



WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Monday, 15 February 2016 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, 15 February 2016 at 11:00

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

for the purpose of transacting the following business:

Agenda – Public Session

- 1 To receive apologies for absence (if any)
- 2 Declarations of interests in contracts or other matters
- 3 Chair's announcements
- 4 Minutes of Fire Authority 23 November 2015 5 - 10
- 5 Budget and Precept 2016-2017 11 - 78
- 6 Monitoring of Finances 79 - 84
- 7 The Plan 2016-2019 85 - 94
- 8 2016-17 Property Asset Management Plan 95 -
114
- 9 Pay Policy Statement 2016-2017 115 -
166
- 10 Proposed Vehicle Replacement Programme 2016 to 2019 167 -
174
- 11 High Speed Rail 2 Update 175 -
178
- 12 Notes of Joint Consultative Panel held on 9 November 2015 179 -
182
- 13 Notes of the Policy Planning Forum held on 9 November 2015 183 -
192

14	<u>Minutes of the Audit Committee held on 9 November 2015</u>	193 - 198
15	<u>Minutes of the Scrutiny Committee held on 16th November 2015</u>	199 - 214
16	<u>Minutes of the Appeals Committee held on 23 November 2015</u>	215 - 216
17	<u>Minutes of the Executive Committee held on 14 December 2015</u>	217 - 222
18	<u>Notes of the Policy Planning Forum held on 14 December 2015</u>	223 - 230
19	<u>Minutes of the Audit Committee held on 18 January 2016</u>	231 - 236
20	<u>Exclusion of the public and press</u> Chair to move:- <i>"That the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 for the reasons stated below."</i>	

Agenda (not open to public and press)

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

**23 November 2015 at 11.00 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Cllrs Afzal, Singh Atwal, Barrie, Barlow, Clinton, Craddock, Davis, Dehar, Douglas-Maul, Edwards (Chair), Eustace, Idrees (Vice Chair), Miks, Mottram, Quinnen, Sealey, Shackleton, B. Singh, P. Singh, T. Singh, Skinner, Spence, Tranter, Ward and Young

Apologies: A. Aston, P. Hogarth

Observer: Mr Ager
Members of the FBU

81/15 Declarations of Interest

Councillor Edwards declared a non-pecuniary interest in Minute No. 84 below (Monitoring of Finances).

82/15 Chair's Announcements

The Chair announced that a visit was scheduled to Fire Control at 1200 hours following the Authority meeting.

The Chair also announced that a further Member's Development opportunity had been arranged to visit the High Rise Training Facility in Oldbury on the 14 December at 1400 hours. A note was circulated to Members informing them of the event with a reminder to wear sturdy footwear and outer wear.

The Chief thanked the Members of the Authority who had attended the Rewards and Recognition Event on Friday 13 November 2015 which was attended by both uniformed and non-uniformed members of staff. The Chief stated that the event was successful and the attendance of the Members of the Authority had enhanced the overall enjoyment of the evening.

83/15 **Minutes of the Authority meeting held on 21 September 2015**

Resolved that the minutes of the meeting held on 21 September 2015, be confirmed as a correct record.

84/15 **Monitoring of Finances**

The Authority noted a report on the monitoring of finances to end of October 2015, which included revenue expenditure and the capital programme.

Appendix A, Revenue Monitoring Summary to October 2015, showed a favourable variance of £370,000. There were a number of variances detailed in the report and an overspend in the People and Performance budget of £237,000. It was explained that this was as a consequence of the actual operational staffing numbers being higher than the budgeted establishment earlier in the year and it was anticipated to change due to the current suspension of recruitment.

Appendix B, Firefighters' Pension Schemes. The Treasurer stated that he had previously provided this non-financial information, but presented further context to the details on the Appendix.

Appendix C, Capital Monitoring Statement, showed expenditure at the end of October as £1.5m. The main variance within the Capital Programme related to the Vehicle Replacement Programme (VRP) and was due to tender prices for the seven pump rescue ladders being lower than estimated, combined with the replacement of the Detection, Identification and Monitoring (DIM) vehicle being deferred following notification that national funding may come from the Department of Communities and Local Government (DCLG).

The Chair thanked the Treasurer for presenting his report and felt that the information in respect of pensions was particularly helpful. In response to Members' questions, the Treasurer stated that ill-health pensions are paid depending of the severity of the circumstances and the opinion of medical practitioners

In respect of the deferment of the procurement of the DIM vehicle, the Treasurer confirmed that the DCLG are conducting a review to be completed in March 2016. As the DIM vehicle may become part of the national review, it was felt prudent to await the outcome of the review.

The Chief added for clarity that the DIM vehicle formed part of the national assets which were centrally funded and then managed locally. Dialogue was ongoing with the DCLG regarding funding arrangements for national resilience, but the Authority may not be able to fund national assets in the future.

86/15

Notes of Joint Consultative Panel held on 21 September 2015

The Chair of the Joint Consultative Panel thanked both the management and unions in respect of the discussions regarding the Trade Union request for the re-introduction of Elected Member Appeal Panels at this meeting. The final decision had not been an easy one to make and added that the members of the Union would have liked a different outcome. However, the management had listened and acted on the concerns raised and figures now showed that the training was being undertaken and making a difference and would allay the fears of union members.

87/15

Minutes of the Executive Committee held on 12 October 2015

The minutes of the Executive Committee held on 12 October 2015 were received. It was noted that Cllr Davis was present at the meeting although not listed.

88/15

Notes of the Policy Planning Forum held on 12 October 2015

The notes of the Policy Planning Forum held on 12 October 2015 were received.

89/15

Minutes of the Scrutiny Committee

The minutes of the Scrutiny Committee held on 12 October 2015 were received. The Chair of the Scrutiny Committee stated that a further meeting of the Scrutiny Committee had been held on the 16 November 2015 where the Review of Service's Partnerships arrangements had been approved. The Executive Committee would be asked to approve the Review of Partnerships at their meeting scheduled for 14 December 2015.

90/15

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).

91/15

Planned Procurement Exercises

The Chair explained the reason for members of the public to be excluded from the room was to discuss contracts and the commercial sensitivity around this subject.

Approval was sought for the planned tender exercise for the provision of goods and services in accordance with the Procurement Standing Order 1/8.

In respect of the planned procurement of the 999eye, there was uncertainty of its commercial viability and potential to create income. In answer to a Members question, it was confirmed that evaluations of tenders and negotiations will take place during December 2015 and subject to the response from suppliers a further report would be presented to the Authority in 2016.

In answer to a Members' question regarding Hi-Visibility Jackets, it was confirmed that the Authority would pay £46,000 of the total estimated national framework value of £800,000 that all Fire and Rescue Authorities would use.

Resolved that the tender exercise for the provision of:

- 1 Construction of Training at Height Facilities
- 2 Rebuild of Coventry Fire Station
- 3 Hi-Visibility Jackets
- 4 Support for the Development of 999eye

be approved.

As the meeting closed and the Chair reminded members that the next meeting of the Authority was the Policy Planning Forum scheduled for 14 December 2015.

(The meeting ended at 1127 hours)

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

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

**1. BUDGET AND PRECEPT 2016/2017 AND BUDGET FORECAST
2017/2018 TO 2019/2020**

Joint Report of the Treasurer and Chief Fire Officer.

RECOMMENDED

1.1 THAT the following be approved:-

- 1.1.1 The Authority's Net Revenue Budget for 2016/2017 of £97.413m which includes a Council Tax requirement of £37.874m, set out in Appendix A, together with the associated precept levels, set out in Appendix B, resulting in a Band D Precept increase of 1.99%.
- 1.1.2 The Authority's capital programme for 2016/2017 to 2019/2020 as set out in Appendix E.
- 1.1.3 The Authority's Treasury Management Strategy which includes the Minimum Revenue Provision Statement set out in Appendix F and the Prudential Indicators in Appendix G.
- 1.1.4 The Authority accept in principal the offer of a four year financial settlement, as set out in the Final Local Government Finance Settlement on 9 February 2016 and direct the Treasurer to prepare and submit an efficiency plan and any other required documentation to the Home Office as required.

2. PURPOSE OF REPORT

The Authority is requested to consider the Capital Programme for 2016/2017 to 2019/2020, the prudential indicators relating to the Authority's capital financing requirements, the Minimum Revenue Provision Statement, the Treasury Management Strategy, the Revenue Budget and to approve the consequent precept level and resultant amount for each constituent District Council.

3. **BACKGROUND**

- 3.1 The budget setting process is a key part of the Fire Authority's arrangements which establishes the anticipated level of available funding to deliver its key priorities and services. Work has been undertaken throughout the year to determine the Authority's key priorities, outcomes and strategic objectives to be contained in the 2016–2019 Plan.
- 3.2 On 17 December 2015, the Secretary of State for the Department for Communities and Local Government (DCLG) announced the provisional settlement for 2016/17 at £58.660m, resulting in a core funding reduction of £3.283m. The Government also proposed a referendum threshold of 2% for any Fire and Rescue Authority increasing its Council Tax.
- 3.3 In addition to the provisional settlement for 2016/17, an offer was made for a multi-year funding settlement. Any Authority wishing to take up the four year funding settlement to 2019/20 would be required to set out their proposals in an efficiency plan to qualify for the four year settlement from April 2016.
- 3.4 On 9 February 2016, DCLG confirmed the Authority's 2016/17 core funding, with a slight increase of £5k to the figure announced in the provisional settlement, resulting in total core funding of £58.665m.
- 3.5 The four year settlement offer (provisional for 2017/18 – 2019/20) would result in the following core funding reductions:
- 2016/17 £3.278m
 - 2017/18 £3.985m
 - 2018/19 £1.691m
 - 2019/20 £0.690m

A total reduction over the four year period (2016/17 – 2019/20) of £9.644m (15.6% of the 2015/16 core funding).

- 3.6 The projected budget includes a number of efficiency measures as well as enabling any actions to be undertaken arising out of the Authority's Corporate Risk Register. The Corporate Risk Register has identified a number of major risks that would seriously affect the Authority's ability to carry out its functions. The very nature of the risks have made it extremely difficult to quantify any funding impact that would arise were the risk to materialise and in the short term would result in a demand on the Authority's General Balances, which are identified in Section 6 of this report.

- 3.7 During the financial year 2015/16 only extremely limited recruitment activity for some essential support staff has taken place. No recruitment of firefighters has taken place during the year to date however 15 firefighters were seconded on a temporary basis from Hereford and Worcester Fire Service. This has been in line with the Authority's approach to workforce planning in order to provide appropriate staffing levels to meet the Authority's approved service delivery model. It is anticipated that the suspension on the recruitment of firefighters will remain during 2016/17. Funding levels in future years means that the situation will need to be closely monitored and reviewed.
- 3.8 Details of the draft base budget are set out in Appendix A, together with revisions to the current year's budget (the 2016/17 budget is replicated for information in the Service Reporting Code of Practice format in Appendix C).

Business Rates Retention

- 3.9 The business rate retention scheme was introduced in April 2013 and provides a direct link between business rates growth and the amount of money local authorities have to spend on local people and services. Local Authorities are able to keep 50% of the business rates revenue, adjusted for any growth or reduction on the revenue that is generated in their area. This is intended to provide a strong financial incentive for Authorities to promote economic growth.
- 3.10 The main impact on this Authority is that a proportion of income previously paid by the Government is received via the 7 West Midlands Metropolitan Councils. Under these arrangements this Authority is entitled to a payment equivalent to 2% of the amount of Business Rates retained by the 7 West Midlands Metropolitan Councils. This is approximately £9.4m.
- 3.11 The Chancellor announced in the Spending Review in November 2015 of his intention to localise 100% of business rates to local authorities by 2019/20.

Update of 'The Plan'

- 3.12 A key element of developing the Authority's plans is to seek the opinions of those people that live, work and travel within the West Midlands. As part of this, public consultation is undertaken when changes to the core services are being considered by the Authority. The Authority last consulted the public in February 2014 and this provided the opportunity for the public to influence the way the Service works now. The Community Safety Strategy (the Integrated Risk Management Plan) is the risk analysis which identifies what the risk profile of the West Midlands community is and provides analysis of where resources are required to enable effective management of these risks in order to achieve a five minute attendance standard for the most serious emergencies. Review of this risk analysis has confirmed that there has been no significant change to the risk profile of the West Midlands. Therefore, there will be no significant change to the Authority's priorities and outcomes set out in The Plan 2016-2019 and as such there is no requirement for any associated consultation.
- 3.13 During 2015/16 a series of workshops were undertaken with Members and the Strategic Enabling Team to consider, develop and confirm the refresh of The Plan 2016-2019. As part of this approach Members and the Strategic Enabling Team have agreed the priorities and outcomes for 2016-2017.
- 3.14 'The Plan' sets the Authority's strategic direction for the next three years and defines those outcomes, priorities and strategic objectives which are to be provided with reduced funding and resources.

4. PRECEPT 2016/2017

- 4.1 Under the Council Tax arrangements, the allocation of the total sum required by the Authority between constituent District Councils is based on the relevant tax base for each District.
- 4.2 All District Councils have now formally set their Council Tax base and have notified the Authority accordingly. The total relevant Council Tax base for the Authority is 675,989.47 (659,147.75 in 2015/16).
- 4.3 The appropriate precept has now been calculated for each District and is set out in Appendix B, paragraph 1.4, for the Authority's approval.

- 4.4 The Council Tax at Band D for 2016/17 would be £56.03, an increase of 1.99% (£1.09) per annum.

5. **FUNDING OF EXPENDITURE 2016/2017**

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

	£000
Formula Grant	58,665
Share of Collection Fund Surplus / (Deficit)	874
Council Tax (met by Districts)	37,874
Total Funding	97,413

In addition to external funding, it is estimated that the Authority will generate income of £2.893m (£2.830m in 2015/16) (Appendix D).

6. **GENERAL BALANCES POSITION**

- 6.1 Based on the current forecast of net expenditure in 2015/16, the Authority's available General Balances at 1 April 2016 are estimated to be £9.2 million. At this level, the amount of General Balances would equate to approximately 9.4% of the Authority's 2016/17 budget.
- 6.2 This level of balances is considered appropriate at this stage due to the estimated scale of government grant reductions in future years. Whilst the four year settlement provides some greater certainty than previously, the figures are indicative at this stage. This is combined with an increase in volatility of Council Tax collection rates for the 7 West Midlands Authorities, particularly following the introduction of the localisation of council tax benefits since 1 April 2013.
- 6.3 The actual level of General Balances at 1 April 2016 will not be determined until the completion of the Authority's 2015/16 closedown of accounts process.

7. **CAPITAL PROGRAMME**

7.1 At the Authority meeting on 16 February 2015, consideration and approval was given to the current three year Capital Programme. The Programme has been monitored during the year at Authority meetings.

7.2 It is estimated that commitments in respect of those projects which make up the proposed capital programme, is as follows:

	£m
2016/2017	6.482
2017/2018	10.747
2018/2019	5.134
2019/2020	3.460

The full list of projects is shown on Appendix E.

7.3 A forecast of resources covering the period 2016/17 to 2019/20 is shown below.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Capital Receipts	1.105	1.000	-	-
Capital Grants	1.025	-	-	-
Revenue Funding	4.352	9.747	5.134	3.460
Total Capital Resources	6.482	10.747	5.134	3.460

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

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Projected Resources	6.482	10.747	5.134	3.460
<u>Less:</u> Commitments	6.482	10.747	5.134	3.460
Funding (Deficit)/Surplus	-	-	-	-

7.5 At the time of announcing the four year provisional core funding settlement, no specific announcements have been made by the DCLG in relation to capital funding.

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

- 8.1 The Fire Authority recognises the importance of Treasury Management to the economy and efficiency of its finances. It also recognises that delivering quality services in this area requires expertise and skills that can best be provided by specialist professions from external organisations.
- 8.2 West Midlands Fire Service's Treasury Management functions are provided by Sandwell MBC who have in turn appointed external advisors to support them. The Fire Authority has also linked its appointment of bankers to that of Sandwell MBC in order to benefit from efficiencies in tendering, cash flow management and investment.
- 8.3 The Treasury Management Strategy for 2016/17 is set out in Appendix F.
- 8.4 Under the Local Government Act 2003, credit approvals were abolished and a new prudential capital finance system was introduced from 1 April 2004. CIPFA has prepared a Prudential Code which underpins the system of capital finance. Local authorities are required by Regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003.
- 8.5 The key objectives of the Prudential Code are to ensure that the capital investment plans of the Authority are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
- 8.6 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. The indicators are designed to support and record local decision making.
- 8.7 The Prudential Indicators that have been calculated for this Authority are detailed on Appendix G.

9. **PLANNING FOR THE 2016/2017 TO 2019/2020 BUDGET**

- 9.1 In preparing the draft revenue budget for 2016/17, an expenditure forecast for 2017/18 to 2019/20 has also been undertaken by 'rolling forward' the 2016/17 draft budget; updating for specific known budget pressures (e.g. the impact of National Insurance increases from April 2016) anticipated inflation and pay awards, adding in commitments, adjusting for anticipated staff turnover levels, setting efficiency targets, etc. (Appendix H).
- 9.2 At this stage the offer of a provisional four year settlement by DCLG is considered to be a reasonable basis to formulate medium term financial planning. In order to take up the four year funding settlement an efficiency plan is required. No details are currently available regarding the format and content of the efficiency plan although it is anticipated the content of Appendix H2 would form the basis of any submission. At this stage it is anticipated that work will focus on alternative staffing models, commissioning, internal restructures and general budget reductions. A summary of the impact of a reduction in core funding is shown in the table below:

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

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Net Budget Requirement	97.4	93.7	93.2	93.7
Core Funding	58.6	54.7	53.0	52.3
Council Tax	37.9	39.0	40.2	41.4
Council Tax Surplus	0.9	0.0	0.0	0.0
Available Resources	97.4	93.7	93.2	93.7
Annual Surplus/(Deficit)	0.0	0.0	0.0	0.0

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

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

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

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

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

- Knowledge of the Officers involved in the process, particularly finance professionals, including their degree of experience and qualifications.
- Review of the strength of financial management and reporting arrangements including internal control and governance arrangements.

10.4 The Authority's aim is to have a prudent level of general reserves informed by an assessment of potential risks to the organisation. The level of general reserves at the end of the financial year 2015/16 is forecast to be £9.2m and this is approximately 9.4% of the net budget requirement. This level of balances is considered appropriate at this stage due to the scale of core funding reductions in future years and volatility of Council Tax collection rates.

10.5 It was deemed that a prudent level of earmarked reserves was established during the Authority's 2014/15 closedown exercise. A review of these reserves will be undertaken as part of the Authority's 2015/16 closedown of accounts process.

10.6 Based on known circumstances and financial risk assessment, it is felt that adequate earmarked reserves and provisions have been created to meet legal and expected liabilities. As at 31 March 2015 a list of the reserves is included in Appendix J. Consideration will be given to the appropriate level of reserves required as at 31 March 2016 as part of the Authority's closedown of accounts process.

10.7 In recommending an adequate level of reserves, the consideration is given to the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity, for example, of investing elsewhere to generate additional investment income or using the funds to invest in service improvements. In assessing this, it is important to consider that reserves can only be used once and are therefore potentially only 'one-off' sources of funding. Therefore, any use of general reserves is only ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust 'safety net' which adequately protects against potential unbudgeted costs.

- 10.8 The current level of reserves is considered to be sufficient in all but the most unusual and serious combination of possible events. In this context it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.
- 10.9 Best endeavours have been made to ensure that the budget and reserves are adequate using the information available at this date. The budget has been constructed with a professional policy led medium term strategic framework using appropriate assumptions, linking investment and spending to key priorities and having undertaken a comprehensive assessment of risk.

11. **EQUALITY AND DIVERSITY IMPLICATIONS**

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

12. **LEGAL IMPLICATIONS**

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

BACKGROUND PAPERS

DCLG Communications
Policy Planning Forum 14 December 2015
District Leaders' Meeting 17 December 2015
Policy Planning Forum 1 February 2016
The Plan 2016–2019

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

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

APPENDIX A**SUMMARY OF 2015/2016 REVISED BUDGET AND 2016/2017
BUDGET**

	Original Budget 2015/16 £000s	Revised Budget 2015/16 £000s	Original Budget 2016/17 £000s
<u>Expenditure</u>			
Employees	85,570	83,162	83,839
Premises	5,810	5,949	5,453
Transport	1,593	1,404	1,396
Supplies & Services	7,159	7,421	7,825
Capital Financing	3,057	3,000	2,943
Appropriations to Reserves	150	3,481	450
Total Expenditure	103,339	104,417	101,906
<u>Income</u>			
Core Funding (Formula Grant)	(61,943)	(61,943)	(58,665)
Capital Grant	0	0	0
Other Government Grant	(1,605)	(1,919)	(1,235)
Income from Services	(2,830)	(3,117)	(2,893)
Collection Fund (Surplus) / Deficit	(384)	(384)	(874)
Appropriations from Reserves	(366)	(843)	(365)
Total Income	(67,128)	(68,206)	(64,032)
COUNCIL TAX REQUIREMENT	36,211	36,211	37,874
Collection Fund Surplus / (Deficit)	384	384	874
Core Funding (Formula Grant)	61,943	61,943	58,665
NET BUDGET REQUIREMENT	98,538	98,538	97,413

BAND D PRECEPT INCREASE OF 1.99%

- 1.1 THAT it be noted that the constituent District Councils have formally set their Council Tax bases for the year 2016/2017 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992 as follows:

	Tax Base
Birmingham	239,042.00
Coventry	77,525.10
Dudley	88,126.08
Sandwell	69,913.98
Solihull	73,456.00
Walsall	67,520.37
Wolverhampton	60,405.94
	<hr/>
	675,989.47
	<hr/>

- 1.2 THAT the following amounts be now calculated by the Authority for the year 2016/2017 in accordance with Sections 40 to 48 of the Local Government Finance Act 1992:
- 1.2.1 £101,906,000 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act.
- 1.2.2 £64,032,338 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) of the Act.
- 1.2.3 £37,873,662 being the amount by which the aggregate at 1.2.1 above exceeds the aggregate at 1.2.2 above calculated by the Authority in accordance with Section 42A(4) of the Act as its council tax requirement for the year.
- 1.2.4 £56.03 being the amount at 1.2.3 above divided by the total amount at 1.1 above, calculated by the Authority in accordance with Section 42B(1) of the Act as the basic amount of its Council Tax for the year.

1.3	<u>Valuation Bands</u>	£ (to 6 decimals)	£ (rounded to 2 decimals)
	A	37.351333	37.35
	B	43.576556	43.58
	C	49.801778	49.80
	D	56.027000	56.03
	E	68.477444	68.48
	F	80.927889	80.93
	G	93.378333	93.38
	H	112.054000	112.05

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

1.4 Resultant precepts:

	£
Birmingham City Council	13,392,806
Coventry City Council	4,343,499
Dudley MBC	4,937,440
Sandwell MBC	3,917,070
Solihull MBC	4,115,519
Walsall MBC	3,782,964
Wolverhampton City Council	<u>3,384,364</u>
Total	<u>37,873,662</u>

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

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

SUMMARY OF 2016/2017 BUDGET – SERVICE ANALYSIS

	1.99% Precept Increase
	£000s
Firefighting & Rescue Operations	101,253
Community Safety	14,308
Corporate and Democratic Core	1,590
Emergency Planning & Civil Defence	114
COST OF SERVICES	117,265
Appropriations and Interest	(20,487)
Government Grant – Section 31	(239)
Settlement Funding (Formula Grant)	(58,665)
COUNCIL TAX REQUIREMENT	37,874

SERVICE INCOME BUDGETS 2015/16 AND 2016/17

	Original Budget 2015/16 £000s	Revised Budget 2015/16 £000s	Original Budget 2016/17 £000s
Fees and Charges:			
- Fire Control & Contact Centre	1,114	1,114	1,072
- Training	327	352	332
- ICT	102	209	111
- Mutual Assistance	100	160	80
- Fire Engineering	75	75	75
- Room Hire	51	56	55
- Other	320	336	296
Sales	177	255	180
Rents - Property	245	245	238
Interest	265	245	400
Other Income	54	70	54
TOTAL SERVICE INCOME	2,830	3,117	2,893

Note: In addition to the service income budgets, a £2m target has been set to generate income from Commissioning over the next three financial years (2016/17 – 2018/19)

APPENDIX E**CAPITAL PROGRAMME 2016/2017 TO 2019/2020**

Scheme		Project Year In 2016/17	2016/17	2017/18	2018/19	2019/20
			£000s	£000s	£000s	£000s
COMMITTED SCHEMES						
	Coventry Fire Station	2 of 3	2,500	4,200	-	-
	Aston Fire Station	2 of 4	200	3,900	3,375	-
	Training at Height Facilities	11 of 11	363	-	-	-
	Boiler Replacement Programme	Ongoing	303	159	211	165
	Roof Replacements	Ongoing	132	184	190	150
	Windows and Door Replacements	Ongoing	131	184	188	425
	Rewires	Ongoing	145	-	250	420
	Vehicle Replacement Programme	Ongoing	2,318	2,120	920	2,300
	X-Plan	1 of 1	300	-	-	-
	Bilston Modification Works	1 of 1	90	-	-	-
GRAND TOTAL			6,482	10,747	5,134	3,460
RESOURCES AVAILABLE						
	Supported Capital Expenditure		-	-	-	-
	Prudential Borrowing		-	-	-	-
	Capital Receipts		1,105	1,000	-	-
	Capital Grants		1,025	-	-	-
	Earmarked Reserves/DRF		4,352	9,747	5,134	3,460
SURPLUS/(DEFICIT)			-	-	-	-

TREASURY MANAGEMENT STRATEGY 2016/2017

1.1 Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer term cash flow planning to ensure that the Authority can meet its capital spending obligations.

CIPFA defines treasury management as:

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

1.2 Reporting Requirements

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

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

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

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

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

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital Issues

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

Treasury Management Issues

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Authority;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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

2. Capital Prudential Indicators 2015/16 – 2019/20

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

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

The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR, details are provided in Appendix G.

Minimum Revenue Provision Statement

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

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

For all borrowing the MRP policy will be:

- **Asset Life Method** (Option 3) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction).

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

For 2015/16 onwards the proposed MRP policy has been amended to an Annuity basis which results in a reduction to the amount of revenue applied to provide for debt in the period 2015/16 to 2033/34 after which point the revenue applied increases compared to the current MRP approach through to 2054/55. The change does not increase the level of debt but means that the level of capital expenditure financed by borrowing, the Capital Financing Requirement will reduce more slowly in the earlier years as the amount of MRP is lower than the policy in

2014/15. However the revised policy would ensure that the CFR would be repaid over a period of 40 years. If the current MRP approach continued there would be a balance outstanding of approximately £7m at the end of the 40 year period. It is not proposed to amend retrospectively any MRP recognised in previous years; this policy would apply from 2015/16 onwards.

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

3. Treasury Management Strategy

The capital expenditure plans provide details of the activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

Within the prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well defined limits. One of these is that the Authority needs to ensure that its total debt, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

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

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£44m	£43m	£42m	£41m	£40m

The Authorised Limit for External Debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Authority's plans, or those of a specific Authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following Authorised Limit:

Authorised Limit	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£48m	£47m	£46m	£45m	£44m

3.3 Prospects for Interest Rates

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

	Bank Rate %	PWLB Borrowing Rates %		
		5 year	25 year	50 year
Mar 2016	0.50	2.00	3.40	3.20
Jun 2016	0.50	2.10	3.40	3.20
Sep 2016	0.50	2.20	3.50	3.30
Dec 2016	0.75	2.30	3.60	3.40
Mar 2017	0.75	2.40	3.70	3.50
Jun 2017	1.00	2.50	3.70	3.60
Sep 2017	1.00	2.60	3.80	3.70
Dec 2017	1.25	2.70	3.90	3.80
Mar 2018	1.25	2.80	4.00	3.90
Jun 2018	1.50	2.90	4.00	3.90
Sep 2018	1.50	3.00	4.10	4.00
Dec 2018	1.75	3.10	4.10	4.00
Mar 2019	1.75	3.20	4.10	4.00

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, probably being second to the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y) before weakening again to +0.5% (2.3% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and the November Inflation Report flagged up particular concerns for the potential impact on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a

second, more recent round of falls in fuel prices will now delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% in the second half of 2016 and not get to near 2% until 2017, though the forecasts in the Report itself were for an even slower rate of increase. There is considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

3.4 Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high. Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. Interest rates in financial markets will be monitored alongside other economic indicators.

Treasury Management Limits on Activity

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

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Authority is asked to approve the following treasury indicators and limits:

	2015/16	2016/17	2017/18
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	160%	160%	160%
Limits on variable interest rates based on net debt	30%	30%	30%
Maturity Structure of fixed interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	25%	
5 years to 10 years	0%	50%	
10 years and above	0%	90%	
Maturity Structure of variable interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	25%	
5 years to 10 years	0%	50%	
10 years and above	0%	90%	

3.5 Policy on Borrowing in Advance of Need

The Authority will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Borrowing in advance will be made within the constraints that it will be limited to no more than 20% of the expected increase in borrowing need (CFR) over the three year planning period. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt Rescheduling

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

The reasons for any rescheduling to take place will include:

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

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

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

4 Annual Investment Strategy

4.1 Investment Policy

The Authority's investment policy has regard to the DCLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Authority's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the DCLG and CIPFA, and in order to minimise the risk to investments, the Authority applies the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of these reflect in the eyes of each agency. Using the Capita ratings service

banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Authority's and Sandwell MBC's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority and Sandwell MBC will engage with its advisors to monitor the market.

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

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

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

4.2 Creditworthiness policy

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

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

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

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

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

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

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

- i. Short term – F1, P-1, A-1 (Fitch, Moody's and S&P) respectively
- ii. Long term – A, A1 and A (Fitch, Moody's and S&P) respectively

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

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

- no more than 25% will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

Use of additional information other than credit ratings.

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

4.3 Country limits

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of 3 from Fitch.

4.4 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2017. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Authority is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£25m	£25m	£25m

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

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

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

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

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

Yield – local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

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

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

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

4.6 End of year investment report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

4.7 Policy on the use of external service providers

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

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

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Sandwell MBC will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Interest Rate Forecast 2016 – 2019

Capita Asset Services Interest Rate View							
	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19
Capita Asset Service's Bank Rate View	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
3 Month LIBID	0.50%	0.60%	0.90%	1.10%	1.40%	1.60%	1.90%
6 Month LIBID	0.70%	0.80%	1.00%	1.30%	1.60%	1.80%	2.20%
12 Month LIBID	1.00%	1.10%	1.30%	1.60%	1.90%	2.10%	2.40%
Bank Rate							
Capita Asset Service's View	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Capital Economics	0.50%	0.75%	1.00%	1.00%	-	-	-
5 yr PWLB Rate							
Capita Asset Service's View	2.00%	2.20%	2.40%	2.60%	2.80%	3.00%	3.20%
Capital Economics	2.60%	2.80%	3.10%	3.30%	-	-	-
10 yr PWLB Rate							
Capita Asset Service's View	2.60%	2.80%	3.00%	3.20%	3.40%	3.60%	3.70%
Capital Economics	3.35%	3.45%	3.65%	3.85%	-	-	-
25 yr PWLB Rate							
Capita Asset Service's View	3.40%	3.50%	3.70%	3.80%	4.00%	4.10%	4.10%
Capital Economics	3.35%	3.45%	3.65%	3.85%	-	-	-
50 yr PWLB Rate							
Capita Asset Service's View	3.20%	3.30%	3.50%	3.70%	3.90%	4.00%	4.00%
Capital Economics	3.40%	3.45%	3.7%	3.90%	-	-	-

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

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

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

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

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

The investment policy proposed for the Authority is:

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

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

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

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

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

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

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

PRUDENTIAL INDICATORS

1. The actual capital expenditure that was incurred in 2014/15 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

Capital Expenditure					
2014/15 £000 Actual	2015/16 £000 Estimate	2016/17 £000 Estimate	2017/18 £000 Estimate	2018/19 £000 Estimate	2019/20 £000 Estimate
3,036	4,557	6,482	10,747	5,134	3,460

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2014/15 are:

Ratio of Financing Costs to Net Revenue Stream					
2014/15 % Actual	2015/16 % Estimate	2016/17 % Estimate	2017/18 % Estimate	2018/19 % Estimate	2019/20 % Estimate
3.66	2.84	2.64	2.63	2.59	2.56

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

3. All borrowing forecasts contained within this report relate only to supported capital expenditure, which receives Government grant support. Consequently, the incremental impact of any borrowing arising from new capital investment decisions has been reflected within the overall budget projections, although the impact specifically on the level of precept cannot be quantified.
4. Estimates of the end of year capital financing requirement for the Authority for the current and future years and the actual financing requirements at 31 March 2015 are:

Capital Financing Requirement					
31/03/15 £000 Actual	31/03/16 £000 Estimate	31/03/17 £000 Estimate	31/03/18 £000 Estimate	31/03/19 £000 Estimate	31/03/20 £000 Estimate
40,211	39,508	38,765	37,978	37,144	36,261

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

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

The Authority had no difficulty meeting this requirement in 2014/15, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

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

Authorised Limit for External Debt					
2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
49,000	48,000	47,000	46,000	45,000	44,000

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

Operational Boundary for External Debt					
2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
45,000	44,000	43,000	42,000	41,000	40,000

10. The Authority's actual borrowing at 31 March 2015 was £40.8m. It should be noted that actual long term liabilities is not directly comparable to the authorised limit and operational boundary, since the actual long term liabilities reflects the position at one point in time.
11. In taking its decisions on this budget report, the Authority is asked to note that the authorised limit determined for 2015/16 (see paragraph 7 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

APPENDIX H

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

NET EXPENDITURE BUDGET FORECAST 2017/2018 TO 2019/2020

	Budget 2017/18	Budget 2018/19	Budget 2019/20
Subjective Heading	£000s	£000s	£000s
Employees	82,200	82,800	83,300
Premises	5,300	5,300	5,300
Transport	1,400	1,400	1,400
Supplies & Services	6,900	6,900	6,900
Capital Financing	2,900	2,800	2,800
Income	-5,000	-6,000	-6,000
NET EXPENDITURE	93,700	93,200	93,700
Available Funding	93,700	93,200	93,700
Surplus/(Deficit)	0	0	0

Note

Budget forecast for 2017/18 to 2019/20 assume:

- A Council Tax increase of 1.99% in each year.
- Achieving the savings identified in Appendix H2.
- Inflation assumptions as shown on Appendix H3.

SAVINGS TO MEET THE FUNDING GAP 2016/17 – 2019/20

The provisional four year settlement for the period 2016/17 to 2019/20 would result in a cumulative budget deficit of circa £10m if the Service did not make any efficiency savings. The areas where savings are anticipated and reflected within the medium term financial strategy (paragraph 9.2) are shown below:

Savings:	£m
Staffing	4
Commissioning	2
Internal Restructures	1
General Budget Reductions	1
Council Tax Base	2
Total Savings	10

£4m – STAFFING

Alternative staffing models will be explored with the intention of delivering organisational savings whilst maintaining the current Service Delivery Model. The most effective way to ensure delivery of the budget savings is to suspend recruitment which will ensure a reduction in the organisations operational strength, primarily by individuals leaving the organisation through retirement.

The reducing staff numbers would produce budget savings but in order to continue to deliver the current Service Delivery Model will require increased flexible staffing arrangements. Current options available to staff and the organisation include:

- Voluntary Bank shifts
- Integrated resilience
- Voluntary additional shifts

In considering new staffing model proposals, it is anticipated that there will be a reduction in the overall operational staffing establishment of 154 posts with the introduction of voluntary additional shifts at plain rate to supplement the organisations operational capacity.

£2m – COMMISSIONING

In the current financial scenario a challenging target of £2m ongoing core funding over four years has been identified to be achieved through alternative funding arrangements. This has been termed as ‘flexible funding’.

Flexible funding services will be delivered as an integrated business model alongside core services through the Services staffing establishment.

The key areas identified for income generation through flexible funding include:

- Commissioning through supporting the health sector and reducing risk to vulnerable people and through other public bodies such as local authorities etc.
- Income generation through social value opportunities
- Sponsorship

£1m – INTERNAL RESTRUCTURES

The Service has already made considerable savings over the last four year period following a number of internal restructures, predominantly across the Support Service functions. This approach will continue over the next four financial years with specific functional reviews scheduled for People Support Services, Administration and Fire Control. The intention moving forward is to consider once more the arrangements and structures for all Service Support functions combined with a management review across the Service as a whole.

£1m – GENERAL BUDGET REDUCTIONS

As part of the Authority's budget process there is an annual exercise which requires budget holders to review and update their budget requirements for future years. It is anticipated that there will be reductions across a range of budgets as part of this exercise.

Also as part of the Authority's overall budget setting exercise, a number of assumptions and estimates need to be considered. For example, an estimate is made to allow for increases in general inflation against the Authority's overall budget. This and other similar issues will be reviewed to determine whether budget holders should be required to operate within a nil inflation budget.

£2m COUNCIL TAX BASE

Included within the medium term financial planning is an assumption that the Council Tax Base will continue to increase on average 1.25% each year, which would generate additional income of £2m over the period 2016/17 to 2019/20.

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

July 16	1.0
July 17	1.0
July 18	1.0
July 19	1.0

- Non-Uniformed Staff

April 16	1.0
April 17	1.0
April 18	1.0
April 19	1.0

General Prices:

April 16	1.0
April 17	1.0
April 18	1.0
April 19	1.0

Pensions Increase Order:

April 16	0.0
April 17	1.2
April 18	1.7
April 19	1.8

Residential Rents:

April 16	2.0
April 17	2.0
April 18	2.0
April 19	2.0

SENSITIVITY ANALYSIS

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

Expenditure

Uniformed pay awards	£650k (£490k part year)
Non-uniformed pay award	£130k
Employers Firefighters Pension Contribution	£435k
Interest payable	£374k
General inflation	£100k
Energy costs	£9k
Fuel	£5k

Income

Core Funding	£587k
Council Tax	£379k
Interest receivable	£620k

SCENARIO ANALYSIS

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

Core Funding Reductions

Financial Year	£ Core Funding	% Reduction	£ Reduction
2015/16	61,943,000		
2016/17	58,665,000	-5.3%	-3,278,000
2017/18	54,680,000	-6.8%	-3,985,000
2018/19	52,989,000	-3.1%	-1,691,000
2019/20	52,299,000	-1.3%	-690,000

Further 1% Core Funding Reduction in 2017/18 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	54,093,000	-7.8%	-4,572,000
2018/19	51,879,000	-4.1%	-2,214,000
2019/20	50,685,000	-2.3%	-1,194,000

Further 2% Core Funding Reduction in 2017/18 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	53,506,000	-8.8%	-5,159,000
2018/19	50,781,000	-5.1%	-2,725,000
2019/20	49,104,000	-3.3%	-1,677,000

The provisional four year settlement is an indication of further reductions in future years. However, should the core funding reductions in 2017/18 to 2019/20 be 1% lower than currently indicated, the table below shows the impact of the reductions.

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	55,266,000	-5.8%	-3,399,000
2018/19	54,110,000	-2.1%	-1,156,000
2019/20	53,947,000	-0.3%	-163,000

APPENDIX J

RESERVES AS AT 31 MARCH 2015

Earmarked	£000s
Capital Projects	22,870
Insurance	7,159
Project Management/Support	1,355
Station Works	1,129
Training & Development	813
Partnership Working	772
New Dimensions	745
System Enhancements/Upgrades	483
Firefighting and Rescue Equipment	419
Fire Prevention & Education	393
Office Equipment/Furniture	128
Total	36,266

General (9.4% of overall 2015/16 budget)	9,231
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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **BUDGET AND PRECEPT 2016/2017 AND BUDGET FORECAST
2017/2018 TO 2019/2020**

Joint Report of the Treasurer and Chief Fire Officer.

RECOMMENDED

1.1 THAT the following be approved:-

1.1.1 The Authority's Net Revenue Budget for 2016/2017 of £97.413m which includes a Council Tax requirement of £37.874m, set out in Appendix A, together with the associated precept levels, set out in Appendix B, resulting in a Band D Precept increase of 1.99%.

1.1.2 The Authority's capital programme for 2016/2017 to 2019/2020 as set out in Appendix E.

1.1.3 The Authority's Treasury Management Strategy which includes the Minimum Revenue Provision Statement set out in Appendix F and the Prudential Indicators in Appendix G.

1.1.4 The Authority accept in principal the offer of a four year financial settlement, as set out in the Final Local Government Finance Settlement on 9 February 2016 and direct the Treasurer to prepare and submit an efficiency plan and any other required documentation to the Home Office as required.

2. **PURPOSE OF REPORT**

The Authority is requested to consider the Capital Programme for 2016/2017 to 2019/2020, the prudential indicators relating to the Authority's capital financing requirements, the Minimum Revenue Provision Statement, the Treasury Management Strategy, the Revenue Budget and to approve the consequent precept level and resultant amount for each constituent District Council.

3. **BACKGROUND**

- 3.1 The budget setting process is a key part of the Fire Authority's arrangements which establishes the anticipated level of available funding to deliver its key priorities and services. Work has been undertaken throughout the year to determine the Authority's key priorities, outcomes and strategic objectives to be contained in the 2016–2019 Plan.
- 3.2 On 17 December 2015, the Secretary of State for the Department for Communities and Local Government (DCLG) announced the provisional settlement for 2016/17 at £58.660m, resulting in a core funding reduction of £3.283m. The Government also proposed a referendum threshold of 2% for any Fire and Rescue Authority increasing its Council Tax.
- 3.3 In addition to the provisional settlement for 2016/17, an offer was made for a multi-year funding settlement. Any Authority wishing to take up the four year funding settlement to 2019/20 would be required to set out their proposals in an efficiency plan to qualify for the four year settlement from April 2016.
- 3.4 On 9 February 2016, DCLG confirmed the Authority's 2016/17 core funding, with a slight increase of £5k to the figure announced in the provisional settlement, resulting in total core funding of £58.665m.
- 3.5 The four year settlement offer (provisional for 2017/18 – 2019/20) would result in the following core funding reductions:
- 2016/17 £3.278m
 - 2017/18 £3.985m
 - 2018/19 £1.691m
 - 2019/20 £0.690m

A total reduction over the four year period (2016/17 – 2019/20) of £9.644m (15.6% of the 2015/16 core funding).

- 3.6 The projected budget includes a number of efficiency measures as well as enabling any actions to be undertaken arising out of the Authority's Corporate Risk Register. The Corporate Risk Register has identified a number of major risks that would seriously affect the Authority's ability to carry out its functions. The very nature of the risks have made it extremely difficult to quantify any funding impact that would arise were the risk to materialise and in the short term would result in a demand on the Authority's General Balances, which are identified in Section 6 of this report.

- 3.7 During the financial year 2015/16 only extremely limited recruitment activity for some essential support staff has taken place. No recruitment of firefighters has taken place during the year to date however 15 firefighters were seconded on a temporary basis from Hereford and Worcester Fire Service. This has been in line with the Authority's approach to workforce planning in order to provide appropriate staffing levels to meet the Authority's approved service delivery model. It is anticipated that the suspension on the recruitment of firefighters will remain during 2016/17. Funding levels in future years means that the situation will need to be closely monitored and reviewed.
- 3.8 Details of the draft base budget are set out in Appendix A, together with revisions to the current year's budget (the 2016/17 budget is replicated for information in the Service Reporting Code of Practice format in Appendix C).

Business Rates Retention

- 3.9 The business rate retention scheme was introduced in April 2013 and provides a direct link between business rates growth and the amount of money local authorities have to spend on local people and services. Local Authorities are able to keep 50% of the business rates revenue, adjusted for any growth or reduction on the revenue that is generated in their area. This is intended to provide a strong financial incentive for Authorities to promote economic growth.
- 3.10 The main impact on this Authority is that a proportion of income previously paid by the Government is received via the 7 West Midlands Metropolitan Councils. Under these arrangements this Authority is entitled to a payment equivalent to 2% of the amount of Business Rates retained by the 7 West Midlands Metropolitan Councils. This is approximately £9.4m.
- 3.11 The Chancellor announced in the Spending Review in November 2015 of his intention to localise 100% of business rates to local authorities by 2019/20.

Update of 'The Plan'

- 3.12 A key element of developing the Authority's plans is to seek the opinions of those people that live, work and travel within the West Midlands. As part of this, public consultation is undertaken when changes to the core services are being considered by the Authority. The Authority last consulted the public in February 2014 and this provided the opportunity for the public to influence the way the Service works now. The Community Safety Strategy (the Integrated Risk Management Plan) is the risk analysis which identifies what the risk profile of the West Midlands community is and provides analysis of where resources are required to enable effective management of these risks in order to achieve a five minute attendance standard for the most serious emergencies. Review of this risk analysis has confirmed that there has been no significant change to the risk profile of the West Midlands. Therefore, there will be no significant change to the Authority's priorities and outcomes set out in The Plan 2016-2019 and as such there is no requirement for any associated consultation.
- 3.13 During 2015/16 a series of workshops were undertaken with Members and the Strategic Enabling Team to consider, develop and confirm the refresh of The Plan 2016-2019. As part of this approach Members and the Strategic Enabling Team have agreed the priorities and outcomes for 2016-2017.
- 3.14 'The Plan' sets the Authority's strategic direction for the next three years and defines those outcomes, priorities and strategic objectives which are to be provided with reduced funding and resources.

4. PRECEPT 2016/2017

- 4.1 Under the Council Tax arrangements, the allocation of the total sum required by the Authority between constituent District Councils is based on the relevant tax base for each District.
- 4.2 All District Councils have now formally set their Council Tax base and have notified the Authority accordingly. The total relevant Council Tax base for the Authority is 675,989.47 (659,147.75 in 2015/16).
- 4.3 The appropriate precept has now been calculated for each District and is set out in Appendix B, paragraph 1.4, for the Authority's approval.

- 4.4 The Council Tax at Band D for 2016/17 would be £56.03, an increase of 1.99% (£1.09) per annum.

5. **FUNDING OF EXPENDITURE 2016/2017**

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

	£000
Formula Grant	58,665
Share of Collection Fund Surplus / (Deficit)	874
Council Tax (met by Districts)	37,874
Total Funding	97,413

In addition to external funding, it is estimated that the Authority will generate income of £2.893m (£2.830m in 2015/16) (Appendix D).

6. **GENERAL BALANCES POSITION**

- 6.1 Based on the current forecast of net expenditure in 2015/16, the Authority's available General Balances at 1 April 2016 are estimated to be £9.2 million. At this level, the amount of General Balances would equate to approximately 9.4% of the Authority's 2016/17 budget.
- 6.2 This level of balances is considered appropriate at this stage due to the estimated scale of government grant reductions in future years. Whilst the four year settlement provides some greater certainty than previously, the figures are indicative at this stage. This is combined with an increase in volatility of Council Tax collection rates for the 7 West Midlands Authorities, particularly following the introduction of the localisation of council tax benefits since 1 April 2013.
- 6.3 The actual level of General Balances at 1 April 2016 will not be determined until the completion of the Authority's 2015/16 closedown of accounts process.

7. **CAPITAL PROGRAMME**

7.1 At the Authority meeting on 16 February 2015, consideration and approval was given to the current three year Capital Programme. The Programme has been monitored during the year at Authority meetings.

7.2 It is estimated that commitments in respect of those projects which make up the proposed capital programme, is as follows:

	£m
2016/2017	6.482
2017/2018	10.747
2018/2019	5.134
2019/2020	3.460

The full list of projects is shown on Appendix E.

7.3 A forecast of resources covering the period 2016/17 to 2019/20 is shown below.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Capital Receipts	1.105	1.000	-	-
Capital Grants	1.025	-	-	-
Revenue Funding	4.352	9.747	5.134	3.460
Total Capital Resources	6.482	10.747	5.134	3.460

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

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Projected Resources	6.482	10.747	5.134	3.460
<u>Less: Commitments</u>	6.482	10.747	5.134	3.460
Funding (Deficit)/Surplus	-	-	-	-

7.5 At the time of announcing the four year provisional core funding settlement, no specific announcements have been made by the DCLG in relation to capital funding.

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

- 8.1 The Fire Authority recognises the importance of Treasury Management to the economy and efficiency of its finances. It also recognises that delivering quality services in this area requires expertise and skills that can best be provided by specialist professions from external organisations.
- 8.2 West Midlands Fire Service's Treasury Management functions are provided by Sandwell MBC who have in turn appointed external advisors to support them. The Fire Authority has also linked its appointment of bankers to that of Sandwell MBC in order to benefit from efficiencies in tendering, cash flow management and investment.
- 8.3 The Treasury Management Strategy for 2016/17 is set out in Appendix F.
- 8.4 Under the Local Government Act 2003, credit approvals were abolished and a new prudential capital finance system was introduced from 1 April 2004. CIPFA has prepared a Prudential Code which underpins the system of capital finance. Local authorities are required by Regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003.
- 8.5 The key objectives of the Prudential Code are to ensure that the capital investment plans of the Authority are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
- 8.6 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. The indicators are designed to support and record local decision making.
- 8.7 The Prudential Indicators that have been calculated for this Authority are detailed on Appendix G.

9. **PLANNING FOR THE 2016/2017 TO 2019/2020 BUDGET**

- 9.1 In preparing the draft revenue budget for 2016/17, an expenditure forecast for 2017/18 to 2019/20 has also been undertaken by 'rolling forward' the 2016/17 draft budget; updating for specific known budget pressures (e.g. the impact of National Insurance increases from April 2016) anticipated inflation and pay awards, adding in commitments, adjusting for anticipated staff turnover levels, setting efficiency targets, etc. (Appendix H).
- 9.2 At this stage the offer of a provisional four year settlement by DCLG is considered to be a reasonable basis to formulate medium term financial planning. In order to take up the four year funding settlement an efficiency plan is required. No details are currently available regarding the format and content of the efficiency plan although it is anticipated the content of Appendix H2 would form the basis of any submission. At this stage it is anticipated that work will focus on alternative staffing models, commissioning, internal restructures and general budget reductions. A summary of the impact of a reduction in core funding is shown in the table below:

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

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Net Budget Requirement	97.4	93.7	93.2	93.7
Core Funding	58.6	54.7	53.0	52.3
Council Tax	37.9	39.0	40.2	41.4
Council Tax Surplus	0.9	0.0	0.0	0.0
Available Resources	97.4	93.7	93.2	93.7
Annual Surplus/(Deficit)	0.0	0.0	0.0	0.0

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

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

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

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

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

- Knowledge of the Officers involved in the process, particularly finance professionals, including their degree of experience and qualifications.
- Review of the strength of financial management and reporting arrangements including internal control and governance arrangements.

10.4 The Authority's aim is to have a prudent level of general reserves informed by an assessment of potential risks to the organisation. The level of general reserves at the end of the financial year 2015/16 is forecast to be £9.2m and this is approximately 9.4% of the net budget requirement. This level of balances is considered appropriate at this stage due to the scale of core funding reductions in future years and volatility of Council Tax collection rates.

10.5 It was deemed that a prudent level of earmarked reserves was established during the Authority's 2014/15 closedown exercise. A review of these reserves will be undertaken as part of the Authority's 2015/16 closedown of accounts process.

10.6 Based on known circumstances and financial risk assessment, it is felt that adequate earmarked reserves and provisions have been created to meet legal and expected liabilities. As at 31 March 2015 a list of the reserves is included in Appendix J. Consideration will be given to the appropriate level of reserves required as at 31 March 2016 as part of the Authority's closedown of accounts process.

10.7 In recommending an adequate level of reserves, the consideration is given to the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity, for example, of investing elsewhere to generate additional investment income or using the funds to invest in service improvements. In assessing this, it is important to consider that reserves can only be used once and are therefore potentially only 'one-off' sources of funding. Therefore, any use of general reserves is only ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust 'safety net' which adequately protects against potential unbudgeted costs.

10.8 The current level of reserves is considered to be sufficient in all but the most unusual and serious combination of possible events. In this context it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

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

11. **EQUALITY AND DIVERSITY IMPLICATIONS**

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

12. **LEGAL IMPLICATIONS**

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

BACKGROUND PAPERS

DCLG Communications
Policy Planning Forum 14 December 2015
District Leaders' Meeting 17 December 2015
Policy Planning Forum 1 February 2016
The Plan 2016–2019

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

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

Ref: AU/2016/Feb/90312157

APPENDIX A

SUMMARY OF 2015/2016 REVISED BUDGET AND 2016/2017 BUDGET

	Original Budget 2015/16 £000s	Revised Budget 2015/16 £000s	Original Budget 2016/17 £000s
<u>Expenditure</u>			
Employees	85,570	83,162	83,839
Premises	5,810	5,949	5,453
Transport	1,593	1,404	1,396
Supplies & Services	7,159	7,421	7,825
Capital Financing	3,057	3,000	2,943
Appropriations to Reserves	150	3,481	450
Total Expenditure	103,339	104,417	101,906
<u>Income</u>			
Core Funding (Formula Grant)	(61,943)	(61,943)	(58,665)
Capital Grant	0	0	0
Other Government Grant	(1,605)	(1,919)	(1,235)
Income from Services	(2,830)	(3,117)	(2,893)
Collection Fund (Surplus) / Deficit	(384)	(384)	(874)
Appropriations from Reserves	(366)	(843)	(365)
Total Income	(67,128)	(68,206)	(64,032)
COUNCIL TAX REQUIREMENT	36,211	36,211	37,874
Collection Fund Surplus / (Deficit)	384	384	874
Core Funding (Formula Grant)	61,943	61,943	58,665
NET BUDGET REQUIREMENT	98,538	98,538	97,413

APPENDIX B

BAND D PRECEPT INCREASE OF 1.99%

- 1.1 THAT it be noted that the constituent District Councils have formally set their Council Tax bases for the year 2016/2017 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992 as follows:

	Tax Base
Birmingham	239,042.00
Coventry	77,525.10
Dudley	88,126.08
Sandwell	69,913.98
Solihull	73,456.00
Walsall	67,520.37
Wolverhampton	60,405.94
	<hr/>
	675,989.47

- 1.2 THAT the following amounts be now calculated by the Authority for the year 2016/2017 in accordance with Sections 40 to 48 of the Local Government Finance Act 1992:
- 1.2.1 £101,906,000 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act.
- 1.2.2 £64,032,338 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) of the Act.
- 1.2.3 £37,873,662 being the amount by which the aggregate at 1.2.1 above exceeds the aggregate at 1.2.2 above calculated by the Authority in accordance with Section 42A(4) of the Act as its council tax requirement for the year.
- 1.2.4 £56.03 being the amount at 1.2.3 above divided by the total amount at 1.1 above, calculated by the Authority in accordance with Section 42B(1) of the Act as the basic amount of its Council Tax for the year.

1.3	<u>Valuation Bands</u>	£ (to 6 decimals)	£ (rounded to 2 decimals)
	A	37.351333	37.35
	B	43.576556	43.58
	C	49.801778	49.80
	D	56.027000	56.03
	E	68.477444	68.48
	F	80.927889	80.93
	G	93.378333	93.38
	H	112.054000	112.05

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

1.4 Resultant precepts:

	£
Birmingham City Council	13,392,806
Coventry City Council	4,343,499
Dudley MBC	4,937,440
Sandwell MBC	3,917,070
Solihull MBC	4,115,519
Walsall MBC	3,782,964
Wolverhampton City Council	<u>3,384,364</u>
Total	<u>37,873,662</u>

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

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

SUMMARY OF 2016/2017 BUDGET – SERVICE ANALYSIS

	1.99% Precept Increase
	£000s
Firefighting & Rescue Operations	101,253
Community Safety	14,308
Corporate and Democratic Core	1,590
Emergency Planning & Civil Defence	114
COST OF SERVICES	117,265
Appropriations and Interest	(20,487)
Government Grant – Section 31	(239)
Settlement Funding (Formula Grant)	(58,665)
COUNCIL TAX REQUIREMENT	37,874

APPENDIX H

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

NET EXPENDITURE BUDGET FORECAST 2017/2018 TO 2019/2020

	Budget 2017/18	Budget 2018/19	Budget 2019/20
Subjective Heading	£000s	£000s	£000s
Employees	82,200	82,800	83,300
Premises	5,300	5,300	5,300
Transport	1,400	1,400	1,400
Supplies & Services	6,900	6,900	6,900
Capital Financing	2,900	2,800	2,800
Income	-5,000	-6,000	-6,000
NET EXPENDITURE	93,700	93,200	93,700
Available Funding	93,700	93,200	93,700
Surplus/(Deficit)	0	0	0

Note

Budget forecast for 2017/18 to 2019/20 assume:

- A Council Tax increase of 1.99% in each year.
- Achieving the savings identified in Appendix H2.
- Inflation assumptions as shown on Appendix H3.

SCENARIO ANALYSIS

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

Core Funding Reductions

Financial Year	£ Core Funding	% Reduction	£ Reduction
2015/16	61,943,000		
2016/17	58,665,000	-5.3%	-3,278,000
2017/18	54,680,000	-6.8%	-3,985,000
2018/19	52,989,000	-3.1%	-1,691,000
2019/20	52,299,000	-1.3%	-690,000

Further 1% Core Funding Reduction in 2017/18 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	54,093,000	-7.8%	-4,572,000
2018/19	51,879,000	-4.1%	-2,214,000
2019/20	50,685,000	-2.3%	-1,194,000

Further 2% Core Funding Reduction in 2017/18 to 2019/20

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	53,506,000	-8.8%	-5,159,000
2018/19	50,781,000	-5.1%	-2,725,000
2019/20	49,104,000	-3.3%	-1,677,000

The provisional four year settlement is an indication of further reductions in future years. However, should the core funding reductions in 2017/18 to 2019/20 be 1% lower than currently indicated, the table below shows the impact of the reductions.

Financial Year	£ Core Funding	% Reduction	£ Reduction
2016/17	58,665,000		
2017/18	55,266,000	-5.8%	-3,399,000
2018/19	54,110,000	-2.1%	-1,156,000
2019/20	53,947,000	-0.3%	-163,000

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **MONITORING OF FINANCES**

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report be noted.

2. **PURPOSE OF REPORT**

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

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

3. **BACKGROUND**

3.1 **Revenue Expenditure**

Appendix A compares the revenue budgeted to the end of January 2016 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. As part of the Authority's 2016/2017 budget setting process, the current year's budget has been revised and reflects an estimated transfer to earmarked balances of £3.303 million. Actual spend to January 2016, including commitments, was £79.123 million compared to a projected budget of £79.363 million, an overall favourable variance of £0.240 million. This is predominately due to savings across Fire Stations and operational staff members being below budgeted establishment.

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 £5.512 million. A scheme analysis is shown on Appendix C. Expenditure to the end of January 2016 is shown as £2.853 million.

The main variance within the Capital Programme relates to the Vehicle Replacement Programme (VRP). This is due to tender prices for the replacement of fire engines being lower than estimated combined with the replacement of the Detection, Identification & Monitoring (DIM) vehicle being deferred following notification from the Department of Communities and Local Government that a review is being undertaken which includes the current fleet of national DIM vehicles, for which national funding may be provided.

The other significant variance relates to the Training at Height Facilities which have been deferred to next financial year.

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

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

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 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 JANUARY 2016

	LATEST BUDGET 2015/2016 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
<u>DEVOLVED BUDGETS</u>				
Corporate Management	3,192	2,840	2,833	-7
Service Support				
People Support Services	2,628	2,165	2,127	-38
Operational Training	2,809	2,306	2,282	-24
Operational Preparedness	959	862	881	19
Operational Assurance	505	414	399	-15
Finance & Resources	4,000	3,250	3,228	-22
ICT	4,191	3,637	3,626	-11
Service Delivery				
Operations	8,402	6,506	6,401	-105
<u>CORPORATE BUDGETS</u>				
Service Support				
People Support Services	3,100	2,581	2,546	-35
Operational Preparedness	- 80	-35	-13	22
Finance and Resources	17,946	15,096	15,104	8
Service Delivery				
Response	47,643	39,790	39,765	-25
Prevention	-14	0	0	0
Protection	-46	- 49	- 56	-7
Appropriations/Earmarked	3,303	0	0	0
Total	98,538	79,363	79,123	- 240
Grant Funding	- 62,327	- 53,483	-53,483	0
GRAND TOTAL	36,211	25,880	25,640	-240

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

	2015/16 PROJECTION				ACTUAL POSITION AS AT JANUARY 2016			
	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	-	-	-	-	-	-	-	-
Opt-In	-	-	-	-	-	-	4	4
Transitional Members during year	-38	-1	39	0	-20	-	20	-
Transfers from Other Pension Schemes	-	-	7	7	-	-	-	-
Transfers to Other Pension Schemes	-	-2	-	-2	-	-	-	-
Retirements	-76	-	-	-76	-57	-	-	-57
Opt-Out	-	-	-	-	-3	-3	-10	-16
Leavers	-	-	-	-	-8	-1	-	-9
Ill-Health Retirements	-3	-	-	-3	-3	-	-	-3
Members of the Fire Pension Schemes as at 31st January 2016					502	20	893	1,415

CAPITAL MONITORING STATEMENT 2015/16

Scheme	Year 2015/16	Latest Budget	Actuals to Jan 2016	Forecast	Variance
		£'000	£'000	£'000	£'000
<u>LAND & BUILDINGS</u>					
Haden Cross Fire Station	3 of 3	126	82	146	+20
Training at Height Facilities	10 of 10	363	1	3	-360
Boiler Replacement Programme	Ongoing	229	128	185	-44
Roof Replacements	Ongoing	108	0	48	- 60
Windows/Door Replacement	Ongoing	269	191	317	+48
Rewires	Ongoing	120	0	55	-65
Dignity at Work	2 of 2	407	363	390	-17
Asbestos Removal	Ongoing	27	18	20	-7
Coventry Fire Station	1 of 3	0	25	25	+25
Aston Fire Station	1 of 3	0	6	6	+6
Fire Control Relocation	2 of 2	7	7	7	-
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	3,108	1,716	2,672	-436
<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	124	- 14
Oracle Licensing	8 of 8	25	0	0	-25
Pension System Replacement	2 of 2	23	0	0	-23
PBX Upgrade	1 of 1	80	20	80	-
Grand Total		5,512	2,853	4,560	- 952
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants/Contributions		4,993		4,560	-433
Capital Receipts to be Applied		0		0	-
Direct Revenue Financing/Earmarked Reserves		519		0	- 519
TOTAL		5,512		4,560	- 952
SURPLUS(-)/DEFICIT(+)					

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **THE PLAN 2016-2019**

Report of the Chief Fire Officer.

RECOMMENDED

THAT the Authority approve the amendments to the Vision Statement, Priorities and Outcomes in The Plan for 2016–2019 as set out in Appendix 1.

2. **PURPOSE OF REPORT**

This report sets out the revised Vision statement, Priorities and Outcomes for The Plan for 2016-2019, which derive from our Integrated Risk Management Plan (IRMP). They are designed to enable West Midlands Fire Service to be sufficiently responsive to react to the increasingly changing environment of the public sector.

3. **BACKGROUND**

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

- 3.3 The Vision statement has been revised and is proposed to change to:

“Making the West Midlands Safer, Stronger and Healthier”

- 3.4 The broadening of this vision statement to include *stronger and healthier*, reflects how our prevention and protection agenda has and is, continuing to widen through the services we provide and the influence we have, as part of our approach to an integrated Service Delivery Model. It also provides clarity in our ambition to align to the devolved combined authority; and to continue to support through effective partnerships and our commissioning model, wider and improved health and well-being outcomes for our community.
- 3.5 The Service remains committed to its Priority statements that focus on our core services and their delivery through the Service Delivery Model - Prevention, Protection and Response. The wording of these statements has been reviewed in line with 3.4 above. In addition, this change to the wording enables a wider approach to engaging and communicating with key stakeholders and partners.
- 3.6 The Outcome statements aligned to these priorities have also been refreshed to ensure they are reflective of the direction of the Service over the rolling three years and provide clarity in what the Service is seeking to achieve.
- 3.7 An additional area of focus is proposed as part of the review of The Plan, which aims to demonstrate our strategic intent around how we will deliver our revised Vision, Priorities and Outcomes. This is set out as:

“Effective Delivery through Collaboration”

- 3.8 To enhance the delivery of the priorities and outcomes as highlighted in paragraphs 3.4-3.6 (detailed in appendix 1) and following a successful trial, 3 Business Support Vehicles have been added to the fleet and will enhance the Service Delivery Model and delivery of The Plan 2016-2019. Members will recall from the Policy Planning Forum on 12 October 2015 the trial focused on responding to unwanted fire signals, providing business safety advice and operational resilience to the Service

Delivery Model using operationally competent fire safety staff. The Business Support Vehicles have been effective in contributing to a reduction of twenty seconds off Pump Rescue Ladders attending high risk incidents within five minutes. This has been achieved through ensuring that appliances are available for the high risk incidents by attending unwanted fire signals rather than the appliance.

3.9 The recommendation in this report have considered the following factors:-

- Risk analysis
- The recent Strategic Enabling Team restructure and to maintain continuity in order to embed and improve performance
- Funding reductions
- The external environment

3.9.1 Risk analysis provides the evidence base and informs the Service as to what its priorities and outcomes should be and whether any changes are required to these or our Service Delivery Model to enable the optimum achievement of improved outcomes for our community.

3.9.2 As part of the Strategic Enabling Team implementation a planned 12 month evaluation of the team has taken place. As a consequence of this work one position has been disestablished and a number of positions have had changes made to roles, references and titles. As part of this a Strategic Enabler for Business Development has been established and this will ensure continued collaboration with our partners to enable the Service to capitalise on flexible funding opportunities. This is a key part of the Service's strategy to address the Government grant reduction (see 3.9.3 below).

3.9.3 In determining its priorities and outcomes the Service has considered and understands the challenges presented by and the scale of continued central Government grant reductions for the next three years. In December 2015 the Service received its provisional finance settlement for the next four years. Broadly this indicated that central funding will be reduced by £10M by 2019/20.

3.9.4 There is no requirement to consult the community of the West Midlands upon the contents of either The Plan or the Community Safety Strategy as neither document necessitates a significant change of the core services delivered to the community.

3.9.5 Subject to Member approval of the recommendation, Officers are currently considering the corporate performance indicators that will be put in place to enable the effective management and performance monitoring of The Plan. The Chair of the Scrutiny Committee will meet with Officers to discuss corporate performance indicators in February 2016. A report on the proposed indicators will be presented to Executive Committee at its meeting on 21 March 2016. It is intended that The Plan 2016-2019 will go live on 1 April 2016.

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

4. **EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment was undertaken for The Plan 2013 – 2016. Given that there is no significant change to the latest plan a further assessment is not required. However the original Equality Impact Assessment has been updated.

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

There are no direct implications arising from this report. The Authority's approved budget for 2016-17 will support the delivery of the priorities, strategic objectives and outcomes.

7. **ENVIRONMENTAL IMPLICATIONS**

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

BACKGROUND PAPERS

PPF presentation 12 October 2015

PPF presentation 18 January 2016

PPF presentation 1 February 2016

Authority report, The Plan 2015-2018, Agenda item No. 7, 16 February 2015

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

PHIL LOACH
CHIEF FIRE OFFICER

KAREN GOWREESUNKER
CLERK

Vision Statement	<u>Making The West Midlands Safer, Stronger & Healthier</u>	
<u>Prevention</u>	<u>Prevention Priority</u>	<u>Safer & Healthier Communities</u>
	Prevention Outcomes	<ul style="list-style-type: none"> • Activities targeted to those at risk will reduce the number of people killed or seriously injured as a result of fire • Activities will support a reduction in the number of people killed or seriously injured on the roads • Supporting communities and partners to promote and advise on safer, healthier lifestyles in their homes
<u>Protection</u>	<u>Protection Priority</u>	<u>Stronger Business Communities</u>
	Protection Outcomes	<ul style="list-style-type: none"> • Business communities will become safer through the provision of advice and enforcement of fire safety legislation • Business communities will become stronger through more flexible approaches developed in partnership with our Fire Safety teams • The Service Delivery Model will become more resilient through the reduction of automatic fire alarms and establishment of Business Support Vehicles
<u>Response</u>	<u>Response Priority</u>	<u>Dealing Effectively With Emergencies</u>
	Response Outcomes	<ul style="list-style-type: none"> • Life risk emergencies will be attended on average within 5 minutes • Risk to life and property is reduced through operational excellence and the delivery of assertive, safe and effective emergency response resulting in enhanced community and business continuity

		<ul style="list-style-type: none"> Community support and reassurance will be provided through our specialist rescue teams responding to both local and national emergencies including unconventional incidents and natural disasters
	<u>Effective Delivery Through Collaboration</u>	
	Value For Money Outcomes	<ul style="list-style-type: none"> Government funding reductions are met and our Service Delivery Model is maintained Flexible and sustainable funding opportunities are identified and secured Assets are used as effectively and efficiently as possible
	People Outcomes	<ul style="list-style-type: none"> Leadership and personal accountability at all levels will be empowered to effectively deliver change Developing an environment of wellbeing through supporting the personal resilience of our workforce so that they are responsive to opportunities of change The Service will achieve diversity, inclusion, cohesion and equality outcomes for its diverse community and workforce
	Information Communication Technology Outcomes	<ul style="list-style-type: none"> Emergency 999 systems to mobilise and enable rapid response when and where it is needed The right level of information is provided to our communities and our mobile workforce at the right time Secure and reliable data sharing with partner agencies enables cost effective joined up services to the most vulnerable within our communities.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **2016/2017 PROPERTY ASSET MANAGEMENT PLAN**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approve the 2016/2017 Property Asset Management Plan attached as Appendix A.

2. **PURPOSE OF REPORT**

In order to ensure the effective and efficient use of land and buildings, a Property Asset Management Plan is essential. The Authority's proposed Property 2016/2017 Asset Management Plan is attached to this report as Appendix A.

3. **BACKGROUND**

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

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

- 6.1 Planned maintenance issues will need to be undertaken during the five year period. Current annual revenue budget provision for these items is £900k per annum.
- 6.2 Subject to approval of the attached proposals, estimated capital expenditure of £801k would be incurred on planned maintenance of building related assets in 2016/2017.

BACKGROUND PAPERS

Report to the Fire Authority – 25 November 2013 – Agenda item 8
 Report to the Fire Authority – 17 February 2014 – Agenda item 7.

PHIL LOACH
 CHIEF FIRE OFFICER

Property Asset Management Plan 2016/17**1. Purpose**

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

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

The Property Asset Management Plan should be utilised as a realistic, flexible, practical working tool to ensure that the Authority's Property Portfolio (currently valued at circa £130 million) is managed, improved, replaced or refurbished as required to complement the operational and functional needs of a dynamic community orientated rapidly changing organisation. To this end the concept of collaborative provision and space utilisation has been, and will continue to be, explored to ensure Best Value is achieved for the community.

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

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

2. Background

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

Fundamental to the Property Asset Management Plan is an assessment of whether the Service operates from an appropriate number of sites. This is particularly relevant in determining fire station numbers and whether all of the sites are actually required and, if so, whether the current location is appropriate.

For a number of years, studies have been carried out to assess the incidents that have occurred in the West Midlands conurbation via the Community Safety Plan and considered in developing the Property Asset Management Plan.

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

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

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

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

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

3. **Assessment of Existing Building Stock**

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

Comprehensive building condition surveys were completed during 2013 on the Authority sites and a thorough analysis has been undertaken of the planned maintenance requirements of the buildings. The outcome of this work has been reviewed and updated where necessary and is reflected in Appendix 2, which provides a summary of the estimated value of planned maintenance work required for each site over the five year period commencing 2016/2017. In addition the proposed disposal of the Academy will require the relocation of secondary fire control to a new secondary control facility that is able to provide a sustained length of occupation by primary fire control.

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

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

Residential and non-operational buildings

A survey to review the suitability of WMFS residential properties for disposal was undertaken during 2014 following recommendations made within the Property Asset Management Plan 2014.

The sites reviewed were:-

- King Norton - Flats
- Perry Barr - Houses
- Erdington - Flats
- Bloxwich – The Old Bank.

Investigation with planning consultants established that the non-operational buildings located at Kings Norton, Perry Barr and Erdington were not suitable for disposal due to their location, restrictions in planning, access (vehicle and pedestrian) and the potential compromise to operational service. However, there may be scope for alternative uses of these buildings including cold training facilities. In the short to medium term these properties will remain mothballed.

The building known as the 'Old Bank' is located in front of Bloxwich Fire Station and is a stand alone building which resides in a conservation area. This will dictate both its future use and the level of restoration. The building is currently in a state of disrepair and will require some investment to be brought up to a reasonable building standard. The property is currently mothballed with

some essential maintenance work to the external walls programmed for 2016.

The longer term plans regarding the above properties include giving consideration to:-

- demolishing the houses and flats at Kings Norton in preparation for a new station to be built which incorporates the listed station similar to the proposed Aston development (subject to resolving issues around secure tenancies).
- altering the front access ramp at Perry Barr (subject to planning approval) to allow a split access design that would service the houses at the rear, separate the site and sell the houses as freehold properties.
- using the flats at Erdington for cold training, offices or hospitality accommodation.
- demolishing the Bloxwich old Bank building, rear garage and flats (subject to planning approval) in preparation for a new station facility to be built.

All of which would be subject to further Fire Authority reports.

One for One Station Replacement Update

Aston

The Fire Authority gave approval on 16 February 2015 to completely refurbish Aston Fire Station, which is a listed building with English Heritage. Work has been undertaken with Heritage Consultants to start preparing a presentation for the Planning and Conservation Officers prior to the planning application.

A number of meetings have been held with West Midland Police Service who are interested in part of the accommodation for their heritage resource. It is felt that if part of the facilities can be adapted for a combined Police/Fire heritage display then this would attract more visitors. The West Midlands Ambulance Service have confirmed that their requirements on the first floor of the building would be met by the current proposals

In following with European legislation, Trust Ecology have been employed to carry out a bat survey. This is because bats are fully protected under the Conservation of Habitats and Species Regulations 2010 (as amended) together with the Wildlife and Countryside Act 1981 (as amended). Their initial findings are that they could not fully discount bats being present in the buildings; therefore a more thorough survey needs to be conducted in early May 2016. This needs to be completed as Local Planning Authorities are required by law to consider the presence of protected species and impacts to

them from development work as a material consideration in their decision making.

Coventry

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

West Midlands Ambulance Service will also base up to three ambulances at the new station so their needs have also been considered in detail. Community partners who will be able to use the facilities when they open towards the end of 2017 have also been consulted.

Research continues into the most effective facilities to use in the fire training building. These will provide significantly improved training facilities, all designed to ensure the most effective scenarios can be used while limiting the environmental impact of using real fires to provide realistic conditions.

A planning application is due to be submitted by March 2016 with demolition and building works due to commence in the summer. During the development a temporary fire station will be provided on the current site in order to maintain existing mobilising arrangements. A number of surveys have been carried out on the site (trees, bats, unexploded ordinance etc.) which have not identified any problems. The redevelopment is expected to last up to 18 months and so the new station is expected to open towards the autumn of 2017 and further updates will be provided as work progresses.

Wednesbury

Consideration has also been given to options for Wednesbury Fire Station. This project is in the early stages of development with the Service looking to provide a specialist response and training facility. Currently there are proposals to work in collaboration with Sandwell Council and the NHS to consider the options for the Wednesbury site.

4. Community Safety Strategy

There is a requirement arising from the Fire and Rescue National Framework and the Fire and Rescue Services Act 2004 to ensure an Integrated Risk Management Plan (IRMP) is produced and updated and that significant plans for change are released for public consultation. WMFS released its updated IRMP for 2013-16 in the form of the Community Safety Strategy (CSS), which was published in April 2013. A new IRMP will be available by April 2016 and will be an interactive website.

The CSS sets out the Fire and Rescue Authority's assessment of local risk and, in line with this assessment, how resources will be deployed to address these risks. The Plan, which complements the CSS, indicates how the Authority intends to deliver its services to reduce risk in the community. The West Midlands Fire Service fulfils this requirement through the publication of 'The Plan', the CSS and supporting documentation and risk analysis on an ongoing basis.

5. **Training Facilities**

The provision of training facilities has been comprehensively reviewed following the Authority's decision that the Academy will no longer form part of the internal asset strategy and will be disposed of within the next year.

Officers of the Operational Training Section have assessed the suitability of a number of sites to deliver training using a Distributed Training Model (DTM) approach.

The current Assets are as follows:

Canley

Canley Training Facility now has the capability to deliver Road Traffic Collision (RTC) and First Aid Trauma Management. The RTC pad has been doubled in size. Canley also has a purpose-built ford to practice vehicles trapped in water.

Command Driver Centre (CDC)

CDC currently delivers incident command training.

Coventry

Coventry Fire Station is to be re-designed and re-built with work commencing during 2016. The current training facility will not be re-built but will have some alterations to make the facility better for fire training.

Hay Mills

Hay Mills Training Facility is able to deliver RTC and First Aid Trauma management.

Oldbury

Oldbury Training Facility has a purpose-built High Rise facility.

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

Walsall

Walsall Training Facility has the ability to deliver RTC, First Aid Trauma Management and New Entrant training.

The Water and Rope team have been relocated to Walsall.

Training at Height Facilities

Two new Training at Height facilities are planned for Canley and Sutton Coldfield fire stations. However both locations are subject to planning approval and certain planning conditions.

6. Environmental Impact

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

To improve energy efficiency and reduce the Service's carbon footprint, several energy saving programmes are in place as part of the Property Asset Management Plan. For example, the installation of photovoltaic cells where feasible, improvements to building fabric such as insulation, continued phased boiler replacements, water heating and space heating controls. Compliance with Part L Building Regulations (Conservation of Heat and Power) will be achieved or exceeded on applicable schemes. In addition to the above, Electric Vehicle Charging points have been installed at HQ for dual fuel vehicles.

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

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

This has been achieved by:-

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

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

WMFRA is committed to the Equality Act (2010) with a substantial amount of work having been undertaken to carry out reasonable adjustments to the building stock. Measures are in place to ensure compliance as appropriate on all future projects involving either refurbishment or new build. Compliance with the Equality Act is dependant to a large extent upon the Brigade ensuring that access for all members of the public into fire stations is restricted to the ground floor non-operational areas only, with no access to other floors.

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

8. **Partnership and Community Working**

Community Facilities

The provision of Community Safety Facilities contribute significantly to the potential to deliver community based risk reduction activity. The two key property requirements to be considered to ensure the Authority can deliver community fire safety in an effective, targeted manner relate to the provision of appropriate facilities for the Young Firefighters' Association (and other youth related activities) and the provision of facilities to meet the more general needs of the community and community groups

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

A recent review of station Community facilities has indicated the need for some level of enhancement to a number of existing facilities. Where practicable and feasible to do so, this would benefit service delivery.

Partner Working

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

For example, at HQ, Birmingham City Council Youth Offending Team lease a quarter of the ground floor at WMFS HQ and Learn Direct are located at Haden Cross Station as a Learn Direct Centre with comprehensive online learning facilities.

In addition the Authority continues to be committed to Blue Light collaboration and will seek to advance shared arrangements throughout 2016/17 and beyond.

Accommodation facilities for the Ambulance Service have continued, giving the Ambulance service an operational location at 36 of our sites, including a 'Hub' located at Aston Fire Station within the former Aston Fire Safety building.

During 2016/17 there will be further work carried out by WMFS staff to evaluate Community Room facilities on Stations. This project will evaluate how they are utilised and also identify any further opportunities to enhance community partnerships without undermining existing community arrangements.

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

In addition, whilst much work has been done already regarding efficiently utilising space at HQ and Safeside, further consideration will be given to the possibility of relocating Sections currently operating from remote locations within the HQ site where so far as reasonably practicable to do so.

9. **Specific Actions**

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

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

- Continued work with operational staff to provide one for one Fire Station replacements at both Aston and Coventry Fire Stations.
- Work with Operational staff to evaluate the possibilities of altering/utilising Wednesbury Fire Station as a specialist USAR location. This may include re-development of the site or possible relocation within the close vicinity.
- Relocation of secondary fire control.

- Bring to market and dispose of the Academy site.
- Installation of security measures using a proximity card system improving security and resilience on site.
- Undertake all planned maintenance work during 2016/2017 in line with the outcome of the Building Condition Surveys summarised on Appendix 2. Further work will be required to re-phase the planned works to meet increased financial demands from 2017/18 onwards.
- To continue to assess building stock other than Fire Stations (residential buildings) to evaluate space utilisation with possible adaptations for cold training buildings subject to Operations requirements.
- Boiler replacements will be undertaken over the next financial year at Binley and Aldridge and boiler alterations at Bilston with combined cost totalling circa £408k (capital). This will further the Authority's efforts in reducing its overall carbon emissions.
- To work closely with energy providers in our continued effort to reduce our carbon footprint and reduce utility costs.
- In line with HSG264 (Management of Asbestos) all applicable sites have Management Surveys undertaken and that any highlighted works are addressed.
- To ensure that consideration continues to be given to the appropriate provision of partnership and community working, delivering enhancements on sites to enable further Community Facilities to be available.
- Continue to explore further collaborative opportunities with other public services within the asset base of the Fire Service in order to demonstrate value for money and more joined up, effective services.
- To assist with the installation of defibrillators at selected sites in support of West Midlands Ambulance Service at selected sites as guided by Operational staff.
- To assist in developing plans in conjunction with the Emergency Response Planning Team pertaining to the estate to ensure resilience for the Authority.
- Continued involvement with negotiations regarding mitigation of impact to both HQ and Safeside sites relating to HS2.

- Continued evaluation of space utilisation of HQ to create further efficiencies by consolidating and relocating staff/Sections within the HQ/Safeside locations.

APPENDIX 1

WMFRA Age Profile of Buildings

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

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

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

APPENDIX 2

ESTIMATED PLANNED MAINTENANCE REQUIREMENT

Site	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Academy	£0	£0	£0	£0	£0
Academy Annex	£17,000	£10,450	£22,500	£7,500	£2,100
Aldridge	£20,900	£8,650	£13,700	£750	£5,800
Aston Station	£0	£0	£0	£0	£0
Aston Annex	£0	£750	£0	£850	£0
Bickenhill Station	£16,100	£53,650	£26,400	£15,900	£750
Bickenhill USAR	£10,750	£7,800	£9,850	£900	£950
Billesley	£23,000	£24,600	£13,150	£3,200	£31,250
Bilston	£116,450	£20,450	£7,650	£21,700	£61,900
Binley	£14,000	£55,400	£42,750	£15,600	£68,850
Bloxwich	£24,350	£18,750	£15,950	£1,000	£2,100
Bournbrook	£1,550	£38,200	£1,900	£26,500	£27,550
Brierley Hill	£35,500	£12,550	£30,550	£1,150	£600
Canley	£20,950	£20,550	£28,150	£43,750	£1,550
Coventry	£0	£0	£0	£0	£0
Dudley	£15,750	£9,800	£9,000	£144,900	£60,900
Erdington	£56,050	£17,650	£9,950	£2,100	£2,300
Fallings Park	£1,850	£13,000	£6,200	£45,600	£88,150
Foleshill	£28,000	£47,050	£13,500	£900	£8,500
Handsworth	£24,500	£25,450	£111,900	£95,950	£62,100
Hay Mills Station	£12,900	£38,750	£54,500	£56,950	£1,300
Hay Mills Annex	£6,600	£40,200	£2,200	£15,000	£1,050
Haden Cross	£0	£10,800	£0	£800	£0
Headquarters	£120,100	£46,150	£77,700	£41,250	£4,800
Highgate Station	£19,900	£44,300	£15,950	£8,200	£950
Highgate Annex	£400	£17,450	£22,950	£500	£500
Kings Norton	£12,600	£17,750	£35,700	£31,950	£20,800
Ladywood	£26,000	£19,400	£56,000	£900	£600
Northfield	£25,700	£37,800	£86,900	£2,400	£2,000
Oldbury Station	£38,850	£22,700	£7,950	£2,100	£2,000
Oldbury Annex	£800	£27,300	£10,900	£1,000	£7,000
Oldbury Fire House	£33,650	£30,650	£51,550	£33,600	£31,650
Perry Barr	£11,250	£12,650	£23,300	£2,200	£1,750
Sheldon	£47,600	£39,750	£40,700	£1,950	£800
Smethwick	£7,250	£5,300	£1,300	£27,450	£2,600
Solihull Station	£800	£12,400	£20,800	£800	£72,800

Site	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Solihull Annex	£900	£0	£5,000	£42,000	£1,100
Stourbridge	£27,400	£40,450	£2,100	£2,900	£2,200
Sutton	£16,800	£35,600	£26,800	£1,400	£1,500
Tettenhall	£17,100	£24,550	£8,700	£1,000	£30,000
Tipton	£2,000	£11,150	£39,800	£2,450	£51,800
Walsall	£6,100	£7,250	£31,300	£2,950	£12,900
Ward End	£1,000	£47,650	£27,500	£1,850	£55,000
Wednesbury	£2,850	£20,450	£2,600	£2,750	£17,900
West Bromwich	£24,800	£23,150	£46,250	£1,800	£850
Willenhall	£16,400	£16,050	£16,300	£3,000	£66,150
Wolverhampton Station	£18,800	£38,050	£18,350	£42,450	£2,350
Wolverhampton Annex	£550	£600	£6,650	£700	£10,750
Woodgate Valley	£2,250	£20,800	£17,450	£3,100	£50,100
Workshops	£11,100	£13,100	£17,150	£65,700	£750
Perry Barr-Residential	£2,000	£1,000	£1,000	£2,200	£1,000
Kings Norton-Residential	£5,000	£0	£0	£5,000	£0
Bloxwich-Residential	£15,000	£0	£0	£0	£0
Erdington-Residential	£5,000	£0	£0	£0	£8,000
Harborne-Residential	£0	£0	£0	£0	£0
Total Spend	£966,150	£1,107,950	£1,138,450	£836,550	£888,300

Boilers	£303,000	£159,000	£211,000	£165,000	£100,000
Lighting	£10,350	£11,350	£450	£450	£500
PartL2B	£13,500	£6,500	£44,450	£40,650	£11,200
Rewires	£145,000	£0	£250,000	£355,000	£200,000
Roof	£131,450	£184,000	£190,000	£150,000	£200,000
Windows & Doors	£131,150	£176,000	£188,000	£425,000	£260,500
Other (Above)	£966,150	£1,107,950	£1,138,450	£836,550	£888,300
TOTAL FORECAST SPEND	£1,700,600	£1,644,800	£2,022,350	£1,972,650	£1,660,500

Funding					
-Revenue Base Budget	£900,000	£900,000	£900,000	£900,000	£900,000
-Capital Resources	£800,600	£519,000	£839,000	£492,400	£0
-Reserves	£0	£225,800	£283,350	£580,250	£4,200
TOTAL BUDGET AVAILABLE	£1,700,600	£1,644,800	£2,022,350	£1,972,650	£904,200
Provisional Surplus(+)/Deficit(-)	£0	£0	£0	£0	-£756,300

APPENDIX 3**Key Activities**

During 2015/16 significant Estates related works were successfully carried out within the property portfolio. Below is a list of some key achievements:-

- Deliver the final phase of the 'Dignity for All' project across all sites in line with the guidance document produced by the National Equality and Diversity Delivery Partnership in connection with fire station facilities including all new build and refurbishment works.
- Re roofing to Sheldon Fire Station.
- Continued design development work on the Training at Height Facilities to be located at Canley and Sutton Coldfield
- Window and external door replacement upgrades across the Brigade
- Boiler replacements at Hay Mills and Canley Fire Stations.
- Yard replacement/improvement work at Tipton and Sheldon Fire Stations
- Continued work to enable Ambulance staff to be accommodated on our sites by carrying out minor alterations, fitting of additional cabinets, lockers etc.
- Refurbishment of male ablutions at Oldbury Training Hub, Billesley, Binley, Woodgate, West Bromwich, Sutton Fire Stations.
- Refurbish female ablutions at Perry Barr, Aldridge, Woodgate, Billesley and Canley Fire Stations.
- Continued management of asbestos across Authority premises in line with HSG264.
- Involvement with ongoing development plans in conjunction with the Emergency Response Planning Team pertaining to the estate to ensure resilience for the Authority.
- Detailed design and feasibility works for secondary fire control relocation
- Detailed design and feasibility works for both the proposed new Aston and Coventry fire stations
- Continued work to evaluate the HQ building with regards to achieving full occupancy, agreeing market rent with third parties and working to re-locate WMFS staff within HQ from other WMFS locations.

- HS2 – Continued involvement with negotiations regarding mitigation of impact to HQ, Safeside and Fire Control.
- Assist with the delivery of the Distributed Training Model and re-location of training assets.
- Continued upgrading of lighting to energy efficient LED systems at West Bromwich, Binley, Canley Fire Stations and Oldbury Training Hub.
- Carried out an energy use survey (Thermal Imaging) on all properties, identifying the worse performing buildings. Analyse results and implement a phased upgrade to properties where feasible.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **PAY POLICY STATEMENT 2016/2017**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approves the Pay Policy Statement for the financial year 2016/2017.

2. **PURPOSE OF REPORT**

This report is submitted for the Authority to approve the Pay Policy Statement for the financial year 2016/2017.

3. **BACKGROUND**

3.1 Section 38 (1) of The Localism Act 2011 requires Fire and Rescue Authorities to produce a Pay Policy Statement for each financial year. The proposed Pay Policy Statement 2016/2017 is set out at Appendix 1 of this report.

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

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

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

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

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

3.2.4 In addition it must detail:

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

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

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

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

- 3.5 There are supplementary provisions relating to statements as follows:-
- 3.5.1 A relevant Authority's Pay Policy Statement must be approved by a resolution of the Authority before it comes into force.
 - 3.5.2 The statement must be prepared and approved before the end of 31st March 2016.
 - 3.5.3 Each subsequent statement must be prepared and approved before the end of 31st March immediately proceeding the financial year to which it relates.
 - 3.5.4 A relevant Authority may by resolution amend its Pay Policy Statement, including after the beginning of the financial year to which it relates.
 - 3.5.5 As soon as is reasonably practicable after approving or amending a Pay Policy Statement, the Authority must publish the statement or the amended statement in such manner as it thinks fit, which must include publication on the Authority's website.
- 3.6 There is a two-track approach for determining levels of pay for Chief Officer roles. At national level, the National Joint Council (NJC) shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to Fire Authorities by circular.
- 3.7 Other decisions about the level of pay and remuneration to be awarded to individual Chief Officer roles will be taken by the local Fire Authority. (Advice on the implementation of a local salary structure is contained within the Pay Policy Statement).
- 3.8 Authorities are also required to produce information on the salaries of their Chief Officers and the names. This is included in the Statement of Accounts and also on the internet site www.wmfs.net.

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

4. **EQUALITY IMPACT ASSESSMENT**

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

5. **LEGAL IMPLICATIONS**

- 5.1 The recommendations provided enable West Midlands Fire and Rescue Authority to continue to comply with the relevant sections of the Localism Act and demonstrate its support for the Government's Public Sector Pay Policy.
- 5.2 To comply with the Localism Act 2011, the West Midlands Fire and Rescue Authority must approve the Authority's Pay Policy Statement before 31st March 2016. The Service will then complete a review of the Pay Policy Statement each year which must be approved by the Authority before 31st March each year.

6. **TRADE UNION CONSULTATION**

This is not a matter for consultation with the trade unions. The Pay Policy Statement will be shared with the Trade Unions for information following approval at the Authority meeting on 15 February 2016.

7. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Localism Act 2011

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

PHIL LOACH
CHIEF FIRE OFFICER



AUTHORITY REPORT

PAY POLICY STATEMENT 2016/2017

**January 2016
Employee Relations
People Support Services**

PAY POLICY STATEMENT 2016/2017

CONTENTS OF APPENDICES

	<u>Page</u>
Pay Policy Statement 2016/2017	9-14
Appendix 1A Statement of Policy - LGPS	15-20
Appendix 1B Statement of Policy - Firefighters Pension Scheme 1992	21-23
Appendix 1C Statement of Policy- Firefighters Pension Scheme 2015	24-50
Appendix 1D Remuneration and relationship between Chief Officer's and Lowest Paid Employees	51-52

Pay Policy Statement 2016/2017

The level and elements of remuneration for each Chief Officer

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

Remuneration of Chief Officers on recruitment

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

Increases and additions to remuneration for each Chief Officer

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

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

Remuneration of all other employees of the West Midlands Fire Service

Living Wage

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

Green Book Employees

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

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

Grey Book Employees

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

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

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

The use of performance related pay for Chief Officers

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

The use of bonuses for Chief Officers

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

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

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

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

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

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

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

- Green Book Employees

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

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

- Grey Book Employees

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

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

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

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

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

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

Definitions used within the Pay Policy Statement

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

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

IMPLEMENTATION OF A LOCAL SALARY STRUCTURE GUIDANCE

Introduction

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

Local Salary Structures

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

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

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

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

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

APPENDIX 1A

STATEMENT OF POLICY

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

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

Regulation 5 - Power to increase statutory Redundancy payments

Explanation

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

Policy

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

Regulation 6 –Discretionary Compensation

Explanation

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

Policy

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

STATEMENT OF POLICY

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

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

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

Explanation

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

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

Policy

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

This discretion will be exercised by the Deputy Chief Fire Officer as delegated by Chief Fire Officer in conjunction with the Treasurer and Chairman to approve existing severance packages and members will be notified where discretion is exercised.

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

Explanation

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

Policy

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

3. **Regulation 30 (6) - Flexible Retirement**

Explanation

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

Policy

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

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

Explanation

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

Policy

The Fire Authority will not fund in whole or in part any APC purchased either by periodical payments or Lump Sum.

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

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

Explanation

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

Policy

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

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

Explanation

A person who becomes an active member who has relevant pension rights may request his fund authority to accept a transfer value for some, or all, of his former rights. An election must be made in writing before the expiry of the period of 12 months beginning with the date that he became an active member or any such longer period as his employer may allow.

Policy

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

7. **Choice of early payment of Deferred Pension**

Explanation

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

Policy

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

This discretion will be exercised by the Deputy Chief Fire Officer as delegated by Chief Fire Officer in conjunction with the Treasurer and Chairman to approve existing severance packages and members will be notified where discretion is exercised.

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

8. **The Internal Dispute Resolution Procedure**

Explanation

Responsibility for determinations under the first stage of the procedure now rests with a 'specified person' appointed by your (former) employer. The Fire Authority must specify the job title and address of the person to whom applications should be directed.

Policy

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

Phil Hales

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

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

STATEMENT OF POLICY

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

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

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

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

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

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

Policy

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

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

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

STATEMENT OF POLICY

Under Rule K4 of the 1992 Firefighters' Pension Scheme:

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

Part LA Section 9 of the scheme rules states that:

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

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

Policy

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

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

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

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

STATEMENT OF POLICY

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

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

Power to Delegate

1. Delegation (Regulation 5)

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

Statement of Policy

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

Opting Out

2. Opting into this scheme (Regulation 12)

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

Statement of Policy

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

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

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

Statement of Policy

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

Pensionable Pay

4. **Pensionable Pay (Regulation 17)**

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

Statement of Policy

Continual Professional Development payments will be pensionable.

Retirement Benefits

5. **Active Membership (Regulation 19)**

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

Statement of Policy

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

Pensions Accounts

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

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

Statement of Policy

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

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

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

Statement of Policy

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

Retirement Benefits

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

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

Statement of Policy

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

9. Employer initiated retirement (Regulation 62)

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

Statement of Policy

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

10. Exercise of partial retirement option (Regulation 63)

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

Statement of Policy

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

III-Health Benefits

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

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

Statement of Policy

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

12. Consequences of review (Regulation 69)

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

Statement of Policy

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

13. Commencement of pensions (Regulation 70)

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

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

Statement of Policy

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

Allocation

14. Allocation election (Regulation 72)

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

Statement of Policy

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

15. Adjustment of allocated benefit (Regulation 75)

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

Statement of Policy

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

Death Benefits

16. Meaning of "surviving partner" Regulation 76)

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

Contributions

22. Member contributions (Regulation 110)

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

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

Statement of Policy

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

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

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

Statement of Policy

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

24. Deduction and payment of contributions (Regulation 114)

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

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

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

Statement of Policy

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

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

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

Transfers

25. Statement of entitlement (Regulation 135)

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

Statement of Policy

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

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

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

Statement of Policy

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

27. Transfer statement (Regulation 142)

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

Statement of Policy

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

28. Club transfer value statement (Regulation 144)

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

Statement of Policy

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

Appeals and Determinations

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

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

Statement of Policy

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

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

30. Determination by the Scheme Manager (Regulation 151)

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

Statement of Policy

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

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

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

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

Statement of Policy

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

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

32. Review of medical opinion (Regulation 153)

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

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

Statement of Policy

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

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

33. Notice of appeal (Regulation 155)

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

Statement of Policy

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

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

36. Expenses of each party (Regulation 161)

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

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

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

Statement of Policy

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

37. Appeals on other issues (Regulation 163)

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

Statement of Policy

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

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

Payment of Pensions

38. Commutation of small pensions (Regulation 167)

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

Forfeiture

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

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

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

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

Statement of Policy

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

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

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

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

Statement of Policy

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

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

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

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

Statement of Policy

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

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

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

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

Statement of Policy

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

45. Set-off (Regulation 175)

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

Statement of Policy

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

Payment and Deduction of Tax

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

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

Statement of Policy

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

47. Evidence of Entitlement (Regulation 184)

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

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

Statement of Policy

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

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

Statement of Policy

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

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

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

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

Statement of Policy

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

Pay Policy Statement 2015-2016 - Remuneration and relationship between Chief Officer's and Lowest Paid Employees

Appendix 1D

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

BRIGADE MANAGERS

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

Lowest Paid Employees (Grey Book)

Firefighter (Control)	£27,601	£20,709	£27,601	0.17
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Lowest Paid Employees (Green Book)

Cleaner	£15,917*	£15,917*	£15,917*	0.09 PG to provide
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GREY BOOK EMPLOYEES (Operational)

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

GREY BOOK EMPLOYEES (Fire Control)

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

GREEN BOOK EMPLOYEES

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

NOTES:

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

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

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

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **PROPOSED VEHICLE REPLACEMENT PROGRAMME
2016 to 2019**

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority approve the proposed Brigade Vehicle Replacement Programme (VRP) for the financial years 2016/17/18/19, the detail of which is set out in the main body of the report. Appendix 1, 2 and 3 identify the projected capital costs and the years in which the vehicles are estimated to be delivered.
- 1.2 THAT the Authority note that it is intended to procure a range of vehicles identified in the VRP using the Crown Commercial Services Purchase Framework Agreement RM859, Open EU tenders and other approved Consortia routes that represent value for money to the Authority.

2. **PURPOSE OF REPORT**

This report is submitted to seek the Authority's approval to proceed with the proposed Brigade VRP for the financial year 2016/17, in line with the above recommendations.

3. **BACKGROUND**

- 3.1 Officers based at Transport Engineering Workshops (TEW) using their professional skills and judgements have carried out a review of the ongoing VRP.
- 3.2 The following age profile and review periods were used to determine the type and number of vehicles in the fleet recommended during the financial period 2016/2017:-

Vehicle	Replacement (Years)
Pump Rescue Ladders (PRL)	13
Brigade Response Vehicle (BRV)	10
Aerial Appliances/Hydraulic Platforms	15
Prime Movers	15
Demountable Units	20
Large Vans Mercedes/Transit/Iveco	9
Large Vans/Minibus LDV	7
PCV/PMB/G vehicles	9
Cars/Vans	7
Hybrid (Petrol/Electric) cars	5
Bobcat	15
General Purpose Lorry	15

	Review Period (Years)
Coach	12
Driver Training Lorry	15
Trailers/Fuel Bowser	15
Command Support Vehicles	12
Motorbike	5

3.3 Operational Fire Appliances (PRLs/BRVs)

The Service currently has an operational fleet of 83 appliances. To achieve a fleet replacement based on the fleet profiles above and operational appliances at 61 PRLs (41 front line operational, 10 reserves and 10 driver training/recruitment) and 22 BRVs (19 front line operational, 3 reserves), there will be a requirement to replace 7 PRL appliances in 2016/17 and 5 PRL appliances in 2017/18. No operational fire appliances are due for replacement in 2018/19.

There is currently a reserve fleet of 10 PRLs to provide capacity to meet the maintenance requirements. With the introduction of the 7 PRLs due to be commissioned starting April 2016, it is planned to reduce the reserve PRL's to 8 with 3 reserve BRVs.

A review on the type and size of appliance used for delivering the front line response is currently being undertaken. Once this has been completed, any proposed variance in fleet vehicle type could be accommodated from 2017/18 onwards. It is still proposed that in financial year 2016/17 a further 7PRLs are procured which can be carried out within the OJEU notice quotation obtained for a two year contract.

3.4 Aerial Appliances

Currently there are six aerial appliances - four frontline and two reserves. Following a review within the Fleet Project, it was felt appropriate to reduce the reserve appliances from two to one, thereby avoiding the need to replace an aerial appliance during 2017/18, as indicated in last year's VRP, at an estimated cost of £710,000. As a consequence, no aerial appliances are due for replacement in this VRP.

3.5 Ancillary Vehicles

The ancillary fleet of vehicles currently stands at 122 vehicles and 20 specialised trailers and the proposed replacements within the 3 year VRP are shown on Appendices 1, 2 and 3. A review is also being carried out on the ancillary fleet to determine if it fully meets end user requirements. Once the review has been completed, any variance in vehicle/trailer replacements would be accommodated from 2017/18 onwards.

- 3.6 The option of leasing vehicles has and will continue to be explored. When compared with the current method of procuring vehicles via the current framework agreement the whole life costs of leasing were found to be more expensive.

4. EQUALITY IMPACT ASSESSMENT

- 4.1 An initial Equality Impact Assessment has been carried out and a Full Impact Assessment is not required and has not been carried out.
- 4.2 The matters contained in this report do not relate to a policy change.

- 4.3 The tender and evaluation process will encompass equality and diversity issues in relation to requirements of the companies invited to tender.

5. **LEGAL IMPLICATIONS**

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

7. **FINANCIAL IMPLICATIONS**

- 7.1 The estimated cost of the proposed VRP is as follows:

	<u>£000</u>
2016/17	2,318
2017/18	2,120
2018/19	920

- 7.2 Funding provision has been identified in the Authority's capital programme to meet this expenditure as part of the budget setting process.

BACKGROUND PAPERS

VRP Review 2016/17/18/19 Documentation – TEW files

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

P. LOACH
CHIEF FIRE OFFICER

APPENDIX 1

<u>2016/2017</u>		<u>Estimated Replacement Value</u>
		£000
PRLs	7 x £260,000	1,820
Car 134	TEW Engineering Development	22
J411 317	Welfare Unit	60
Car 131	Driver Training	22
Car 138	Pool Vehicle	22
Car 139	Pool Vehicle	22
PC 249	Pool Vehicle	40
PCV254	Driver Training	38
Van 172	Billesley	16
Van 173	Coventry	16
Van 175	Kings Norton	16
Van 176	Binley	16
Van 179	Oldbury	16
Van 180	Equipment Maintenance Services	16
Van 181	Wednesbury	16
Van 186	Bloxwich	16
Van 193	Solihull	16
Van 196	Tipton	16
Van 197	Ward End	16
Van 198	Woodgate Valley	16
Van ND4	DIM Vehicle (currently under national review)	80
Estimated total		2,318

APPENDIX 2

<u>2017/2018</u>		<u>Estimated Replacement Value</u>
		£000
PRLs	5 x £272,000	1,360
MPV 141	Business Support Vehicle	40
Car 147	Pool Vehicle	23
Car 148	Pool Vehicle	23
GPL 236	Driver Training/General Purpose Lorry	110
PMB/G 240	West Bromwich	40
PMB/G 241	Bournebrook	40
PMB/G 242	Canley	40
PMB/G 243	Sheldon	40
PMB/G 244	Driver Training	40
PMB/G 245	UKFSSART	40
PMB/G 246	Road Casualty Reduction Team	40
Van 167	Command Development Centre	40
Van 255	Operations Training	40
Van 177	Erdington	17
Van 178	Brierley Hill	17
Van 182	Aston	17
Van 183	Dudley	17
Van 190	Fallings Park	17
Van 191	Foleshill	17
Van 210	Handsworth	17
Van 211	Northfield	17
Van 213	Highgate	17
Van 214	Wolverhampton	17
Van 217	Ladywood	17
Van 218	Smethwick	17
Estimated total		2,120

APPENDIX 3

<u>2018/2019</u>		<u>Estimated Replacement Value</u>
		£000
CSV 106	Command Support Vehicle	400
CSV 108	ISAR	55
D-FD361	Foam distribution Unit	70
D-FD363	Foam distribution Unit	70
D-LF329	Demountable Lounge Fire Unit	50
MRV 281	Workshops Service Van	55
PMB 250	Youth Services	55
PMB 251	Youth Services	55
TLR 343Z	Perry Barr Boat Trailer	5
TLR 346Z	Command Development Centre	5
TLR 347Z	Bickenhill Technical Rescue	5
VAN 350	Hydrant Technician	55
PCV 127	Sheldon Fire Station	40
Estimated Total		920

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **HIGH SPEED RAIL 2 UPDATE**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority note the update report of Peter Holland, the Chief Fire and Rescue Advisor (CFRA), into the impact of the proposed High Speed Rail 2 (HS2) on the West Midlands Fire Service (WMFS) site.

2. **PURPOSE OF REPORT**

This report provides the latest update on HS2 and its impacts upon the WMFS Headquarters site.

3. **BACKGROUND**

3.1 The proposed HS2 route comes in close proximity and has a very direct and highly visual impact upon the Headquarters and Safeside buildings and associated car parking facilities. The proposed rail line would run on top of the existing viaduct gantries to the rear of the Headquarters site on a table top platform at approximately 17m high.

3.2 An assessment of the impact of the proposed HS2 project on Fire Control has been completed by the CFRA and specifically concluded that there is not enough evidence to suggest that Fire Control should be relocated during the HS2 construction works. The report looked at noise levels, vibration, dust, height of hoardings, vehicle traffic, utilities being struck, site security and hazards to buildings by construction vehicles.

- 3.3 The CFRA has made further suggestions for HS2 to initiate independent noise verification assessments with the following two possible outcomes:-
- a) The existing building can be insulated to a satisfactory level.
 - b) Options for the movement of the control facility during construction should be more fully set out.
- 3.4 It should be noted that the CFRA report overall reflects that he believes all of WMFS concerns can be mitigated against HS2 and the control room should remain at Vauxhall Road as indicated in his summary:
- ‘For the avoidance of doubt, my overall recommendation is that it is not reasonably required to relocate the Fire Control suite for operational reasons during the construction of the works affecting the property’.*
- 3.5 WMFS and HS2 are working together to agree a framework to work within. This framework will provide assurances to WMFS on all concerns, i.e. the works, car parking, security, noise, vibration, traffic, access to site etc.
- 3.6 Given the current position, it is not considered appropriate to pursue the option of going to Select Committee so long as all clarification and assurances sought by WMFS from HS2 are contained within the proposed ‘working together agreement’. The clarification and assurances needed to provide reassurance against each concern to satisfy WMFS that the risk of not being able to discharge its statutory duties, have been mitigated.
- 3.7 HS2 are to carry out ground investigations at Headquarters consisting of five deep trial bore holes, one to the rear of Safeside, one to the rear of Headquarters and three within the lower car park off St James’s Place.
- 3.8 A preliminary ground penetrating radar survey was undertaken by HS2 in December 2015 to establish service locations prior to bore holes being drilled. Bore hole works took place in January/early February 2016.
- 3.9 WMFS have been advised by HS2 that Royal assent for the HS2 project is being sought sometime during the latter half of 2016.

4. **EQUALITY IMPACT ASSESSMENT**

No equality impact assessment has been carried out or required in the preparation of this report

5. **LEGAL IMPLICATIONS**

Sandwell Legal, Veale Wasbrough Vizards and Savills are advising WMFS on HS2 related matters.

6. **FINANCIAL IMPLICATIONS**

Costs are being incurred due to the ongoing legal advice and meetings attended with HS2. However, these costs are recoverable from HS2 under the compensation code (unless associated with petitioning).

7. **ENVIRONMENTAL IMPLICATIONS**

Environmental Impact Assessments were carried out by HS2 and are contained within their documents online at <https://www.gov.uk/government/consultations/hs2-phase-one-environmental-impact-assessment-consultation>.

BACKGROUND PAPERS

Peter Holland (CFRA) - Impacts on the West Midlands Fire and Rescue Service Fire Control Centre from HS2 Construction Works – June 2015

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

PHIL LOACH
CHIEF FIRE OFFICER

Notes of Joint Consultative Panel

9 November 2015
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: **Members of the Authority**
Councillor Dehar (Vice Chair),
Councillors Shackleton and Singh

Apologies:
Councillor Clinton (Chair),
Councillors Afzal and Douglas-Maul

Employees Side:

Fire Brigades Union (FBU)
Steve Price-Hunt

Unison
Vic Mallabar

Officers
Sarah Warnes
Wendy Browning-Sampson

Observer: Councillor Tranter

10/15 **Notes**

The notes of the meeting held on 21 September 2015 were received.

11/15 **Dispute Resolution Report**

The Panel were asked to note the contents of the Dispute Resolution Report, covering the period 1 January 2015 to 30 June 2015.

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Notes of the Joint Consultative Panel 9 November 2015

Wendy Browning-Sampson advised members of the Panel that references to employment tribunal claims were regarding local claims, not national.

The report provided a summary of the number, type and outcome of disciplinary and grievance cases, including any Collective Grievances and any reported failure to agree or consult.

Additionally, the report provided a summary of lessons learned, taking into account issues raised by Trade Unions / Representative Bodies, Line Managers and People Support Services Business Partners, specifically issues raised during the discussions at the Joint Consultative Committee and People Support Joint Working Parties.

A total of three grievances (1 Grey Book, 2 Green Book) were lodged during the reporting period. This was a reduction in the total number of formal grievances compared to the previous reporting period of 1 July 2014 to 31 December 2014 (eight in total).

At the close of the reporting period 30 June 2015, there was one outstanding claim against WMFS lodged with the Employment Tribunal Service.

People Support Services Business Partners have worked closely with managers to reduce situations escalating. A debrief process has been implemented to identify learning outcomes, helping to support the organisation and members of staff. The Trade Unions have specific invites to this process to encourage joint learning.

People management issues have been explored with a view to reduce the reactive nature of many of the issues that are raised.

The ongoing training programme 'The Effective Managers Series', which had been developed in liaison with the Trade Unions, has been delivered to managers to refresh the development provided to managers across the organisation on a range of management issues including Discipline and Grievance, Capability and Attendance Management. The training programme had received very good feedback.

Wendy Browning-Sampson offered members of the Panel the

Notes of the Joint Consultative Panel
9 November 2015

opportunity to receive the condensed version of 'The Effective Managers Series' which had been delivered to members of the Strategic Enabling Team. Members of the Panel agreed and accepted the offer.

It was noted that there had been no formal failures to consult or failures to agree issued by the Trade Unions / Representative Bodies. Other issues continue to be raised during internal consultative meetings which are managed and satisfactory resolved. This is an indication that the Employee Relations Framework is embedded within WMFS.

Steve Price-Hunt stated that from a Fire Brigade Union perspective, it is not believed that WMFS follows the Employee Relations Framework.

Wendy Browning-Sampson advised that the Dispute Resolution Report covered a specific period and there had been no issues raised regarding the Employee Relations Framework during that time.

Cllr Singh commented that the Dispute Resolutions Report was clearly written and was very good, and reflected that managers are continually being updated.

Cllr Singh suggested that reports presented to the Panel should be page numbered.

The Vice Chair noted that the training for managers was excellent.

The Vice Chair requested that reports are page numbered in future.

Cllr Shackleton noted that problems and issues are being dealt with and resolved at an early stage, avoiding / reducing potential escalation.

(Meeting ended at 13:15 pm)

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

<p>Notes of the Policy Planning Forum</p>
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**09 November 2015 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham**

- Present:** **Members of the Authority**
Councillor Edwards (Chair);
Councillor Idrees (Vice-Chair);
Councillors Afzal, Aston, Atwal Singh, Barlow,
Barrie, Craddock, Davis, Dehar, Eustace, Hogarth,
Mottram JP, Quinnen, Shackleton, B Singh, P Singh,
T Singh, Skinner, 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, M Hamilton-Russell, S Shilton, S Timmington
and S Vincent.
- Clerk and Monitoring Officer**
K Gowreesunker (Clerk)
M Dudley (Monitoring Officer)
S Sahota (Deputy Monitoring Officer)
- Apologies:** Councillors Clinton, Douglas-Maul, Miks, Sealey and
Ward;
Mr Bell.
- Observers:** A Afsar

20/15 Chair and CFO's Announcements

The Chief Fire Officer welcomed all attendees to the Policy Planning Forum on behalf of the Chair.

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Policy Planning Forum 09 November 2015

The Chief Fire Officer noted that as the Service and the Authority plan for and manage, the strategic plan and service delivery model, the Policy Planning Forum is the correct forum for questions and discussions regarding the service delivery model.

Presentations to the Forum

The following presentations were given to the Policy Planning Forum:

- Verbal update on Estates development
- Every Second Counts video
- Blended Fleet Review
- Operational Excellence video
- Staffing

Note: the two videos were presented either side of the blended fleet review.

21/15 Verbal update on Estates development

Phil Hales, Deputy Chief Fire Officer, provided a verbal update on the Estates development, specifically the redevelopment of Aston, Coventry and Wednesbury Fire Stations.

- Aston

Aston Fire Station is WMFS' oldest building and is listed which has presented the Service with some challenges.

Aston has been confirmed as in a good location for a Fire Station, in accordance with the Service's Integrated Risk Management Plan.

An opportunity had existed to purchase and develop land close to the existing station which could overcome some of the challenges of redeveloping a listed building. However, this is no longer an option because the land has been sold.

The Service are working with the Ambulance and potentially the Police with regard to the new station and partnership working. Architects are currently working on plans to build the new station around the existing building as it is not possible to demolish it. All appliances and operational

[ILO: UNCLASSIFIED]

Policy Planning Forum 09 November 2015

staff will be situated on the ground floor, supporting the 5 minute response standard. The other floors will incorporate community rooms and the fire heritage museum which is stored at the current Aston station (the Service is currently liaising with the Police regarding a shared heritage facility). All buildings that are not listed will be demolished.

The plans for the new station will be agreed with the architects, working with staff, and proposals will be presented to the Fire Authority.

A member asked what the timescales were for the rebuild.

Phil Hales confirmed timescales would be a minimum of 18 months.

- **Coventry**

Coventry has been confirmed as a good location for a Fire Station, in accordance with the Service's Integrated Risk Management Plan.

A number of options have been considered, including the complete demolition of the site and it has been agreed that the existing fire training building is to be incorporated into the new plans.

The Service is working with partners, including the Ambulance and Age UK.

Members of staff have met with the architects, and are liaising with staff based at the station. A meeting with the council planners is scheduled for week commencing 9 November.

Timescales for completion of the project are 18 months to 2 years. Draft plans will be presented to the Fire Authority in due course. As per the build of Haden Cross Fire Station, consultation will be undertaken with the community. An element of social value is being included the contract.

A member asked if plans included council staff as per previous options.

Phil Hales confirmed that council staff were being included within plans, and the fact that there are a number of agencies on the site has presented challenges including around the relocation of firefighters. The Service is working with local authorities and other agencies to address these challenges.

[ILO: UNCLASSIFIED]

Policy Planning Forum 09 November 2015

A member asked if the other 3 fire stations in the Coventry area were not big enough to accommodate the firefighters and appliances from Coventry Fire Station.

Phil Hales confirmed that there was the potential to utilise the other stations, with a number of options such as relocating the hydraulic platform to such a station during the build.

- **Wednesbury**

The Service has a water rescue capability at 2 sites; Bickenhill and Wednesbury. However, the Wednesbury site is currently not large enough to accommodate that capability, although it has been confirmed as a good location, supporting the service delivery model in accordance with the Service's Integrated Risk Management Plan.

There are 3 options under consideration; all 3 options are for a combined centre enabling a multi-agency approach:

- A combined centre at a new location
- A combined centre at the existing site
- A combined centre covering two sites

The Service is fully engaged with the NHS and Sandwell MBC, and an informal agreement has been reached between the different agencies to progress this project.

The project could potentially be a considerable capital investment but would be an innovative and unique approach to how services are delivered.

22/15 Seconds Do Count Video

Gary Taylor, Assistant Chief Fire Officer, presented the final draft of the 'Every Second Counts' video, which included the latest (quarter 2 2015/16) response time of 4 minutes 42 seconds for category 1 incidents.

[ILO: UNCLASSIFIED]

Policy Planning Forum

09 November 2015

The prime audience for the video is internal but it will be shared externally via social media. One of the aims of the video is to thank staff for the high levels of performance delivered, not just frontline staff, but also service support staff.

A member noted that a time of 4 minutes 42 seconds is brilliant, but once a crew arrives, how long would it take for them to get to work.

Gary Taylor confirmed that WMFS advocates safe, assertive and effective firefighting. 8 members of staff are mobilised, at a minimum of 5 on a Pump Rescue Ladder, and 3 on a Brigade Response Vehicle, providing the resources (Breathing Apparatus / water) required to effectively save lives at category 1 incidents. The strength of the WMFS service delivery model is that not only can crews respond and be in attendance as soon as any fire crew in the UK, but crews also implement assertive firefighting upon arrival, which is backed up by training.

23/15 Blended Fleet Review

Gary Taylor, Assistant Chief Fire Officer, introduced a presentation on the Blended Fleet Review.

The review has been commissioned to evaluate the current fleet and the requirements of the service delivery model and the Service in the future. The introduction of Brigade Response Vehicles has diversified the fleet.

Phase 1 will include the examination and confirmation of fleet type, location, daily use, running costs, life expectancy, and value to the service delivery model.

WMFS' fleet is currently comprised of:

- 41 Pump Rescue Ladders (PRLs): consists of a crew of 5, attend high risk incidents
- 19 Brigade Response Vehicles (BRVs): crew of 3, attend low risk incidents, protect PRL's
- 4 Hydraulic Platforms: located at Coventry, Highgate, Oldbury and Walsall. Generally used as a water tower and for rescues from height
- 3 Business Support Vehicles (BSV's): located at Birmingham, Black

[ILO: UNCLASSIFIED]

Policy Planning Forum 09 November 2015

Country and Coventry. Introduced this year as part of a trial providing fire safety advice at point of contact where alarms are actuating.

- 69 Brigade Vans: 1 located on each station plus a number of others spread across the Service area. Vans used to be used for a variety of roles but those roles, and the numbers of staff, no longer exist.

A visioning exercise is to be carried out, reflecting:

- the Integrated Risk Management Plan,
- prevention, protection and response (it is more efficient to carry out prevention work using a crew of 3 whilst still providing cover),
- commissioning work (accounts for £2 million of the predicted shortfall in funding and the Service's model may change as a result),
- the vehicle replacement programme (money has been allocated for this but it is a review rather than replacement of vehicles and any savings realized may need to be re-invested in replacements),
- research and development (including equipment)

The visioning exercise will culminate in future options for consideration, taking the above into account.

Many Fire and Rescue Services across the country are examining their fleet and exploring alternatives. Previously, WMFS had been ahead of the curve to a certain extent with the development of the Brigade Response Vehicles (being one of the first services to investigate such an appliance).

The presentation illustrated a number of vehicles that had been introduced by other Fire Services including a UNIMOG and Tactical Response Vehicle at Staffordshire FRS, a co-responding vehicle at Devon & Somerset FRS, and a vehicle which is crewed by a Fire Officer, a Police Officer, and a Paramedic, as part of the Community Risk Intervention Team at Greater Manchester FRS.

Reference was made to the Fire Bike which is mainly used for road safety. However, there could be an opportunity to potentially utilise such a vehicle, for example in a Fire Safety / Business Support Vehicle role.

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Policy Planning Forum 09 November 2015

The following points were raised in discussion prompted by the presentation:

- There is a rolling programme in place for vehicles; as vehicles come to being no longer fit for purpose, they are taken off the fleet and moved into the reserves and then sold off if possible.
- 'Special' appliances will be included within the Blended Fleet Review but there is a focus on prevention and response work to ensure project does not become too broad.
- The Service is examining a more relaxed approach to donning personal protective equipment (PPE) en-route; members of staff have indicated a desire for more guidance, rather than rules. It is not possible to don PPE en-route in a BRV due the size of the vehicles and this does cause a slight delay in responding to an incident.
- WMFS is aware of the Community Risk Intervention Team approach taken by Greater Manchester FRS and is monitoring feedback received. The Service would like to integrate more with other agencies / partners.

24/15

Operational Excellence video

Gary Taylor, Assistant Chief Fire Officer, presented a video entitled 'Operational Excellence' which provided an overview of the large incident that occurred in the Shard End area in October which saw 19 people being rescued / lead to safety. The video provided an overview of the inter-agency work at the incident with a commentary provided by staff who attended, detailing what they had encountered upon arrival.

Gary Taylor stated that the Service has well rehearsed and well practiced policy and procedures which can be implemented at such an incident.

The Chief Fire Officer advised that part of the Service's strategy included the protection of its estate, which is integral to the Service and supports the service delivery model.

The Chief Fire Officer referenced the previous question which had been raised regarding how long it took for a crew to get to work upon arrival at

[ILO: UNCLASSIFIED]

Policy Planning Forum

09 November 2015

an incident. It takes approximately 90 seconds for a crew to get to work upon arrival at an incident. However, a lot of work goes into achieving this including research and development into equipment, a dynamic risk assessment at the incident, and a systematic risk assessment prior to this. There have been several cases recently where Fire Officers have had to defend themselves regarding charges of corporate manslaughter. To fully understand the question, there is a need to fully understand the role of a firefighter. The number of incidents may be going down, but incidents are becoming more complex and risky.

With regard to BRV's; they do not respond to incidents as fast as a PRL. However, a BRV is not a PRL; it is a great resource to mobilise to category 2, 3 and 4 incidents. It is also a cost effective resource.

25/15

Staffing

The Chief Fire Officer, joined by the Chair, provided an update on staffing.

The majority of the WMFS budget is taken up by staffing. WMFS can no longer afford the 1322 firefighters required to provide the service delivery model.

There are a number of options to cover the budget deficit such as commissioning, internal restructures, with staffing representing the largest element of savings.

The staffing proposals are the only way to provide the service to the community and to maintain the number of appliances and stations.

The proposals include:

- A recruitment freeze
- Maintaining the service delivery model using voluntary additional shifts
- Maintaining the 2-2-4 shift system (note, if a station wishes to collectively adopt a more flexible staffing model, this can be investigated)

The additional shifts have commenced with a small number having been undertaken up to date. Additionally, integrated resilience has been

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Policy Planning Forum 09 November 2015

formulated, with the opportunity for non-operational grey book staff to carry out additional shifts on stations. This approach allows the service delivery model to be maintained.

The following points were raised in discussion prompted by the update:

- A crew of 4 is used in other Fire Service's but they usually implement defensive tactics. For example, 8 people are required to enter a building at a property fire, with a minimum of 5 to start. With a crew of 4, rapid deployment would need to be implemented which is the riskiest procedure to follow. Additionally, the FBU strongly advocate a crew of 5.
- The WMFS budget has already been reduced by £28 million, a challenge which the Service has met with via a number of initiatives including the introduction of BRV's and the merger of the WMFS and Staffordshire FRS Fire Controls to achieve these savings. However, a further £14 million needs to be saved and this is very difficult. Some of the easiest decisions have already been made previously. Officers are planning on how the service delivery model is protected. The Authority needs to consider how this can be done, or if it is prepared to change the service delivery model and accept slower response times.
- The option put forward by Officers of the use of additional shifts makes the significant savings that are required whilst protecting the existing service delivery model.
- The additional shifts are a purely voluntary process. People do not have to carry out these shifts but can do if they wish. There will be no impact upon members of staff who do not participate.
- Firefighters will know what their shifts are. The 2-2-4 shift system will remain unless stations wish to adopt locally agreed ways of working.
- The FBU nationally have responded to the Comprehensive Spending Review. The response includes a demand that service delivery models are maintained. This is exactly what WMFS are trying to achieve.

[ILO: UNCLASSIFIED]

**Policy Planning Forum
09 November 2015**

- 378 members of staff have indicated that they would consider volunteering to participate in the additional shifts which would be more than ample. The shifts do not represent a change in terms and conditions. They are purely voluntary and are a means to address the financial deficit the Service is facing. Weekly meetings are held with the representative bodies which allow the opportunity to discuss alternatives.

(Meeting ended at 12:30 am)

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

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Minutes of the Audit Committee

9 November 2015 at 12.15 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillor T. Singh (Chair);
Councillors Aston, P. Singh and Quinnen.
Mr Ager (Independent Member).

Apology: Councillor Miks (Vice-Chair);

37/15 Minutes

Resolved that the minutes of the meeting held on 7 September 2015, be approved as a correct record.

38/15 Report on Value for Money for West Midlands Fire and Rescue Authority

The Committee received and noted the report on Value for Money for West Midlands Fire and Rescue Authority provided by Grant Thornton. The external auditor stated that of the seven areas examined in the Executive Summary, the financial challenge was the most important issue for the Authority, but felt able to give a green assurance.

At this point Councillor P. Singh left the meeting.

The Treasurer and Deputy Chief Fire Officer had both approved the report. In answer to Members questions, it was confirmed that the report was for the period ended 31 March 2015. However, the latest position was reflected in some of the detail provided and the opinion work carried out over the Summer gave an element of the direction of travel.

The 2015/16 Value for Money risk assessment would give an indication if any areas were going to drop into amber rating, but at this stage the external auditor was not aware of any areas where this may occur.

Discussions were taking place with officers regarding the general arrangements and a close eye was being kept on the medium term financial arrangements. It was noted that the Comprehensive Spending

Audit Committee – 9 November, 2015

Review was due to be announced on 25 November 2015 and could force a change of direction.

Some of the views were longer term and covered the next three years. The external auditor stated that he would keep a watching brief but there was currently nothing to bring to the Committee's attention.

In answer to a Member's question, it was confirmed that the report was timely and covered the external audit for the previous year. The report had been previously presented to the full Authority meeting on 23 September 2015 and the external auditor shared the contents of the report which provided more detail to the Members of the Audit Committee.

39/15 Annual Audit Letter 2014/15

The Audit Committee received and noted the contents of the Annual Audit Letter (AAL). The letter is intended to communicate key message to the Authority and external stakeholders, including members of the public.

The key messages included the financial statements audit, (including audit opinion), the Value for Money conclusion and the Audit fees charged for audit and non-audit services and the titles and dates of when reports had been issued.

Appendix C of the report gave an assessment of how external audit had worked with the Authority Members and Officers. Grant Thornton were keen to build on relationships with officers and new members of the Audit Committee and asked them to liaise directly so that they can build this work into their approach.

The Independent Member of the Committee stated that the key issues and recommendations broadly fell into the IT area and asked whether the Internal Auditor had seen the recommendation and management responses to these issues. It was confirmed that these issues would be addressed in the Internal Audit Plan, the Terms of Reference were to be agreed with Treasurer.

40/15 Audit Committee Update for West Midlands Fire and Rescue Authority

The Committee noted the contents of the Audit Committee Update. The Update included a summary of emerging national issues and developments that may be relevant to the Fire and Rescue Authority and a number of challenge questions in respect of the emerging issues that the Committee may wish to consider.

Audit Committee – 9 November, 2015

The report included information on:

- Progress to date on External Audit Work
- The impact of Devolution
- The Government's Spending Review
- Enabling Closer Working between the Emergency Services Consultation
- Fire Statistics April 2014 to March 2015
- Change of Director for Fire, Resilience and Emergencies

41/15

Treasury Management - Mid Year Review Report 2015/16

The Members of the Committee considered the Treasury Management Mid Year Review Report 2015/16.

The Authority agreed its Treasury Management Strategy Statement and Annual Investment Strategy and its Prudential Indicators in February 2015 and part of the requirements of the Treasury Strategy and Prudential Code are that periodic reports are presented to Members. The Mid Year update was presented to the Audit Committee with the key areas being:

Capital expenditure was approved in February 2015 at £3.9m, this has been updated and now reflects the outturn position and financing decisions for 2014/15. The Forecast Outturn was revised to £5.3m. There would be no borrowing in the current financial year.

The Prudential Indicator (CFR) showed an Outstanding debt of £41m as at 31st March 2015. Gross borrowing of £37m has been undertaken with the Public Works Loan Board, the remaining £4m relates to the ex-West Midlands County Council. The estimated average rate of interest payable on this debt in the current financial year is 5.7%.

The Authority holds £76m of investments as at 30 September 2015 which are pooled with Sandwell MBC. The interest received for the first six months of the year is 0.41% which is favourable when compared against a benchmark, the average 7 day LIBID rate at 0.35%.

Audit Committee – 9 November, 2015

Resolved that the Treasury Management – Mid Year Review Report 2015/16 be noted and the prudential and treasury indicators be approved.

42/15 Internal Audit – Progress Report

The Committee noted a report which detailed the progress made against the delivery of the 2015/16 Internal Audit Plan. The information contained within the report included a summary of the work completed with no significant issues.

43/15 Self-assessment of good practice and effectiveness

The Committee agreed to complete stage two of their self-assessment of good practice and effectiveness exercise.

The first stage of the process, the self-assessment exercise had already been completed. However, as there were new Members on the Audit Committee it was felt opportune to reinvigorate the process. Members were requested to return their completed forms to the Clerk by the 30 November 2015. Members were advised to leave blank any areas they were unsure of.

It was noted that an External Review of the Audit Committee would take place every 5 years and a further consideration would be required on the team who would undertake the review and the possibility of a reciprocal arrangement with other members of another local authority Audit Committee.

44/15 Work Programme

The Committee noted its work programme for 2015/2016. The Treasurer indicated a meeting of the Audit Committee would be required in July 2016, due to earlier timescales for the closedown of accounts process.

45/15 Update on Topical, Legal and Regulatory Issues

The Treasurer stated that the announcement of the Comprehensive Spending Review would be made on the 25 November 2015, but the Authority may not know specific implications until the finance settlement anticipated around mid-December 2015.

Audit Committee – 9 November, 2015

The internal auditor informed the members of the Committee that he would forward the details of any events and Seminars that are arranged specifically for Members of the Audit Committee and the Chair encouraged all Audit Committee members to attend the training.

The meeting ended at 13.13pm)

Contact Officer: Julie Connor Strategic Hub 0121 380 6906

Agenda Item No. 15

Minutes of the Scrutiny Committee

16 November 2015 at 12.30pm
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Tranter (Chair);
Councillor Spence (Vice Chair);
Councillors Barrie, B Singh, P Singh (substitute for Hogarth), Skinner, Young and Ward

Apology: Councillor Hogarth

Observer: Not applicable

22/15 **Minutes**

Resolved that the minutes of the meeting held on 17 August 2015, be approved as a correct record, subject to the following amendments:

- Apology: removal of Councillor Barrie (who had been noted as having been present and having sent apologies)
- Minute 20/15 Dispute resolution: the sentence 'It was acknowledged that the next stage following an appeal would be industrial tribunal' amended to read 'It was acknowledged that the next stage following an appeal would be employment tribunal'

A Member enquired if the 'Effective Manager Series' training had been confirmed. Sarah Warnes, Strategic Enabler People Support Services, confirmed that the training would be delivered and that the opportunity had also been offered to members of the Joint Consultative Panel.

With reference to minute 21/15, David Gardiner, Facilities Manager, had provided a briefing note on the Estates Strategy which had been circulated to Members prior to the meeting (attached to these minutes).

A Member enquired about the 'Old Bank' property in Bloxwich which was seemingly in a state of disrepair and asked if there were any plans to address this.

David Gardiner advised that the 'Old Bank' property had been discussed. It was believed that it would cost approximately £50,000 to make the property habitable. Cyclical maintenance is planned but not until spring 2016, due to the weather and the work that is required to be carried out.

Gary Taylor, Assistant Chief Fire Officer, advised that the Service currently did not wish to sell any of its properties with the exception of the Academy. The review of estates is undertaken on a yearly basis, and the views raised could be taken to the Fire Authority as part of this review at the relevant meeting.

Agreed the 'Old Bank' property in Bloxwich, and the views that have been raised, to be included in the estates review and presented to the Fire Authority.

23/15

Review of Partnerships

The Committee received a report on the 'Review of Partnerships'.

Jim Whittingham, WMFS Strategic Hub, presented an overview of the report, its findings and proposals:

A Member led working group was established in March 2015 comprising Councillors Tranter, Spence and Hogarth, to review all aspects of the Service's partnerships arrangements.

Partnerships are a key priority of the Service, integral to the delivery of the outcomes of 'The Plan', delivering our services, making our communities safer. Governance is important in ensuring the Service initiates and develops the correct partnerships and in the correct manner.

It is important that the Service has the right people and systems in place to deliver these activities. Fire Service personnel contribute 40% of their time delivering prevention work within partnerships, for

example firefighters delivering Home Safety Checks (recently re-launched as 'Safe and Well Checks'), and the additional work undertaken by Partnership Officers and Risk Reduction Officers.

Having already made savings of £28 million, the future financial landscape will need to be taken into consideration, in maintaining the 5 minute response standard and the vital element of prevention work (upstream firefighting), of which partnerships have an essential part to play. It was acknowledged that this area is becoming more difficult and complex and the continuing cuts mean that the Service may not be able to deliver services in the same way.

There is a requirement to consider commissioning as part of the review, ensuring the correct systems and governance are in place in readiness for, and to support, this area of work.

An action plan will need to be developed and the Service will need to identify the best way to achieve these improvements.

The Command partnerships structure reflects the best structure at a service delivery level, promoting effective engagement and liaison with partners and enabling local relationships. However, there may be a requirement for new skills and methods to be adopted, whilst ensuring that the service delivery model is maintained.

It is clear that there is need for improvement of the governance arrangements, including clear terms of reference, a greater understanding of not only why the Service is involved in specific partnerships but also an understanding of the required outcomes, and the development of exit strategies.

The proposals that have been identified fit broadly into three areas:

- Recognising the need for WMFS to make savings.
- A leaner and more effective management structure.
- The opportunity for change, including the opportunity to consider commissioning.

Going forward, subject to approval of the report by the Committee, the following next steps had been identified:

- The development of an action plan, to include the enabling of high level strategic ownership, progress of which will be monitored by the Scrutiny Committee.
- Submission of the report to the Executive Committee for approval.

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

- With regard to 40% of firefighters time delivering prevention activities, there is a need to expect more from firefighters from the balance of the budget, such as the delivery of commissioning activities, working with firefighters to deliver different things.
- 40% of a firefighter's time dedicated to delivering prevention activities will not change, however, the number of staff will. It will be a question of how does the Service maximise the time available to firefighters. The 40% will remain under the current model and if the proposed additional shifts are implemented. However, if there is a reduction in fire cover in the future, there would be a reduction in prevention and protection work, with reductions experienced across the board.
- The Strategic Enabling Team (SET) has identified commissioning as a source of revenue and it is planned into the next three years to help meet the Service's financial deficit.
- With regard to commissioning, the Service acknowledges that the majority of partners are in a similar position financially, with most subject to cuts in their respective budgets. Fire and Rescue Services are gradually building capability, for example formal recognition by Marmot, and working nationally to engage with and gain access to health services.
- The best method of working with health services is to engage with them regarding the problems they face, and to work in close liaison to identify solutions, rather than to provide an 'off the shelf' solution. Evidence of this approach can be seen in some of the pilots that WMFS are currently trailing.

- The Telecare pilot in Coventry continues to be progressed and the possibility of similar projects in other areas have been and continue to be explored. The possibility of providing a service for the discharge of patients from hospitals is being explored, with the potential for this to naturally fall in line with the 'Safe and Well' checks that firefighters already provide (a 'Safe and Well' visit could be carried out which would allow an individual to be discharged from hospital). There is the potential for such an arrangement to be beneficial to both organisations.
- With regard to the 40% of a firefighters time dedicated to delivering prevention activities, the amount of time taken up by commissioning work will not have a derogatory effect. It is not an either / or situation for the Service. When carrying out a safety visit, this will be adding value to it. The Service is advocating to the health sector that if an individual is a priority for them, then that person is most likely a priority of the Service as well. It is common for both the health sector and fire sector to be dealing with the same people. Additionally, the health sector is gaining the experience that firefighters have, and the trusted band that they represent.
- The Service is considering the employee change journey carefully. The pilots are being closely monitored to gauge the potential impact of these new areas of work. People Support Services Business Partners will work closely with staff to support them during this period. Change is inevitable, and all public services are currently facing similar situations and challenges. The Service is identifying those areas where a natural synergy exists.
- The Service has a desire to engage with the most vulnerable persons in our communities. These are potentially the next fire related injuries or fatalities. Commissioning could equal £2 million per year which would help maintain the service delivery model. Training has been implemented (online and in the form of a video) and WMFS is leading nationally in this area on behalf of Chief Fire Officer's Association. The relation with our staff and the representative bodies is critical. The National Joint Council has been involved as part of the trial, the outcomes of which are being fed back at the national level. This has been recognised by the Fire Brigades Union.

- The Service is currently engaging predominantly with local authorities and the health sector, where natural synergies already exist. However, the commissioning strategy is broader in its approach and the Service is also exploring opportunities in the education sector and those agencies that work with and support vulnerable adults. Social value also promises to provide opportunities, for example, under the guise of corporate social responsibility. Additionally, all procurement contracts now include a 2% social value element.
- Engagement with the private sector, for example the provision of risk management services, is a possibility. There are examples nationally, one particular Fire and Rescue Service provides such services but the local geography / composition of business in that area have mainly enabled this (the area the Service covers features a number of large petrochemical plants and installations). However, the makeup of the West Midlands is somewhat different but large multi-national businesses are located in /operating within the area, which WMFS are working with to promote a better understanding of what the Service can do for them.
- There is no prospect for the commissioning of a firefighting /rescue capability at airports. Airports have their own fire services as part of the requirements for a civil licence. For example, Birmingham International Airport has the resources in place for an incident 'on site' but WMFS has a duty to have adequate response plans in place. However, it is important to note that the most significant aircraft incidents occur off site.
- There is a risk that the Service does not share enough data with other agencies, and vice versa. There is a need for a consistent data sharing protocol. It would seem logical that the sharing of data would be enabled via integrated ICT systems, although it is acknowledged that ICT integration has been fraught with problems in the public sector and would require an appropriate level of scrutiny. The review of partnerships highlights the need to review the area of data sharing (previously agreed by the Scrutiny Committee to follow the review of partnerships).

Resolved that the review of partnerships report and its proposals be approved.

Resolved that the review of partnerships will be submitted to the Executive Committee for approval (meeting scheduled 14 December 2015).

It was agreed that the action plan would be developed in accordance with the minutes above and presented back to the Scrutiny Committee, along with a progress update, at the next meeting, scheduled for 15 February 2016.

24/15

DICE Performance Report 2012 – 2015 Objectives 2016 - 2019

Preith Shergill, Strategic Enabler for Diversity, Inclusion, Cohesion, Equality (DICE) presented an overview of the report to Members:

The Equality Objectives were established four years ago and the report detailed the progress made against those objectives. Additionally, the report sought agreement of the DICE objectives for the next four years. The report is required to be published in January 2016. It was noted that any changes in the workforce profile may alter the contents of the report submitted to the Committee, but no significant change was predicted.

The report highlighted a number of key areas of performance:

- Education and youth team work, including the Youth Emergency Services (YES).
- A team dedicated to issues surrounding deafness, working in close liaison with Vulnerable Persons' Officers (VPOs).
- A number of awards have been received including HR Distinction, Marmot, and a Royal Society of Public Health award.
- Wide range of specialist officers and the front line staff constantly developing their knowledge and understanding.
- The sharing of best practice and knowledge with other agencies and how to deliver the best services to end users, as part of the continuous every day work.
- Leadership and inclusion identified the work of the Chief Fire Officer and the founding of SET which is a large step for the Fire and Rescue Service, with the move away from a Corporate Board (previously 5 people including 1 black and

minority ethnic (BME) staff member, now 14 people covering the majority of the protected characteristics). The approach taken has gained significant interest from other agencies / organisations because of its radical nature.

- Enabling leadership at all levels, identifying how to engage with people from different communities and who represent the protected characteristics. Initiatives include the establishment of a Race Equality Forum, Dyslexia Champions, and a broader disability awareness campaign (currently in the preparation phase). Additionally, the Community Membership Scheme was launched at the end of 2014 and approximately 4000 members have registered up to date. The aim of the scheme is to exchange information with members of the public, informing the public what the Fire Service does (more than just response), what is happening in their local area, and allowing the opportunity for members of the public to become more engaged with the Service.
- Improve accountability and increase emphasis of the DICE agenda with regard to the workforce profile. Challenges include the freeze on recruitment, but this does not mean that there isn't anything that can be done. There are many examples of positive work being undertaken including building confidence amongst female uniformed staff regarding promotion (previously a problem area but there are now a number of female staff in supervisory roles), the 'Unusual Suspects' campaign which was recognised by the Department of Health, and improvements made in recent recruitment campaigns (although it is acknowledged that there has been a limited amount of recruitment during the last 4 years). Progress has included focussing on efficiencies have a disproportionate impact upon female members of staff. There has been an increase in the number of female uniformed members staff and there have been improvements in the number of BME staff, although it is acknowledged this will be impacted upon in the future.
- A key method of tackling the challenges posed by a recruitment freeze is the focus on progression, removing barriers and encouraging role models. Additionally, there is a focus on positive action in readiness for when the Service is in a position to recruit again, including the promotion of female

firefighters and engaging with pupils in a school quiz. DICE are also using data and working with various departments to identify opportunities for vulnerable people in our communities.

- There has been a conscious effort to encourage all members of staff to declare their disability status. The number of Lesbian, Gay, Bisexual, Transgender disclosures has increased.
- An area of progress identified was work surrounding social inequality, not just in terms of the DICE team, but including other groups of staff such as service delivery staff and those working within prevention. This will be a significant area of progress going forward.

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

- The report will be made available and communicated in the public arena in a number of different ways, using a mixture of traditional methods plus the use of social media and interactive content available via online.
- There is a dedicated team that work closely with VPOs engaging with and supporting people who are deaf / suffer from hearing loss, allocating resources to them including advice and specialist equipment.
- An outcome of the Community Membership Scheme is to ensure that the membership is reflective of our communities. There is an aim to have firefighters engaging with community members, bringing them onto stations. This happens on occasion with stations liaising with community members but it is more of a vision; with the aim to engage more. A breakdown of community members, including a breakdown by ward, will be circulated to members. It was also confirmed that should members wish to become more involved in the scheme or attend one of the events, they can contact the DICE team or Corporate Communications who will be able to assist.
- The buddy scheme and mentor scheme were labelled together under the umbrella term of a buddy scheme. Previously, the 'Reaching for the Stars' scheme had been a huge success and the Service did not want to finish there and

wished to continue with the progress that had been made. However, due to engagement with members of staff who were potentially disengaged with the Service, it was felt that a formal coaching scheme might put people off from continuing or applying, to take part. The buddy scheme is complimented by a very active coaching and mentoring scheme, plus personal effectiveness courses, and a 'Managing Excellence' program.

- Social class may not be included as a national requirement but it is important to understand that people do come from different social backgrounds. This is an example where the Service differentiates from what it has to do, to what it considers it can do in addition to the mandatory requirements.

25/15

Analysis of Progress of Quarterly Performance Against The Plan Quarter 2 2015/16

Gary Taylor, Assistant Chief Fire Officer presented an overview of the report to Members:

The portfolio and performance management system, Aspireview, is in place, having been utilised at the last two Quarterly Performance Review meetings. Very good feedback had been received regarding the system.

There had been a focus on PI 1 'The risk based attendance standard' this year, performance of which had improved by 1 second for category 1 incidents.

Performance within prevention (PIs 2 to 12) remains largely positive with the exception of PI 5 'The percentage of Home Safety Checks referred by our partners', and PI 10 'The number of arson vehicle fires', both of which had under-performed.

PI 5 'The percentage of Home Safety Checks referred by our partners': Black Country North was the only the Command to meet the target of 40%, and then that was only due to Walsall over-performing.

PI 10 'The number of arson vehicle fires' was an anomaly compared to the other prevention performance indicators, including those indicators related to arson. However, the direction of travel was good, with performance improving. A task and finish group had been commissioned to examine this area in more detail, exploring

how the Police and Local Authorities work, and the approach taken to hardening historical hotspots. The Arson Task Force work effectively within the local Police and are supported by the WMFS Fire Investigation Team which has been enhanced, including an increase in capacity.

Performance within protection remains very good:

- PI 13 'The number of accidental fires in non-domestic premises', one less incident and this indicator would have been blue (over-performance against the upper tolerance level).
- PI 14 'The number of false alarm calls due to fire alarm equipment', performance demonstrated the role of the Business Support Vehicles in protecting more appropriate resources for the Service Delivery Model.

Sarah Warnes provided an overview of the People Support Services performance indicators:

PI 15 'The percentage of employees that have disclosed their disabled status', the direction of travel was good with positive progress having been made. The PI remained red but it was acknowledged that the target of 100% disclosure was ambitious.

PI 16 'The number of female uniformed staff' and PI 17 'The percentage of all staff from ethnic minority communities', were both on target. The recruitment freeze means that there is little room for change but progression and retention are areas for focus. 15% of female uniformed staff and 28% of BME staff are now in managerial roles. These members of staff will be positive role models. Work is being undertaken to identify how positive action can be implemented, encouraging confidence and resilience for staff to progress through the organisation.

PI 18 'The average number of working days / shifts lost due to sickness – uniformed staff', remained off-target but attendance levels are still very positive across the organisation. A task and finish group has been set up, looking at people, systems, support and trends within Commands to enable attendance to be examined on a case by case basis.

PI 19 'The average number of working days / shifts due to sickness (non-uniformed and Fire Control staff)', performance is above the

tolerance level (blue) and a noticeable improvement in sickness within Fire Control had been observed.

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

- The disparities between different Commands regarding performance against PI 5 'The percentage of Home Safety Checks referred by our partners' are being explored and reasons identified, such as relationships with social housing providers. Cases of best practice and lessons learned are to be shared across Commands. It is hoped that the performance of PI 5 will improve following the sharing of lessons learned and the implementation of the proposals resulting from the Partnerships Review.
- With regard to PI 15 'The percentage of employees that have disclosed their disabled status', there is a potential that the remaining 15% of members of staff who have not declared their status may fear it could reflect on their employability. All members of staff should feel that they can disclose their disability status, but it is acknowledged that barriers do exist. Additionally, there is the potential for a member of staff to not class a condition as a disability and a lot of work is being carried out to promote this subject including the continued development of the Wellbeing strategy in the organisation, campaigns such as the Unusual Suspects (highlighting dyslexia), and discussing these issues with managers.
- There is a potential risk that new ways of working may affect sickness levels. However, it is likely to be a short term effect if there is one, and changes are managed by line managers in consultation with members of staff. The new shift system will build in more flexibility regarding staffing and sickness should reduce as a result. The majority of absences due to sickness are short term, and support is provided to members of staff via various means including Occupational Health.
- The figures quoted in the report for PI 19 'The average number of working days / shifts due to sickness (non-uniformed and Fire Control staff)', were queried by Members. This was double-checked and the correct figures were circulated as follows:

Figures as reported	Correct figures
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Target: 3.195 (3.14 – 3.25)	Target: 3.42 (3.25 – 3.59)
Actual to date: 3.59	Actual to date: 3.14

* Figures in brackets are the lower / upper tolerance levels

- Additionally, the actual to date figure of 3.16 was queried for PI 20 'The average number of working days / shifts lost due to sickness – all staff', as it was the same figure as quoted for PI 18 'The average number of working days / shifts lost due to sickness – uniformed employees'. It was confirmed that the figure quoted was correct; all staff sickness was normally very similar to the uniformed sickness rate due to 75% of staff being uniformed personnel.

26/15

Scrutiny Committee Work Programme 2015/16

The Committee noted the progress of the work programme for 2015/16.

Members of the committee agreed that:

- Action Plan and progress update on the Partnerships Review would be presented at the meeting in February.

(Meeting ended at 12:45 pm)

<p>Contact Officer: Stephen Timmington Strategic Hub West Midlands Fire Service 0121 380 6680</p>

Scrutiny Committee 16.11.15 - Briefing Note

Residential Property Update October 2015

A survey to review WMFS residential properties was undertaken during 2014 following recommendations made within the Property Asset Management Plan 2014

Typical factors that were considered;- cost benefits, complexities, aspects of the property regards disposal, practicalities of disposal, including sitting tenants and any on-going issues of disposal.

Sites reviewed:

- King Norton - Flats
- Perry Barr - Houses
- Erdington - Flats
- Bloxwich – The old Bank.

Kings Norton:

Four self-contained apartments and two offices (ground floor) situated adjacent to the station driveway.

Although the apartments are self contained in a stand alone block the main issues are;

- Compromised access via the main station driveway to gain entry at all apartment front doors.
- Parking issues for residents

Options were considered to alter the front door access; the cost to alter the building would be (circa £20k).

Parking for the apartments is not an option as the existing car park forms part of the station facility accessed by the one driveway.

The risk of the only vehicle side entry access being blocked by tenants is high.

In addition if the side access was shared it would have further implications if/when Kings Norton Station was sold in the future.

There is also concern that six three bedroom flats sold with no parking may have a negative effect on the surrounding area with streets/car parks and shop frontages being used by the flat residents for ad-hoc car parking.

Perry Barr:

Eight self contained houses to the rear of the station.

Although the houses are contained within a stand alone block the main issues are

- Compromised access via the station driveway to gain entry to the front doors.
- Parking for residents

It would be difficult to dispose of the assets due to access; therefore further consideration should be given to utilising these properties, possibly cold training or converting to hospitality properties.

It should be noted that there are two existing WMFS secure tenants housed within these buildings and it has been presumed that the tenants will remain, therefore for clarity six properties are available for further consideration.

Erdington:

Due to the complex and expensive nature of trying to create a separate pedestrian access to these properties and the restricted vehicle parking the flats at Erdington are not considered to be a viable option for disposal.

In addition there may be considerable legal implications around each separate flats leasehold and our freehold if we were to sell the site in the future as the flats are integral to the station building.

Possible cold training or refurbishing them and utilising them as hospitality flats or similar would be an option.

Bloxwich – ‘The Old Bank’:

The property referred to as the old bank building stands alone in front of Bloxwich station, the building is currently in a state of dilapidation. The cost to refurbish this property would be circa £50k

The site also lies within the Bloxwich Conservation Area although the fire station behind does not. As a consequence of this designation any proposals to demolish the building would require Conservation Area Consent, and because this building is identified as a focal building within the Council's Conservation Area Appraisal it is considered unlikely that consent would be forthcoming for its demolition.

As a former bank the site falls within Class A2 use (Professional Services). This means it could be used for any other purpose within class A2 (e.g. financial services, estate agents, employment agencies, betting offices etc) without the need for planning permission. It would also be possible for the building to be changed into retail use (A1) without the need for a planning application.

There may be scope for potential alternative uses of this building including a training facility for the WMFS.

Conclusions/recommendations:

- King Norton – Flats – No further action
- Perry Barr - Houses – No further action
- Erdington – Flats – No further action
- Bloxwich – The Old Bank – Option to rent/lease

Minutes of the Appeals Committee

23 November 2015 at 1215
at Fire Service Headquarters, Birmingham

Present: Councillor Mottram (Chair)
Councillor Eustace (Vice Chair)
Councillor Barrie, Clinton, Davis and Spence

Apologies: Councillor Hogarth

1/15 **Minutes of the Appeals Committee held on 3 September 2012**

Resolved that the minutes of the Appeals Committee held on 3 September 2012 be confirmed as a correct record.

2/15 **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 any individual.

3/15 **Submission of Internal Disputes Resolution Procedure (IDRP) for The Firefighters' Pension Scheme**

In accordance with the Authority's procedures, the Committee considered an appeal, made under Section 50 of the Pensions Act 1995.

The DCFO attended the meeting to outline his decision of the 9 June 2015 and then left the meeting.

Having considered the evidence submitted by both parties, the Committee confirmed the decision of the Deputy Chief Fire Officer, issued in June 2015, to not uphold the appeal.

Resolved that the appeal is not upheld and the decision of the Deputy Chief Fire Officer issued on 9 June 2015 be confirmed.

(The meeting ended at 12.45 pm)

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

Minutes of the Executive Committee

14 December 2015 at 1000 hours
Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Edwards (Chair)
Councillor Idrees (Vice Chair)
Councillors Afzal, Atwal Singh, Aston,
Davis, Douglas-Maul, Quinnen,
Sealey and Shackleton

Cllr. Tranter (Chair of Scrutiny Committee)

Observers: Cllrs Spence, Ward, Clinton, P Singh, Barrie
Mottram and Skinner, Mr Agar

13/15 **Minutes**

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

14/15 **Scrutiny Committee Review of Partnerships**

The Chair of the Scrutiny Committee stated that under the
Terms of Reference, the Scrutiny Committee identifies a
minimum of two thematic reviews each year.

In March 2015, the Scrutiny Committee agreed to undertake
a review of all aspects of partnerships activity. This was
prompted by an increase in Corporate Risk 4 which related
to Partnerships and a full year of underperformance in PI 5
the Percentage of Home Safety Checks referred from
Partners. The review was facilitated by the Strategic Hub
and undertaken by a Member led working group.

The resulting report and proposals were submitted to Scrutiny Committee on 16th November 2015.

The Chair of the Scrutiny Committee thanked Jim Whittingham from the Strategic Hub and Councillors Spence and Hogarth for their support.

Assistant Chief Officer Gary Taylor provided an overview of the findings.

It was stated that Partnerships are a key priority of West Midlands Fire Service, integral to the delivery of the outcomes of 'The Plan', and that they are the gateway through which the Service engages with the most vulnerable members of the community. The Service welcomed the additional scrutiny on this important area.

Overall the review provided evidence of a healthy position and growing appreciation of the partnership landscape. There was a clear strategy at both corporate and local level. However it was recognised that there were areas for improvement relating to role and responsibilities, engagement and governance.

There is a central Community Fire Safety (CFS) Team based at Headquarters which was redesigned two years ago. The review found that this Team had lost its focus on partnership support and would benefit from clarity of roles and responsibilities and increased leadership.

The Headquarters CFS Team was created to support a network of local Command based Partnership Teams. The review highlighted examples of some well managed partnerships, however there was also evidence of inconsistent partnership engagement across the Command areas which had led to missed opportunities and increased risk.

Commissioning had also emerged as an approach to support the wider health agenda whilst delivering the core prevention objectives and generating income. Commissioning requires a change of partnership focus and a need to develop a new skill set in dealing with partners.

The review had identified this area as a current 'gap' across both central local partnership teams that would need addressing.

ACO Taylor highlighted that the Authorities approach to Partnerships is monitored via the corporate risk register. The broad governance of partnerships is controlled by an organisational policy, Standing Order 22/02 and monitored using an electronic database. The review had highlighted mainstream compliance with the current policy, however, a more robust approach would help the organisation respond to the changes in the partnership landscape and increased risk related to new commissioning activity.

Finally, the review identified the links to Data Sharing. There is a direct correlation to functional partnerships leading to effective data sharing arrangements. This issue had previously been chosen by the Scrutiny Committee as their second Thematic Review so it is proposed that the more complex issue of data sharing is considered as a separate thematic review.

The findings of the review and these proposals would be delivered through an action plan with progress monitored by the Scrutiny Committee.

The report had been unanimously approved by the Scrutiny Committee and approval of the proposals arising from the review of the Service's partnership arrangements was sought from the Executive Committee.

One Member felt that this was an important report which had highlighted strengths and weaknesses and was pleased to see that these are going to be addressed and was something that could be built upon in the future. It was also suggested that there should be three or four Scrutiny Reviews, which could then reduce.

The Chief Fire Officer stated that although the Service were expanding the prevention agenda to include partnerships, he added a note of caution that firefighters were not social workers however they continued to work collaboratively with other agencies.

The Chief Fire Officer confirmed that the Service's work in the community was greatly appreciated by the people of the West Midlands, and although the Service was not unique in its partnership working WMFS aimed to be an exemplar to other Services.

Reference was made to a report from the National Audit Officer regarding the sustainability of Fire Services and the limited understanding of its work by the Department of Communities and Local Government (DCLG).

The Chief Fire Officer felt it was important that Members understood the way 21st century firefighters now worked, how the Fire Service had transformed and was now at the heart of the devolution changes. Preventative work was being undertaken whilst maintaining the Service Delivery Model.

One Member stated that there was still a lack of understanding of the work of firefighters and referenced a meeting of the Road Safety Partnership in that the Fire Service were good at finding solutions to problems, but then handed credit to other agencies and the Member felt that the Fire Service should receive more recognition for their work.

Another Member gave an example of collaborative working and had recently attended a Boot Camp Awards Ceremony where primary school children had turned their lives around. It was felt that the Fire Service should be receiving funding for this work.

The Chair agreed to speak to one of the Members after the meeting about the Scrutiny Committee activities.

The Chair also stated that partnerships were critical to the health and wellbeing agenda and the changes recommended would put the Service in good shape for future work with partners when Commissioning opportunities arose.

It was agreed that the link to the National Audit Office report would be circulated to Members.

It was suggested that the Public Accounts Committee had not made the most of the report and had focused on salaries rather than the lack of understanding by the Department of Communities and Local Government (CLG) and opened up some important issues.

In response to a Member's question, the Chair confirmed that both he and the Chief Fire Officer had attended meetings at the Local Government Association (LGA), but recent changes had left CLG out of touch at civil servant level. The Chair stated that the New Fire Minister (Mark Francois MP) had not attended either the LGA Fire Services Management Committee or Fire Commission and there had not been any dialogue between the Minister with the LGA or Chief Fire Officers' Association.

It was noted that the Minister was unwell at moment, but it was felt that the Government had not plugged the gap created by his absence. The National Audit Officer report highlighted the CLG's lack of engagement, limited understanding of the work of the Fire Service, and its associated costs.

Another Member concurred with this stating that Advisers were failing to advise Ministers or provide them with the correct information and he had experienced this in his own Authority.

In response to a Members' question the Chief Fire Officer confirmed that two meetings had been held with Treasury representatives. Invitations had been issued to the Under Secretary of State, Mark Francois, and Clare Cooper, Fire Adviser at CLG. However no response had been received and it remained clear that the CLG were unconvinced of the link between prevention, protection and response.

It was confirmed that Alex Burfitt, NAO would be visiting West Midlands Fire Service in the New Year.

The Chair informed the Committee that the Finance Settlement was expected in two days' time, and that he was concerned that there was a lack of understanding of the

Sector and WMFS had not been able to speak to the Fire Minister for a whole year.

The Chair also stated that the LGA Fire Services Management Committee had also expressed extreme concern about the lack of dialogue with the Fire Minister. CFOA and the FBU had raised the same concerns.

The Members of the Conservative Group agreed to make contact with the Fire Minister and write to him with their concerns. The Chair welcomed this offer of assistance.

The Chair informed the Committee of the excellent work being carried out by Assistant Chief Officer Gary Taylor on the Strategic Fire and Health Project Group and his attendance at Fire and Health Summits where the fear of winter pressures had been raised by the CEO of NHS England (Simon Stevens) and the previous CFOA previous President (Peter Dartford).

The Project Group had a strong commitment to the Fire and Health agenda and was supported by the LGA. The safe and well checks were continuing and it was the intention for Fire to be seen as a Health Asset and as Strategic Stakeholders, however some stakeholders are still not convinced in the Fire Service involvement in the wider health agenda.

Another Health Summit is due to be held in February 2016, where there would be another opportunity to influence and increase understanding of Fires role in health and wellbeing.

The proposals contained within the Scrutiny Committee's Review of Partnerships report were approved and the outcomes would be reported back to the Executive Committee.

(The meeting closed at 1025 hours)

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

<p>Notes of the Policy Planning Forum</p>
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14 December 2015 at 10.30 am
at Fire Service Headquarters, Vauxhall Road, Birmingham

- Present:** **Members of the Authority**
Councillor Edwards (Chair);
Councillor Idrees (Vice-Chair);
Councillors Afzal, Aston, Atwal Singh, Barlow,
Barrie, Clinton, Craddock, Davis, Douglas-Maul,
Hogarth, Miks, Mottram JP, Quinnen, Sealey,
Shackleton, B Singh, P Singh, T Singh, Skinner,
Spence, Tranter and Ward.
Mr Ager.
- Officers:** **West Midlands Fire Service**
Chief Fire Officer (P Loach)
Deputy Chief Fire Officer (P Hales);
Assistant Chief Fire Officer (G Taylor);
B Brook, J Connor, M Hamilton-Russell, M Griffiths, S
McGrath, P Shergill, S Timmington and S Warnes.
- Clerk and Monitoring Officer**
K Gowreesunker (Clerk)
M Dudley (Monitoring Officer)
S Sahota (Deputy Monitoring Officer)
- Apologies:** Councillors Dehar, Eustace and Young.
- Observers:** Nil

26/15 Chair and CFO's Announcements

The Chair and Chief Fire Officer welcomed all attendees to the Policy Planning Forum.

The Chair noted that there was an intention to reduce the amount of paper used by the Authority. Tablets had been trialled by the lead members previously and the intention was to go paperless by September 2016.

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Policy Planning Forum 14 December 2015

The current arrangements cost approximately £6000 per annum, and it was hoped that a move to paperless working would realise some level of savings. Further information would be reported back at the Policy Planning Forum in January 2016.

Presentations to the Forum

The following presentations were given to the Policy Planning Forum:

- Potential Impact of the Combined Authority on Governance Arrangements
- Flexible Funding Arrangements
- Community Safety Strategy
- Daily Operational Digest
- Staffing Update

27/15 Potential Impact of the Combined Authority on Governance Arrangements

John Edwards, the Chair, provided a verbal update on the potential impact of the combined authority on governance arrangements and the proposed new powers for Police and Crime Commissioners:

There had been a certain degree of speculation surrounding the Police and Crime Commissioner (PCC) elections next year. However, it appeared that the election would go ahead as per the previously agreed timeline (May 2016).

The Government intended to legislate to enable PCC's to take on the responsibilities of the fire and rescue authority in their area (as part of the consultation on 'Enabling closer working between the Emergency Services' which concluded 23 October 2015).

The Bill would provide new powers to the PCC, and place a duty on blue light services to co-operate more closely. In terms of closer co-operation between blue light services, this was no issue for WMFS as it already works closely with such services.

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Policy Planning Forum 14 December 2015

The devolution deal for the West Midlands Combined Authority (WMCA) had been agreed and signed in November. The deal was signed by the West Midlands leaders, HM Treasury, and the Business Secretary, but not the Department of Communities and Local Government. The document would need to be signed by the applicable Local Authorities.

There was very little information currently available regarding the proposed Mayor and the potential impact such a role could have on the Fire Service.

It was believed that there was an opportunity to make a case for future governance arrangements and pursuance of commissioning, in the WMCA.

In terms of timescales, the devolution document had not provided any information regarding the timescales of the Mayor role. The year 2017 had been floated as a potential for the Mayoral election; however the lack of any local elections scheduled for that year and concerns over voter turnout had made this seem questionable.

The Chair referenced a letter that he had sent to the Chair and Vice Chair of the WMCA, in September 2015 (copies of the letter were circulated to Members at the meeting). The purpose of the letter had been to set out the role of the Fire Service and its contribution to making the West Midlands safer, to health, to jobs and the economy, and to excluded young people, amongst other areas. It had been noted that the Chief Executives of the local authorities appreciated the work of the Fire Service and were keen for the Service to be involved. The Fire Authority is a statutory body and is at the heart of the West Midlands, and therefore must be involved in and be a part of the WMCA.

28/15 Flexible Funding

Mike Griffiths, Strategic Enabler of Finance and Resources, and Preith Shergill, Strategic Enabler DICE, delivered a presentation on flexible funding arrangements:

An overview of the WMFS budget was provided and it remains heavily reliant on the government grant although the balance had evened out a little since 2011, due to the further reduction in grant revenue and slight increases in council tax.

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Policy Planning Forum 14 December 2015

There were a number of potential variables to the budget:

- Impact of potential changes to governance arrangements due to the PCC / WMCA and potential funding issues
- The intention for 100% localised business rates, replacing the current government grant
- The imminent release of the financial settlement by government (currently estimated to represent a £14m deficit)

Over the last year, the Service had looked at a number of options to help tackle the budget deficit, including commissioning and internal cuts. The Service had faced a number of challenges to some options such as regionalisation.

WMFS currently generates some income although relatively low amounts via initiatives including:

- Shared Fire Control arrangements with Staffordshire FRS
- ICT work with other local authorities and services
- Transport Engineering Workshops work with other services
- External business training (BEST)

The Fire Authority and the Strategic Enabling Team had made a commitment to the service delivery model (prevention, protection and response).

The Localism Act allows Local Authorities, including Fire Authorities, to explore different ways of working. Flexible funding was not just an optional requirement, but a necessity. There is the opportunity to change parts of the Service, and remain committed to maintaining the level of excellence.

Flexible funding options include:

- Commissioning from health sector
- Commissioning through Primary Authority / business communities
- West Midlands Combined Authority – devolution deal
- Social value and commissioning
- Social value and procurement
- Social value and sponsorship

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Policy Planning Forum 14 December 2015

The offer from WMFS includes:

- Cost effective / business benefit
- A trusted brand
- 24/7 cover
- The provision of a rapid response with a very high quality service
- WMFS is at the heart of local communities
- Causes behind the causes
- Capability and expertise
- Evaluation and sharing of data

The Service had begun to explore commissioning in the health sector, learning more about the sector and the opportunities it represents, and promoting fire as a health asset, with examples including the Telecare project in Coventry, and the exploration of undertaking early hospital discharges, easing winter pressures, and social prescribing.

New areas of work had been identified, with the biggest growth in the business sector. WMFS conduct statutory risk assessments and evidence has proved a demand for the Service to undertake risk assessments that are not statutory, a service which could be provided at a charge. Additionally, automatic fire alarms, alarm receiving centres, and Local Enterprise Councils (LEP's), provide potential opportunities.

Social value continued to be explored, with a focus on three key areas:

- Procurement
- Commissioning
- Corporate social responsibility

Two approaches have been identified to corporate social responsibility:

- The 'traditional' approach comprising the sponsorship of social projects / community outcomes
- Social investment (social impact bonds)

Additionally, a 'social value tool' is in development which will calculate social value. Current calculations for 2016/17 indicate a social value return to the community of £2.37 for every £1.00 invested. Emailed PS – waiting for confirmation of exact figure.

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**Policy Planning Forum
14 December 2015**

29/15 Community Safety Strategy

Ben Brook, Group Commander Integrated Risk Management, delivered a presentation on the Community Safety Strategy (CSS) and new interactive web tool:

WMFS understands its communities via the Integrated Risk Management Plan (IRMP). It provides an evidence based approach to WMFS' service delivery model. WMFS ensures it is transparent in its approach and is fulfilled by the CSS.

An interactive CSS web tool had been developed which allows members of the public and other interested parties to check the risks in their area, including real incident data. It is intended to be launched in April 2016 along with the 'The Plan'.

Ben Brook presented a video to the Members which outlined the IRMP and introduced the interactive CSS web tool. This was followed by a demonstration of the CSS tool via an interactive session with the members.

30/15 Daily Operational Digest

Sean McGrath, Group Commander Operations Performance Officer, delivered a presentation on the Daily Operational Digest (DOD):

A stakeholder group met on a monthly basis to discuss response times and to identify intervention work with operational crews to improve response times where applicable (linked to performance indicator P1 'the risk based attendance standard'). Crews carried out a lot of work to improve the response times and as a result, WMFS is now one of the top three services nationally. As of last quarter, quarter 2 2015/16, the response time for category 1 incidents was 4 minutes 42 seconds. However, the work would not stop there and the Service will continue to aim for improvement.

Actions taken as a result of the work detailed above included the provision of Tom Toms, development of a reaction time dashboard, publication of the 'Seconds Do Count' newsletter, and the roll-out of topography boards on stations.

[ILO: UNCLASSIFIED]

Policy Planning Forum

14 December 2015

Previously, the Daily Operational Briefing Sheet had been issued to middle managers but this wasn't necessarily communicated further, for example to firefighters. The DOD is now distributed across the whole Service, to all staff.

The DOD provides information on all incidents in the previous 24 hours and includes the:

- number of category 1 incidents
- percentage of incidents that met the attendance time target for the relevant category
- average reaction time

The 'At a glance' section provides readily available information for Crew Commanders and Watch Commanders allowing for more analysis to be carried out by crews.

The CFO informed members that the DOD would be distributed to them via email following this PPF meeting.

In response to Members' questions, the following answers were provided:

- The attendance time commences when Fire Control mobilise the first resource. The call handling time is recorded separate to this. The use of 'pre-alerts' had been trialled recently (when a 999 call is received, the telephone exchange can identify broadly where the call is being made from, enabling a pre-alert to be sent to the appropriate station notifying staff that mobilisation is imminent). Analysis was currently being undertaken from the trial and Fire Control.
- The response times are fast but they reflect just the first appliance attending an incident. Upon arrival, the Officer in Charge will assess and deploy resources appropriately in a fast and assertive manner, enabling staff to get to work and affect firefighting / rescue procedures as soon as possible.
- A serious of controlled burns in domestic dwellings were carried out last year in Kings Norton. These formed the basis and evidence of survivability.

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Policy Planning Forum 14 December 2015

- It is important to think beyond fire as the need for a rapid response applies to a number of incident types including road traffic collisions. Rapid intervention is important to assist casualties, to provide oxygen, prevent fluid loss, enable extrication and then to pass the casualty onto the Ambulance Service.

31/15

Staffing Update

The Chief Fire Officer provided an update on staffing:

The situation remained the same as per the last update provided to members at the PPF meeting on 9 November. The Service continued to engage with the Fire Brigades' Union (FBU) on a weekly basis. A joint Panel meeting with the Chief Fire Officer, the Chair, and the FBU Brigade Secretary was planned to be held on 6 January 2016 although this was still to be confirmed.

Members would continue to be updated on progress and any further developments.

(Meeting ended at 12:45 am)

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

[ILO: UNCLASSIFIED]

Minutes of the Audit Committee

18 January 2016 at 12.30 pm
at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillor T. Singh (Chair);
Councillors Aston, Miks, Sealey, P. Singh
Mr Ager (Independent Member).

Apology: Councillor Quinnen

Observer: Councillor M Mottram

1/16 **Minutes**

Resolved that the minutes of the meeting held on 9 November 2015, be approved as a correct record.

Cllr Sealey asked for his apologies to be recorded for the meeting as they had not been passed on.

2/16 **Corporate Risk Quarter 2 Update 2015/16**

The Committee received the Corporate Risk Assurance Map Summary.

The Deputy Chief Fire Officer referred the Audit Committee to the position Statement shown at Appendix 2 to the report. The statement requires risk owners to provide the level of risk owner confidence in the effectiveness of the Service's risk management and control environment. The level of risk owner confidence remains high, with the following confidence opinions being awarded.

Of the 11 risks, 7 of the overall confidence ratings were green, 4 were amber and there were no red ratings.

In respect of Risk 4, a Partnerships Review was undertaken by the Scrutiny Committee and action plan for improvement was approved by the Executive Committee on 14 December 2015. The Direction of Travel for this risk has increased from 2 to 3 but the overall rating remains the same.

Audit Committee – 18 January 2016

It was noted that the score would change as the improvement work is undertaken.

Appendix 1, Risks 1 and 5 were shown as red. This was as a result of the national Pensions Dispute. Positive engagement had taken place, however, because of internal changes with staffing this had caused the risk to remain as red.

The Pensions Dispute was still ongoing but following a legal challenge from the Fire Brigades Unions in respect of age discrimination, the Authority had been advised that an outcome from the High Court would not be available until 2017 and no further action would be taken until the ruling was issued. Officers would continue to monitor the position and would report back to a future meeting of the Audit Committee.

At the time that the report was prepared, the Authority had not received its Provisional Financial Settlement and the risk score of Risk 8 was based on a deficit of £14m. The risk would now be reviewed in line with the outcome of the settlement.

Consultation was taking place with the Unions on the Review of Fire Control. The owners of Risks 6 and 11 would be required to reflect on the consultation and look at risk scores and would be required to be more assertive about the possible risks in the assurance map.

The Independent Member stated that following the Policy Planning Forum held prior to the Audit Committee on 18 January, 2016 he felt there were strategic emerging risks that needed to be considered in respect of the Police and Crime Commissioner (PCC) and the Combined Authority (CA).

The Independent Member also expressed concern that Partnerships and Commissioning were being treated similarly. He said that there is a distinct difference, Commissioning is a more commercially focussed and should not be confused with Partnerships.

The Deputy Chief Fire Officer (DCFO) felt that was a valid point. He explained that the recent review of the Strategic Enabling Team provided an opportunity to update and refresh risk owners and the changes should address this point. The DCFO accepted that the Authority could be challenged in respect of its Partnerships and Commissioning activity and there were a number of emerging risks.

The DCFO stated that the CA was taking up some time of both officers and Members, but this work would not stop the Service in delivering its service to the community. The DCFO felt the Service would still be able to

Audit Committee – 18 January 2016

deliver its service to the community irrespective of change of governance arrangements. However, he would take on board the Independent Member's views and would feedback the comments to officers.

Resolved that the Corporate Risk Assurance Map Summary be approved and that the Position Statement be noted.

3/16

Audit Committee Update for West Midlands Fire and Rescue Authority

The Committee noted the contents of the Audit Committee Update. The Update provided the Audit Committee with a report on progress of the external auditors in delivering their responsibilities. The Update also included a summary of emerging national issues and developments that may be relevant to the Fire and Rescue Authority.

A detailed 2015/16 Accounts Audit Plan is in progress and a report would be presented to the next Audit Committee.

The Interim Accounts Audit is in progress and the External Auditor would continue to carry out testing, and work closely with the Internal Auditor in relation to risk, work on the financial statements and fraud.

The 2015/16 Final Account Audit would take place in the Summer months and would include:

- audit of the 2015/16 financial statements
- proposed opinion of the Fire Authority's Accounts
- proposed value for Money Conclusion

The Value for Money (VFM) conclusion was in progress and the sub-criteria to be used would be:

Informed decision making – where the Review of Control and Staffing issues would be considered.

Sustainable resource deployment – The External Auditor would discuss the use of budgetary Resources with the Strategic Enabler for Finance and Resources.

Working with partners and other third parties. This was very important in light of closer working with PCC and CA.

The External Auditor would ensure that the Authority moved forward in a positive manner.

Audit Committee – 18 January 2016

The Annual Audit Letter would be produced in October 2016.

The Committee's attention was brought to a link to a document entitled: Knowing the Ropes – Audit Committee Effectiveness Review

An electronic link to the document was provided and it was explained that the document provided an insight into the ways in which audit committees could create an effective role within an organisation's governance structure and understand how they are perceived more widely.

Grant Thornton and the Centre for Public Scrutiny had produced a document entitled "Supporting Members in Governance". It was agreed that a copy of the document would be circulated to Members of the Audit Committee.

4/16 Internal Audit Progress Report

The Committee noted a report which detailed the progress made against the delivery of the 2015/16 Internal Audit Plan. The information contained within the report included a summary of work completed and in progress as at 30 November 2015.

It was noted that the Key Financial Systems were well controlled and provided substantial assurance and a final report would be completed by March/April 2016.

5/16 Internal Audit Charter – Annual Review

The Committee were advised that the Accounts and Audit (England) Regulations 2011 required authorities to conduct a review of the effectiveness of internal audit at least once a year.

The Committee agreed that the existing Internal Audit Charter be subject to its next annual review in January 2015.

6/16 CIPFA Audit Committee Update No 18

The Committee received the CIPFA Audit Committee Update No. 18. The update was published three times a year, the latest edition focused on Self-Assessment and Improving Effectiveness of an Audit Committee, the Appointment and Procurement of External Auditors and a Regular Briefing on current issues.

The update provided a list of workshops and training events for Audit Committee Members.

Audit Committee – 18 January 2016

The Internal Auditor drew the Committee's attention to the section entitled Appointment and Procurement of External Auditors. The provisions of the Local Audit and Accountability Act 2014 would soon come into force. Current contracts would continue to be managed by the Public Sector Audit Appointments Ltd. However, new auditors would need to be appointed by 2018/19 and an external auditor must be appointed by the end of December 2017.

It was recommended that evaluations of options should start soon to allow time to plan procurement. Consideration should be given to a joint procurement with other Services either Regionally or with the CA. It was noted that a sector led body could be appointed by the Secretary of State.

The Committee were advised to consider the options over the next 18 – 24 months to see what was available.

Members of the Audit Committee were asked to return their Self-Assessment Review to the Clerk prior to the next meeting in order that the Assessment can be undertaken. Members were advised to leave any areas they were not aware of blank.

7/16 Audit Committee Work Programme 2015/16

The Committee noted its Work Programme 2015/16. The Chair indicated that he and another member of the Committee would not be available for the meeting scheduled on 21 March 2016 and requested that the meeting be moved to the 11 April 2016 following the Fire Authority meeting.

The change of date was approved by the members of the Audit Committee.

8/16 Update on Topical, Legal and Regulatory Issues

Audit Committee Members were reminded of the free development session being provided by Price Waterhouse Cooper on 4 February 2016. The Chair of the Audit Committee requested a place be booked on his behalf.

(The meeting ended at 1256 pm)

Audit Committee – 18 January 2016

Contact Officer: Julie Connor Strategic Hub 0121 380 6906
