shall be notified to the supplier in writing who shall within seven days from receipt of such notice either confirm their tender in writing as corrected or withdraw it.

2.11.10 Acceptance of quotations and tenders

The Spending Officer must submit a written report to the Strategic Enabler - Finance and Resources to obtain approval prior to acceptance or in his or her absence a Brigade Manager. Such approval will be subject to:

- a) The contract being awarded to the supplier submitting the most economically advantageous tender
- b) The value of the contract being within identified funding provisions

If either of the above criteria are not met, a report must be submitted to the Executive Committee or Fire Authority meeting for consideration prior to the award of the contract.

A report would also be submitted to the Executive Committee or Fire Authority prior to the award of a contract if such a requirement was indicated by Members following receipt of the pre tender report (see section 2.11).

As a minimum this report must include the following information:

- title or details of the contract;
- date tenders were opened;
- details of recommended supplier;
- period of contract (including any extension options);
- value of the contract;
- whether the award is within the approved budget;
- social value benefits
- any other relevant information, for example, savings or efficiency gains.

A retrospective twice yearly Summary Report must be submitted to the Executive Committee or Authority for information only for contract awards in excess of £250,000. This will be produced by Corporate Procurement in conjunction with the spending officer(s).

In respect of contracts in excess of the EU Threshold the 'mandatory standstill period' must be undertaken prior to submitting a report to the Strategic Enabler - Finance and Resources or the Executive Committee or Fire Authority.

Once approved the spending officer must send a copy of the report, approval and all tenders received to Service Support Administration for retention.

2.12 Award of contracts and notification of suppliers

2.12.1 Award of contracts

Spending officers may accept quotations where the total value is less than £25,000 provided they have been sought and evaluated in accordance with this standing order and they have the appropriate authorisation limit as stated in Standing Order 1/6 Authorisation or Expenditure and Certification and Retention of Documents. The Spending Officer must arrange for a purchase order to be raised via Corporate Procurement.

2.12.2 Where the contract value is over £25,000, Service Support Administration are responsible for the notification of all suppliers simultaneously, of the intention to award the contract to the successful supplier.

Every contract in excess of £25,000 shall be in writing and must specify:

- the goods, services or works to be provided and the conditions to apply;
- the provisions for payment (for example, what is to be paid and when with a statement of discounts or other deductions);
- the time or times within which the contract is to be performed (contract period) including any extension provisions;
- the provisions for the Authority to terminate the contract;
- details of the social value agreed and the monitoring arrangements
- the reference of the framework agreement where the contract is being placed under a framework agreement; and
- any other matters specific to the contract.

All Contracts between £3,000 and £99,999 must be accepted by issuing a purchase order containing the above information.

All contract awards in excess of £25,000 must be reported on Contracts Finder by Corporate Procurement.

2.12.3 Award of contracts over £100,000

Spending officers shall consult with Corporate Procurement following receipt of an approval to award, regarding any formal tenders (over £100,000). A minimum period of 6 weeks is required by Service Support Administration, Corporate Procurement and Sandwell Legal Services to prepare all the paperwork to send formal contracts to the successful supplier for signature. Where possible Spending Officers should build this timescale into the procurement process to ensure that contracts can be awarded prior to the required commencement date i.e. the date that the new contract begins.

Service Support Administration will retain a copy of all relevant documents for 6 years for audit purposes and will inform unsuccessful suppliers.

If it is determined that the contract for the goods, services or works is no longer required and therefore the procurement exercise needs to be terminated, the spending officer shall forward all associated documentation to Corporate Procurement with an explanation of why the exercise needs to be terminated. In the event that the procurement exercise is terminated Service Support Administration will notify the suppliers via the e-tendering system and retain the documentation on file for audit purposes for a period of 6 years.

For EU tenders, Corporate Procurement shall publish details of the successful suppliers in a Contract Award Notice placed in OJEU within 30 days of the contract award.

2.12.4 Notifying and debriefing of suppliers

Apart from the debriefing required or permitted by this standing order, the confidentiality of quotations, tenders and the identity of suppliers must be preserved at all times and information about one supplier's response must not be given to another.

Where the total value of the contract exceeds the EU Threshold the debriefing process will be handled by Corporate Procurement in conjunction with the spending officer. This is a mandatory process which is governed by the EU Procurement Directives and is known as the 'mandatory standstill period'.

Notification of the acceptance of a tender shall be sent in writing to the successful supplier. Such notification will be issued by Service Support Administration and clearly marked 'Subject to Contract' where a subsequent formal contract let by the Clerk to the Authority is required by this standing order.

All rejection letters shall include the scores awarded and reasons for the score. Where the value of the contract exceeds the EU Threshold the rejection letter shall also include the relative characteristics/advantages of the winning supplier and shall comply with the EU Directive 'mandatory standstill period'.

In addition to the above if a supplier requests a debrief this will be carried out within 15 days from receipt of written request.

2.12.5 Signature of contracts (including purchase orders)

Contracts will be signed as follows:

| Total value | Method of completion | Person responsible |
|--------------------|---|--|
| Up to £24,999 | Signature and Purchase Order | Person authorised as per <u>Standing Order 1/6</u> |
| £25,000-99,999 | Signature on acceptance letter and purchase order | Person authorised as per <u>Standing Order 1/6</u> |
| Above £100,000 | Signature and common seal of the Authority | Clerk to the Authority |

All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the Strategic Enabler - Finance and Resources or in his or her absence a Brigade Manager. An award letter is insufficient. Refer to section 2.17 for special exemptions.

2.13 Competitive Procedure with Negotiation or Competitive Dialogue Procedures

2.13.1 Using these procedures

A competitive procedure with negotiation or a competitive dialogue may be used in the following situations:—

- with regard to works, supplies or services fulfilling one or more of the following criteria:—
- the requirement cannot be met without adaptation of readily available solutions;
- the requirement includes design or innovative solutions;
- the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial make-up or because of risks attaching to them;
- the technical specifications cannot be established with sufficient precision with reference to a standard, European Technical Assessment, common technical specification or technical reference;
- with regard to works, supplies or services where, in response to an open or a restricted procedure, only irregular or unacceptable tenders are submitted.

Advice from Corporate Procurement must be sought prior to the use of either of the above procedures.

2.13.2 Using Negotiation

Contracts under £100,000 may be awarded by negotiation when one or more of the criteria in section 2.13.1 applies. Spending officers wishing to let a contract by way of negotiation must obtain the prior written approval of the Strategic Enabler - Finance and Resources or a Brigade Manager in his absence. Once approval is obtained, Corporate Procurement shall agree a negotiation strategy with the spending officer and support or conduct negotiations as appropriate.

The following procedures shall be adopted in all negotiations:

- an agreed record of the discussions held with prospective suppliers shall be kept;
- any agreement must be confirmed in writing by the prospective supplier;
- no information shall be given to a potential supplier as to any competitors' quotation or tender, particularly prices and discounts;
- all negotiations must be held in an open and fair manner;
- each supplier should be given the same opportunity to revise their offer;
- documentation must allow the Authority to reserve the right to award following the initial offer without the need for further negotiation;
- only officers designated by the Strategic Enabler - Finance and Resources or Corporate Procurement Manager shall be permitted to conduct negotiations; and
- a minimum of two officers must be present during all negotiations.

A report on the financial or other benefits resulting from any negotiations should be submitted to the Strategic Enabler - Finance and Resources, prior to the award of any contract.

2.14 Use of approved supplier lists

Approved lists of pre-qualified suppliers should be used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise. Approved lists cannot be used where the EU procedure applies.

Spending officers with devolved procurement responsibilities may draw up in consultation with Corporate Procurement:

- approved lists of suppliers ready to perform contracts to supply goods, services or works of particular types including without limitation on the basis of agreed contract terms;
- minimum criteria to be accepted on the approved list e.g. health and safety policy, social value policy; and
- criteria for the selection of suppliers from the approved list.

No supplier may be entered onto an approved list until there has been an adequate investigation by representatives of Finance, Procurement and any other appropriate sections into the supplier's financial standing (where the contract exceeds £25,000) and their technical ability to perform the contract, unless such matters will be investigated each time quotes are invited from that list.

The list and short listing criteria must be reviewed periodically.

Review means:

- the reassessment of the financial and technical ability and performance of those persons on the list, unless such matters will be investigated each time quotes are invited from that list; and
- the deletion of those persons no longer qualified, with a written record kept justifying the deletion.

All approved lists shall be maintained in an open, fair and transparent manner.

2.15 Use of framework agreements

A framework agreement is an arrangement set up by a third party organisation for the procurement of specific goods, services or works on agreed terms with agreed suppliers, that may be utilised by other organisations as specified in the contractual agreement. Examples of organisations with framework agreements include Crown Commercial Services (CCS), Yorkshire Purchasing Organisation (YPO), The Consortium, etc. Other Fire and Rescue Services and Public Sector bodies may also

establish framework agreements. It is the responsibility of the spending officer and Corporate Procurement to ensure the framework agreement can be utilised.

Contracts based on framework agreements may be awarded in one of two ways as follows:

1. applying the specification and terms laid down in the framework agreement (where such specification and terms are sufficiently precise to cover the particular call-off) without reopening competition, that is, placing an order against a catalogue of goods and/or services.
2. where the specification and terms laid down in the framework agreement are not precise enough or sufficiently detailed for the particular call-off, by conducting a further competition exercise in accordance with the procedure detailed below. In any event the framework call-off conditions must **always** be followed.

2.15.1 Option 1 - Placing an order under a framework agreement

When placing an order against a framework agreement catalogue the purchase order essentially acts as the contract.

The spending officer will be expected to compare the pricing from the listed suppliers for the products or services required in order to justify best value.

The authorisation prior to placing the purchase order must therefore be as follows:

| Total value of purchase order | Person responsible for authorisation |
|--------------------------------------|--|
| Up to £24,999 | Person authorised as per <u>Standing Order 1/6</u> |
| £25,000 – £49,999 | Corporate Procurement Manager or in his or her absence the Strategic Enabler - Finance and Resources |
| £50,000 up to £100,000 | Strategic Enabler – Finance and Resources or in his or her absence a Brigade Manager |
| Over £100,000 | Strategic Enabler - Finance and Resources or in his or her absence a Brigade Manager plus a retrospective report for contracts over £250,000 to the Executive Committee or Fire Authority will be required as per section 2.11.9 |

2.15.2 Option 2 - Conducting a further competition exercise using a framework agreement

Where the value of the purchase exceeds £250,000 a preliminary report will need to be submitted to the Executive Committee or Fire Authority as detailed in section 2.11.

When conducting a further competition exercise the following requirements must be taken into account:

- always follow the framework agreement call-off conditions
- invite to tender all the suppliers listed within the framework agreement that are capable of meeting the particular need or requirement. This should be undertaken as per this standing order and should allow a sufficient time limit for tenders to be submitted, taking into account factors such as the complexity of the contract and the required response. Ideally this should be a minimum period of 2 weeks;
- evaluating and awarding each contract to the supplier who has submitted the best tender (as per the guidance in this standing order) on the basis of the award criteria set out within the framework agreement;
- acceptance of quotations or tenders must follow the guidance contained in this standing order under section 2.11.9; and

- a letter of acceptance or signed order form must be sent to the successful supplier which must be signed as per the provisions of section 2.12.5

It should be noted that an OJEU advertisement or any other advertisement does not need to be placed when conducting a further competition exercise under a framework agreement.

The advice of Corporate Procurement should always be sought prior to using a framework agreement.

2.16 Contract modifications

2.16.1 Modifications to existing contracts (contract values exceeding £3,000)

A contract modification may refer to an extension of the contract period or to changes/amendments to the contract specification or service provision.

Modifications may be undertaken to existing contracts awarded competitively or following invitation to tender provided that:

- where the modification, irrespective of value has been provided for in the initial procurement documents in precise, clear and unequivocal review clauses.
- where additional works, services or supplies have become necessary and were not included in the original procurement but a change of contractor is not possible for economic or technical reasons or because it would cause significant inconvenience or duplication of costs. The modification may not exceed 50% of the original contract price. Where the original contract value was above the EU threshold value, a notice must be sent to OJEU.
- where the modification has been brought about by circumstances that could not have been foreseen and the modification does not alter the overall nature of the contract and any increase in price does not exceed 50% of the value of the contract. Where the original contract value was above the EU threshold value, a notice must be sent to OJEU.
- where a new contractor replaces the previous contractor as a consequence of an unequivocal review clause or the succession of the initial contractor due to a merger, company acquisition etc provided that the new contractor meets the qualitative criteria established during the procurement.
- where the modification is not substantial within the meaning of the Presettext case e.g.
 - the modification does not render the contract materially different in character;
 - the modification does not introduce conditions which would have allowed other suppliers to bid;
 - the modification does not change the economic balance in favour of the contractor in a manner not provided for in the initial tender;
 - the modification does not extend the scope of the contract considerably.
- the modification is very small and below the threshold (for the type of contract) and is below 10% for supplies and service and 15% for works of the original contract price as long as the modification does not alter the overall nature of the contract.

For modifications between £3,000 and £49,999 and where the total revised contract value does not exceed £49,999, a written report should be compiled and submitted to the Corporate Procurement Manager for approval.

For modifications to contracts where the revised contract value is in excess of £50,000 a written report should be compiled detailing the required extension or

variation and submitted to the Strategic Enabler – Finance and Resources for approval or a Brigade Manager in his or her absence.

Where the revised contract value (following modification) now exceeds £250,000, a retrospective report must be submitted to the Authority or Executive Committee for their information. For any modifications to a contract that was originally awarded under the EU Tendering Regulations, advice must be obtained from Corporate Procurement.

Contract modifications should not be agreed with suppliers until approval has been obtained.

2.16.2 Contingency allowance

Where contingency sums are deemed necessary contingency allowances should not exceed 10% of the original estimated contract value.

2.17 Special exemptions to this standing order

Spending officers wishing to enter into a contract where there is deemed to be a 'special exemption' **must** obtain prior approval from the Corporate Procurement Manager for contracts valued under £50,000 and the Strategic Enabler – Finance and Resources for contracts valued at £50,000 and over, identifying the reason for the exemption and that part of the standing order to which it applies.

This provision does not apply to Facilities Management for emergency building works of less than £5,000 in value.

If the Strategic Enabler – Finance and Resources was involved in the initial decision making process then approval for the exemption must be sought from a Brigade Manager.

Examples of circumstances in which an exemption might be appropriate are as follows:

- a) the goods or materials are purchased or sold at auction, public fairs or markets;
- b) the provision of goods, services or works is obtainable only from one supplier and no satisfactory alternative is available;
- c) there are less than three suppliers known to be in the market for particular goods, services or works, (in such cases, tenders shall be invited from such lesser number of suppliers);
- d) the prices of the goods, services or works are wholly controlled by trade organisations or government order and no reasonable satisfactory alternative is available;
- e) tenders have or will be invited on behalf of any consortium, collaboration or similar body in which the Authority is participating, in accordance with any method adopted by such a body;
- f) the goods or services are deemed expedient for Service requirements;
- g) where the goods, services or works are so urgently required as not to permit the invitation of tenders. In such case, the prior approval of the Strategic Enabler – Finance and Resources, or a Brigade Manager in their absence, must be obtained; and

Separate special exemption rules apply where the value exceeds the E U Threshold and are very limited. Advice must be sought from the Corporate Procurement Manager in this instance. Under no circumstances does the Authority have the power to waive its obligations under law.

Where a contract or agreement is entered into under paragraph 2.17 (above) and its value exceeds £250,000, a retrospective report must be submitted to the next available Fire Authority Meeting or Executive Committee. Corporate Procurement is responsible for the compilation and submission of these reports.

2.18 Bonds and parent company guarantees

The spending officer must consult the Strategic Enabler – Finance and Resources about whether a parent company guarantee is necessary when a supplier is a subsidiary of a parent company and:

- the total contract value exceeds £100,000;
- the award is based on evaluation of the parent company; and
- there is some concern about the financial stability of the supplier.

The spending officer must consult the Strategic Enabler – Finance and Resources about whether a bond is needed where:

- the total contract value exceeds £500,000; and
- it is proposed to make staged or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the financial stability of the supplier.

2.19 Risk assessment and contingency planning

A corporate risk assessment must be prepared for all procurements with a potential value over the EU Threshold or where the failure of the contract will have a significant impact on the core operations of the Authority.

Contract managers (in conjunction with Corporate Procurement) must:

- maintain a risk register during the contract period;
- undertake appropriate risk assessments for identified risks; and
- ensure contingency measures are in place to comply with the WMFS Business Continuity Plan where appropriate.

2.20 Social Value

"As a concept, social value seeks to maximise the additional benefit that can be created by procuring or commissioning services, above and beyond the benefit of merely the services themselves" – The Public Services (Social Value) Act 2012.

Spending Officers must take Social Value into account when awarding a contract in excess of £3,000 for Supply, Services or Works. Social Value requirements must be included in the specification, the award criteria and the evaluation of bids.

A minimum of 5% of the overall award marks must be allocated to Social Value where Most Economical Advantageous Tender (MEAT) is used. It should be noted that a Supplier's bid cannot be rejected if they decline to offer Social Value unless Social Value is a fundamental part of the specification, and in such cases it must be shown as a mandatory requirement.

Details of the Social Value offered by the preferred Supplier must be included in the written report to the Corporate Procurement Manager or the Strategic Enabler, Finance and Resources, where reports are required.

The Spending Officer must monitor and record details of the performance and benefits obtained through the Social Value offered.

General guidance regarding Social Value can be obtained from Corporate Procurement.

3. CROSS REFERENCES

[Standing Order 1/6](#) – Authorisation or Expenditure and Certification and Retention of Documents

[Standing Order 1/22](#) - Anti Fraud and Corruption Policy

[Standing Order 2/12](#) – Code of Conduct

[Standing Order 2/15](#) – Declaration of Membership of External Organisations and Acceptance of Donations, Gifts and Hospitality

Standing Order 2/14 – Equality Impact Assessment

[Standing Order 2/25](#) - Outside Employment and Secondary Contracts Policy

[Standing Order 22/2](#) – Partnership Working

Standing Order 2/20 – Whistle Blowing Policy

Standing Order 22/7 – Corporate Risk Management

The Authority's Financial Regulations

Procurement Manual

4. KEY CONSULTEES

Procurement staff

Team Leader, Service Support Administration

Facilities Manager

The Strategic Enabler - ICT

Transport and Engineering Workshops Manager

Finance Manager

The Strategic Enabler – Finance and Resources

Sandwell MBC – Legal Services Department

Sandwell MBC – Internal Audit Department

The Strategic Enabler - Strategic Hub

Area Commander - Strategic Enabler Community Risk Management

Station Commander - Haden Cross

Station Commander – Community Safety

Station Commander – Technical Rescue Unit

Station Commander – Solihull

Group Commander - Black Country North

West Bromwich Green

Willenhall Blue

Highgate Green

Woodgate Valley Red

The Strategic Enabler – DICE

Safety, Health and Environmental Team

FBU

UNISON

Fire Officers' Association

5. EQUALITY IMPACT ASSESSMENT

The EIA Preliminary Assessment classed this standing order as low impact and a full Equality Impact Assessment was not required.

6. OWNERSHIP

This standing order was approved by the Fire Authority.

7. RESPONSIBILITY AND REVIEW/AMENDMENT DETAILS

7.1 Responsible SET Member/Department

The Strategic Enabler – Finance and Resources/Corporate Procurement.

7.2 Created/fully reviewed/amended

December 2009 fully reviewed by the Corporate Procurement Manager

March 2011 amended by the Corporate Procurement Manager

Amendment made to EU Threshold, section 2.7 and 2.11.1, December 2011, by Senior Contracts Manager, Procurement

September 2014 fully reviewed by Corporate Procurement Manager

October 2014 amended by Corporate Procurement Manager

September 2015 amended to include changes in The Constitution made on 29th April 2015, The Public Contract Regulations 2015, and the introduction of an e-tendering system by the Senior Contracts Manager, Procurement.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. STATEMENT OF ACCOUNTS 2014/2015

Report of the Treasurer.

RECOMMENDED

- 1.1 THAT the Statement of Accounts for 2014/2015 be approved.
- 1.2 THAT the Statement of Accounts summary set out in Appendix A be noted.

2. PURPOSE OF REPORT

This report is submitted to seek the approval of Members for the Authority's Statement of Accounts for the financial year ended 31 March 2015.

3. BACKGROUND

- 3.1 The Accounts and Audit Regulations 2011 require that the accounts be submitted to Members for approval by the end of September.
- 3.2 It is a further requirement of the Regulations that Members are informed of any material changes required by the external auditors. Audit work on the Statement of Accounts has been substantially completed.
- 3.3 The Accounts show net cost of services in 2014/2015 of £112.7 million including an appropriation to earmarked reserves of £5.616 million. General balances have increased by £0.016 million to £9.231 million.
- 3.4 The total Provision of Services in 2014/2015 shows a deficit of £67.217 million, after allowing for the required accounting treatment of pensions governed by International Accounting Standard – Nineteen (IAS19). Within this deficit is £107.533 million on the provision of Fire Services, £75.389 million on Pensions and £0.119 million on Fire Service Emergency Planning and Civil Defence. Capital expenditure totalled £3.036 million.

- 3.5 A summarised Statement of Accounts is attached as Appendix A. The full Statement of Accounts is available on the Fire Service Internet and can be viewed at <http://www.wmfs.net/content/statement-accounts>.
- 3.6 A hard copy of the full Statement of Accounts can be supplied to individual Members on request and will be available to view at the Authority meeting.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report will enable the Authority to meet its statutory obligations under the Accounts and Audit Regulations 2011.

6. **FINANCIAL IMPLICATIONS**

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

BACKGROUND PAPERS

Accounts and Audit Regulations 2011
Code of Practice on Local Authority Accounting 2014/2015
Final Accounts Files – Finance Office

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

MIKE GRIFFITHS
TREASURER

WEST MIDLANDS FIRE SERVICE

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Summary of Accounts

2014/2015

The full Statement of Accounts can be viewed at
<http://www.wmfs.net/content/statement-accounts>

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

STATEMENT OF ACCOUNTS 2014/2015 SUMMARY

Introduction

This document is a summary of the Authority's Statement of Accounts for 2014/2015.

The Authority is responsible for the Stewardship of public money and the production of summary accounts allows it to enhance its accountability to the residents of the West Midlands.

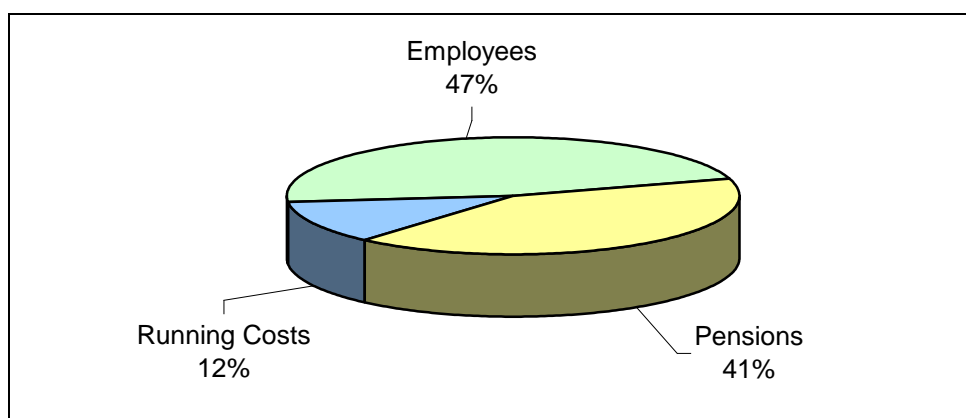
The Authority's 2014/2015 Statement of Accounts is prepared in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, under International Financial Reporting Standards (IFRS).

These summary accounts have no legal standing and are not subject to external audit.

How much did the Service cost in 2014/2015

The majority of the net cost of Fire Service expenditure relates to firefighting and rescue operations (£97m) and community fire safety work (£14m).

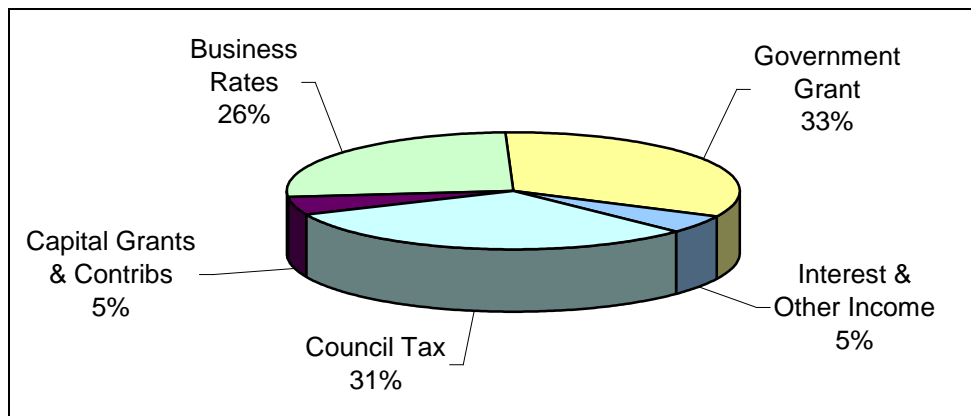
The total Provision of Services in 2014/2015 shows a deficit of £67.217m. Within this deficit is £107.5m on the provision of Fire Services, £75.4m on Pensions and £0.1m on Fire Service Emergency Planning and Civil Defence. The type of costs can be broken down as follows:



How was the Service funded in 2014/2015

The total income of the Authority in 2014/2015 was £115.8m. The majority of funding came from the government in the form of grant and a share of business rates.

The main sources of funding are shown below.



Balances and Reserves

The Fire Authority must consider the level of general balances it wishes to maintain before it can decide the level of Council Tax to charge in any year.

In order to set a balanced budget in 2014/2015 the Authority assumed no movement in general balances. The actual level of general balances increased in the year by £0.016m, leaving £9.231m general balances at the end of the financial year. The Authority holds general balances as funding to meet any unforeseen events which it may need to respond to. Interest is earned on any unused balances.

In addition, as part of the closedown of accounts process, consideration needs to be given to the level of earmarked reserves required. These are amounts set aside to meet specific anticipated future demands. The level of earmarked reserves increased by £5.616m, this brought the total level of these reserves to £36.266m. Interest is earned on any balances until expenditure is committed against the demands identified.

Capital Expenditure and Funding

In 2014/2015, the Authority spent £3.036 million on capital projects.

The expenditure was incurred on the following:-

| | £000s |
|------------------|--------------|
| Land & Buildings | 2.023 |
| ICT & Equipment | 0.619 |
| Vehicles | 0.394 |

The total expenditure was financed directly by the application of capital grants.

No borrowing was undertaken to assist with purchase of assets during 2014/2015. Borrowing in earlier years meant that at the end of 2014/2015 the Authority had total loans of £40.751m (the interest and principal on any loans needs to be met from future revenue budgets). The value of long-term assets held by the Authority as at 31st March 2015 which the loans had helped fund was £139m, of which approximately 94% related to land and buildings and 6% related to vehicles and equipment.

Further information can be found by contacting the Finance Manager at West Midlands Fire Service Headquarters, 99 Vauxhall Road, Birmingham, B7 4HW, telephone number 0121 380 6920 or e-mail kal.shoker@wmfs.net.

The Authority's full 2014/2015 audited Statement of Accounts can be found on our website www.wmfs.net.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. **AUDIT FINDINGS 2014/2015**

Joint report of the Chief Fire Officer and the Treasurer.

RECOMMENDED

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

2. **PURPOSE OF REPORT**

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

3. **BACKGROUND**

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

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

3.3 The AFR is attached as Appendix A.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is required and has not been carried out. The matters contained in this report will not lead 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**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Statement of Accounts 2014/2015 located in the Financial Management Section.

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

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

The Audit Findings

West Midlands Fire and Rescue Authority

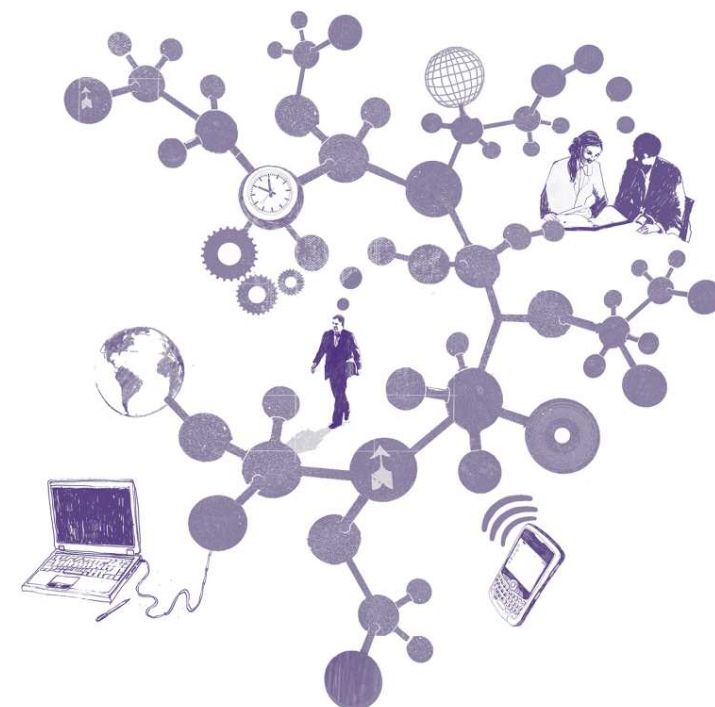
Year ended 31 March 2015

September 2015

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September 2015

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Audit Findings for West Midlands Fire and Rescue Authority for the year ending 31 March 2015

This Audit Findings report highlights the significant findings arising from the audit for the benefit of those charged with governance (in the case of West Midlands Fire and Rescue Authority, the Audit Committee), as required by International Standard on Auditing (UK & Ireland) 260. Its contents have been discussed with management prior to this meeting and will be presented to and discussed with the Audit Committee at their next meeting.

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

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

James Cook

Chartered Accountants

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Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Executive summary

Purpose of this report

This report highlights the key matters arising from our audit of West Midlands Fire and Rescue Authority's (the Authority) financial statements for the year ended 31 March 2015. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing 260 (ISA UK&I).

Under the Audit Commission's Code of Audit Practice we are required to report whether, in our opinion, the Authority's financial statements present a true and fair view of the financial position and expenditure and income for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. We are also required to reach a formal conclusion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the Value for Money conclusion).

Introduction

In the conduct of our audit we have not had to alter or change our planned audit approach, which we communicated to you in our Audit Plan dated March 2015.

Our audit is substantially complete although we are finalising our work in the following areas:

- Confirming the accounting treatment for the Pension commutation issue as detailed on page 12.
- Obtaining and reviewing the signed management letter of representation and Annual Governance Statement.
- Updating our post balance sheet events review, up to and including the date of signing the opinion.
- Whole of Government Accounts

We received draft financial statements and accompanying working papers at the start of our audit, in accordance with the agreed timetable. This was ahead of the national timetable for preparing financial statements.

Key issues arising from our audit

Financial statements opinion

We anticipate providing an unqualified opinion in respect of the financial statements.

We have not identified any adjustments affecting the Authority's reported financial position. Both the draft and audited financial statements record Total Comprehensive Income and Expenditure as net expenditure of £104.198 million.

We did identify a relatively small number of disclosure errors, and requested some adjustments to improve the presentation of the financial statements. Those of note are detailed in section 2 of this report.

Further details are set out in section two of this report.

The other key messages arising from our audit of the Authority's financial statements are:

- The draft accounts and working papers were of an excellent quality.
- Finance staff responded promptly to all audit queries in all departments.

Value for Money conclusion

We are pleased to report that, based on our review of the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, we propose to give an unqualified VfM conclusion.

Further detail of our work on Value for Money is set out in section three of this report.

Whole of Government Accounts (WGA)

We will complete our work in respect of the Whole of Government Accounts in accordance with the national timetable.

Controls**Roles and responsibilities**

The Authority's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Authority.

Findings

Our work identified a number of control weaknesses which individually would not lead to material misstatement, but we considered were worth bringing to the attention of the Audit Committee. These fall into two main categories:

- IT weaknesses in relation to system access, and
- IT policies & procedures.

We have included an action plan and made recommendations where appropriate which have been agreed with the Strategic Enabler of Finance and Resources and his colleagues.

Further details are provided within section two of this report.

The way forward

Matters arising from the financial statements audit and review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Strategic Enabler of Finance and Resources.

We have made a number of recommendations, which are set out in the action plan in Appendix A. Recommendations have been discussed and agreed with the Strategic Enabler of Finance and Resources and the finance team.

Acknowledgment

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2015

Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Audit findings

In this section we present our findings in respect of matters and risks identified at the planning stage of the audit and additional matters that arose during the course of our work. We set out on the following pages the work we have performed and the findings arising from our work in respect of the audit risks we identified in our audit plan, presented to the Audit Committee on 23rd March 2015. We also set out the adjustments to the financial statements arising from our audit work and our findings in respect of internal controls.

Changes to Audit Plan

We have not made any changes to our Audit Plan as previously communicated to you on 23rd March 2015 other than undertaking specific tests to review the accounting treatment of the payments for the smoke alarms and CO detectors. There are more details of this transaction on page 12.

Audit opinion

Our proposed audit opinion is set out in Appendix B.

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA (UK&I) 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

| | Risks identified in our audit plan | Work completed | Assurance gained and issues arising |
|----|--|---|---|
| 1. | Improper revenue recognition Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to improper recognition | <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at West Midlands Fire and Rescue Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> •there is little incentive to manipulate revenue recognition •opportunities to manipulate revenue recognition are very limited •the culture and ethical frameworks of local authorities, including West Midlands Fire and Rescue Authority, mean that all forms of fraud are seen as unacceptable. | <p>Our audit work has not identified any issues in respect of revenue recognition.</p> |
| 2. | Management override of controls Under ISA (UK&I) 240 there is a presumed risk of management over-ride of controls | <ul style="list-style-type: none"> • We have reviewed the journal control environment and not identified any significant control weaknesses. • We have tested key journal entries and not found any items which impacted on our opinion. • We have reviewed the accounting estimates, judgements and decisions made by management • We have reviewed any unusual, significant transactions and not identified anything which would impact on our opinion. | <p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgments.</p> |

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses, are attached at Appendix A.

| Transaction cycle | Description of risk | Work completed | Assurance gained & issues arising |
|--|---|--|--|
| Operating expenses | Creditors understated or not recorded in the correct period | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have documented the processes and controls in place around the accounting for operating expenses • We have carried out a walkthrough test to confirm the operation of controls is in line with our understanding • We have tested the completeness of the subsidiary system (purchase ledger) and how it interfaces with the ledger • We have documented the processes in place for month and year end accruals • We have performed cut off testing of purchase orders and goods received notes • We have reviewed a schedule of goods received that have not yet been invoiced and concluded that they are below materiality and do not present a risk to the financial statements. • We have performed testing of a sample of operating expenses to ensure they have been accurately accounted for and in the correct period | Our audit work has not identified any significant issues in relation to the risk identified |
| Fire Fighter Pension Benefit Payments | Benefits improperly computed / claims liability understated | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have documented processes and controls in place around the accounting for Fire Fighters' Pensions. • We have carried out a walkthrough test to confirm the operation of controls is in line with our understanding. • Agreement of pension disclosures in the financial statements to supporting evidence. • We have tested a sample of Fire Fighters' pension payments covering the period 1st April 2014 to 31 March 2015 to ensure that they have been accurately accounted for and in the correct period. | Our audit work has not identified any significant issues in relation to the risk identified. |

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses, are attached at Appendix A.



| Transaction cycle | Description of risk | Work completed | Assurance gained & issues arising |
|------------------------------|---|--|--|
| Employee remuneration | Employee remuneration accrual understated | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have documented the processes and controls in place around the accounting for Employee Remuneration • We have carried out a walkthrough test to confirm the operation of controls is in line with our understanding. • We have performed a review of monthly trend analysis of payments to identify and investigate any usual or irregular movements • We have reviewed the payroll reconciliation to ensure that information from the payroll system can be agreed to the ledger and the financial statements. • We have performed substantive testing of employees for accuracy of payment and the agreement of employment remuneration disclosures to supporting documentation. | Our audit work has not identified any significant issues in relation to the risk identified. |

Significant matters discussed with management

| | Significant matter | Commentary |
|----|---|---|
| 1. | <p>Accounting for the purchase of Smoke Alarms and CO Detectors supplied to each Fire Authority within England</p> <p>Legislation was passed on 11 March 2015 relating to a requirement for all private landlords to fit smoke alarms at every floor within rented properties and carbon monoxide detectors in high risk rooms. This will come into effect from 1 October 2015.</p> <p>To support this, DCLG has provided a grant under section 31 of the Local Government Act which will be channelled through West Midlands FRA and Devon and Somerset FRA (£2.945m £240k respectively) to purchase alarms and detectors which will then be distributed to all FRA as per the agreed allocation.</p> | <p>The Authority accounted for the transaction on an agency basis under IAS18. IAS18 states that "<i>in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.</i>"</p> <p>In effect this means that whilst the transactions were received and made in full by the Authority to purchase the alarms and detectors, they would only show their element of the alarms and detectors within their financial statements. We have confirmed that the specific criteria set out in IAS18 to enable this accounting treatment have been met. Furthermore, we have confirmed that the financial statements and relating transactions also comply with the Code.</p> |
| 2. | <p>Accounting for the Pension Ombudsman's decision – Government Actuary's Department commutation factors</p> <p>The Pension Ombudsman determined in July 2015 that the calculation of pensioners' lump sum amounts on commutation since 1998 was not based on the right actuarial data. The Government Actuary's Department has issued guidance in respect of the Firefighters' Pension Scheme (England): 1992 Scheme. This will enable each Fire Authority to calculate the impact for their 2014/15 accounts.</p> <p>This decision was made after the Authority had prepared its draft financial statements.</p> | <p>This constitutes a post balance sheet event and Grant Thornton is currently in discussions with the NAO and with other audit firms on the most appropriate accounting disclosures. This could also affect the disclosures for provisions, pensions top up grant and contingent liabilities.</p> <p>We will provide the authority with a verbal update at the meeting on 21 September 2015.</p> |

Accounting policies, estimates & judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Authority's financial statements.

| Accounting area | Summary of policy | Comments | Assessment |
|---------------------------------|--|---|---|
| Revenue recognition | <p>The Authority's policy is set out in its accounting policies:</p> <ul style="list-style-type: none"> • Accounting Policy 2 – Accruals of Income and Expenditure, • Accounting Policy 9 – Government Grants and Contributions, and • Accounting Policy 14 – Provisions and Contingent Liabilities | <ul style="list-style-type: none"> • The Authority's policy is appropriate and consistent with the relevant accounting framework – the Local Government Code of Accounting Practice • Minimal judgement is involved • The accounting policy is appropriately disclosed |  Green |
| Estimates and judgements | <p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> • Useful lives and £nil residual value of property, plant and equipment, • Property valuations including revaluations, impairments and fair valuations, • Government Funding and the high degree of uncertainty, • Insurance – the Authority operates a self insure scheme with Sandwell MBC, • Pension fund valuations and settlements, and • Provisions. | <p>We have not identified any issues in relation to accounting estimates and judgements which we wish to bring to your attention.</p> |  Green |



Assessment

● Marginal accounting policy which could potentially attract attention from regulators

● Accounting policy appropriate and disclosures sufficient

● Accounting policy appropriate but scope for improved disclosure

Accounting policies, estimates & judgements continued

| Accounting area | Summary of policy | Comments | Assessment |
|----------------------------------|---|---|---|
| Going concern | The Brigade Managers have a reasonable expectation that the services provided by the Authority will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. | We have reviewed the Brigade Managers' assessment and are satisfied that the going concern basis is appropriate for the 2014/15 financial statements. |  Green |
| Other accounting policies | We have reviewed the Authority's policies against the requirements of the CIPFA Code and accounting standards. | Our review of accounting policies has not highlighted any issues which we wish to bring to your attention |  Green |

Assessment

● Marginal accounting policy which could potentially attract attention from regulators

● Accounting policy appropriate and disclosures sufficient

● Accounting policy appropriate but scope for improved disclosure

Other communication requirements

We set out below details of other matters which we are required by auditing standards to communicate to those charged with governance.



| | Issue | Commentary |
|----|--|--|
| 1. | Matters in relation to fraud | <ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Audit Committee and been made aware of one immaterial instance of fraud. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit. |
| 2. | Matters in relation to laws and regulations | <ul style="list-style-type: none"> We are not aware of any significant incidences of non-compliance with relevant laws and regulations. |
| 3. | Written representations | <ul style="list-style-type: none"> A letter of representation has been requested from the Authority. |
| 4. | Disclosures | <ul style="list-style-type: none"> Our audit work identified no material omissions in the financial statements. Minor omissions were identified which the Authority has addressed by enhancing existing disclosures to more accurately reflect the nature of the Authority's business in 2014/15. The Authority has written off the £143k loan to WMFS Business Safety Ltd which was made dormant in 2014/15. This is not material and the Authority has decided not to disclose this value due to commercial sensitivity. |
| 5. | Matters in relation to related parties | <ul style="list-style-type: none"> We are not aware of any related party transactions which have not been disclosed. |
| 6. | Confirmation requests from third parties | <ul style="list-style-type: none"> We obtained direct confirmations from the Authority's bank, and from PWLB for loans. |

Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

These and other recommendations, together with management responses, are included in the action plan attached at Appendix A. All recommendations were initially raised in 2013/14 and have been re-raised where progress has not been fully completed.



| | Assessment | Issue and risk | Recommendations |
|----|---|--|--|
| 1. |  Amber | Weak password access controls for the Active Directory <p>There is no requirement for users to periodically change their password used to log on to the corporate network. There is also no limit on the number of failed attempts that a user may have at entering their password. Both of these are significant weaknesses in access controls.</p> <p>Without adequate password access controls in place there is an increased risk of unauthorised access being gained to information assets.</p> | <p>We recommended that the Authority comply with recognised best practice:</p> <ul style="list-style-type: none"> •the 'maximum password age' value within Active Directory to between 30-60 days •the 'account lockout threshold' is set to between 3-5 attempts. |
| 2. |  Amber | No Change Management Procedures <p>There is no documented Change Management Policy in place for IT system changes and no documented evidence of the controls implemented for the changes that have taken place on the network and applications during the year. This was also raised as a finding in 2013/14</p> <p>The lack of documented change management procedures for staff to adhere to could result in changes not being effectively administered on the corporate network causing system down-time or service disruption.</p> | <p>IT should implement and maintain formal procedures for the change management process which will describe how they will deal with both minor and major changes and ensure traceability is maintained throughout.</p> |

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

Internal controls (continued)

| | Assessment | Issue and risk | Recommendations |
|----|---|---|---|
| 3. |  Amber | <p>Excessive number of domain administrators</p> <p>There were 21 users who are members of the powerful 'domain administrators' Active Directory group. Users in this group have the ability to perform a wide range of system functions. This is seen as an abnormally high in relation to the number of users.</p> <p>There is a risk that individuals could override system controls, either deliberately or by accident. In addition information assets within the organisation may not be adequately secured against unauthorised or inappropriate access.</p> | <p>Membership of the domain administrators group should be regularly reviewed and restricted to only those trained staff with a requirement to have this level of privilege.</p> <p>Work is on-going to reduce the number of users with domain administration access to the system.</p> |
| 4 |  Amber | <p>Lack of formal review for Information Security policies and procedures</p> <p>At time of review, the existing IT security policy had not been formally reviewed or updated since its establishment in September 2010. Lack of controls create the following risks:</p> <ul style="list-style-type: none"> a) Security administration processes and control requirements may not be formalized, understood by, or communicated to those within the organization responsible for observing and/or implementing them b) Effectiveness of security administration processes and controls may be diminished due to environmental and/or operational changes c) Information security processes, requirements and controls may be inconsistently defined, understood and implemented throughout the organization. d) The lack of formal (documented) information security requirements may make sanctioning employees for inappropriate use of information resources more difficult. For example, a user who caught sharing personal passwords with other employees may be able to claim ignorance of any wrongdoing as this action did not violate any organizational policy documents. | <p>Information security policies and procedures should be reviewed at planned intervals or when significant changes occur to ensure their continuing suitability, adequacy, and effectiveness.</p> |

Internal controls – review of issues raised in prior year

The recommendations raised in the prior year which have been fully implemented are detailed below.

| | Appropriate arrangements now in place | Issue and risk previously communicated | Update on actions taken to address the issue |
|----|---------------------------------------|--|---|
| 1. | ✓ | <p>Weak password access controls for Oracle EBS</p> <p>Our review of the password parameters governing access to the Oracle EBS system shows several weaknesses including:</p> <ul style="list-style-type: none"> •passwords are not required to be a mixture of upper and lower case letters and numeric values •minimum length of a password is only six characters •passwords are not required to be changed on a regular basis, for example, 60 days. <p>Without adequate logical access controls in place there is an increased risk of unauthorised access being gained to information assets.</p> | <ul style="list-style-type: none"> • Password controls have been significantly improved; there is a requirement for password complexity, prompting to change password on a regular basis and also users are not able to re-use their passwords for a set period. |
| 2. | ✓ | <p>Incorrect parameters resulting in insufficient contributions initially made to the pension scheme</p> <p>All employees enrolled on the new 2006 pension scheme whose pension contributions fell at either 9.1% or 9.6% have been incorrectly recorded on the Oracle payroll system between April 2013 and December 2013. The parameters loaded onto Oracle were incorrect. This error was identified by the Authority in December 2013 and the outstanding contributions are being collected from February 2014 over an 8 month period.</p> <p>The authority had identified this issue prior to our interim audit and had implemented measures to correct the mistake. Additional testing has been performed at the final accounts audit and we are satisfied that appropriate action has been taken to rectify the error.</p> | <ul style="list-style-type: none"> • No recommendation raised in the prior year as the Authority had already put appropriate controls in place. These have been assessed as in place as no similar issue has arisen in 2014/15. |
| 3. | ✓ | <p>Incorrect parameters resulting in insufficient contributions initially made to the pension scheme</p> <p>When a firefighter is temporarily promoted, the salary difference is pensionable at a higher rate of 26.5%. Due to an incorrect parameter being entered into the system, the new Firefighter pension scheme rate of 21.3% was charged instead.</p> <p>The Authority is happy to amend the disclosures in the Officers' remuneration note and the required additional payments are being reclaimed.</p> | <ul style="list-style-type: none"> • No recommendation raised in the prior year as the Authority had already put appropriate controls in place. These have been assessed as in place as no similar issue has arisen in 2014/15. |

Adjusted and unadjusted misstatements

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

There were no adjustments identified during the audit

Misclassifications & disclosure changes

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

| Adjustment type | | Value £'000 | Account balance | Impact on the financial statements |
|-----------------|------------|----------------|--------------------------------|---|
| 1 | Disclosure | 2,749,271 | Note 10 Inventory | Note 10 will no longer show the transaction relating to smoke alarms as movement in the general stores inventory movement as the Authority is acting as an agent. |
| 2 | Disclosure | 102,000 | Note 19 Officers' Remuneration | The exit package of £102,000 disclosed in column (e) under the banding of £80,001 - £100,000 will be moved to the banding £100,001 - £150,000. |
| 3 | Disclosure | N/A | All | Minor presentational corrections. |

Section 3: Value for Money

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Value for Money

Value for money conclusion

The Code of Audit Practice 2010 (the Code) describes the Authority's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources;
- ensure proper stewardship and governance; and
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give our VfM conclusion based on two criteria specified by the Audit Commission which support our reporting responsibilities under the Code.

These criteria are:

The Authority has proper arrangements in place for securing financial resilience - the Authority has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Authority has proper arrangements for challenging how it secures economy, efficiency and effectiveness - the Authority is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Authority's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- Financial governance;
- Financial planning; and
- Financial control.

Overall our work highlighted that the Authority is financially resilient, having a strong balance sheet, good levels of reserves and is developing arrangements to deliver savings to meet funding gaps going forward.

Challenging economy, efficiency and effectiveness

We have considered the Authority's arrangements to challenge economy, efficiency and effectiveness against the following themes:

- Prioritising resources
- Improving efficiency & productivity

Overall our work highlighted that resources are currently utilised appropriately to deliver value for money, but the Strategic Enabling Team is aware that the future of Fire Authorities and the services they will deliver is uncertain. Work is on-going to ensure that the Authority is well placed to respond with agility to these changes to sustain the overall objective of the Authority in relation to 5 minute response times.

Overall VfM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

We set out below our detailed findings against six risk areas which have been used to assess the Authority's performance against the Audit Commission's criteria. We summarise our assessment of each risk area using a red, amber or green (RAG) rating, based on the following definitions:

| | |
|--------------|---|
| Green | Adequate arrangements |
| Amber | Adequate arrangements, with areas for development |
| Red | Inadequate arrangements |

The table below and overleaf summarises our overall rating for each of the themes reviewed:

| Risk area | Summary observations | High level risk assessment |
|--|---|----------------------------|
| Key Indicators of Financial Performance | The General Fund stands at £9,231k at the 31 March 2015. Whilst this is an increase on the opening balance the Authority has made appropriate movements to earmarked reserves as well to cover financial liabilities and risks going forward. The General Fund balance is in line with the financial strategy. Reserves are at a generally high level and are not used to subsidise the day to day transactions of the Authority. | Green |
| Strategic Financial Planning | The authority continues to use a 3 year corporate plan as a basis for planning and delivering objectives. This plan links the three objectives of prevention, protection and response. Review of this plan confirms that the Authority's overall priority is to maintain response times to 999 calls at 5 minutes. All other parts of the strategy support this whilst also linking to the prevention and protection elements, making the 5 minute response time the 'golden thread' which drives all strategic priorities. | Green |
| Financial Governance | The Authority has demonstrated a drive and commitment to making changes in response to the recent reductions in Government funding. There is an understanding of the current financial position of the Authority and finance is a continuing thread evidenced through all elements of the corporate plan. | Green |
| Financial Control | The Authority is cash rich and delivers a balanced budget each year. Ear marked reserves are used where cash has been held back for projects put on hold whilst decisions on the wider delivery of the service are made. | Green |
| Prioritising Resources | The Corporate Plan determines the overall use of resources within the Authority, outlining the strategic direction for the Authority over a 3 year period. This includes the Key Priorities, Outcomes and Strategic Objectives. Staff interviewed considered that there has been a tangible shift in the culture of the Authority in the past few years. | Green |
| Improving Efficiency & Productivity | The overall strategy is clear and the decisions which are being made are consistent with it. Some service redesign has already been delivered successfully and the Authority has learned from this experience. There is considerable uncertainty surrounding the future service delivery of the Fire Service, both in the West Midlands, Regionally and Nationally. | Green |
| Partnership working | Specifically identified as a risk for the Authority and overarching all areas of the Audit Commission's risk areas, we have reported separately. Whilst arrangements are developing in this area, the present arrangements do not present a risk to the Authority at this stage. | Green |

Section 4: Fees, non-audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Fees, non-audit services and independence

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Fees services

| | Per Audit plan £ | Actual fees £ |
|-------------------------|---------------------|------------------|
| Authority audit | 51,515 | 51,515 |
| Total audit fees | 51,515 | 51,515 |

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Fees for other services

| Service | Fees £ |
|-----------------------------------|--------|
| Audit related services | Nil |
| Non audit related services | Nil |

Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

Communication of audit matters to those charged with governance

International Standard on Auditing ISA (UK&) 260, as well as other (UK&I) ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

We have been appointed as the Authority's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice (the Code) issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Authority's key risks when reaching our conclusions under the Code.

It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

| Our communication plan | Audit Plan | Audit Findings |
|--|------------|----------------|
| Respective responsibilities of auditor and management/those charged with governance | ✓ | |
| Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications | ✓ | |
| Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought | | ✓ |
| Confirmation of independence and objectivity | ✓ | ✓ |
| A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence | ✓ | ✓ |
| Material weaknesses in internal control identified during the audit | | ✓ |
| Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements | | ✓ |
| Compliance with laws and regulations | | ✓ |
| Expected auditor's report | | ✓ |
| Uncorrected misstatements | | ✓ |
| Significant matters arising in connection with related parties | | ✓ |
| Significant matters in relation to going concern | | ✓ |

Appendices

Appendix A: Action plan

| Rec No. | Recommendation | Priority | Management response | Implementation date & responsibility |
|---------|---|----------|---------------------|---|
| 1 | IT access controls Review the password settings for the network, system change management controls and the number of 'domain administrators' with significant access, with a view to implementing best practice requirements. | M | Agreed | January 2016 Strategic Enabler of Information & Communications Technology |
| 2 | IT policies and procedures Information security policies and procedures should be reviewed at planned intervals or when significant changes occur to ensure their continuing suitability, adequacy, and effectiveness. | M | Agreed | November 2015 Strategic Enabler of Information & Communications Technology |

Appendix B: Audit opinion

We anticipate we will provide the Authority with an unmodified audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST MIDLANDS FIRE AND RESCUE AUTHORITY

We have audited the financial statements of West Midlands Fire and Rescue Authority for the year ended 31 March 2015 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes and include the firefighters' pension fund financial statements comprising the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the members of West Midlands Fire and Rescue Authority, as a body, in accordance with Part II of the Audit Commission Act 1998 and as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Strategic Enabler of Finance and Resources and auditor

As explained more fully in the Statement of the Strategic Enabler of Finance and Resources' Responsibilities, the Strategic Enabler of Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes the Authority financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards also require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently

applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Strategic Enabler of Finance and Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of West Midlands Fire and Rescue Authority as at 31 March 2015 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and applicable law.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We are required to report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998; or
- we designate under section 11 of the Audit Commission Act 1998 a recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission in October 2014.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, we are satisfied that, in all significant respects, West Midlands Fire and Rescue Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

Certificate

We certify that we have completed the audit of the financial statements of West Midlands Fire and Rescue Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

James Cook, Director

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT

?? September 2015



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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. **MONITORING OF FINANCES**

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report be noted.

2. **PURPOSE OF REPORT**

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

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

3. **BACKGROUND**

3.1 **Revenue Expenditure**

Appendix A compares the revenue budgeted to the end of August 2015 with the actuals to that date. Devolved budgets are managed by the Department responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Department on behalf of the Brigade as a whole.

The Authority's 2015/2016 Council Tax requirement is £36.211 million and the revenue budget is £98.538 million. Actual spend to August 2015, including commitments, was £43.042 million compared to a projected budget of £43.290 million, an overall favourable variance of £0.248 million. This is predominately as a result of staff vacancies within Fire Control and expenditure savings across Fire Stations. An adverse variance is currently shown against People and Performance, mainly due to Operation staff numbers being above the budgeted establishment, although it is anticipated that savings will be made later in the year to offset the variance as a result of the suspension of recruitment.

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

3.2 **Capital Expenditure**

The Authority's approved capital programme for 2015/2016 is £5.432 million. A scheme analysis is shown on Appendix C. Expenditure to the end of August 2015 is shown as £0.935 million.

The main variance relates to the re-roof at Hay Mills Fire Station which is not required following the results of a full structural survey and roofing works at Sheldon Fire Station being lower than estimated.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

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

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2015
Finance Office Budget Monitoring Files

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

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

| |
|--|
| REVENUE MONITORING SUMMARY TO AUGUST 2015 |
|--|

| | LATEST BUDGET 2015/2016 £'000 | PROFILED BUDGET £'000 | ACTUALS + COMMIT -MENTS £'000 | VARIANCE TO PROFILED BUDGET £'000 |
|-------------------------------------|--|-----------------------------|--|--|
| DEVOLVED BUDGETS | | | | |
| Corporate Management | 3,119 | 1,993 | 1,998 | 5 |
| Service Support | | | | |
| People Support Services | 2,472 | 1,052 | 1,037 | -15 |
| Operational Training | 3,608 | 1,467 | 1,414 | -53 |
| Emergency Response | 2,682 | 1,164 | 1,069 | -95 |
| Finance and Resources | 4,491 | 1,717 | 1,676 | -41 |
| ICT | 4,008 | 2,256 | 2,266 | 10 |
| Service Delivery | | | | |
| Operations | 7,243 | 2,876 | 2,778 | -98 |
| CORPORATE BUDGETS | | | | |
| Corporate Management | 43 | 0 | 0 | 0 |
| Service Support | | | | |
| Operational Training | 150 | 51 | 49 | -2 |
| Emergency Response | -57 | 18 | 10 | -8 |
| Finance and Resources | 20,580 | 9,716 | 9,712 | -4 |
| People Support Services | 2,739 | 1,113 | 1,090 | -23 |
| Service Delivery | | | | |
| People and Performance | 47,130 | 19,729 | 19,808 | 79 |
| Response and Resource Management | 365 | 133 | 149 | 16 |
| Operations – Other | -35 | 5 | -14 | -19 |
| Appropriations/Earmarked | 0 | 0 | 0 | 0 |
| Total | 98,538 | 43,290 | 43,042 | -248 |
| Grant Funding | -62,327 | -36,605 | -36,605 | 0 |
| GRAND TOTAL | 36,211 | 6,685 | 6,437 | -248 |

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

| | 2015/16 PROJECTION | | | | ACTUAL POSITION AS AT AUGUST 2015 | | | |
|--|--------------------|-------------|-------------|-------|--------------------------------------|-------------|-------------|--------------|
| | 1992 FPS | 2006 FPS | 2015 FPS | TOTAL | 1992 FPS | 2006 FPS | 2015 FPS | TOTAL |
| Members of FPS at 1st April 2015 | 593 | 24 | 879 | 1,496 | 593 | 24 | 879 | 1,496 |
| New Members During Year | - | - | - | - | - | - | - | - |
| Transitional Members during year | -38 | -1 | 39 | 0 | -8 | - | 8 | - |
| Transfers from Other Pension Schemes | - | - | 7 | 7 | - | - | - | - |
| Transfers to Other Pension Schemes | - | -2 | - | -2 | - | - | - | - |
| Normal Retirements/Deferred/ Leavers | -76 | - | - | -76 | -36 | - | -6 | -42 |
| Ill-Health Retirements | -3 | - | - | -3 | -1 | - | - | -1 |
| Members of the Fire Pension Schemes as at 31st August 2015 | | | | | 548 | 24 | 881 | 1,453 |

CAPITAL MONITORING STATEMENT 2015/16

| Scheme | Year 2015/16 | Latest Budget £'000 | Actuals to Aug 2015 £'000 | Forecast £'000 | Variance £'000 |
|---|-------------------------|------------------------------------|--|---------------------------|---------------------------|
| <u>LAND & BUILDINGS</u> | | | | | |
| Haden Cross Fire Station | 3 or 3 | 126 | 77 | 146 | +20 |
| Training at Height Facilities | 10 of 10 | 363 | 0 | 363 | - |
| Boiler Replacement Programme | Ongoing | 229 | 5 | 185 | -44 |
| Roof Replacements | Ongoing | 108 | 0 | 48 | - 60 |
| Windows/Door Replacement | Ongoing | 269 | 123 | 317 | +48 |
| Rewires | Ongoing | 120 | 0 | 120 | - |
| Dignity at Work | 2 of 2 | 407 | 240 | 390 | -17 |
| Asbestos Removal | Ongoing | 27 | 9 | 42 | +15 |
| Aston Fire Station | 1 of 3 | 0 | 1 | 1 | +1 |
| Fire Control Relocation | 2 of 2 | 7 | 7 | 7 | - |
| <u>VEHICLES</u> | | | | | |
| Vehicle Replacement Programme | Ongoing | 3,108 | 177 | 3,108 | - |
| <u>ICT & EQUIPMENT</u> | | | | | |
| MDT Upgrades/Replacements | 2 of 2 | 310 | 0 | 310 | - |
| Fire Control C&C Upgrade | 3 of 3 | 167 | 167 | 167 | - |
| Other Equipment | 2 of 2 | 5 | 5 | 5 | - |
| Thermal Image Cameras | 8 of 8 | 138 | 124 | 128 | - 10 |
| Oracle Licensing | 8 of 8 | 25 | 0 | 0 | -25 |
| Pension System Replacement | 2 of 2 | 23 | 0 | 1 | -22 |
| Grand Total | | 5,432 | 935 | 5,338 | - 94 |
| <u>Funded By</u> | | | | | |
| Prudential Borrowing | | 0 | | 0 | - |
| Capital Grants/Contributions | | 4,905 | | 4,905 | - |
| Capital Receipts to be Applied | | 0 | | 0 | - |
| Direct Revenue Financing/Earmarked Reserves | | 527 | | 433 | - 94 |
| TOTAL | | 5,432 | | 5,338 | - 94 |
| SURPLUS(-)/DEFICIT(+) | | | | | |

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. **CONTRACT AWARDS SUMMARY FOR SIX MONTH PERIOD TO 30 SEPTEMBER 2015**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority note the attached Appendix which summarises the contracts in excess of £250,000 that have been awarded since 26 March 2015.

2. **PURPOSE OF REPORT**

This report provides a six month summary of all contracts that have been awarded since the last report.

3. **BACKGROUND**

3.1 At the Authority meeting on the 29th June 2015, Members approved a number of revisions to the Constitution. One of the revisions was that a retrospective twice yearly summary report of tender contract awards in excess of £250,000 is submitted to the Executive Committee/Fire Authority for information purposes.

3.2 In accordance with the above requirement, a summary of those contracts awarded is attached as Appendix 1.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

The procurement processes that were followed for the procurement exercises detailed in the Appendix to this report were conducted in accordance with the Authority's Procurement Standing Orders and the Public Contract Regulations 2015.

6. **FINANCIAL IMPLICATIONS**

These are contained in the attached Appendix.

7. **ENVIRONMENTAL IMPLICATIONS**

There are not any environmental implications arising from this report.

BACKGROUND PAPERS

Authority Meeting 13 April 2015
Standing Order 1/8 – Procurement Procedures

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

PHIL LOACH
CHIEF FIRE OFFICER

CONTRACT APPROVAL SUMMARY FOR PERIOD – 26 March 2015 and 30 September 2015

| Contract Title | Date Tenders were Opened | Winning Supplier | Approval Date | Contract Period (Including Extension Options) | Annual Contract value or Total Value for one off Purchase | Total Contract Value (including extension periods) | Budget PA | Basis of award e.g. Lowest Price or MEAT* | Date and Minute Number of Planned Tender Report | Any Other Relevant Information |
|--|--------------------------|-------------------------|---------------|---|---|--|---|---|---|---|
| Childcare Voucher Scheme | n/a | Fideilti | 27 March 2015 | 4 years | £150,000 | £600,000 | £150,000 | Direct Award from Framework | 15 February 2015 | Cost to the Authority is £1,500 per annum |
| Smoke Alarms | 16 March 2015 | Sprue Safety Products | 26 March 2015 | One off purchase | £2,890,300 | £2,890,300 | £2,900,000 | MEAT | 23 March 2015 | Alarms were purchased on behalf of other Fire Authorities |
| Professional Fees for Refurbishment of Coventry Fire Station | 11 June 2015 | Bond Bryan Architects | 1 July 2015 | 2 years | £306,800 | £306,800 | Part of £7m budget for refurbishment of station | MEAT | 13 April 2015 | |
| Leading Excellence Programme | 10 April 2015 | University of Worcester | 11 May 2015 | 5 years | £180,000 | £900,000 | £180,000 | MEAT | 17 February 2014 | |
| Fireground Radios | N/A | Radiocom | 23 April 2015 | Initial Purchase plus Service Contract and Spares | Initial plus 5 years maintenance £213,400 | £274,400 | £10,000 | Direct Award from Framework | 24 November 2014 | Life expectancy of radios is 7 years however maintenance is for 5 years. This will be reviewed in year 5. |
| | | | | | Maintenance (Spares) £10,000 | | | | | |

| Contract Title | Date Tenders were Opened | Winning Supplier | Approval Date | Contract Period (Including Extension Options) | Annual Contract value or Total Value for one off Purchase | Total Contract Value (including extension periods) | Budget PA | Basis of award e.g. Lowest Price or MEAT* | Date and Minute Number of Planned Tender Report | Any Other Relevant Information |
|---|--------------------------|-----------------------|---------------|---|---|--|-----------|---|---|--|
| Microsoft Enterprise Subscription Agreement | N/A | Trustmarque Solutions | 29 June 2015 | 6 years | £86,000pa years 1 to 3 and £90,000pa years 4 to 6 | £528,000 | £90,000 | Direct Award from Framework | 29 June 2015 | |
| Cycle to Work Scheme | N/A | Cycle Solutions | 24 July 2015 | 2 years | Up to £120,000 | £240,000 | N/A | Direct Award from Framework | 29 June 2015 | There is no cost to the Authority for this contract. |

* Most Economically Advantageous Tender (MEAT)

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. UPDATE ON REBUILD OF COVENTRY AND ASTON FIRE STATIONS

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority notes the update on progress of the following Fire Station development projects:

1.1.1 Coventry Fire Station

1.1.2 Aston Fire Station

2. PURPOSE OF REPORT

This report provides an update on progress towards delivery of the above projects.

3. BACKGROUND

- 3.1 At the Fire and Rescue Authority meeting of 16th February 2015, approval was given for the recommended options of the rebuilding of both Coventry and Aston Fire Stations. Since that date work has been undertaken in order to move these projects forwards.
- 3.2 In relation to Coventry Fire Station the most significant development has been a reconsideration of the most appropriate way to proceed with the rebuild following discussion with the architect. The architects have suggested that we reconsider implementing option 2 as detailed in the original Authority paper in preference to option 1. This would

provide greater value and flexibility in design options for the provision of both a new Fire Station and hot fire training building. Further details are available in appendix 1. Further scoping is being conducted by the architects for the potential implementation of option 2.

- 3.3 In relation to Aston Fire Station, considerable discussion has taken place to establish whether the listed status of the existing building can be removed to enable demolition and rebuild as recommended in option 1.
- 3.4 The outcome of these discussions are that it is not possible to remove the listing due to the heritage value of the building. For this reason, it is now necessary to proceed with option 2, which is to refurbish the existing building. Further details are available in appendix 2.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

5. **LEGAL IMPLICATIONS**

The procurement process to be followed for each of the procurement exercises appended to this report is in accordance with the Authority's Procurement Standing Orders.

6. **FINANCIAL IMPLICATIONS**

The financial implications remain as identified within the Authority report approved 16 February 2015.

7. **ENVIRONMENTAL IMPLICATIONS**

The environmental implications remain as identified within the Authority Report approved 16 February 2015.

BACKGROUND PAPERS

Authority Report – Aston Fire Station Development – 16 February 2015

Authority Report – Coventry Fire Station Development – 16 February 2015

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

PHIL LOACH
CHIEF FIRE OFFICER

Appendix 1

Coventry Fire Station Update



In relation to Coventry Fire Station, Bond Bryan Architects Limited have been appointed and are now working with Officers and partners to develop detailed requirements. Consultation with colleagues working at Coventry Fire Station is underway to ensure that the details reflect their needs.

Coventry Fire Station currently houses several partner organisations in addition to Fire Service Delivery colleagues. These are an Ambulance response standby location, a local West Midlands Ambulance Service Human Resources function, Age UK and the Contact and Connect service. Agreement in principle has been reached to maintain an Ambulance Service location for three Ambulance response assets and we are awaiting an executive decision on the location of the HR function at Coventry. Discussions are ongoing with Age UK and Contact and Connect as to their intentions to co-locate within the new Fire Station.

The initial proposal included consideration of collaboration with West Midlands Police. The Police have been unable to commit to any firm plans for co-location in the new Fire Station due to the ongoing development of their Asset Management Strategy. For that reason, we are progressing plans for Coventry without collaboration with the Police. The Police remain aware of our desire to work together and of the need to provide requirements to our architects in order for this to proceed.

In the Authority paper 16 February 2015 option 1 was recommended for the demolition of the existing fire station and rebuild of a new fire station on the existing site whilst maintaining and enhancing the existing hot fire training facilities.

Option 2 was not recommended for the demolition of the existing fire station, hot fire training facility and rebuild of a new fire station and hot fire training facility on the existing site.

The first design meeting with the architects took place on 14th August. During this meeting the architects explained that option 2 in the Authority paper may actually represent the best value option, contrary to the recommended option 1. This is because of the complexity of maintaining the existing fire house when compared against the benefits of demolishing the entire structure and building a complete new facility. The added flexibility that this would enable in terms of gaining the most benefit from the site is considered to represent a considerable benefit. Therefore the architects have been requested to provide proposals for a complete rebuild and provision of suitable temporary accommodation for station personnel during the build within the existing allocated budget.

The next formal meeting with the architects will take place on 18th September after which a further update will be provided.

Aston Fire Station Update



The approval of the Fire Authority paper on 16th February 2015 gave two options for Aston Fire Station, which is a listed building with English Heritage: option 1 being to demolish the existing Fire Station and rebuild a new Fire Station on the existing site whilst maintaining community contact and attendance times; and option 2 stating that if planning constraints did not permit the demolition of the existing station then a listed Building Consent application will be submitted to completely refurbish the existing building whilst retaining some of the listed features.

Meetings have been conducted involving members of WMFS and local councillors of the Wards in the Aston area to discuss the options presented within the Authority paper approved 16 February 2015. The local councillors have been supportive of the option 1 proposal.

Discussions have also been ongoing with local Planning and Conservation Officers regarding option 1 and the possibilities of demolishing the existing Fire Station and how the listed status could be removed.

Local Planning and Conservation Officers have now stated that there would be no opportunity to remove the listed status therefore we would need to concentrate on option 2 contained within the Authority Report 16 February 2015.

To support this development at Aston Fire Station, K4 Architects located in Birmingham have been appointed and are now working with officers and partners to develop requirements. A written report from the Heritage Advisor is also being prepared to support the planning application on this listed building.

Discussions with West Midlands Ambulance are continuing who have supplied their requirements and wish to be involved as a partner in the new station. They have indicated what their requirements for the new development are and are subject to Ambulance Executive Board approval which will be confirmed by the end of September 2015.

A number of contacts have been made with West Midlands Police, however no response or requirements have been received and therefore we are moving forward on the assumption that they will not be involved in the new development.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

21 SEPTEMBER 2015

1. ELECTORAL REVIEW OF BIRMINGHAM

Report of the Chief Fire Officer and the Clerk to the Authority

RECOMMENDED

- 1.1 THAT Authority note the internal consultation process undertaken to inform and shape the consultation response to the Birmingham electoral review.
- 1.2 THAT Authority note the content of our consultation response to be sent to the Local Government Boundary Commission in respect of the proposals contained within their consultation.

2. PURPOSE OF REPORT

This report is submitted to Members to inform them of the Local Government Boundary Commission's ongoing electoral review of Birmingham, the detail of which is set out in their letter attached as Appendix 1. Members are asked to note our response to this consultation, which has been developed following an internal consultation process with key stakeholders.

3. BACKGROUND

- 3.1 The Local Government Commission has started an electoral review of Birmingham City Council. The purpose of the consultation is to invite submissions on the electoral review recommendation to reduce the number of councillors in Birmingham from the current 120 to 100. Final recommendations are to be published in May 2016 and it is intended that this change will take place from June 2018.
- 3.2 Birmingham City Council is split up into 10 districts which cover the same area as the parliamentary constituencies. These are subdivided in 40 wards. Each ward is represented by 3 councillors.
- 3.3 The next stage of the review is to re-draw ward boundaries to accommodate 100 city councillors and we are being asked to put

forward suggestions for new wards, ward boundaries, and ward names across the whole city.

3.4 In shaping these changes the Service has consulted with key internal stakeholders and considered the potential impact of the proposals upon:

- the delivery of prevention based activity;
- data, intelligence systems and processes such as integrated risk management, command and control mobilising and the Gazetteer; and
- Operational Command structures and boundaries to enable for the best fit in supporting our Service Delivery Model.

3.5 The number of councillors appointed to West Midlands Fire & Rescue Authority (WMFRA) and how many are provided by each of the 7 councils that make up the West Midlands is set out in the Local Government Act 1985. As the proposals for change are designed to enable a reduction of the number of councillors in Birmingham City Council, the potential impact of this change upon the overall number of Birmingham City councillors appointed to WMFRA is being monitored. Officers will keep Members informed of any developments.

3.6 The deadline for receipt of consultation responses is 28 September 2015. Our proposed response is attached as Appendix 2.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as the matters referred to do not represent a change in the policies or functions of the Authority.

5. **LEGAL IMPLICATIONS**

There are no legal implications to be considered in producing this report.

6. **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the content of this report

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications

BACKGROUND PAPERS

Local Government Act 1985, schedule 10, number of members of joint authorities.

The contact name for this report is Deputy Chief Fire Officer, Phil Hales, telephone number 0121 380 6004.

PHIL LOACH
CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK TO THE AUTHORITY

APPENDIX 1

Please see letter from the Local Boundary Commission for England dated 21 July 2015.

The
Local Government
Boundary Commission
for England

West Midlands Fire and Rescue Service
Headquarters
99 Vauxhall Road
Birmingham
B7 4HW

WEST MIDLANDS
FIRE
27 JUL 2015
RECEIVED
HEADQUARTERS

21 July 2015

Dear Sir or Madam,

ELECTORAL REVIEW OF BIRMINGHAM

The Local Government Boundary Commission for England has started an electoral review of Birmingham City Council. The purpose of this letter is to inform you of the review and ask for your views on new ward boundaries for the council.

The Commission invites submissions for new ward boundaries from today until 28 September 2015.

What is an electoral review?

The electoral review will recommend new electoral arrangements for Birmingham City Council. Electoral arrangements are:

- The total number of councillors to be elected to the council (which we call 'council size') – The Commission has announced today that 100 councillors should be elected to Birmingham City Council in the future (from 2018).

The other electoral arrangements of the council are:

- The total number of wards.
- The number of councillors representing each ward.
- Ward boundaries.
- Names of wards.

The next stage of the review is to re-draw ward boundaries to accommodate 100 city councillors. We are asking local people and groups to put forward their suggestions for new wards, ward boundaries and ward names across the whole city.

Local Government Boundary Commission for England, 14th Floor Millbank Tower, Millbank, London, SW1P 4QP

Tel: 0330 500 1525; reviews@lgbce.org.uk; www.lgbce.org.uk

When?

Today - 21 July 2015 - is the start of a ten week information gathering phase of the review during which the Commission is inviting proposals for new warding arrangements. The consultation will close on 28 September 2015.

After considering all representations made during this consultation, the Commission intends to publish draft recommendations – for new wards, ward boundaries and ward names - in December 2015. There will then be a further period of consultation on the draft recommendations.

Final recommendations are expected to be published in May 2016. The new electoral arrangements will come into effect at the local elections in 2018.

How to get involved?

We welcome views from individuals and organisations across Birmingham on where they think new ward patterns should be drawn to accommodate 100 councillors.

In drawing up a pattern of wards, the Commission must balance three criteria, which are set out in law, namely:

- **To deliver electoral equality** where each councillor represents roughly the same number of voters as others across the city – so if you are proposing a ward to accommodate one councillor, it should contain roughly 8000 voters, a two-member ward should include around 16000 and so on. We would never expect to achieve perfect electoral equality but the further away your proposal is from the target, the more evidence we would expect to see for your proposal under the other two criteria below. Electorate data to help you take this into consideration is available on our website.
- **That the pattern of wards should, as far as possible, reflect the interests and identities of local communities** – we would be interested in hearing evidence of community ties (local group activities, issues that affect a local area, shared facilities and amenities etc.)
- **That the electoral arrangements should provide for effective and convenient local government** – so that the ward could be represented effectively (it is easy to travel from one part of the ward to the other, has recognisable boundaries, its name is clear and makes sense to local people etc.)

We are asking local people and organisations for their views as to the best pattern of wards for Birmingham which meet the criteria set out above.

Local Government Boundary Commission for England, 14th Floor Millbank Tower, Millbank, London, SW1P 4QP

Tel: 0330 500 1525; reviews@lgbce.org.uk; www.lgbce.org.uk

APPENDIX 2

PROPOSED CONSULTATION RESPONSE

To be supplied upon completion of internal consultation process.

| |
|--|
| <p>Notes of the Policy Planning Forum</p> |
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**07 September 2015 at 10.45 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: **Members of the Authority**
Councillor Edwards (Chair);
Councillor Idrees (Vice-Chair);
Councillors Atwal Singh, Barlow, Barrie, Clinton,
Davis, Dehar, Douglas-Maul, Eustace, Hogarth,
Miks, Mottram JP, Quinnen, Sealey, Shackleton, B
Singh, P Singh, T Singh, Spence, Tranter and
Young.
Mr Ager.

Officers: **West Midlands Fire Service**
Chief Fire Officer (P Loach)
Deputy Chief Fire Officer (P Hales);
Assistant Chief Fire Officer (G Taylor);
M Griffiths, P Wilson, P Shergill, S Timmington
and S Vincent.

Clerk and Monitoring Officer
K Gowreesunker (Clerk)
S Sahota (Deputy Monitoring Officer)

Apologies: Councillors Afzal, Aston, Mottram, Skinner and Ward;
Mr Bell.
M Dudley.

Observers: A Afsar, M Hamilton-Russell

12/15 Chair's Announcements

The Chair welcomed all attendees to the Policy Planning Forum.

The Chair informed the members of Councilor Mottram's continued absence due to ill health which he was now recovering from and all members passed on their best wishes to him.

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Policy Planning Forum 07 September 2015

The Chair provided an update on the situation surrounding the Police and Crime Commissioner. Political parties have different views regarding this role. However, following the result of the general election, the Conservative government and the Home Office were now progressing this issue and subsequently, a consultation on a Home Office paper is due to be published imminently which features some potentially important changes to the governance arrangements for the Fire and Rescue Service. The Home Office paper will be brought to the full Fire Authority once it has been received.

Additionally, the proposed West Midlands Combined Authority also presents a potential impact on the governance arrangements, particularly with the possibility of an elected mayor being established. The Councils that will make up the combined authority are taking a pragmatic approach to secure maximum devolution. This could pose another question, with the potential for the elected mayor to be given control of the Police and Fire and Rescue Service, for example, it has been announced that Greater Manchester Fire and Rescue Service will be under the control of the mayor of the Greater Manchester Combined Authority and the existing Fire Authority will be abolished.

The Chief Fire Officer welcomed everyone to the Policy Planning Forum and thanked all members for their attendance supporting the various station open days over the summer months.

The Chief Fire Officer updated the members on the situation regarding High Speed Two (HS2) rail. A number of objections had been lodged by the West Midlands Fire Service and assurances had been sought regarding the potential impact of HS2 on Headquarters, Safeside and Fire Control. Peter Holland, the Chief Fire and Rescue Advisor, has undertaken an independent risk assessment, the findings of which do not support additional funding of a separate Fire Control. DCFO Phil Hales will send a response highlighting the disappointment of West Midlands Fire Service. In the event of any further risks being identified, these will be raised with HS2 and the Chief Fire and Rescue Advisor. The Service will continue to assess the possibility of relocating Fire Control, with agreement that the assurances raised will be met.

The Chief Fire Officer acknowledged the developments surrounding the Police and Crime Commissioner, and the West Midlands Combined

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Authority. The combined authority continues to be progressed, and a shadow board has met to determine the way forward. The Chief Fire Officer reminded members that the opportunity remained to raise awareness within their Councils of the contribution of the Fire and Rescue Service to community safety, the health agenda, and economic agenda.

Presentations to the Forum

Two presentations were given to the Policy Planning Forum:

- Performance of Response Attendance Standards
- Fire and Health, the Journey so far...

Additionally, a short video was displayed to the group as part of an update on the Staffing Options.

13/15 Performance of Response Attendance Standards

Gary Taylor, Assistant Chief Fire Officer, provided a presentation on the performance of the response attendance standards.

The presentation provided an update on the progress made over the last 12 – 18 months.

The service delivery model of West Midlands Fire Service is anchored around the response standards, in particular the 5 minute response standard for category 1 incidents (highest risk). The presentation outlined the timeline of a property fire, from the time the smoke alarm actuates, the occupier investigates, phone call is made, Fire Control handle the call, crew reaction time, travel time, through to the appliance booking in attendance. The timeline had been developed following academic research that had been carried out into survivability. The research demonstrated that survivability is increased if firefighters arrive at the scene early.

It was noted that road traffic collisions are increasing and the response time is critical at these type of incidents, for example, to open a casualty's airway, to use a defibrillator, to enable the fast release of a casualty from a vehicle so they can be transported to hospital (within the 'golden hour').

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Historically, attendance standards have slowly increased over the last 4 years and as a result, this area was identified as an area for improvement. Hence, a thematic review was commissioned. Outcomes of the review included:

- Improved utilisation of the Service's blended fleet, for example, Brigade Support Vehicles attending automatic fire alarms and secondary fires, protecting PRL's for category 1 incidents, to allow a more timely and effective response.
- The installation of Tom Tom's in appliances which help crews respond quickly, providing live data and plotting the fastest routes to incidents, avoiding road works for example.
- Improved knowledge of topography was identified as a factor contributing to a faster response, and the understanding and local knowledge of areas has been increased.
- Policy and procedures have been reviewed including the Service's mobilising policy, taking a balanced approach, for example, allowing crews to don personal protective equipment en-route.

A video displaying examples of best practice regarding mobilizing was displayed to the group. The best practice video was the start of the campaign which attempted to identify what differences there around the Service and to develop a more joined up approach in terms of practice.

Performance in quarter 1 2015/16 witnessed the response time for category 1 incidents reduce to 4 minutes 43 seconds. It was noted that the method in which this performance indicator is measured has changed. Following extensive liaison with the Office for National Statistics, the performance indicator is now measured using the median, rather than the average. Although this has had an effect on the performance measured, if the average was used, the performance would be recorded as 4 minutes 59 seconds which remains excellent performance (a 40 second decrease) and meets the target.

To celebrate this success, a video has been developed to share with the public, and internally with staff, which was shown to the group.

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The Service will continue to reduce the response times, focusing on call handling by Fire Control and pre-alert which allows firefighters to get on the appliance whilst Fire Control are collecting the information from the caller.

Performance will continue to be measured with any instances where the response times are over the target being flagged and any issues being identified and resolved.

The following points were raised in discussion following the presentation:

- The average time responding to incidents on the motorway network may be longer (note: exact figures were not available at the meeting). However, West Midlands Fire Service has policies in place, and has established relationships with the Motorway Police and the Highways Agency. Procedures include appliances using the hard shoulders and utilising reverse flow. A number of fire stations are positioned close to the motorway network including Oldbury and Solihull.
- Members were impressed by the work to improve response times and the resulting performance. No Fire and Rescue Service has better response times. Attendance standards have been relaxed in other parts of the country. London Fire Brigade have recently increased their response time from 5 minutes to 5 minutes 30 seconds. However, it is important that other Fire and Rescue Services are not criticised as every Service will have its own integrated risk management plan and specific variations in service delivery, for example rural areas more reliant on staffing under the retained duty system.
- Local Authorities do assist with improving response times via engineering, education and enforcement. However, it was noted that as a result of cuts to budgets, funding had decreased in road safety.
- Brigade Response Vehicles have played an important part in reducing response times, being used more significantly for lower risk fires / incidents.
- The change in the way performance is measured in liaison with the

[ILO: UNCLASSIFIED]

Policy Planning Forum 07 September 2015

Officer for National Statistics is not reflected across other Fire and Rescue Services. However, this reflects the fact that there is no standard method of measuring performance within the Fire sector and Fire and Rescue Services use different models.

- Improvements in the attendance times for the second appliances (where applicable) have also improved.
- The Service manages and reduces risk in those areas which witness longer attendance times as part of an integrated approach, for example, via Fire Safety Officers engaging with site owners / responsible persons.
- The Service is confident that its fire stations are in the correct locations, as evidenced within the integrated risk management plan. However, it is worthy of note that fire stations are just a base from which the crews operate, and that they are urged to be out within the community.
- Fire Control manage cover if appliances are not available, for example already attending an incident, ensuring a sufficient and effective operational response is always available.

14/15 Staffing Options Update

The Chief Fire Officer provided an update on the staffing options to the members.

The Fire Brigade Union has agreed to the proposals made by West Midlands Fire Service of a trial of the use of additional shifts at flat rate, with a 25% disturbance allowance. The Fire Brigade Union will shortly take this proposal to their membership for their consideration.

The Chief Fire Officer presented a short video of the initial stages of a real incident captured via the helmet camera of the Incident Commander which was welcomed by the members and provided a real insight into what operational crews face on a daily basis. The following points were raised in discussion prompted by the video:

- The Incident Commander and crew were extremely professional and effective at this incident.

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- The helmet camera used is currently being trialed.
- All firefighters are medically trained, as was evident from the video.
- Such videos may only reach small numbers of people, whereas fire station open days can reach wider audiences and features such as chip pan demonstration units are an effective method of informing members of the public.
- Videos can be a much more dynamic method of relaying information, rather than other methods which can be quite dry. The Service is seeking to utilize further videos in the future.

15/15 Fire and Health, the Journey so far...

S Vincent, Strategic Enabler Community Risk Management, introduced a presentation entitled 'Commissioning, Fire as a Health Asset', and provided some background to the current position of both the Fire and Rescue Service, and the health sector:

- West Midlands Fire Service is currently facing a £14 million budget deficit over the next 3 – 4 years and is identifying options to enable savings. Commissioning represents one such opportunity.
- Simon Stevens, Chief Executive of NHS England, has developed the NHS 5 Year Forward View which outlines a radical upgrade in prevention and public health.
- The increase in prevention outlined by the NHS is in line with the prevention agenda already embedded within the fire sector.
- The RSA (Royal Society for the Arts, Manufacturers and Commerce) report, 'Managing Demand: Building Future Public Services' highlighted where the Fire and Rescue Service should be working within the health sector.

As part of the presentation, P Shergill, Strategic Enabler DICE, discussed commissioning:

The Audit Commission has identified 3 key points which identifies commissioning:

- Specifying services

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- Securing services
- Monitoring services

Commissioning is when West Midlands Fire Service delivers services on behalf of other public sector organizations and being economically rewarded for it. This exchange needs to have a positive impact on the communities through the improvement of the social value and the quality services delivered meeting commissioning outcomes.

West Midlands Fire Service will:

- Continue to deliver our service delivery model
- Continue to deliver front line services, providing more value to the public sector
- Understand the relationship between fire and health, fully understanding the prevention background ('the causes of the causes')
- Demonstrate that the Service understands the outcomes sought by the health sector (shared outcomes)
- Move relationships and partnerships to commissioned services, involving amongst others, Health and Wellbeing Boards, Clinical Commissioning Groups, Directors of Public Health, Public Health England, and the Royal Society for Public Health
- Provide a trusted brand

S Vincent explained the journey of West Midlands Fire Service in terms of prevention, outlining developments including Home Fire Risk Assessments, Home Safety Checks, Serious Incident Review, Making Every Contact Count, and the Marmot endorsement.

S Vincent concluded the presentation early due to lack of time. The second part of the presentation will be delivered at the next meeting of the Policy Planning Forum.

(Meeting ended at 12:25 am)

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Policy Planning Forum
07 September 2015

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|---|
| Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680 |
|---|

[ILO: UNCLASSIFIED]

Minutes of the Audit Committee

7 September, 2015 at 12.30 pm at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillor Singh (Chair);
Councillor Miks (Vice-Chair);
Councillors Sealey, Singh and Quinnen.
Mr Ager (Independent Member).

Apology: Councillor Aston

Observer: Councillor Dehar

27/15 Minutes

Resolved that the minutes of the meeting held on 15 June 2015, be approved as a correct record.

28/15 Update from the Pensions Board – Firefighter Pension Schemes

Further to minute number 11/15 of the Fire Authority 16 February, the Committee as Scheme Manager of the Firefighter Pension Schemes received the Terms of Reference of the West Midlands Fire and Rescue Authority Pension Board.

Members received the minutes of the inaugural Pensions Board meeting held on 21 July 2015 and made slight amendments. The Committee noted that the minutes would be available for public scrutiny on the Committee Management Information System (CMIS).

Resolved:-

- (1) that the Terms of Reference of the West Midlands Fire and Rescue Authority Pensions Board be approved.
- (2) that the agenda and minutes of the Pensions Board meetings are to be shared on the Committee Management Information System (CMIS) for public scrutiny be noted.

29/15 **Discretions Policy – Firefighters’ Pension Schemes**

The Committee, as Scheme Manager, received the Discretions Policy – Firefighters’ Pensions Scheme.

The Firefighter’s Pension Scheme 2015 was implemented on 1 April 2015. Under scheme regulations the Scheme Manager is required to publish and keep under review a policy on the use of discretions available. A copy of The Discretion Policy – Firefighters’ Pension Scheme was provided as an Appendix to the report.

The Payroll and Pensions Manager outlined the purpose of the Discretions Policy and stated that from time to time the Audit Committee as Scheme Manager would be requested to make decisions on the Discretions.

Responses were given to members’ enquiries:

- (1) In respect of the Lump Sum death benefit payable, the Scheme Manager has absolute discretion as to the recipient. The discretion will be operated by the Payroll and Pensions Manager in consultation with the Strategic Enabler for People Support Services. Payment would be made to the widow, executor or the family member managing the estate.
- (2) Members of the Scheme are advised to complete a nomination form and the Payroll and Pension Manager would pay benefits using the information provided on the form.

Resolved that the Discretions Policy – Firefighters’ Pension Scheme be approved.

30/15 **Request for Decisions to be made under the Firefighters’ Pension Schemes**

The Committee received a request in their role as Scheme Manager for the Firefighters Pensions Scheme to make decisions on the following two issues:

1. What date should be used for automatic re-enrolment under the Work Place Pension Regulations?
2. Should eligible job holders, who have opted out of a qualifying scheme within a period of twelve months prior to the automatic re-

Audit Committee – 7 September, 2015

enrolment date, be excluded from eligibility for automatic re-enrolment?

The Payrolls and Pensions Manager explained that under the Work Place Pension Regulations (Auto-Enrolment) the employer is obliged to re-enrol into a qualifying scheme all eligible employees every three years following their original staging or deferment date. Unlike automatic enrolment the employer may choose to undertake automatic re-enrolment on any date as long as it is within three months of the third anniversary of their original staging date. West Midlands Fire Service's original staging date was 1st August 2013 and it was proposed that automatic re-enrolment takes place on 1st August 2016.

Whilst the automatic enrolment regulations applied to all staff satisfying eligibility criteria, the employer can exempt certain staff from automatic re-enrolment. The Payroll and Pensions Manager proposed that eligible job holders who had opted out of a qualifying pension scheme within a period of twelve months prior to the automatic re-enrolment date be excluded from eligibility for automatic re-enrolment. This proposal would reduce the administrative burden of complying with the legislation and avoid charging members pension contributions which would then need to be refunded to them in the following or subsequent months.

In answer to Member's questions, the Payroll and Pensions Manager explained that using the anniversary of 1 August 2016 would not have any administrative implications as Members of the Scheme were paid monthly. It was noted that there was a legal obligation to publicise that date in advance. It was also noted that since the introduction of the new regulations there had been a slight increase in the number of opt outs.

Resolved:-

- (1) That the anniversary date of 1st August 2016 for the automatic re-enrolment under the Work Place Regulations be approved.
- (2) That eligible job holders, who have opted out of a qualifying scheme within a period of twelve months prior to the automatic re-enrolment date, should be excluded from eligibility for automatic re-enrolment was approved.

31/15 **Corporate Risk 2015/16 – Quarter 1 Update**

The Committee received the Corporate Risk Assurance Map and noted the position statement detailing the work undertaken in support of the management of each of the Service's Corporate Risks.

Corporate Risks were those which, if they occurred, would seriously affect the Authority's ability to carry out its core functions or deliver its strategic objectives as set out in the Plan. The Authority currently has eleven corporate risks. The Corporate Risk Assurance Map summary provided a description of each risk and an overview of its rating. The position statement set out the outcomes of the regular review of each risk by the risk owner. The Committee noted the position with regard to each risk.

The Risk Owners for risks 4, 5, 6, 10, 11 and 13 had been realigned to individual members of the Strategic Enabling Team to reflect functional responsibility. This change was consistent with the approach to risk management following the guidance detailed in The Orange Book Management of Risk – Principles and Concepts issued by HM Treasury in 2004. The change proposed to Risk Owners would support the appropriate management of risk at a strategic level. Performance of risk would continue to be monitored at the Quarterly Performance Reporting meetings.

The Corporate Risk Assurance Map summary provided a description of each risk and overview of its rating. The quarter one position statement set out the outcomes of the regular review of each risk by the risk owner.

Changes had been made to the risk ratings of Risks 2 and 4. Risk 2, The Fire Authority would be unable to maintain an effective ICT provision (excluding mobilising and communications), resulting in significant disruption to the organisation's ICT functionality. The overall risk had reduced to 8 and the risk continued to be medium although the likelihood has increased due to the emergence of additional risks relating to the Emergency Services Mobile Communications Programme (ESMCP), moving to new ICT platforms as part of the Third Platform project and the implementation of location and device independent working.

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However, mitigating measures had been introduced including the Data Classification Scheme and comprehensive data handling instructions.

In respect of Risk 4, The Fire Authority would be unable to ensure that proper controls are established whilst working in partnership with other agencies/groups, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives. Following receipt of an Internal Audit report and the initial findings of the Scrutiny review of partnerships, the Service had evidence that its partnership governance arrangements require strengthening. The Risk Owner had determined that the likelihood of risk realisation should be increased. It had been evidenced that there was no systematic and consistent approach to recording partnerships and creating the appropriate arrangements to maximise income generation enabled by the emerging public health/wellbeing commissions opportunities. The Risk Owner would work with the Community Safety Team to identify and implement appropriate control measures as a matter of urgency.

Resolved:

- (1) that the Corporate Risk Assurance Map Summary be approved and that the Position Statement for each risk be noted.
- (2) that the change to Risk Owners shown on the Assurance Map Summary be approved.

32/15

CIPFA Audit Committee Update No. 17

The Committee received the CIPFA Audit Committee Update No. 17. The update was published three times a year, the latest edition focused on the Audit Committee role in reviewing the financial statements and update on current developments. The purpose of the publication was to ensure the members of the Committee felt sufficiently informed with accounts and comfortable with their responsibilities in approving the accounts.

Resolved that the Issued 17 of CIPFA's Audit Committee Update be noted.

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33/15 Treasury Management – Annual Report – 2014/15

The Committee received the Treasury Management Annual Report 2014/15, which covered the treasury activity during 2014/15 and the actual Prudential Indicators for 2014/15.

The Treasurer stated that the Treasury Management activity is undertaken in conjunction with officers from Sandwell Metropolitan Borough Council.

In answer to members questions, it was confirmed that interest rates had remained steady over the review period and there had been no additional borrowing.

Resolved that the report and Appendix be noted and the Prudential and Treasury Indicators be approved.

34/15 Audit Committee Update

The Committee received and noted an update from its external auditor which set out Grant Thornton's progress in delivering its responsibilities and a summary of emerging national issues and developments which might impact on the Authority.

The external auditor explained that the external audit had taken place and had prepared and Audit Findings report for the full Authority where a clean opinion of the accounts and Value for Money would be given. It was indicated that the impact of a determination on commutation figures in respect of the 1992 Firefighters' Pension Scheme by the Pension Ombudsman following the completion of the Annual Statement of Accounts by officers of the Authority, would need to be reflected in the final audited version. The Treasurer indicated the top-up grant arrangements were expected to fund the associated pension costs.

The Annual Audit Letter would be completed in late October.

The External Auditor drew the Committee's attention to a new report "Fire Works – A collaborative way forward for the Fire and Rescue Service" from localism think tank NLGN (New Local Government Network) in association with the Chief Fire Officers' Association (CFOA).

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In relation to the associated challenge question “Have members been briefed by your Deputy Chief Fire Officer or your Strategic Enabler of Finance and Resources on the headline messages from the LGA’s white paper on devolution?” the Deputy Chief Fire Officer confirmed that devolution was an emerging topic and officers and members had engaged with local councils on this matter and the Chief Fire Officer had also had discussions with local Chief Executives and assured the Committee that this was an ongoing theme.

In relation to the associated challenge question “Have members been briefed by the Deputy Chief Officer on whether the Authority’s strategic direction has taken account of the message in this report?” The members confirmed that they had received several presentations on how the Fire Service could work closer with other organisations on health related issues at the Policy Planning Forum prior to the Audit Committee and had been encouraged by the current work on partnerships.

The External Auditor also drew the Committee’s attention to the Local Government Association’s white paper on devolution and recommended that members kept themselves informed of the possible changes regarding the Combined Authority.

Grant Thornton’s Guide to Local Authority accounts was also made available for distribution to the Audit Committee.

35/15 Work Programme

The Committee noted its work programme for 2015/2016.

36/15 Update on Topical, Legal and Regulatory Issues

The Treasurer advised the Committee that the Association of Metropolitan Fire and Rescue Authorities (AMFRA) had made a submission to the Treasury on Friday 4 September for consideration as part of the Government’s Spending Review Exercise.

(The meeting ended at 13.30 pm)

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| Contact Officer: Julie Connor Strategic Hub 0121 380 6906 |
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| <p>Minutes of the Scrutiny Committee</p> |
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17 August 2015 at 10.30pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Tranter (Chair);
Councillor Spence (Vice Chair);
Councillors Barrie, Hogarth, Singh, Skinner
and Ward

Apology: Councillor Young

Observer: Not applicable

14/15 **Minutes**

Resolved that the minutes of the meeting held on 15 June 2015, be approved as a correct record, subject to the following amendments in respect of minute 12/15 (An Analysis of Progress of Quarterly Performance against 'The Plan' – Quarter Four 2014/2015):

- Paragraph four, final sentence to state 'it was suggested that the Committee could seek to support progress in this area by carrying out a piece of work to look at the effectiveness of the Service's human resources policies *for this area*'.
- Paragraph seven to state 'Resolved that an item be placed on the Scrutiny Committee's work programme for 2015/2016 to review the effectiveness of the Service's *Human Resources policies that relate to positive action strategies*'.

15/15 **Partnerships Review Update**

The Committee noted the progress made in the review of the Service's partnership arrangements.

Jim Whittingham, Strategic Hub, thanked the members of the working group for their help in the review to date, including their engagement with Partnership Officers and Community Risk Reduction Officers, visiting station based staff, and participating in a home safety check.

The review has highlighted the importance to recognise the changing landscape of partnerships, in particular the need for partnership arrangements to be fine-tuned with regard to capturing opportunities for commissioning within the wider health and well being arena.

A number of learning points, opportunities for change set out in the covering report were discussed and it was agreed that these should be considered as areas for improvement in the final report. It was agreed that commissioning will enable the opportunity to realign and review the community safety team and management structure as well as re-determining the resources and roles of current command partnership resources in delivering the Service's commissioning aspirations, to ensure it is in the best place to provide the best service for the organisation.

It was recognised that the governance of partnerships is an area that requires improvement. Subsequently, the rating of the corporate risk associated with management of partnerships had been raised.

It was acknowledged that partnership arrangements, including the related support mechanisms, may be impacted upon by reviews that are being undertaken across the organisation, for example, the reviews of the Contact Centre and Fire Control and this will be considered in the final report.

It was noted that a report on the partnership review would be presented to the Committee for consideration at the October 2015 meeting.

Following an enquiry from a member regarding prevention work carried out in relation to deliberate fire setting and antisocial behaviour, it was noted that such work had previously been undertaken under the guise of the Arson Task Force. Funding for this function had ceased and it had been subsequently disbanded. It

was agreed that this would be examined to identify if there were any gaps, and this would be fed back to the member via the Committee.

A member advised the Committee of the collaborative model which is piloting collaborative arrangements, particularly data sharing, within the Coventry area. The member agreed to contact the lead of the collaborative model.

16/15

Positive Action Strategy for Recruitment, Progression and Retention

Further to Minute No. 12/15 (15 June 2015), the Committee noted the report submitted on the Positive Action Strategy for Recruitment, Progression and Retention, which provided a strategic overview of the Service's strategic approach to positive action and the current, and future proposals for positive action initiatives within the scope of the Service's Diversity, Equality, Inclusion and Cohesion (DICE) work.

Following the introduction of the recruitment freeze, it was agreed that the Service should maintain a fully co-ordinated approach to positive action, focussing on elements including staff retention and promotion. Although it was acknowledged that the recruitment freeze may have an impact on promotion opportunities as the establishment reduces, the Service remains confident that opportunities will still exist at all levels of the organisation. Members of staff with high potential will continue to be recognised and barriers removed (where they exist), using a pro-active approach via liaison with respective line managers and business partners within People Support Services, when vacancies arise.

Additionally, the Service will continue to promote the role of the Fire Service externally, challenging stereotypes and removing potential barriers that may prevent potential new applicants from considering applying to join the Service when the recruitment freeze is eventually lifted.

17/15

An Analysis of Progress of Quarterly Performance Against 'The Plan' – Quarter One 2015/2016

The Committee received an overview of the status of the Service's corporate performance indicators for quarter one of 2015/2016, along with progress made in delivering the three strategic objectives contained in 'The Plan' 2015-2018.

The Committee noted that overall, performance was very good across all performance indicators, in particular the performance reported for the Risk Based Attendance Standards.

Members were reminded of the open invitation to attend the Quarterly Performance Review meetings.

18/15

Work Programme 2015/2016

The Committee received the initial work programme for 2015/2016 which was accepted with the following amendment:

Resolved that the item noted against 17 August 2015 on the work programme, 'Review of Human Resources Policies (People Support Services)', be rephrased to 'Review of Human Resources Policies (People Support Services) *that relate to positive action strategies*'.

(Meeting ended at 12:15 pm)