

# BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

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**Chief Fire Officer and Chief Executive**  
Jason Thelwell

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To: The Members of the Executive Committee

13 November 2017

**MEMBERS OF THE PRESS  
AND PUBLIC**

**Please note the content of  
Page 2 of this Agenda Pack**

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury, Bucks, HP20 1BD on **WEDNESDAY 22 November 2017 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten  
Director of Legal and Governance

Chairman: Councillor Reed  
Councillors: Carroll, Lambert, Marland, McCall, McDonald, Roberts and Sullivan



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## **Recording of the Meeting**

The Authority supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public. Requests to take photographs or undertake audio or visual recordings either by members of the public or by the media should wherever possible be made to [enquiries@bucksfire.gov.uk](mailto:enquiries@bucksfire.gov.uk) at least two working days before the meeting.

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

## **Adjournment and Rights to Speak – Public**

The Authority may, when members of the public are present, adjourn a Meeting to hear the views of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

Prior to inviting the public to speak, the Chairman should advise that they:

- (a) raise their hands to indicate their wish to speak at the invitation of the Chairman,
- (b) speak for no more than four minutes,
- (c) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present.

Adjournments do not form part of the Meeting and should be confined to times when the views of the public need to be heard.

## **Rights to Speak - Members**

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes.

Where the Chairman of a Committee has agreed to extend an invitation to all Members of the Authority to attend when major matters of policy are being considered, a Member who is not a member of the Committee may attend and speak at such Meetings at the invitation of the Chairman of that Committee.

## **Questions**

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing or by fax*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

## **EXECUTIVE COMMITTEE**

### **TERMS OF REFERENCE**

1. To make all decisions on behalf of the Authority, except in so far as reserved to the full Authority by law or by these Terms of Reference.
2. To assess performance of the Authority against agreed organisational targets.
3. To determine matters relating to pay and remuneration where required by collective agreements or legislation.
4. To select on behalf of the Authority–the Chief Fire Officer and Chief Executive, and deputy to the Chief Fire Officer and Chief Executive, or equivalent , taking advice from suitable advisers and to make recommendations to the Authority as to the terms of appointment or dismissal.
5. To consider and make decisions on behalf of the Authority in respect of the appointment of a statutory finance officer ; a statutory monitoring officer; and any post to be contracted to “Gold Book” terms and conditions in whole or in part taking advice from the Chief Fire Officer and suitable advisers.
6. To act as the Employers’ Side of a negotiating and consultation forum for all matters relating to the employment contracts of the Chief Fire Officer and Chief Executive, deputy to the Chief Fire Officer and Chief Executive, or equivalent; and where relevant, employees contracted to “Gold Book” terms and conditions in whole or in part.
7. To hear appeals if required to do so in accordance with the Authority’s Policies.
8. To determine any human resources issues arising from the Authority’s budget process and improvement programme.
9. To determine policies, codes or guidance:
  - (a) after considering recommendations from the Overview and Audit Committee in respect of:
    - (i) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority; and
    - (ii) governing the conduct of employees of the Authority
  - (b) relating to grievance, disciplinary, conduct, capability, dismissals and appeals relating to employees contracted to “Gold Book” terms and conditions in whole or in part.
10. To form a Human Resources Sub-Committee as it deems appropriate.

## **AGENDA**

### **Item No:**

#### **1. Apologies**

#### **2. Minutes**

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 20 September 2017 (Item 2) **(Pages 7 - 10)**

#### **3. Disclosure of Interests**

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

#### **4. Questions**

To receive questions in accordance with Standing Order S0A7.

#### **5. Fleet Strategy 2018/19 - 2021/22**

To consider Item 5 **(Pages 11 - 44)**

#### **6. Budget Monitoring Performance and Debt Management Q2**

To consider Item 6 **(Pages 45 - 58)**

#### **7. Emergency Services Mobile Communications Programme (ESMCP)**

To consider Item 7 **(Pages 59 - 76)**

#### **8. Voluntary Scheme Pays in the Fire-fighters' Pension Schemes**

To consider Item 8 **(Pages 77 - 90)**

#### **9. Exclusion of Press and Public**

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the minutes contains information relating to an individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as the minutes contains information relating to the financial or business affairs of a person; and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information:

#### **10. Application for Flexible Working - Director of Finance and Assets**

To consider Item 10

#### **11. Date of Next Meeting**

To note that the next meeting of the Committee will be held on Wednesday 7 February 2018 at 10am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: [knellist@bucksfire.gov.uk](mailto:knellist@bucksfire.gov.uk)

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Minutes of the meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 20 SEPTEMBER 2017 at 10.00 am.

**Present:** Councillors Carroll, McCall, Reed, Sullivan and Wilson (Substitute)

**Officers:** J Thelwell (Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), D Sutherland (Director of Finance and Assets), M Hemming (Deputy Director of Finance and Assets), N Boustred (Head of Service Delivery), S Elmes (Employee Services and Payroll Manager), T Sanwo (Principal Accountant), K Nellist (Democratic Services Officer)

**Apologies:** Councillors Lambert, Marland and McDonald

A minute's silence was held as a mark of respect for the recent passing of Councillor Alan Walters MBE.

## **EX12 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on Wednesday 12 July 2017, be approved and signed by the Chairman as a correct record.

## **EX13 OPTIONS FOR PROCURING FIREFIGHTER PERSONAL PROTECTIVE EQUIPMENT (PPE) FOLLOWING THE NATIONAL PPE PROCUREMENT PROJECT**

The Head of Service Delivery advised Members that the Authority's purchase only contract for firefighter personal protective equipment (PPE) had been in place for eight years. The contract had expired but had been extended until 31 March 2018 but could not be extended any further.

In preparation for this, throughout 2016/17 the Authority had been actively engaged in a national collaborative PPE procurement project, led by Kent Fire and Rescue Service and the Chief Fire Officers Association (including 29 other fire and rescue services) but with direct involvement from Buckinghamshire Fire and Rescue Service.

The national project outcomes revealed three options for consideration. Option 1 was to move to a 'fully managed service', option 2 was to continue with a 'purchase only' arrangement and option 3 was to disregard the national project outcomes and seek a local procurement alternative.

The Head of Service Delivery advised Members that there were significant costs associated with option 3 with a likelihood that the Authority would end up with the same outcome at a higher unit price and it would also delay the implementation phase,

creating significant risk to the Authority, so this was not recommended. Option 2 would require a lump sum, plus a secondary contract providing care, maintenance and audit service and there would also be ongoing costs associated with managing this 'in house' and was therefore not recommended.

Option 1 for a fully managed service was the preferred option as it transferred a significant amount of risk as the PPE was effectively leased from Bristol Uniforms with a total care agreement.

Due to the high volume of take up on the collaborative framework with 29 Services across the UK already expressing an interest in accessing it, an early decision was required to ensure the Authority secured an early start date for the 12 month implementation plan to meet its required deadline.

A Member asked why the deadline was September 2018 when the contract ran out in March 2018 and was advised that the Authority's deadline for procuring new equipment with the old contract was March 2018 but the servicing of equipment could continue to September 2018.

A Member asked whether the statement 'this included CPI indexation of a maximum of 2% annually for the life of the contract' was a contractual term or an assumption. He was advised that it was written into the contract and that the procurement team liaised regularly with firms of suppliers to ensure they remained viable.

A Member asked why option 2 was cheaper than option 1 and was advised that this was mainly due to recruitment and turnover.

RESOLVED –

That Option 1 to procure a fully management PPE service and the associated revenue budget growth bid in the sum of £114k p.a. be approved.

## **EX14**

### **BUDGET MONITORING PERFORMANCE AND DEBT MANAGEMENT APRIL – JUNE 2017**

The Deputy Director of Finance and Assets advised Members that the projected underspend for the year was £269k as at the end of the first quarter. This was a less than 1% variation compared to budget. There were risks as the underspend did not factor in any potential pay award above 1%.

The Deputy Director of Finance and Assets advised Members that the Authority, through the Chief Fire Officer and the Chairman, was lobbying Government for additional flexibilities regarding council tax and was pushing for a rise of up to £10. Last week



the Government released a consultation which included the referendum principles but disappointingly they currently remain unchanged, capped at 2%, but there was an additional question asking if there should be additional flexibilities for any class of Authority. The Authority was collating evidence to respond.

The Chairman advised Members that he and the Chief Fire Officer had met with six of the Authority's seven local MPs to lobby them on having the referendum level increased or lifted for fire precept, in the same way that it was for the Police and Crime Commissioner last year. The response from the MPs had been overwhelmingly supportive.

The Chief Fire Officer advised Members that the London Fire Brigade had a major issue with recruitment and was looking to recruit 400 new fire-fighters. It had recently relaxed its rules regarding firefighters living in London which could affect Buckinghamshire as London firefighters were also paid a London weighting allowance which was pensionable. This may entice some Buckinghamshire and Milton Keynes firefighters to join them which would cause recruitment and retention issues within this Service. There were also issues with the recruitment and retention of on call staff. Moving forward there would be issues and the Authority would be recruiting all the way through to 2020.

A Member asked if the pay rise was not funded by Government how would the gap be filled, was the Authority looking at other options and was advised that the Authority was always looking at other options and different ways of working. It was explained that the Authority's staff had done amazing things with regard to flexibility but any pay rise above the 1%, or any further burdens following the Grenfell tragedy, would mean some really difficult decisions on head count, fire appliances and fire stations would have to be made.

RESOLVED –

That the latest projected outturn forecast for the Authority as at 3 June 2017 be noted.

## **EX15**

### **UPDATE ON INDEPENDENT REVIEW OF CONDITIONS OF SERVICE FOR FIRE AND RESCUE STAFF IN ENGLAND**

The Director of People and Organisational Development advised Members that the 'Independent review of conditions of service for fire and rescue staff' report was published in November 2016. The report was presented to the Executive Committee at its meeting on 23 November 2016 and the purpose of this report was to update Members on actions taken to date against the recommendations that could be progressed locally, following careful consideration against the Authority's workforce reform agenda, which was set out in the People's Strategy 2015 to 2020.

The Director of People and Organisational Development also advised Members that the report made 45 recommendations across 5 main themes, with some directed at local fire and rescue services and other requiring consideration nationally. The conclusions, recommendations and findings impacted on the following: working environment; documented conditions of service; industrial relations; duty systems and management of the fire and rescue service. Appendix 1 to the report set out the relevant actions the Authority had progressed which supported the recommendations in the review.

The Director of People and Organisational Development advised Members that this gave the Authority good evidence if the Home Office was to ask for an update and also the topics in the report were likely to form part of the new inspectorate.

RESOLVED –

That the content of the update be noted.

#### **EX16**

#### **DATE OF NEXT MEETING**

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 22 November 2017 at 10.00am.

Before the Chairman closed the meeting a Member asked that the work of crews who attended a recent tragic incident on the M1 be recognised; and if they had received counselling. He was advised that counselling had been offered to all involved; and that the Chairman had written to the Crew Commanders involved thanking them and their staff on behalf of the Authority for their exemplary work in such difficult and challenging circumstances.

THE CHAIRMAN CLOSED THE MEETING AT 10.55 AM.

# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	22 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance & Assets
<b>LEAD MEMBER</b>	Councillor David Carroll
<b>SUBJECT OF THE REPORT</b>	<b>Fleet Strategy 2018-2021</b>
<b>EXECUTIVE SUMMARY</b>	<p>The aim of this Fleet Strategy is to set a clear framework for the management of vehicle assets within the Authority. The strategy supports the development of a longer term vision of how fleet management can help to deliver the Authority's Public Safety Plan (PSP) objectives while working within a value for money framework in order to achieve efficiency savings.</p> <p>This Fleet Strategy 2018–2021 supersedes all previous strategies.</p> <p>It sets out a three year plan for fleet to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>• To provide a clear, corporate vision for the overall direction of the vehicle fleet across the Authority.</li> <li>• To promote the benefits of a strategic approach to fleet utilisation</li> <li>• To outline the current arrangements for fleet management within the Authority.</li> <li>• To ensure that where practically possible sustainable fleet issues are considered when making fleet decisions.</li> <li>• To outline the actions to be taken over the next year or so in order to continue to develop the Authority's strategic approach to fleet.</li> <li>• To ensure that the fleet portfolio supports Authority priorities as set out in both the Corporate Plan and Public Safety Plan</li> <li>• To be cognisant of the current financial position and to contribute to financial objectives as set out in the Authority's Medium Term Financial Plan.</li> </ul>
<b>ACTION</b>	Decision.

<b>RECOMMENDATIONS</b>	That the Fleet Strategy 2018-2021 as set out in Annex 1 to this report be adopted for implementation.
<b>RISK MANAGEMENT</b>	<p>By agreeing the Fleet Strategy as drafted, the Authority will reduce or omit the risk of failure in the following areas:</p> <ul style="list-style-type: none"> <li>• Fleet availability matching operational aspirations</li> <li>• Vehicles not being of the right type/specification</li> <li>• Fleet Technicians being unavailable at critical times</li> <li>• Achieving value for money in procuring new vehicles.</li> <li>• Planning for future requirements in a timely manner</li> <li>• Being environmentally responsible</li> <li>• Contributing to overall Authority objectives.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	The financial implications are set out within the body of the draft strategy as far as is possible. Consultation with Finance has taken place as appropriate.
<b>LEGAL IMPLICATIONS</b>	There are a number of legislative requirements that good fleet management must follow and these are set out in the body of the draft strategy at Section 5.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>The current phase of Type B Fire Appliance procurement has been carried out in full collaboration with both Royal Berkshire and Oxford Fire Services. This has allowed for a level of collective savings and equipment standardisation never before achieved and is universally accepted as a very successful outcome.</p> <p>This strategy aims to continue such collaboration and widen it where possible to ensure similar outcomes in the future.</p>
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	<p>The strategy specifically sets out the aim to ensure all fleet processes are transparent, accountable and fair to all parties.</p> <p>No issues were identified during the initial Integrated Impact Assessment screening. However, this will be reviewed to ensure that any proposed controls are subject to a further Integrated Impact Assessment which will be maintained throughout the life of the strategy.</p>

<b>USE OF RESOURCES</b>	<p>The fleet management process is complementary to good asset management, though the main aim of any fleet strategy is to ensure value for money in the maintenance or purchase of any vehicle asset.</p> <p>Key principles of good procurement practice in the maintenance and upkeep of the fleet portfolio are transparency, accountability, continuous improvement and fair competition and these principles are embodied as part of the strategy.</p> <p>Social and environmental awareness issues in respect of fleet provision are captured within the strategy.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p><b>The Executive</b> agreed a set of Strategic Business Requirements for Fleet as part of the Strategic Review of Resources paper at its meeting of <b>8 August 2012 (Min EX 15)</b></p> <p><b>Executive 8 August 2012 (Minute EX16)</b> Capital Purchase of Vehicles -The Committee considered and approved the Capital Purchase of Vehicles report that covered vehicles currently in use by the Senior Management Team (SMT).</p> <p><b>Executive 7 November 2012 (Minute EX29)</b> White Fleet Review - The Committee considered a proposal for a review of the White Fleet, the primary aim of which would be to look at a more cost effective provision of white fleet vehicles with minimum impact on service delivery.</p> <p><b>Executive 17 July 2013 (Minute EX05)</b> where the White Fleet Policy was agreed.</p> <p><b>Executive 14 May 2014 (Minute EX45)</b> where the existing Fleet Management Strategy 2014-2017 was agreed.</p> <p><b>Executive</b> agreed its high level Strategic Asset Management Plan at its meeting of <b>18 March 2015 (Min EX42)</b>. It was agreed as part of the report that this would be followed by more detailed strategies for individual areas in due course.</p> <p><b>Fire Authority 3 Feb 2016 (Min FA37)</b> where the existing capital programme investment in vehicles was initially agreed.</p>
<b>APPENDICES</b>	Annex 1 – Proposed Fleet Strategy 2018-2021
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Jez Finden</p> <p><a href="mailto:jfinden@bucksfire.gov.uk">jfinden@bucksfire.gov.uk</a></p> <p>01296 744610</p>





# **BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY**

## **FLEET STRATEGY**

**2018/19 to 2021/22**

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## **1. THE NEED FOR A FLEET STRATEGY**

A Fleet Strategy is necessary to ensure:

- a) Constantly improving customer and stakeholder satisfaction
- b) Improving use of natural resources
- c) The effective and efficient use of capital funds
- d) Compliance with statutory regulations
- e) Effective Corporate Management

This helps to:

- f) Deliver efficiency savings
- g) Continuously improve service delivery
- h) Implement new ways of working
- i) Maximise the safety of our communities by reviewing operational resources to meet identified risks in the Public Safety Plan

## **2. HOW THE FLEET STRATEGY INTERLINKS WITHIN THE CORPORATE STRUCTURE AND OTHER STRATEGIES**

The Fleet Strategy provides a comprehensive and integrated approach to the management of the Authority's vehicular and associated operational assets. The plan is a 'live' document, which will evolve through time and reflect changes based on current and predicted working practices, legislation, environmental developments and availability of capital.

The Fleet Strategy will link with, and inform, other strategic decisions and plans for the effective management of Bucks Fire and Rescue Service. Table 1 sets out the relationship between the Fleet Strategy and other corporate plans:

The Public Safety Plan (PSP) is the most influential of the Authority's documents for the provision of fleet services. The Authority has an established PSP for 2015 to 2020 that outlines what it aims to achieve and how it will achieve it over this period and this is supported by a Medium Term Financial Plan (MTFP). In particular the PSP sets out the current resourcing to enable delivery of the service and it is vital to maintain and invest in the identified fleet to meet the risk assessed need identified.

The MTFP sets out the Revenue and Capital strategies for delivering the PSP.

## **Relationship of Fleet Strategy with other Corporate Plans and Strategies**

<b>Plan</b>	<b>Input From Fleet Strategy</b>
Public Safety Plan	The PSP sets out the Authority's assessment of local risk to life and, in line with this assessment, how resources will be deployed to address these risks. The PSP will be supplemented by annual objectives and associated programmes and projects that deliver the required improvements. The Fleet Strategy aims to ensure that vehicular resources are in place to meet PSP objectives.
Corporate Plan	The Authority sets out an annual Corporate Plan which shows how it will deliver the annual priorities and targets that deliver the requirements of the PSP. The fleet service team objectives will reflect the Corporate Plan as well as the more detailed Fleet Strategy.
Strategic Asset Management Plan	The Strategic Asset Management Plan sets out the Authority's asset management arrangements and responsibilities and is underpinned by the detailed strategies for each asset group. This includes broad principles around fleet requirements.
Medium-Term Financial Plan (MTFP), including Revenue and Capital Budgets	The MTFP sets out the Authority's financial position over the medium-term and ensures resources are managed effectively and budgets are aligned with corporate objectives.
Capital Strategy	The Capital Strategy provides a framework that transparently demonstrates how the investment of capital resources contributes to the achievement of the vision and key priorities set out in the Strategic Asset Management Plan and PSP. The existing approved capital programme includes ongoing investment in the Red Fleet.
Functional, Area and Station Plans	Each function, command area and station will develop annual plans to document key 'in-year' work activities that contribute to the realisation of the PSP. The Finance & Asset Directorate plan includes the detailed Fleet Service activity that feeds through to meet PSP objectives.

Table 1

### **3. PURPOSE AND ROLE OF THE FLEET SERVICE WITHIN BFRS**

The prime purpose of the Fleet Service within Buckinghamshire Fire and Rescue Service (BFRS) is the supply and maintenance of vehicles and associated major operational equipment which meet:

- a) User and stakeholder needs;
- b) Fire and Rescue Service strategies
- c) Legislative requirements

and which facilitate and promote environmental sustainability as well as meeting the established principles of best value.

The services provided by the Fleet Service cover three main functions:

- d) Fleet Supply
- e) Fleet Management
- f) Fleet Maintenance

The Fleet Service is the main support provider for all fleet or fleet related services, and additionally provides support for the maintenance and management of many major operational assets, such as:

- g) Rescue Boats
- h) Various trailers
- i) Positive Pressure Ventilation Fans
- j) Portable Pumps
- k) Hydraulic Rescue Equipment (power packs, cutters, spreaders, rams, pedal cutters)
- l) Ladders (13.5m, 10.5m, 9m, roof, short extension)
- m) Portable generators
- n) Fire Fighting branches (nozzles)
- o) Vehicle stabilisation equipment

#### 4. FUNCTIONS PERFORMED

Fleet Supply	The research, specification, costing, tendering, acquisition, and disposal of all BFRS vehicles and associated operational equipment and vehicle mounted firefighting equipment.
Fleet Management	<p>The management of the fleet -</p> <ol style="list-style-type: none"><li>1. Leasing contracts and management of leasing costs</li><li>2. Vehicle Excise Duty</li><li>3. Registration and Licensing</li><li>4. Type Approval Testing (VCA testing)</li><li>5. Fuel Management</li><li>6. Monitoring availability of vehicles and associated operational equipment</li><li>7. Licensing and other documentation checks</li></ol>
Fleet Maintenance	The repair and maintenance of vehicles and vehicle mounted operational equipment, and much of the major operational equipment. The Fleet Workshop undertake most of the tasks involved. Specialist external contractors are engaged for the repair and maintenance of equipment outside of the expertise or facilities available within the workshop team / premises, which includes aspects such as major body work repairs, paint spraying and some larger items that require fabrication.

Table 2

## 5. LEGISLATIVE / BEST PRACTICE REQUIREMENTS

The operation of any fleet of vehicles is a heavily regulated area and is affected by the following legislation or best practice guidance:

- a) The Road Vehicles (Construction and Use) Regulations 1986
- b) The Road Vehicles Lighting Regulations 1989
- c) The Motor Vehicles (Driving Licences) Regulations 1999
- d) The Road Traffic Act 1991
- e) The Road Vehicles (Registration and Licensing) Regulations 2002
- f) The Health and Safety at Work Act 1974
- g) Provision and Use of Work Equipment Regulations 1998
- h) The Management of Health and Safety at Work Regulations 1999
- i) The Control of Pollution (Oil Storage) (England) Regulations 2001
- j) British and European Technical Standards
- k) The Management of Occupational Road Risk
- l) Chief Fire Officers' Association (CFOA) Recommended Best Practice for the maintenance of fire service vehicles
- m) CFOA Transport Officers Group Security Guidance on Decommissioning and Disposal
- n) Lifting Operations and Lifting Equipment Regulations (LOLER) 1998
- o) Data Protection Act 1988 (to be replaced by the General Data Protection Regulations)

The list of Acts / guidance is not exhaustive, and by the very nature of the fleet environment, various legislative requirements cut across other services of the Authority. To adhere to vehicle operating legislation the Fleet Service utilises a variety of procedures to ensure that the vehicle fleet complies with the relevant regulation(s). The following are some of the current procedures adopted to satisfy the legal requirements and also provide reassurance of the adoption of best practice methodology:

- 1. Safety Inspection programme
- 2. Defect Reporting System
- 3. Preventative Maintenance Schedule

## 6. FLEET ASSETS – LOCATION, COST

BFRS has a variety of fleet assets located at 22 locations including Unit 7 and the workshop itself with the majority of vehicular assets being located at the service's 20 fire stations. The current fleet operated by BFRS consists of 52 'red fleet' vehicles and 79 'white fleet' vehicles. The net book value (NBV) of Vehicles as at 31 March 2017 is £2.744m and for associated Plant & Equipment is £1.605m.

Total NBV for Vehicles, Plant and Equipment = **£4.349m**

**Appendix 1** identifies each vehicle by registered number, make, type, and location as applicable.

## **7. FLEET ASSET INVESTMENT**

### **'Need' and Funding**

The vehicular assets of BFRS are determined by the needs of the community, as identified in the PSP – this, in turn, is interpreted by the service to ensure the identified and predicted risks can be met with the correct equipment. Whilst public perception of Fire Service vehicles is the traditional 'Red Fire Engine', there are numerous supporting vehicles that are required to fulfil a variety of roles.

The need for a vehicle or asset may come as the result of a newly identified risk, or a changed risk, or the replacement of an 'end of life' vehicle or asset, or to support a new task or strategy.

When any replacement vehicles are required, the needs of the service are reviewed and evaluated with the requirement being scrutinised to determine if the need remains the same. With this information a vehicle specification can then be determined.

This specification must have some reflection of what is available in the open market and consider any new technology that could improve performance.

Working in conjunction with Research and Development (R&D), either the Performance Management Board (PMB) or the Business Transformation Board (BTB) will be the initial forum to:

1. Consider the provision or replacement of major vehicle and associated equipment assets;
2. Provide recommendations to Senior Management Board (SMB) and Members on the provision or replacement of major service delivery assets;
3. Allocate / Ensure staff resource is available to major provision or replacement projects; and
4. Monitor the utilisation of vehicular assets and make recommendations to SMB/Members to achieve best value.

Unless the replacement is something that will truly transform service delivery the likely initial path is through PMB, as vehicle replacement is broadly a 'business as usual' function.

Where a new or changed risk is identified and additional financing is required to purchase a suitable vehicle/equipment, then recommendations will be made through SMB with a view to seeking approval for such funding. Depending on the amount involved, this may also require Authority approval. Such requests should normally be forward planned and included as part of the annual budget setting process and subject to rigorous Officer and Member challenge; however, the

SMB will consider any cases of unexpected urgency and advise accordingly, including the method of financing (Revenue or Capital).

### **Utilisation**

To obtain best value from vehicular and other major operational assets, BFRS monitors their utilisation. This is accomplished by evaluating data from fuel returns, vehicle mileage sheets and actual use.

The Fleet Service actively monitors the use of vehicles and major operational assets and reviews their disposition in order to maximise their service life. In addition, the vehicle replacement programme is currently monitored and reviewed by the Senior Management Board (SMB), which considers any appropriate vehicle investment or condition reports and recommendations made by the Fleet Manager or through R&D. This results in direction being provided to the Fleet Manager or R&D about purchasing vehicles or leasing them, extending the service life of vehicles and the disposal of obsolete or no-longer required assets. If appropriate, any recommendations are then put to the Executive Committee for consideration.

### **Emergency Vehicle Requirements**

The size of the fleet of fire appliances needs to be given due consideration, as by its very nature it is difficult to manage the demand of an emergency vehicle fleet. Statistical evidence is collected and maintained, which provides the best possible indication of the high and low demands on the fleet and is subsequently used to determine vehicle standby levels and numbers required, in order to best maintain full operational readiness.

The placement of the emergency vehicles is also important. Recent practice has been for all new emergency vehicles to be allocated to the busiest stations. The rationale being that this provides the opportunity for maximum operational use, to identify any vehicle issues relating to vehicle warranty, and to get these defects rectified by the manufacturers. This means that new appliances are subject to maximum operational wear and tear in their early years in service, later in their life these older but still operationally sound appliances are then allocated to stations where there is less operational use for the middle to end of service life.

## **8. VEHICLE LIFE CYCLE**

Vehicles and equipment have a predetermined life cycle. This life cycle follows a course that is set by a variety of factors:

- a) Legislation
- b) Total Life Cycle Costing
- c) Procurement practices
- d) Disposal methods
- e) Best Practice methodology
- f) Maintenance and upkeep requirements and costs
- g) Requirements of end-user departments
- h) Cost and depreciation

- i) Level of specification
- j) Availability and use
- k) Dependability
- l) Flexibility
- m) Service life
- n) Environmental considerations

The Service's current vehicle replacement policy is:

Rescue Pumps	- circa 15 years
Special Appliances	- circa 20 years
Utility Vans	- 7 to 10 years
Pool Cars	- 3 to 5 years

This replacement policy allows for prudent financial capital planning, but it only provides an indicative cost and time of replacement, the actual period of replacement is determined by the utilisation and need and may be monitored by the PMB. The costs are dependent on the final user and technical specifications and the effect of any exchange rate or manufacturers' cost increases. Lead times between order and delivery will also be a critical factor.

The PMB is probably best placed to monitor and review the provision and replacement of vehicular assets to achieve best value and derive the maximum benefit from operational vehicles. It will, where necessary and appropriate, make recommendations to the Authority / Senior Management Board to extend the life of vehicles beyond the above guidelines where this can be achieved without affecting operational capability. This often involves the purchasing of vehicles from lease and extending their life. This does, however, have some implications:-

- a) A number of vehicles have in the past been obtained through leasing arrangements. This was determined to be the best use of financial resources at the time when the cost of capital borrowing was high and it was more prudent to invest capital and utilise revenue to fund appliances and equipment.
- b) More recently it has become more efficient and effective to capital purchase a number of appliances and equipment. However, in practice the best funding method to acquire any vehicle is evaluated on a case by case basis, meaning that vehicle assets may now either be leased or capital purchased dependent upon the best overall financial deal for the Authority.
- c) Previously, the fleet acquired through leasing was extensive and as leasing periods come to an end an inspection of the condition of the vehicles and equipment was made to determine suitability for capital purchase from lease. This extends the service life and reduces costs through the reduction in revenue leasing expenditure over the increased service life, together with residual value ownership by the Service. Any potential costs to return the vehicle to the leasing company are also reduced. The condition of some vehicles would require the Service to



carry out expensive repairs to be able to return the vehicles to the leasing company in a condition that would not incur significant penalties – the Service can purchase the vehicles for a considerable discount, extend the service life and then not need to carry out the repairs, and still have a saleable asset for less than the cost of either continuing / extending the lease or returning the vehicle / asset to the leasing company.

- d) In any event, as any vehicle comes toward the end of its life, there is a need for timely advice to Finance to ensure best lease rates can be made available via the Authority's advisors.

## **9. PROCUREMENT**

A procurement process is undertaken to acquire any vehicle or supporting equipment at the best possible price for the specification required. This may follow several different paths; all comply with current Standing Orders and Legislative / Financial requirements.

The majority of vehicles and major operational equipment are procured through framework agreements where possible. These frameworks have been established to save on administration and advertising costs and meeting the requirement to open up to competition from Europe through the Official Journal of the European Union (OJEU). Where the framework does not exist for a particular vehicle or asset the OJEU process is followed where required according to the threshold value and a tendering process is completed. The legal competitive process will, of course, be amended when the UK exits the European Union.

In any event, the final choice of supplier is determined by a tendering exercise based on quotations provided by approved suppliers on the relevant framework agreement.

Where possible, the procurement of all vehicles and their associated equipment will be carried out in collaboration with other fire services and/or Thames Valley Police. The intention is to build upon the recent very successful collaborative procurement of Type B fire appliances, working with both Oxfordshire and Royal Berkshire Fire Services.

## **10. OPERATIONAL LEASES**

This method of funding vehicle acquisition means that the vehicle is not owned by the Service. Instead, it is deemed to be the registered keeper of the vehicle, or asset. During the predetermined lease period, the Service is required to make a number of annual leasing payments to the lessor. Such operational lease arrangement may or may not include any maintenance responsibilities, but where they do, these are financed and undertaken by the Fleet Department.

When the end of each lease period is reached the vehicle is inspected by the lessor to ensure that the vehicle complies with the return conditions and collection is arranged.

Before coming to a view as to the use of operational leases, a financial option appraisal should be undertaken to identify the most cost effective funding method for vehicle acquisitions.

## **11. MAINTENANCE**

All vehicular assets are purchased with a minimum of 12 months warranty from the vehicle manufacturer; the majority of light vehicles have a whole vehicle warranty of 36 months duration. In respect of vehicles above 3500kg gross vehicle weight, the body is generally not produced by the chassis manufacturer and is built and warranted by a specialist bodybuilder.

The Fleet Service provides the operational support to the vehicle fleet. This may be for unplanned repairs or scheduled preventative maintenance. The Fleet Service has the responsibility to ensure that all vehicles stay within legislative and predetermined safety requirements.

The Transport Officers Group (TOG) of the Chief Fire Officers' Association (CFOA) provide best practice guidance for the servicing intervals and schedules for emergency fire appliances, which are stricter than those of the vehicle manufacturer.

The Fleet Department provides support which includes a reporting mechanism to respond to day-to-day unplanned repairs, and a planned preventative maintenance and inspection schedule to reduce the number and severity of unplanned repairs required. All repairs are documented to ensure that works to fleet vehicle assets are recorded to enable effective asset management. Throughout the vehicles life they are maintained in a safe, legal and roadworthy condition.

## **12. DISPOSAL**

Once a vehicle (or major piece of equipment) has reached the end of its service life it will be disposed of in compliance with Contract Standing Orders. In the past this has been by either selling it at auction, through a sealed bid process, or via Essex Fire Authority (EFA) Trading to a reputable purchaser.

The Authority uses the following options for disposal of assets:

### **Option 1**

Dispose by auction.

This has historically been the preferred disposal method since it provides at least some capital receipt toward any new purchase. A variation of that arrangement, however, is:

### **Option 2**

Disposal via EFA Trading which, due to the disposal routes available to them both in the UK and Europe, aims to offer the best possible financial return for the Authority as well as ensuring the vehicles are sold to reputable organisations that have provided evidence of future use of the vehicle. This has recently proved successful and is currently the preferred option for disposal.

### **13. FUTURE FLEET AND WORKSHOP PROVISION**

Fleet procurement and maintenance is currently undertaken in-house. The service will always look to collaborative working where there is benefit in doing so with particular emphasis on the following criteria:

- a) A desire to explore the opportunity of new fleet service delivery models to deliver better value for money and to improve efficiency.
- b) Seeking ways to ensure that capital investment in the fleet is secured.
- c) Wishing to work in partnership with other regional Fire and Rescue Services to secure benefits from collaboration and standardisation.
- d) Any desire to address possibilities in relation to shared workshop facilities.

A number of issues relating to the Fleet Strategy which are of more detailed technical interest including some numeric information for fuel and servicing etc. is set out in **Appendix 3**.

### **14. VEHICLE REQUIREMENTS 2018/19 to 2021/22**

#### **Pumping Appliances**

The Service currently has 16 Scania Rescue Pumps providing a front line service. These are based at all whole-time and day-crewed fire stations as well as 2 standalone retained stations.

The latest vehicle of this type to enter the service is the appliance at Bletchley, in November 2011, with the oldest being the appliance at Winslow which came into service in January 2006.

The historic use of this type of appliance is now widely accepted as a success. The dual role of fire appliance and rescue appliance has negated the need for the Authority to purchase separate 'Rescue Tenders', therefore offering good value for money. Staff feedback has always been very positive as to performance, which is also reflected in anticipated whole life costs in regard to repairs and maintenance.

In addition to the above, the Authority has 7 ERF Rescue Pumps/Water Tenders and 10 Volvo Rescue Pumps/Water Tenders. These are a mix of owned and leased vehicles with all the leases having been extended beyond their initial 10

year lease periods. 2 of the above vehicles are currently in use for Driver Training with the remainder in use broadly at retained stations or as reserves.

The Authority has already committed to a programme of replacement of these vehicles, working in collaboration with both Royal Berkshire FRS and Oxfordshire FRS. This will see the delivery of 8 new Rescue Pumps in the period between 2016/17 up to the end of 2017/18, with funds committed for at least 2 replacements per year throughout the period up to 2021/22. This will be kept under review in the longer term.

As new vehicles are delivered, the existing Scania Rescue Pumps will be reallocated according to need, whilst the older ERF and Volvo vehicles will broadly exit the fleet.

The ongoing need or otherwise for rescue platforms will be considered during the life of this strategy. These are currently available on a number of existing pumps and whilst their use is sporadic, they are nevertheless essential for the occasions required. There is some cost and alteration required to apply them to the new pumps hence a proper review is required to ascertain how best to deliver rescue platform capability.

No further action is required for the period of this strategy other than to ensure vehicles are strategically positioned to provide an attendance anywhere in our local area within 15- 20 minutes as determined by the PSP.

A detailed replacement programme is set out in **Appendix 2**.

#### **4 x 4 Pumping Appliances**

The Authority has previously given approval for the replacement of these vehicles and delivery has now taken place of 3 x 12 tonne vehicles as well as one 7 tonne vehicle.

All that remains is for disposal of the 3 existing 'Unimog' vehicles during 2017/18.

#### **Bulk Water/Foam Carriers**

The Service currently has three 'Water Carriers' within the fleet, based at Bletchley, Waddesdon and Princes Risborough. The Bletchley and Waddesdon appliances came into service in March 2001 with a 12 year life expectancy. The appliance at Princes Risborough came into service in September 2000 with a 15 year life expectancy.

The appliance at Princes Risborough differs from the other two in that it is a designated Water Carrier with bulk foam capability. This Service has a limited risk requirement for bulk foam and discussions have already taken place with a view to Royal Berkshire Fire and Rescue Service providing this capability on behalf of the Thames Valley.

The Waddesdon and Bletchley appliances are 'dual role', providing bulk water as well as a front-line fire-fighting capability. All three carry 9,000 litres of water.

The Authority has already committed to the purchase of demountable tanker pods, 1 of which has been delivered with the other due by the end of 2017 and when completed the proposed agreement with Royal Berkshire FRS will ensure the supply of bulk foam for the rare occasions when it is needed. Once the demountable tankers are fully commissioned the Authority will no longer require the designated water carrying capacity operating from Princes Risborough and that vehicle will be disposed of as an 'end of life' vehicle.

The dual role vehicles will remain in the fleet for the present as they provide additional resilience, but their use will be reviewed once the proposed new Blue Light Hub is operational in Milton Keynes.

### **White Fleet Replacements**

Replacements for existing leased white fleet are generally considered on a case by case basis and opportunity will be taken either to not replace a vehicle or to replace with a more efficient vehicle at lower cost where possible.

There are, however, a number of owned vehicles that are past due replacement and which require urgent attention. These are the 7 no. Mitsubishi L200 4x4 station vehicles and the 6 no. Vauxhall Astra Estates pool vehicles. It is proposed these be suitably replaced (not necessarily on a like for like basis) with the best method of funding to be determined.

It is intended to bring either a revenue or capital budget bid to Members during the budget process for 2018/19 in order to set out the most effective way forward for replacing these vehicles, covering both the type of vehicle as well as the funding method.

The funding bid will contain all the relevant detail for Member consideration.

## **15. ACTION PLAN**

Table 3 below sets out the strategic action plan that summarises the 'actions required' set out in the body of this strategy.

**Table 3**

<b>Action Point</b>	<b>Title</b>	<b>Description</b>	<b>Owner</b>	<b>Target Date for Completion</b>	<b>Notes</b>
A	Financial Planning	The vehicle replacement Capital Programme should continue to be developed to project the replacement, frequency and potential costs for capital planning purposes, this program can be monitored through the BTB. The annual revenue impacts that may arise as a result of potential replacements should also be included. The existing Capital Programme already allows for £500k each year for vehicle replacements, however, any possible changes to this should be quantified and included as part of the budget planning process from 2018/19 onwards.	Fleet Manager	31 Dec 2017	Annual Review
B	Allocation of new appliances to maximise life span	The Authority should assess the impact of allocating new appliances to its smaller and less operational active stations, or frequent moving of appliances to different stations of varying operational activity in order to ascertain if vehicle life can be extended, by evening out the wear and tear throughout the vehicles service life.	GM Response Policy	Ongoing	

Action Point	Title	Description	Owner	Target Date for Completion	Notes
C	Collaborative Procurement	The Authority will continue to work with other blue light services to explore any opportunities to work together to make more cost efficient purchases of vehicles and associated equipment.	Procurement Manager	Ongoing	
D	Rescue Platforms	The deployment of rescue platforms will be reviewed with particular emphasis toward future collaborative requirements with neighbouring service.	GC Policy and Resilience	June 2018	
E	BASI Review	As part of the next phase of the Business and Systems Integration project (BASI), a review will be undertaken to determine if and whether a replacement or major update of TRANMAN should be initiated	Fleet Manager	March 2019	

**APPENDIX 1****Red Fleet Vehicles**

MAKE	STATION	VEHICLE TYPE
SCANIA	Amersham	RP
ERF	Amersham	RP
SCANIA	Aylesbury	RP
MAN	Aylesbury	4x4 RP
VOLVO	Aylesbury	RP
IVECO	Aylesbury	EPU
MERCEDES	Aylesbury	ICU
MAN	USAR - Aylesbury	Prime Mover
MAN	USAR - Aylesbury	Prime Mover
MAN	USAR - Aylesbury	Prime Mover
MAN	USAR - Aylesbury	Prime Mover
VOLVO	RESERVE - BHQ	RP
SCANIA	RESERVE - BHQ	RP
SCANIA	RESERVE - BHQ	RP
SCANIA	Beaconsfield	RP
VOLVO	Beaconsfield	RP
MERCEDES	Beaconsfield	Water Rescue
SCANIA	Bletchley	RP
VOLVO	Bletchley	WT
SCANIA	Broughton	RP
ERF	Broughton	RP
MERCEDES	Broughton	OSU
VOLVO	Brill	WT
SCANIA	Buckingham	RP
MAN	Buckingham - to enter service Sept. '17	4x4 RP
VOLVO	Buckingham	RP
ERF	Chesham	RP
SCANIA	Gerrards Cross	RP
MAN	Gerrards Cross - to enter service Oct '17	P/Mover + W/Tanker
SCANIA	Great Holm	RP
SCANIA	Great Holm	TL
UNIMOG	Great Holm	WT
VOLVO	Great Missenden	RP
ERF	Haddenham	RP
SCANIA	High Wycombe	RP
SCANIA	High Wycombe	RP
SCANIA	High Wycombe	RP
MAN	High Wycombe - to enter service Oct '17	4x4 RP
SCANIA	High Wycombe	TL



SCANIA	Marlow	RP
MERCEDES	Marlow	OSU
SCANIA	Newport Pagnell	RP
MERCEDES	Newport Pagnell	Water Rescue
IVECO	Olney	4x4 Light WT
ERF	Princes Risborough	RP
VOLVO	Princes Risborough	Foam Tanker
MITSUBISHI L200 4x4	Stokenchurch	Small Fires Unit
VOLVO	Waddesdon	WT
SCANIA	Winslow	RP
ERF	T/SCHOOL-HADDENHAM	RP
VOLVO	T/SCHOOL-DRIVER TRAINING	WT
VOLVO	T/SCHOOL-DRIVER TRAINING	WT

## White Fleet Vehicles

Vehicle Make/Model	Use	Registration Year
VAUXHALL CORSA 1.3TD	Station Car	2007
VAUXHALL CORSA 1.3TD	Station Car	2007
VAUXHALL CORSA 1.3TD	Station Car	2007
MITSUBISHI L200 4X4	USAR	2008
MITSUBISHI L200 4X4	Station Car	2008
HONDA CRV 2.2i-DTEC	Officer Car	2010
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRA 1.7D	Pool Car	2009
VAUXHALL ASTRA 1.7D	Officer Car	2009
VAUXHALL ASTRVAN	Support Services	2010
MITSUBISHI L200 4X4	Station Car	2008
MITSUBISHI L200 4X4	Station Car	2008
MITSUBISHI L200 4X4	Station Car	2008
HONDA CIVIC 1.6iDTEC	Officer Car	2013
AUDI A4 2.0TDI	Fleet Car	2014
MITSUBISHI L200 4X4	Station Car	2010
MITSUBISHI L200 4X4	Station Car	2010
VAUXHALL VIVARO	Prevention	2010
AUDI A3 SPORTBACK	Officer Car	2014
VW POLO 1.2TDI	Fleet Car	2014

AUDI Q5 2.0TDI	Officer Car	2014
FORD MONDEO 2.0 TDCi	Officer Car	2014
VAUXHALL CORSAVAN	Support Services	201
MERCEDES C220	Fleet Car	2014
HONDA CIVIC 1.6iDTEC	Fleet Car	2013
HONDA CIVIC 1.6iDTEC	Fleet Car	2013
HONDA CRV 2.2i-DTEC	Officer Car	2013
HONDA CRV 2.2i-DTEC	Officer Car	2013
KIA CEED 1.6CrDi	Officer Car	2014
HONDA CRV 1.6i-DTEC	Officer Car	2013
NISSAN QASHQAI 1.6D	Officer Car	2015
NISSAN QASHQAI 1.6D	Officer Car	2014
SKODA SUPERB ESTATE	Officer Car	2014
SKODA OCTAVIA 1.6TDI	Officer Car	2015
NISSAN QASHQAI 1.5D	Officer Car	2016
NISSAN QASHQAI 1.5D	Officer Car	2016
HONDA CIVIC 1.6iDTEC	Officer Car	2013
VW GOLF 2.0 TDI	Officer Car	2014
AUDI A4 AVANT 2.0TDI	Officer Car	2015
HONDA CRV 1.6i-DTEC	Officer Car	2016
BMW X3 2.0d	Officer Car	2015
HONDA CIVIC 1.6iDTEC	Driver Training	2015
HONDA CRV 1.6i-DTEC	Officer Car	2015
AUDI A6 AVANT 2.0TDI	Fleet Car	2016
AUDI SQ5 3.0 TDI	Officer Car	2016
FORD TRANSIT CUSTOM	Pool Vehicle	2015
FIAT 500 0.9 TWINAIR	Fleet car	2015
FORD FIESTA 1.5TDCi	Protection	2015
FORD FIESTA 1.5TDCi	Protection	2015
FORD FIESTA 1.5TDCi	Protection	2015
FORD FIESTA 1.5TDCi	Protection	2015
FORD FIESTA 1.5TDCi	Protection	2015
FORD FIESTA 1.5TDCi	Protection	2015
AUDI Q7 3.0TDI	Officer Car	2017
VAUXHALL ASTRA 1.6	Support Services	2015
VAUXHALL COMBO VAN	Hydrant Maintenance	2015
VAUXHALL COMBO VAN	Hydrant Maintenance	2015
VAUXHALL MOVANO	Support Services	2015
VW PASSAT 2.0 TDI	Officer Car	2015
CITROEN NEMO 1.3HDI	Prevention	2015
CITROEN NEMO 1.3HDI	Prevention	2015
CITROEN NEMO 1.3HDI	Support Services	2015
CITROEN NEMO 1.3HDI	Support Services	2015
CITROEN NEMO 1.3HDI	Protection	2016

PEUGEOT EXPERT VAN	Support Services	2016
SEAT ITECA 2.0TDI	Officer Car	2017
VAUXHALL ASTRA 1.6TD	Officer Car	2017
FORD TRANSIT CUSTOM	Pool Car	2017
FORD TRANSIT CUSTOM	Pool Car	2017
KIA RIO 1 1.4CRDi	Pool Car	2017
KIA RIO 1 1.4CRDi	Pool Car	2017
BMW 320d Xdrive tour	Officer Car	2017
SKODA SUPERB ESTATE	Officer Car	2017
PEUGEOT BOXER LWB	Support Services	2007

## **APPENDIX 2**

### **Red Fleet Vehicles – replacements and suggested vehicle movements**

#### **2016/17 - 2019/20**

##### **F/Y 2016-17 (actual movements in 2017-18)**

- Tanker pod on spare prime mover > GEX (additional vehicle)  
PRI W5 > Disposal (as soon as alternative foam capability is provided)
- Tanker pod to AYL for use on USAR prime mover
- MAN 4x4 > AYL P2 > HWY P4 > Disposal
- MAN 4x4 > HWY P1 > AYL P4 > Disposal
- MAN 4x4 > BUC P1 > GH0 P4 > Disposal
- Scania (Driver Training) > (Driver Training) > Disposal (return to lease company)
- Scania (Driver Training) > (Driver Training) > Disposal (return to lease company)
- Volvo > AYL P1 > PRI P1 > Disposal (return to lease company)
- Volvo > HWY P2 > Reserve > HAD P1 > Disposal (return to lease company).
- Volvo > GEX P1 > Training School > Disposal (return to lease company)
- Volvo > NPA P1 > BRO P2 > Disposal (return to lease company)
- Volvo > BEA P1 > BEA P2 > GMI P1 > Disposal
- Volvo > GH0 P1 > CHE P1 > Disposal
- Volvo > AME P1) > AME P2> Disposal
- Volvo > BLE P1 > Reserve > Disposal

##### **F/Y 2017-18 (actual movements likely in 2018-19)**

- Volvo > BRO P1 > BUC P2 > Disposal
- Volvo > AYL P1 > Reserve > BEA P2 > Disposal

##### **F/Y 2018-19**

- Volvo > AYL P2 > AYL P3 > WAD PW1 > Disposal
- Volvo > HWY P1 > HWY P3 > BLE PW2 > Disposal

##### **F/Y 2019-20**

- Volvo > BUC P1 > GH0 P2 > Reserve > Disposal
- Volvo > HWY P2 > MAR P1 > Disposal

### **1. AGE PROFILE OF FLEET**

The current vehicle fleet has evolved over the years to include vehicles ranging from recent acquisitions to circa 21 years old.

The average age of the operational (Red) fleet is 10 years. Whilst it is generally accepted that the specialised, high value vehicles have a longer life and will therefore remain in the fleet for a longer period, the older the fleet, the more likely it will become redundant in terms of modern working practices and technology. The risk of obsolescence is a consideration in determining vehicle life extension and refurbishment programmes.

It should be noted that the decisions taken to purchase vehicles from the leasing programme and extend their life comes at the cost of providing an increasingly ageing fleet. The decision to procure vehicles from lease, and push the capital programme for replacement vehicles forward, has implications for both revenue and capital expenditure, as well as the overall age profile of the fleet.

The decision of when to replace vehicles is determined by several factors. Due to the high cost of the more specialised vehicles it becomes beneficial to spread the initial cost over a longer period in accordance with predicted useful life. The major drawback of this is that as technology moves on, there is a danger that the vehicle will become outdated in respect of technological developments. The vehicles effectiveness to the operational function becomes the 'obsolescence gauge' and must be balanced with financial considerations in deciding on vehicle life.

In respect of the 'non-specialised' fleet, the factors guiding obsolescence and subsequent replacement are not subject to the same drivers. Non-specialised vehicles tend not to be as expensive, and a higher residual value is anticipated, whilst the capability of the vehicle is not as restrictive for its intended use.

The decision of when to replace these types of vehicles is more financially based than operationally based, and is achieved by evaluating the condition and reliability history of the vehicle and the remaining useable life together with the residual value and replacement cost.

These factors are critical for the work of the Research & Development team in their considerations for replacement vehicles.

### **2. FLEET MANAGEMENT SYSTEM**

The current Fleet Management System (FMS) used by the Fleet Service is Tranman. The system is used to record, monitor and manage the details of the fleet, information on servicing and maintenance (including operational equipment), accident records, and costs and also has a direct link to the vehicle defecting web portal.

The system is continually improved and updates/new releases applied where appropriate. Information is provided through regular email bulletins and an annual user group meeting. Support is also provided via email and telephone depending on the urgency of response required.

The system meets the requirements of the Authority but is reviewed regularly to ensure it remains fit for purpose. It is also interesting to note that it is used by a growing number of other Fire & Rescue Services which should aid sharing of information and benchmarking.

### **Action Required**

As part of the next phase of the Business and Systems Integration project (BASI), a review will be undertaken to determine if and whether a replacement or major update of Tranman should be initiated and this is included in the proposed action plan set out in the main body of the strategy.

## **3. FLEET SUSTAINABILITY**

### **3.1 Environmental Considerations**

The adoption of sustainable fleet by the public sector arises from the need to address climate change and global warming in response to a suite of international, European and national legislation action plans and targets.

All vehicle fleet owners are expected to adopt a sustainable fleet and BFRS is committed to addressing some of the key challenges by researching and implementing solutions that ensure its fleet balances the need for operational effectiveness and fleet sustainability. The Service will also use its influence with other stakeholders to improve environmental performance across a wide range of fire and rescue vehicles and equipment. In particular, the following areas are kept under constant review:

- a) The fuel management system.
- b) Revised vehicle specification to take into account any new emission regulations.
- c) Investigate alternative fuels feasibility, including electric vehicles.
- d) Manufacturers' environmental policies.
- e) The use of sustainable / renewable materials in the production of vehicles
- f) The use of lighter weight materials to reduce overall vehicle weights and therefore increase fuel efficiency
- g) The use of plastic bodies to improve service life and offer the potential for re-using bodies on new chassis.

### **3.2 Current Measures**

The Fleet Service will always look for practical solutions to improve the carbon footprint of the Service. Several environmental initiatives are currently in place within the Fleet Service.

- a) Emissions testing as part of routine servicing.
- b) Re-grooving, re-moulding and recycling of tyres.
- c) Recycling of lead acid and other batteries.
- d) Environmentally safe disposal of waste engine oil and other engine and vehicle fluids.
- e) Recycling of scrap metals including aluminium ladders.
- f) Extending oil drain intervals.

### **3.3 Vehicle Emissions**

The Inter-governmental Panel on Climate Change (IPCC) has identified the following as potentially harmful gases:

- a) Carbon Monoxide
- b) Methane
- c) Nitrous Oxide
- d) Hydro Fluorocarbons
- e) Sulphur Hexafluoride

However, by far the largest global emissions by volume are of carbon dioxide which originates from the burning of fossil fuels including the combustion process that occurs in compression ignition or spark ignition motor vehicle engines. Continual monitoring, testing and the purchase of more fuel efficient vehicles with lower emissions are the most practical way in which the service can minimise emissions.

### **3.4 Bio Diesel**

Bio diesel is a mixture of mineral diesel fuel and vegetable derived fuel. The service's fuel provider does not currently supply bio diesel and whilst the service intends to investigate the use of it, there are three specific concerns with regard to bio diesel which will require addressing or mitigation by BFRS. They are:

- a) Bio diesel has a reduced calorific value when compared to mineral diesel. This means that the power produced is slightly less than mineral diesel. This is obviously a concern to emergency fleets and their ability to respond quickly.
- b) Bio diesel does not have the same lubricant properties as mineral diesel and using bio diesel in larger ratios may necessitate more frequent and regular engine oil changes.
- c) The use of Bio diesel above a 5% blend is not widely supported by vehicle manufacturers and therefore its use could invalidate warranties and increase the risk of major repair costs to engines and fuel systems. When use is approved, there is usually a need for a more frequent service regime.

Nationally, a number of issues surrounding the use of bio diesel have been identified including viscosity at sub-zero temperatures and filter blockages. Bio diesel is more prone to microbial growth (especially when it is stored for long periods) which causes sludge to accumulate in fuel tanks which then cause blockages in the fuel system. Due to these findings, the service has decided against using bio diesel at this time due to the potential implications for interruptions to operational service delivery and associated safety implications. This position will remain under review for future developments.

### 3.5 Carbon Footprint

The amount of carbon dioxide produced is directly related to the amount of fuel burnt and can be calculated using a simple equation. This calculation assumes that fuel burns completely whilst in reality motor vehicle engines are not 100% efficient and will produce bi-products of the combustion process. The following formula represents a theoretical approach to quantifying the carbon dioxide emissions of a compression ignition engine:

Burning one litre of diesel produces 2.63kg of carbon dioxide (CO<sub>2</sub>). Burning one litre of petrol produces 2.33kg of CO<sub>2</sub>.

By studying the fuel used by the fleet it is possible to calculate the fleet's carbon footprint. As new technology is introduced into the fleet, it is plausible that the current fuel usage of the BFRS fleet will reduce and subsequently the size of the carbon footprint.

Currently the service's Red Fleet comprises of:

<b>NO.</b>	<b>TYPE</b>	<b>DATE ACQUIRED</b>
16	Rescue Pump - Scania	2006 – 2011
8	Rescue Pump - Volvo	2000 - 2004
6	Rescue Pump - ERF	2001
2	Water Tender/Water carriers - Volvo	2001
1	4x4 Water Tender - Unimog	2000
3	12t 4x4 Rescue Pump - MAN	2016
1	7t 4x4 Water Tender - Iveco	2017
1	Small Fires Unit – Mitsubishi L200 4x4	2010
2	Turntable Ladder – Scania (Metz TL)	2011- 2014
1	Environmental Protection Unit - Iveco	2015
1	Water/Foam Carrier (Tanker)	2000
5	Prime Mover (4 USAR & 1 Tanker Pod)	2004
2	Operational Support Unit – Mercedes	2010
2	Water Rescue Unit – Mercedes	2010
1	Incident Command Unit – Mercedes	2015

Table 4



The calculated 2016/17 CO2 emissions from the Service's Red Fleet vehicles was 405 tonnes.

Emissions of Carbon dioxide over the last three years:

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Carbon Dioxide Emitted in Tonnes</b>	344	368	405

Table 5

#### **4. Fleet Monitoring**

In 2016/17 the Red Fleet covered 237,598 miles and consumed 153,888 litres of fuel at a cost of £137,121.

#### **TOTAL MILEAGE FOR VEHICLES: 2014/15 – 2016/17**

<b>Vehicle</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Pumps (37)</b>	173,289	208,758	194,935
<b>Specials &amp; Ancillary Vehicles (17)</b>	26,808	35,129	42,663
<b>TOTAL</b>	206,181	243,887	237,598
<b>Average Miles per Vehicle</b>	Pumps 4683 Specials 1489	Pumps 5642 Specials 2066	Pumps 5130 Specials 2666

Table 6

#### **DIESEL PURCHASED AND PRICE PER LITRE: 2014/15 – 2016/17**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>TOTAL VOLUME (Litres)</b>	129,098	137,877	153,888
<b>Average Price per litre</b>	£1.08	£0.91	£0.89

Table 7

There is a substantial amount of maintenance required as the nature of the service dictates that vehicles will operate on short unplanned journeys. The

majority of miles covered are undertaken before the power unit reaches normal operating temperature. There are also a number of legal, safety and environmental issues that need to be constantly addressed.

## **5. CHANGES IN THE USER'S OPERATION**

The Fleet Service's operational strategy needs to be flexible to adjust to the requirements of the users. During recent years the Service has increased resources to prevention and protection activity leading to a reduction in fires. This trend will no doubt continue and whilst this change of focus will not necessarily reduce the establishment costs of having an emergency fleet on standby, it may reduce some of the operational running costs and create more of a demand for mobile advice centres, mobile fire stations and similar types of support vehicles.

If targeting of the prevention of fires continues to be successful this should produce a change in user needs and ought to reduce the number of, or influence the design of, the emergency vehicles required.

## **6. FINANCIAL PLANNING**

### **6.1 Capital**

Capital expenditure is the term used to describe the acquisition of assets that have a long- term value to BFRS. The Fleet Service capital expenditure will form part of the Authority's capital strategy and will be drawn from the replacement cycle of vehicles and equipment. There are some complexities around capital purchase and activity in this area should be co-ordinated with Finance so the Authority can negotiate the best options for all capital and revenue towards the end of the lifecycle for vehicle replacement. Ideally this should be well in advance, say 18 months.

### **6.2 Revenue Budgets**

The Fleet Service revenue budget will be heavily influenced by the Vehicle Replacement Programme. It is unlikely that year-on-year capital spending will remain constant and there will be fluctuations in the costs incurred in the revenue budget. To even-out revenue expenditure it would be necessary to concentrate on the level scheduling of vehicle purchases over an anticipated lifespan, or to accept that fluctuations will occur between different years. In any event this should all be considered at time of MTFP budget build. Growth and savings bids should be raised for this and included with revenue consequences from capital purchases.

The contingency to counter this would be to make predictions and consequently financial provision for them in the years that they are likely to occur. A similar concept applies to vehicle maintenance expenditure - as vehicles age, more costs will be incurred. Unless the same numbers of vehicles of the same type

are purchased each year there will be fluctuations in vehicle maintenance expenditure. Improving strategies can ease the fluctuations to enable more even and accurate budget forecasting.

There are no specific actions required for financial planning as the Authority has already approved the red fleet replacement capital programme and the implications of current white fleet replacement pressures will be duly considered by Members as part of the 18/19 budget process.

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	22 November 2017
<b>OFFICER</b>	David Sutherland, Director of Finance & Assets
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Budget Monitoring Performance and Debt Management April – September 2017</b>
<b>EXECUTIVE SUMMARY</b>	<p>To present the provisional revenue and capital outturn position and debt management performance to 30 September 2017.</p> <p>The report in Appendix A sets out the Authority's revenue and capital spending position as at 30 September 2017, together with the projected outturn position for the financial year.</p> <p>Managers have positively and proactively controlled spend and forecast an underspend of £663k, against a revenue budget of £28.210m. This represents a 2.35% variance against the budget.</p> <p>This is an increase in the forecast underspend of £394k since Quarter 1. The main reasons for the movement in the forecast are:</p> <ul style="list-style-type: none"> <li>• It is anticipated that the majority of the joint funding for sprinklers will not be spent in the current year (£240k increase in underspend)</li> <li>• Lower numbers of operational apprentices forecast (£76k increase in underspend)</li> <li>• Additional treasury management income (£50k increase in underspend)</li> </ul> <p>It is recommended that the £240k underspend relating to sprinklers is transferred to the sprinkler reserve. In addition, it is recommended to not transfer the planned £150k from the same reserve. This will decrease the underspend by £390k to £273k (and increase the planned level of earmarked reserves by the same amount).</p>
<b>ACTION</b>	Decision and noting.
<b>RECOMMENDATIONS</b>	<ol style="list-style-type: none"> <li>1. That the latest projected outturn forecast for the Authority as at 30 September 2017 be noted.</li> <li>2. That £240k of the underspend is transferred to</li> </ol>

	<p>the sprinkler reserve.</p> <p>3. That the planned transfer of £150k from the sprinkler reserve is not made in 2017-18.</p>
<b>RISK MANAGEMENT</b>	Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.
<b>FINANCIAL IMPLICATIONS</b>	As set out in the main body of the report.
<b>LEGAL IMPLICATIONS</b>	None.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	None.
<b>HEALTH AND SAFETY</b>	None.
<b>EQUALITY AND DIVERSITY</b>	None.
<b>USE OF RESOURCES</b>	The paper sets out how work has been progressing for achieving greater financial ownership and accountability for resources attached to the delivery of specific aims and objectives of the Authority.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>Medium Term Financial Plan 2017/18 to 2020/21, CFA Meeting 8 February 2017:</p> <p><a href="http://bucksfire.gov.uk/files/3914/8578/3188/ITEM_7_Medium_Term_Financial_Plan_201718_to_201920.pdf">http://bucksfire.gov.uk/files/3914/8578/3188/ITEM_7_Medium_Term_Financial_Plan_201718_to_201920.pdf</a></p>
<b>APPENDICES</b>	Appendix A – Budget Monitoring Performance and Debt Management April – September 2017
<b>TIME REQUIRED</b>	10 Minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Taiye Sanwo (Revenue) and Asif Hussain (Capital)</p> <p><a href="mailto:tsanwo@bucksfire.gov.uk">tsanwo@bucksfire.gov.uk</a></p> <p><a href="mailto:ahussain@bucksfire.gov.uk">ahussain@bucksfire.gov.uk</a></p> <p>01296 744425 and 01296 744421</p>

## Appendix A

**Table 1 - Revenue Forecasts by Service Area**

The table below shows the budget and actual expenditure for each directorate as at the end of September 2017.

The budget of £28.210m is compared to the forecast outturn to give a forecast year-end underspend of £663k.

Directorate	Area Manager	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Corporate Core	Corporate Management	1,029,400	405,170	915,835	-113,565
	Legal & Governance	295,400	143,974	316,074	20,674
<b>Corporate Core Total</b>		<b>1,324,800</b>	<b>549,143</b>	<b>1,231,909</b>	<b>-92,891</b>
Finance & Assets	Finance & Procurement	898,180	610,009	909,544	11,364
	Resource Management	2,015,100	1,047,101	2,053,608	38,508
<b>Finance &amp; Assets Total</b>		<b>2,913,280</b>	<b>1,657,110</b>	<b>2,963,152</b>	<b>49,872</b>
People & Organisation Development	Training & Development	1,900,470	1,044,967	1,751,102	-149,368
	Operations & Services	709,350	439,135	745,978	36,628
<b>People &amp; Organisation Development Total</b>		<b>2,609,820</b>	<b>1,484,102</b>	<b>2,497,080</b>	<b>-112,740</b>
Delivery, Corporate Development & Planning	Service Delivery	14,203,710	6,505,257	12,856,309	-1,347,401
	Service Development	486,850	319,198	469,358	-17,492
	Service Transformation	2,264,540	1,432,047	2,804,667	540,127
	IT & Communications	1,607,770	632,276	1,591,198	-16,572
<b>Delivery, Corporate Development &amp; Planning Total</b>		<b>18,562,870</b>	<b>8,888,778</b>	<b>17,721,532</b>	<b>-841,338</b>
Statutory Accounting & Contingency	Capital Charges	1,976,000	0	1,984,000	8,000
	Contingency	604,230	0	851,207	246,977
	Non Distributed Costs	218,940	109,056	238,037	19,097
	Savings	210	0	0	-210
<b>Statutory Accounting &amp; Contingency Total</b>		<b>2,799,380</b>	<b>109,056</b>	<b>3,073,244</b>	<b>273,864</b>
<b>Total Expenditure</b>		<b>28,210,150</b>	<b>12,688,190</b>	<b>27,486,917</b>	<b>-723,233</b>
<b>Total Funding</b>		<b>-28,210,150</b>	<b>-14,459,879</b>	<b>-28,150,150</b>	<b>60,000</b>
<b>Net Position</b>		<b>0</b>	<b>-1,771,689</b>	<b>-663,233</b>	<b>-663,233</b>

The key variations in directorate budgets compared to year-end outturn shown above in Table 1 are:

**Finance & Assets £50k over** – This relates to overspends on Supplies and services budgets and under achievement of income. The overspends are offset by underspends on energy and utilities budgets.

**People & Organisation Development £113k under** – The overall underspend contains a projected underspend on support apprentices in Prevention & Protection and Community Safety, as recruitment has been delayed due to changes in the apprenticeship frameworks.

**Delivery, Corporate Development & Planning £841k under**

The underspend is mainly due to on-call firefighter employment being significantly below budgeted establishment levels and underspends on support staff budgets, supplies and services and premises related budgets.

The projections for joint funded sprinklers this quarter has reduced from £250k to £10k. There has been no expenditure to date and expected costs for the rest of the year are likely to be no more than £10k.

The overall wholetime firefighters budget is forecast to overspend.

**Statutory Accounting & Contingency £274k over** – The forecast overspend primarily relates to the planned recruitment of additional firefighter apprentices in order to ensure sufficient staff numbers are available to deliver our resourcing model.



## 2. Direct Employee Costs

**Table 2** shows the budget and provisional outturn for each sub-heading within the direct employees subjective as at the end of September 2017.

Staffing	Total Plan £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Wholetime	12,627,525	6,270,658	12,707,499	79,974
Support	4,081,185	2,018,097	4,022,269	-58,916
On-Call	1,631,030	762,506	1,230,137	-400,893
Technicians	253,320	104,700	227,727	-25,593
Sessional	147,450	46,744	177,919	30,469
Agency Staff	12,380	96,637	190,888	178,508
<b>Grand Total</b>	<b>18,752,890</b>	<b>9,299,342</b>	<b>18,556,439</b>	<b>-196,451</b>

**Members of the Brigade** – The overall wholetime firefighters budget is forecast to over-spend due to higher bank costs than planned

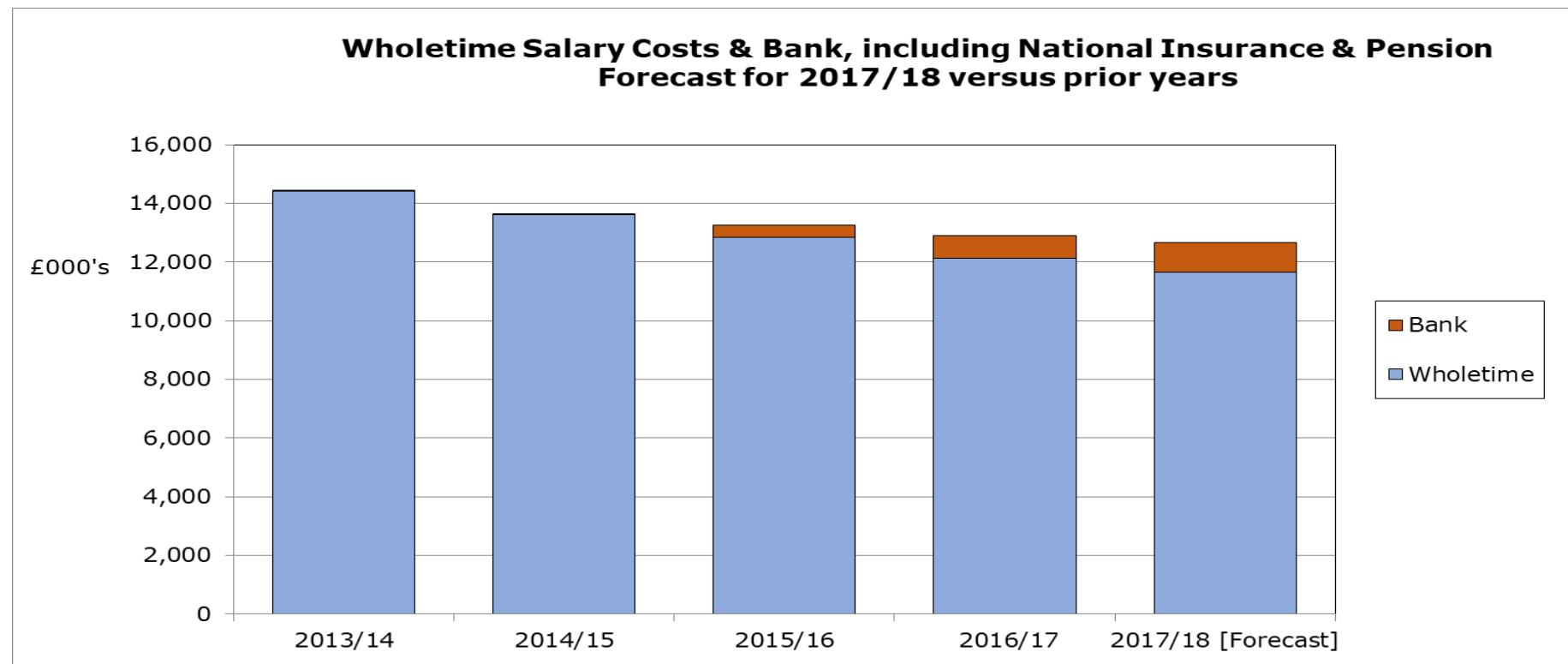
**Support Staff** – All directorates are currently forecasting to underspend on support staff budgets.

**On Call** – Firefighter employment is currently significantly under budgeted establishment levels.

**Agency Staff** – agency staff have been used to cover interim vacancies and this partly offsets the underspend on support staff

### 3. Bank cost analysis

The graph and table 3 below show wholetime operational staff costs from 2013/14 onwards, with Bank payments forming a significant part of these from 2015/16.



**Table 3**

Wholetime Salary & Bank Costs	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 (Forecast) £
Wholetime (WT)	14,425,095	13,603,248	12,844,792	12,133,692	11,702,499
Bank	4,236	24,592	411,864	766,632	1,005,000
<b>Total WT and Bank</b>	<b>14,429,331</b>	<b>13,627,840</b>	<b>13,256,656</b>	<b>12,900,324</b>	<b>12,707,499</b>

The Authority has been proactive in developing resilient resourcing models in order to meet known risk and demand levels of the service, while maintaining response standards. Examples of this approach include operating with a smaller regular establishment, which is reinforced by on-call and whole-time firefighters working 'Bank' shifts, as well as a number of firefighters on more flexible local terms and conditions.

With a smaller regular establishment being achieved via falling staff numbers from 2013/14 due to retirements and leavers, the 'Bank system' offers a flexible resource, designed to maintain appliance availability in the event of crewing shortfalls.

The aforementioned figures show how costs have continued to fall over the last few years, driven by the introduction of this more flexible resource.

#### 4. Major Risk Areas

The monitoring process will focus more attention on areas identified by management as high risk. An initial assessment of the main financial risks faced has been undertaken by Finance against the following categories:

- High value budgets
- Historically volatile budgets
- Demand led income and expenditure budgets

		<b>Total Budget £</b>	<b>Actual Year to Date £</b>	<b>Forecast Outturn £</b>	<b>Projected Year End Variance £</b>
A.	Employee Direct Costs	18,752,890	9,299,342	18,556,439	-196,451
B.	Knowledge & Information Services	1,491,430	598,685	1,526,763	35,333
C.	Fuel Charges	285,670	99,861	287,870	2,200
D.	Energy / Utilities	251,020	94,360	204,003	-47,017
E.	Employment Agencies /Consultants	12,380	96,637	190,888	178,508

- The variances for A. and E. are as noted in Section 2 above.

## 5. Funding

The table below details the budget and forecast outturn for each category of funding.

<b>Funding</b>	<b>Total Budget £</b>	<b>Actual Year to Date £</b>	<b>Forecast Outturn £</b>	<b>Projected Year End Variance £</b>
Government Funding	-3,356,210	-2,115,282	-3,356,210	0
Specific Grants	-1,088,600	-408,581	-1,088,600	0
NNDR	-3,372,920	-1,743,094	-3,372,920	0
Top-up / Pooling Receipts	-1,914,720	-976,931	-1,854,720	60,000
Precept	-18,327,700	-9,215,992	-18,327,700	0
Movement in Reserves	-150,000	0	-150,000	0
<b>Grand Total</b>	<b>-28,210,150</b>	<b>-14,459,879</b>	<b>-28,150,150</b>	<b>60,000</b>

Current projections show the majority of funding streams to budget with the exception of NNDR pooling arrangements.

## 6. Savings and efficiencies

Of the £2,184k savings offered up in the 2017/18 Medium Term Financial Plan, £18k is from Corporate Core, £108k from Finance & Assets, £10k from POD, £1,690k from Delivery, Corporate Development and Planning, £318k from Statutory Accounting & Contingency and £40k from Funding.

Directorate	Target Saving £000	Forecast Actual Saving £000	Under/ (Over) Recovery £000
Corporate Core	18	18	-
Finance & Assets	108	108	-
People & Organisation Development	10	10	-
Delivery, Corporate Development and Planning	1,690	1,690	-
Statutory Accounting & Contingency	318	318	-
Funding	40	40	-
<b>Total Savings</b>	<b>2,184</b>	<b>2,184</b>	<b>-</b>

**Corporate Core, Finance and Assets and POD** – Supplies and services budgets have been reduced based on historical analysis of actual spend in this area.

**Delivery, Corporate Development and Planning** – The savings primarily relate to the reduction in numbers of wholetime firefighters. The number of wholetime firefighters is currently slightly below the budgeted establishment level.

## 7. Capital Forecasts

The capital programme for 2017/18 is £16.217m, which includes £13.553m worth of carry forwards from 2016/17 and additional funding approved at Fire Authority in June in relation to the Blue Light Hub (£1.330m).

Project Name	Original Budget 2017-18	Agreed 16-17 Carry Forwards	In Year Approvals	Revised Budget 2017-18	Actual Year to Date	Commitments	Forecast Outturn	Slippage to 2018/19	Year End Variance
Property	500,000	150,000	0	650,000	102,568	31,412	650,000	0	0
Property Review	0	11,132,813	1,330,000	12,462,813	120,178	94,962	840,000	11,622,813	0
<b>Sub Total</b>	<b>500,000</b>	<b>11,282,813</b>	<b>1,330,000</b>	<b>13,112,813</b>	<b>222,746</b>	<b>126,374</b>	<b>1,490,000</b>	<b>11,622,813</b>	<b>0</b>
CCTV Cameras	0	51,250	0	51,250	0	0	51,250	0	0
Operational Vehicles Red Fleet	500,000	2,091,762	-36,500	2,555,262	1,663,936	618,290	2,555,262	0	0
Operational Vehicles White Fleet	16,000	31,601	36,500	84,101	29,106	29,101	84,101	0	0
Hydraulic Equipment	56,000	0	0	56,000	51,980	0	51,980	0	-4,020
Digital Radios	90,000	0	0	90,000	0	0	90,000	0	0
Operational Equipment	85,000	54,053	0	139,053	30,220	0	139,053	0	0
<b>Sub Total</b>	<b>747,000</b>	<b>2,228,666</b>	<b>0</b>	<b>2,975,666</b>	<b>1,775,242</b>	<b>647,391</b>	<b>2,971,646</b>	<b>0</b>	<b>-4,020</b>
ICT	87,000	42,000	0	129,000	41,089	0	117,000	0	-12,000
<b>Sub Total</b>	<b>87,000</b>	<b>42,000</b>	<b>0</b>	<b>129,000</b>	<b>41,089</b>	<b>0</b>	<b>117,000</b>	<b>0</b>	<b>-12,000</b>
<b>Total</b>	<b>1,334,000</b>	<b>13,553,479</b>	<b>1,330,000</b>	<b>16,217,479</b>	<b>2,039,077</b>	<b>773,765</b>	<b>4,578,646</b>	<b>11,622,813</b>	<b>-16,020</b>

## Capital Funding

The capital programme will be funded as follows:

<b>Funding</b>	<b>Balance at 1 April 2017 £000</b>	<b>Estimated Transfers (In) £000</b>	<b>Estimated Transfers Out £000</b>	<b>Estimated Balance at 31 March 2018 £000</b>
Usable Capital Receipts Reserve	(244)	(262)	12	(494)
Revenue Contribution to Capital	(6,156)	(2,837)	4,567	(4,426)
Transformation Funding	(2,248)	-	-	(2,248)
<b>Total</b>	<b>(8,648)</b>	<b>(3,099)</b>	<b>4,579</b>	<b>(7,168)</b>

## Property Portfolio

Several stations have had capital works carried out, mainly around the refurbishment of ablution blocks, new bay doors and general refurbishments. Further works are planned in quarter 3 and 4 in line with the property condition survey. The tender for the main contractor for the blue light hub has been awarded and the pre-commencement stage is underway. The pre-commencement stage is scheduled to take 20 weeks and take us to the start of the 2018. Due to the main building works unlikely to take place until 2018/19, a variance of £11,623k is currently being reported which will be slipped into next financial year.

## Fire Appliances & Equipment

A budget of £747k was approved for the purchase of two red fleet appliances, one white fleet vehicle, operational equipment and digital radios. Orders have been placed for the two red fleet appliances, one white fleet vehicle and operational equipment. A slippage of £2,217k was brought forward from 2016/17 capital programme which mainly related to the purchase of eight operational and two training red fleet appliances (orders placed in 2016/17). Two of these appliances have been delivered with the remaining six due to be delivered by the end of December.

In June, the Fire Authority approved the purchase of the USAR canine vehicle and equipment which will be funded from existing underspends in the red fleet budget. The vehicle is planned to be purchased later this financial year.

## Support

Of the budget of £129k for ICT, £54k relates to the Wi-Fi upgrade and £75k is for the replacement of hardware. The initial Wi-Fi upgrade is complete but the on-going annual Wi-Fi updates are still due to take place. The Wi-Fi updates will need to be charged to revenue as it is an annual maintenance cost which cannot be capitalised. Therefore the revenue contribution to capital will be reduced by £12k and the funds will be transferred to the revenue budget to fund these costs. The remaining budget of £75k allocated to hardware replacement will be spent throughout the year as per the ICT replacement strategy.

## 8. Reserves

The table below shows the projected movement in reserves during the year.

<b>Reserves</b>	<b>Balance at start of year £000</b>	<b>Projected Movement £000</b>	<b>Projected Use of £000</b>
General Fund	- 3,036	372	- 2,664
Earmarked Reserves (Revenue)	- 2,203	522	- 1,681
Earmarked Reserves (Capital)	- 6,400	1,480	- 4,920
<b>Total</b>	<b>- 11,639</b>	<b>2,374</b>	<b>- 9,265</b>

\* Earmarked Reserves includes £369k, which represents this Authority's share of the joint control room renewals fund (which is held by Oxfordshire Fire and Rescue Service)

## 9. Performance Indicators

The table below shows the performance targets and actuals (rolling averages) for the year to date.

<b>Description</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2017/18 Actual (rolling average)</b>
Budget Monitoring Training	100.0%	100.0%	100.0%
Managers accessing Integra Cost Centre Report	100.0%	100.0%	100.0%
% invoices paid within 30 days	99.8%	100.0%	70.0%
Budget Mon. Report turn-around (working days)	7 days	7 days	7 days



Budget monitoring training is provided to managers assuming responsibility for budget management and control. A risk based approach is applied to budget monitoring with resources allocated to high risk areas. This supports a proactive challenge role for Finance and budget holder engagement. Compliance to date has been at 100%.

The rolling average for the percentage of invoices paid on time is 70%. The low average compared to previous years is mainly due to the changeover of the new finance system between March and April which led to a delay in invoices being paid on time. Furthermore, suppliers are still sending invoices to individual departments or not including the purchase orders which is causing a delay in payments. Suppliers have been reminded to send all invoices with our purchase order reference direct to finance otherwise there will be a delay in payment.

## 9. Debt Management

The table below shows the key debtor performance figures for the year:

<b>DEBTOR KEY PERFORMANCE INDICATORS 2017/18</b>	<b>Q1</b>	<b>Q2</b>
Debts over 60 days overdue	£14,864	£11,580
Total Debt outstanding	£17,447	£38,912
Debts over 60 days overdue as a % of total debt outstanding	88%	31.30%
Average time from raising invoices to receipt of income	7 days	11 days

The above figures show the quarterly average of debt during 2017/18. For quarter 2, the average total debt outstanding was £39k of which £11.5k relates to debt 60 days overdue. Total debt outstanding as at the end of September 2017 was £51k, with the actual value of debts over 60 days overdue being £12k.

The majority of the debts (86%) over 60 days overdue at the end of June 2017 relate to legal costs made in favour of Bucks Fire and Rescue Service against defendants after being successfully prosecuted for breaches of the fire safety regulations. Once a court order has been made the Authority has little control over the timing of these payments.

The average time from raising invoices to receipt of income is 11 days.

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	22 November 2017
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Emergency Services Mobile Communications Programme (ESMCP)</b>
<b>EXECUTIVE SUMMARY</b>	<p>This paper provides Members with a further update regarding the national status of the programme and the impact on the regional and local transition.</p> <ul style="list-style-type: none"> <li>• The national infrastructure, which is the responsibility for EE to deliver to the programme is on target and broadly meeting the milestones.</li> <li>• The national transition plan was supposed to be published for services to scrutinise in July. It is now likely that this will not be ready until New Year 2018.</li> <li>• The Public Accounts Committee (PAC) are due to scrutinise the progress of the project in November. They have particularly asked for details of the revised delivery plan and also the likely costs of further programme delays.</li> </ul>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	That the report be noted.
<b>RISK MANAGEMENT</b>	<p>It has been reported in previous papers to Members that there was an unknown financial risk to the Service with regard to achieving the necessary security information technology compliance. It is still believed that any costs to achieve this compliance will be met by the central programme as it will be a new burden but this has still to be confirmed. This remains a risk to the service and is still raised at every opportunity in order to receive assurances.</p> <p>The Public Accounts Committee recalled Home Office Programme officials in March 2017. A number of recommendations have since been made regarding the arrangements that Motorola and Vodafone will have in place to ensure that the existing Airwave system remains fully functional up until the point of transition completion in 2020. The PAC is scheduled to reconvene on 13 November 2017.</p>

	<p>It was reported to Members in the last paper that a significant area of concern for officers is that of Emergency Services Network (ESN) devices. There has been a delay in the development of the promised range of devices and it is highly likely that only one of each type of device will be available to user organisations during the period of transition. This continues to be a major concern and the matter is raised continually at every opportunity.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>The Home Office (HO) have committed to provide funding through Section 31 Grants to cover local transition support, upgrading control rooms, vehicle installations and devices. Buckinghamshire Fire and Rescue Service (BFRS) will act as treasurer for the collaborative aspects of the project delivery.</p> <p>HO will directly fund ten regional implementation managers to coordinate and monitor the transition in fire and rescue services.</p> <p>The programme board is continuing to take a prudent approach to use of the Section 31 grant. To date the only funds that have been committed are to fund the external programme support costs. No funding will be allocated to individual services until the revised programme delivery plan is issued. The Authority, as the finance lead for the South Central region, will then work with our external partner to develop a fully costed implementation plan.</p>
<b>LEGAL IMPLICATIONS</b>	<p>Buckinghamshire Fire and Rescue Service have already signed up to the principles of the Emergency Services Network. Officers will continue to monitor the progress of the Programme closely and will provide challenge to the process where it is felt necessary.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>This Authority remains an active participant of the South Central Transition Delivery arrangements. The governance and delivery models have now been established and Buckinghamshire Fire and Rescue Service officers are involved at each level. The principle has been adopted that information is shared across all five services and where appropriate, joint responses to work requests are submitted.</p> <p>The Head of Service Development is the Vice Chair of the Regional Strategic Board as is also the Fire representative on the equivalent Police Board.</p> <p>Funding awards have been pooled centrally, and Buckinghamshire Fire and Rescue Service are now acting as treasurers for the region.</p> <p>An approach has been received from the South Central and South East regional Programme Co-Ordinator for Police to organise a workshop with fire services within the regions to discuss collaboration opportunities. This will then</p>

	form the basis of an options paper to be put to both sets of ESMCP governance boards to decide what could be delivered together in the region. A representative from BFRS will be attending this workshop.
<b>HEALTH AND SAFETY</b>	There are no health and safety implications perceived at this time. There is constant review of this and any issues that may arise in the future will be referred.
<b>EQUALITY AND DIVERSITY</b>	There have been no equality and diversity implications identified to date. As the programme progresses and further information and a confirmed plan become available, then an Integrated Impact Assessment will be completed.
<b>USE OF RESOURCES</b>	<p>As stated in the last update to Members, the Transformation Programme Manager is the Project Manager for ESMCP delivery.</p> <p>The Area Commander Service Development is the Senior User for this Authority and sits on the South Central Steering Group.</p> <p>This Authority is providing officers to lead in three workstreams of the South Central Region Transition Team – in ICT, Procurement and Finance, and Operational Policy (who is also the lead for Operational Alignment within the Thames Valley collaboration programme).</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>The ESMCP is the programme to provide the next generation of mobile communications for emergency services and will replace the Airwave Tetra network introduced to fire services in 2009.</p> <p>The Programme is considered to be ground breaking and innovative and is designed to improve the integration of emergency services communications by taking advantage of 4G communications developments and by reducing costs to user organisations.</p> <p>The current national Airwave contracts are due to be terminated at the end of December 2019.</p> <p>The period of transition for the South Central Region was originally planned to take place between November 2017 and November 2018. These dates are now under review and a revised plan is due to be released following the review completion.</p> <p><b>Background Papers</b></p> <p><a href="#">ESMCP Update July 2016</a></p> <p>ESMCP Update February 2017</p> <p>ESMCP Update July 2017</p>
<b>APPENDICES</b>	Appendix A: ESN Programme Board update – August 2017

	<p>Appendix B: ESN Programme Board update – October 2017</p> <p>Appendix C: BFRS Highlight Report – July 2017</p> <p>Appendix D: Synopsis of Programme Developments.</p>
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Marie Crothers</p> <p><a href="mailto:mcrothers@bucksfire.gov.uk">mcrothers@bucksfire.gov.uk</a></p> <p>07765 001907</p>

# ESN

## Emergency Services Network Programme Board Update

August 17

### ESMCP Programme Plan

As reported in July's Programme update, Philip Rutnam, the HO Permanent Secretary (PUS) was keen to have an independent assessment of the Programme plan, and has therefore brought in Simon Ricketts to act as his Senior Advisor on the Programme.

Simon, the former Chief Information Officer of Rolls Royce, has extensive experience of complex, multi-dimensional programmes and so can provide the PUS with the independent assessment and assurance of the Programme which he requires. Simon's role is therefore to support, challenge and scrutinise the re-planning currently being undertaken. Motorola and EE are working jointly on their integrated reforecast plan and the initial findings of this exercise have shown that ESN will not be ready for transition to commence in 2018. Greater clarity on the date ESN will be available is likely to be understood by the end of the year, and a revised delivery plan will follow.

### ESN Delivery Approach

The Programme Board clarified that Service Ready marks the stage where Motorola and EE have delivered all of their mobilisation activities; and that this is not the same as operationally ready, where User Organisations (UOs) have determined that the required end-to-end functionality of ESN is in place, and users can therefore commence transition.

The Programme is going to liaise with suppliers and senior users to explore how UOs may be able to take advantage of the network being in place, in terms of telephony, messaging and internet access, before declaring ESN operationally ready and commencing transition.

### ESMCP Programme Reporting

The Programme is implementing a new reporting tool, which will be used to capture organisations' transition plans, to produce the National Transition Plan. The system has allowed us to be more transparent and share the Programme risks and issues with UOs. These have been loaded onto the User Transition Manual in Huddle and will be updated following their review at each Programme Board.



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## Mobilisation Progress

Motorola has completed the upgrade of their reference environment to Feature Pack 4.5, which is a critical path activity.

Additionally, the Public Telephony/Messaging/EE Internet testing phase completed ahead of schedule on 28 July.

## Coverage Progress

EE are reporting that out of 491 new sites to be built for ESN, 199 are now built or in the build phase; and that of around 21,000 upgrades required for ESN, around 19,000 have been completed. Upgrades of 800MHz and 1800MHz are counted separately.

## Coverage testing and assurance

EE has proposed using a crowd-sourcing tool, Minimised Drive Testing (MDT), to verify coverage. This would be supplemented by specialist drive testing, where necessary, and to confirm the location of each section of the Exception Pool.

To validate EE's coverage testing, the Programme needs assurance that coverage is in place. It is therefore anticipated that we will shortly be launching a procurement exercise for a tool and platform. This platform would take crowd-sourced data from ESN devices located in users' vehicles to provide full user assurance of coverage on all major and minor roads.

## Special Coverage

A team of surveyors have started conducting physical surveys on around 340 Airwave special coverage locations to determine those which might require infill ESN coverage. In addition, the Programme is also looking at how coverage may be provided in new and operationally critical locations, such as planned or recently constructed buildings, shopping centres or sports stadia, which are beyond that currently provided by Airwave.

## Air to Ground (A2G)

The Programme Board confirmed its commitment to develop an ESN A2G permanent capability based on LTE technology. However, it is recognised that this system may not be implemented across the entire aircraft fleet before Airwave National Shut-Down. Therefore, an interim solution of a TETRA A2G service will be developed in parallel as risk mitigation.



## EAS

Joint radio planning with EE has now been completed to ensure that coverage will be present across all the EAS polygons. This coverage will be provided through a combination of:

- Coverage from EE's ESN sites in the primary area which spills in to EAS polygons
- Additional sectors on EE's sites to provide coverage in to EAS polygons
- Upgrades to 800MHz of some of EE's sites to provide coverage
- Coverage provided from the around 291 EAS-specific sites

## Transport for London (TfL)

Following our appearance at the Greater London Assembly (GLA) Oversight Committee last month, TfL has confirmed that they want to deliver a public commercial service on the back of ESN, and are targeting January 2019 for delivery of ESN coverage in stations and most of the tunnels.

## Dual Mode Devices

There is a clear request from users for dual mode devices, both as a contingency measure to de-risk transition and to compensate for any gaps in coverage. Additionally, a dual mode device would meet the requirement for single device (including for D2D communications), avoiding the need to carry, manage and charge multiple devices. However, there is no existing product that can work on both TETRA and LTE, therefore further work will be undertaken to determine the commercial viability and associated timescales for the procurement for such a device.

## Direct Network Service Provision (DNSP)

A major milestone in the DNSP project was achieved on 1 August with the installation of the first DNSP link (the connection between ESN to Control Rooms) in one of the Metropolitan Police Service's Control Rooms. A secondary circuit router installation is scheduled for later this month, meaning the Control Room will be ESN ready by September.

## Vehicle devices

The procurement process for vehicle devices has commenced with the Selection Questionnaire (SQ) published on 4 August. The Invitation to Tender (ITT) will be issued this month.

## Vehicle device installation

Crown Commercial Services is establishing a Dynamic Purchasing System (DPS) for vehicle conversion. DPS is a procurement framework which allows suppliers to join at any time and is especially useful for small or medium size enterprises which may not have sufficient capacity to deliver the entirety of a contract, but can be allocated a proportion of the overall quantity required.

The Programme has defined its requirements for vehicle installation as part of this framework. The SQ for the DPS has been published and supplier returns are due by the end of August.

## Device Configuration

As described in the June 2017 Programme Board Update, the establishment of a framework from which users can procure services for the physical build and initial configuration of devices prior to delivery to users has commenced. A Prior Information Notification has been issued, and the RFI will be available to responding suppliers who confirm interest in participating in the formal procurement that will follow.

# ESN

## Emergency Services Network Programme Board Update

October 17

### ESMCP Senior Stakeholder Engagement

A senior team from ESMCP, including Stephen Webb, Gordon Shipley and Simon Ricketts, have just returned from a two day meeting in Chicago with the Motorola senior team. The visit included numerous technical meetings as well as strategic meetings with the Motorola CEO Greg Brown and the US and UK management team, including Bruce Brda, Kelly Mark and Vincent Kennedy. There was a constructive exchange of views on both sides on the perceptions of things that had not gone well, where they were improving and the work still to be done to make changes for the better. We also heard some clear messages about the challenges which we all face in the Programme that are particularly acute for Motorola, which was useful.

There is a lot to be done, but the Programme has a significantly higher degree of understanding in Motorola's delivery plans, confidence that delivery can be achieved and a clearer sense of what we need to do differently to make that happen.

We have also extended an invitation to the CEOs from Motorola and EE to come to the Home Office for meetings with the Home Secretary, Policing and Fire Minister, John Manzoni and senior representatives from our User community.

As outlined in August's Programme Board Update, Motorola and EE continue to work on their integrated reforecast plan. Greater clarity on the date ESN will be available is likely to be understood by the end of the year, and a revised delivery plan will follow.

### Coverage Progress

EE has completed the physical build of 245 of the new sites needed to deliver their contractual obligations for ESN, an increase of 46 over last month; with the remaining sites due to be delivered by June 2018. These sites are not yet connected to the network so there will be no immediate coverage improvement to the public network at these locations. As the contract with EE is for the degree of coverage we require, rather than a specific number of sites, the outstanding number of new sites has been calculated as being 210, though this is subject to change. Additionally, out of the around 21,000 mast upgrades required for ESN, over 19,200 have been completed. Upgrades of 800MHz and 1800MHz are counted separately.



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Progress also continues with the development of the new sites covered by the Extended Area Services team. Lendlease, our agents who have responsibility for acquiring, designing and building these new sites, have confirmed that they expect the majority of sites to be complete by the end of 2018; and all sites to be complete by March 2019.

In addition, the survey team have managed to physically assess almost a third of the 309 sites which may require infill ESN coverage. Initial analysis suggests that only 100 or so sites will need such coverage.

The August Programme Board agreed to set up a new project to identify locations - in-building or outdoor – that are outside EE contractual handheld coverage but deemed critical for transition. The project has worked with user organisations to agree criteria for identifying these locations and a gap analysis is underway. This work is likely to be concluded by December, following which surveys will be undertaken to establish how many locations will require solutions.

### **Coverage Testing and Assurance**

We are still negotiating with EE on their plan to test their coverage commitments.

### **Devices Progress**

#### **Handheld**

- The procurement is continuing, with Evaluation and Moderation due to complete by the end of October.

#### **Device Order Fulfilment (DOF)**

- A supplier event was held on 19 September to enable the Programme to engage with the market and articulate what we would want to achieve with a DOF supplier. A Request for Information (RFI) has been issued, with responses due mid October.

#### **Vehicle Devices**

- The Selection Questionnaire (SQ), starting the procurement process, was issued as planned on 4 August. However, further technical requirements subsequently surfaced, meaning an updated set of requirements and timeline will need to be issued to the market. This revision means the expected contract award date is now May 2018, rather than March 2018.

### **Transition**

In response to information gathered in the User Engagement survey, a revised Transition team structure will be launched on 2 October. The new structure comprises 3 units;

1. **Transition Assurance** - provide assurance to ESMCP that nationally all User Organisations are planning and delivering transition in line with Programme expectations.
2. **Transition Planning and Reporting** - provide the products and support to user organisations enabling them to understand and undertake the detailed planning activities required for transition to ESN.
3. **Transition Support**, - provide effective engagement; building stakeholder confidence in ESN.

## Resilience

As reported in the July Programme Board update, the Senior Users on the Programme appointed ITSUS Consulting to provide an independent review of resilience. The Programme Board considered the resulting paper which concludes that “the concept of a fully resilient ESN capability (equivalent resilience) should continue to be the expectation...” The report’s findings had been endorsed by the User community through their various governance routes. The Board agreed that the Programme should devise a series of options for Users, including their costs, risks and mitigations, for discussion at the November Programme Board.

## Motorola User Interface/ User Experience

Three User Working Groups have been established for Users to provide input and guidance to Motorola on how they expect the Public Safety requirements to be delivered from a functionality and usability perspective. This helps Motorola understand the Users’ concern, understand the configuration settings that best suit Users (as described in use cases), and for the Programme to prepare for User Acceptance Testing and Trials with use cases that best reflect the way Motorola products work.

From observations and concerns raised by Users, a number of new User requirements may be necessary, along with a much larger number of clarifications against existing User requirements for Motorola to consider. Approval was given by the Board for the change process to commence.

## Public Accounts Committee

The Home Office Permanent Secretary, Philip Rutnam and Programme SRO, Stephen Webb, have been invited to reappear in front of the Public Accounts Committee on 13 November.

The Committee made some recommendations to the Programme following our previous appearances in front of them. The Programme response to these recommendations, referred to as Treasury Minutes, will be published on 19 October. A link to the document will be included in the next Programme Board Update.

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# Emergency Services Mobile Communications Programme

APPENDIX C

<b>Lead Member:</b> <b>Lead Officer:</b> <b>Project Manager:</b> <b>Business Sponsors:</b>		<b>Cllr Peter McDonald</b> <b>AC Julian Parsons</b> <b>Marie Crothers</b> <b>DCFO Mick Osborne</b>		<b>Project Objectives:</b> The Emergency Services Mobile Communications Programme will provide a new communication system for the 3 emergency services and other public safety users. This system will be called the Emergency Services Network (ESN). It will replace the current Airwave radio network. BFRS forms part of the South Central Region to deliver this work and this highlight report will focus on the regional and local delivery into this programme but will also provide high level national updates				<b>Overall RAG</b> <div></div>	
Finance	<div></div>	Plan	<div></div>	Risks & Issues	<div></div>	Scope	<div></div>	Resources	<div></div>

## Summary – Period dated: June – July 2017

### Key Activities

#### National

- The latest version of the national programme plan has been delayed since the last report – a revised version without new dates but with amended activities was released to us on 27/07/17 for planning purposes. This will be reviewed over the summer period by the Regional Delivery and BFRS teams. The next national version with revised dates will not be available until an independent assessment of the plan is completed on behalf of the new Permanent Secretary, Philip Rutnam. Two reviews of the programme have recently taken place and the the rating for the delivery of the Programme nationally has been revised from Amber/Red to Amber.
- Devices – Handheld: Procurement for handheld devices has started – Evaluation and scoring process begins in August and will run into September – a representative from BFRS will take part in this exercise on behalf of the SC region. Contracts will be awarded in October 2017 and the framework for User Organisations to order from will be available in January 2018.
- Devices – Vehicles: Tender documents for vehicle devices will be available in Autumn 2017 – framework for these devices will be available in Spring 2018. It is likely that these devices will be an interim solution and will be the smaller handheld devices fitted by means of a cradle in vehicles as there is no time to develop a split architecture solution in time of transition. They are likely to have a reduced functionality and a number of concerns regarding the method of connectivity to them and method of procurement for peripheral equipment that may be required. The range may be slightly reduced and this would be addressed by the use of an induction loop.
- Devices – General: Small scale testing appears to be going well so far and there have been no reports that this stage of the project is beset with difficulties.

- There are, however, concerns regarding whether the systems proposed for the London Underground network and the Ground to Air solution – if issues around these are not resolved then it is likely that the Met Police and London Fire Brigade will not transition as planned – this will have a ‘knock-on’ effect on the remainder of the programme.
- Unofficial confirmation that UOs will not have to be PSN compliant the security arrangements for the network and that those in place for Airwave will be sufficient – this has still to be received formally in writing. Work in this area at the Home Office remains stalled due to resourcing issues
- There will be a re-organisation of support provided to User Organisations by the Delivery Partner KBR which will come into effect in September 2017 – these changes follow a recent survey User Engagement survey.

#### Regional

- A review of South Central plan activities by the FRS Project Managers had already taken place relating to the previously released plan – this was then reviewed by the BFRS team locally. The latest version will be reviewed over the summer period.
- DNSP – there remains a number of questions regarding what DNSP connections will be required across the region (particularly for BFRS as we are not currently planning to procure a link). A letter from CFO Thelwell was submitted to the Programme posing BFRS specific questions and an email posing Thames Valley queries was also submitted. We have subsequently been informed that members of the BFRS Project team have been identified to a meeting at the Home Office to discuss the BFRS issues further. A request to include representatives from our TV partners has been submitted. – awaiting a response.



- Work continues to complete work identified in the Information Technology Health Check – notification of funding has been received to compete Two Factor Identification work, however we have been asked not to commence this work until further information regarding security requirements is available – other issues will be dealt with by our own ICT department.
- Other workstream meetings continue to take place:  
**Training** – BFRS have completed their early TNA which will be used to feed into the SC TNA. Meetings continue to take place  
**Technical** – meetings have been taking place regularly and concerns regarding DNSP, devices and the Self Service management portal are being reported into the Programme Manager and SC GTM and RIM  
**Fleet** – one meeting has taken place so far – now awaiting further information regarding the types of devices that will be available.  
**Testing & Assurance** – meetings continue to take place to draw up regional requirements for the testing process  
**Ops Policy** – meetings have not been established so far. There has been a change in the Ops Policy lead and a meeting is to be arranged.

#### Local

- Internal meetings continue to take place monthly
- Monthly reports continue to be submitted by the BFRS Project Manager into the national reporting process
- Work has been completed to submit the BFRS Enrolment information to the central programme
- Completion of a number of technical information tasks to be uploaded into Huddle continues
- Preparation is underway for members of the BFRS Project Team to attend the Home Office regarding the DNSP issue

#### Priorities for Next Period: June – July 2017

- To review and feedback once the revised national programme plan has been released – remains outstanding as the plan has not been released
- Work will continue on the resolution of the ITHC outcomes
- Preparation of DNSP letter return to the Home Office
- BFRS PM will continue to monitor the central document repository (Huddle) and ensuring that released documents are promulgated to relevant personnel within the organisation – ongoing

Key Milestones	Forecast/ Actual	RAG
<b>National</b> - Review of revised National Programme Plan for Permanent Secretary	Expected Autumn 2017	
<b>Regional</b> – Review of Programme Plan from a SC regional perspective	June / July 2017	
<b>Local</b> – Meeting with Home Office regarding DNSP issue		

Risk/ Issue	RAG	Description	Mitigating Action
<i>The South Central Risk Register has been reviewed and can be seen at Appendix A</i>			

#### Key Decisions Required

None at this stage – for information only



### **Synopsis of Programme Developments.**

The last report was presented to Members in July 2017. The below synopsis captures the main developments in the programme. The content is derived from a variety of communications from the programme team and information received from representation at meetings and workshops. The main developments have been:

- Improvements to Programme Assurance – the Home Office Permanent Secretary, Philip Rutnam, has appointed Simon Ricketts (formerly of Rolls Royce) to act as his Senior Advisor to the Programme. His role is to support, challenge and scrutinise the re-planning of the Programme that is currently underway. It has been recognised that the Emergency Services Network (ESN) will not be ready for transition to commence in 2018 and it is envisaged that greater clarity regarding the date it will be available will be understood by the end of this year.
- Senior Stakeholder Engagement - A senior team from ESMCP, including Stephen Webb, Gordon Shipley and Simon Ricketts, attended a two day meeting in Chicago with the Motorola senior team. The visit included numerous technical meetings as well as strategic meetings and there was a constructive exchange of views on both sides on the perceptions of things that had not gone well, where they were improving and the work still to be done to make changes for the better.

The Programme feels that it has a significantly higher degree of understanding in Motorola's delivery plans, confidence that delivery can be achieved and a clearer sense of what we need to do differently to make that happen.

- The Integrated Planning exercise to re-forecast the strategic Programme schedule continues with a team of 15 people allocated to it from the Programme together with representatives from the main suppliers who are providing detail of their reworked detailed implementation plans. This work is due to finish in the New Year, when further Programme communications will be sent with the revised dates and approaches. The work is being scrutinised by the Senior Advisor referred to earlier in this update and User Organisations are not likely see any significant output from this exercise until the New Year. This is a further change to expected dates as we had previously been informed that we could expect a revised plan towards the end of this year. This has caused some frustration for us as we are anxious to see firm dates within the plan.
- A Programme Delivery Toolkit has been released to all User Organisations. The aim of this toolkit is to provide User Organisations with a view of the revised planning assumptions, the updated delivery task list and associated activity mapping and will be reviewed jointly by the South Central Project Managers later in October.

## Appendix D

- Look Forward – the Programme has compiled an overview of some of the key activities taking place over the next few months in the ESMCP sphere. This overview is referred to as the 'forward look'. This is a snapshot in time of the planned dates, on a 'week commencing' basis, for various activities. The Programme has stated that it recognises the benefits in releasing this information to User Organisations (UOs) to facilitate planning, to highlight forthcoming potentially relevant events, and to inform when various communications may be expected to be released by the Programme. It does not however, give any guidance as to what UOs should do with information they receive from the Programme.
- Earlier this year, a review was undertaken by the central programme delivery team on the current resource model being used and it was recognised that further resources were required in order to deliver this programme. As a result, the National Fire Chiefs Council ESMCP team have increased the number of Regional Co-ordination Managers from 4 to 7 and a Technical Requirements and Assurance Manager and various technical support officers have been recruited. These new roles will take effect on 2 October 2017. There has also been a re-organisation of the Home Office delivery team with regional transition managers being assigned to a specific emergency service. Assurance will continue to be provided through the use of three Transition Support posts. It is envisaged that this enlarged team will have a better capability and capacity to provide information, advice and support to regions, Service and the Programme.
- Members of the BFRS project delivery team along with colleagues from the Oxfordshire and Royal Berkshire teams attended a meeting at the Home Office to discuss Direct Network Service Provider (DNSP) issues raised by the Thames Valley fire services. The discussion was positive and most of the questions posed by the fire service were addressed with technical solutions being offered by the central programme team. Dialogue will continue between the two teams until all issues have been resolved.
- In the last update, Members were informed that there continued to be some concern that the provision of an ESN solution that will work underground may not be achieved. It has now been confirmed by Transport for London that they are targeting January 2019 for the delivery of ESN coverage in stations and most tunnels.
- Devices - The procurement process for handheld devices is currently underway with contracts due to be awarded in November 2017. The procurement process for vehicle devices began in August. It is likely that these devices will be an interim solution and will be the smaller handheld devices fitted by means of a cradle into vehicles. Contract award for vehicle devices is expected in March 2018.

There is some concern nationally regarding a potential de-scoping within the Programme. The three emergency services have been very clear throughout the process of the need for devices that will work on both TETRA and 4G/Long Term Evolution (LTE). This is to compensate for any potential gaps

## Appendix D

in coverage and to de-risk the transition from TETRA to LTE. This solution could also provide Device to Device communications. Currently there is no device on the market that can provide this dual functionality so further work is being undertaken to determine the commercial viability and associated timescales for the procurement of a suitable solution.

- Coverage – the EE ESN Coverage Portal is now being rolled out. Users from all emergency services will be able to access the quarterly vehicle and handheld coverage prediction information. The licence for the South Central region will be held by the Coverage and Assurance lead for the region who will liaise closely with each user organisation within the region to provide coverage assurance.

Report Ends

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	22 November 2017
<b>OFFICER</b>	Lynne Swift, Director of People & Organisational Development
<b>LEAD MEMBER</b>	Councillor Steven Lambert
<b>SUBJECT OF THE REPORT</b>	<b>Voluntary Scheme Pays in the Firefighters' Pension Schemes</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report sets out a recommendation for Authority approval to introduce a Voluntary Scheme Pays arrangement for the Firefighter Pension Schemes.</p> <p>Each taxpayer has an Annual Allowance (AA) allocated to their pension pot without incurring liability to tax. Tax is usually paid if savings in the pot in a particular year go above the AA, which is currently £40,000 per annum (where the member's annual 'adjusted income' is less than £150,000).</p> <p>'Scheme Pays' is a process that allows the tax charge to be paid by the pension Scheme Administrator (the Authority) on a Scheme member's behalf. This is in exchange for a reduction in the Scheme member's pension benefits.</p> <p>There are two types of Scheme pays: Mandatory and Voluntary.</p> <p><b>Mandatory Scheme Pays (MSP):</b> the option available to the Scheme member, which is already in place, is to pay an individual's AA charge in exchange for a reduction in benefits, if a Scheme member has made the request and:</p> <ul style="list-style-type: none"> <li>• Pension savings growth in the Scheme exceeds the HMRC standard AA limit during the tax year; and</li> <li>• An AA tax charge exceeding £2,000 has been triggered</li> </ul> <p><b>Voluntary Scheme Pays (VSP):</b> Due to the introduction of the 2015 Firefighters' Pension Scheme and changes to tax rules on tapered AA, some Scheme members are no longer meeting the conditions for MSP. However additional tax charges could be covered by a VSP arrangement.</p> <p>Changes to the tax rules now means that Scheme members with an annual 'adjusted income' over</p>

	<p>£150,000 are subject to a tapered AA, reducing to a minimum of £10,000.</p> <p>Scheme members subject to tapered AA will incur an AA tax charge where their pension growth exceeds their tapered AA. Furthermore, Scheme members who built up pension benefits in more than one Scheme (members of the 1992 or 2006 Scheme who transition into the 2015 Scheme), will have pension benefits grow in both Schemes until retirement. By virtue of accruing pension growth across two rather than one Scheme, there is an increased likelihood that although a Scheme member's total annual pension growth across both Schemes may exceed £40,000, the pension growth in any one of the Schemes may fall short of the HMRC AA limit. As such, they will not be eligible to use MSP to pay the AA tax charge.</p> <p>To operate VSP there are two different steps:</p> <ol style="list-style-type: none"> <li>1. The Authority must make a decision to pay the AA charge on behalf of the Scheme member to HMRC.</li> <li>2. The Scheme member's benefit must be adjusted to reflect the payment made in respect of the excess over the AA.</li> </ol> <p>There is no express legislation in the Firefighters' Pension Scheme rules on VSP, and until legislation is amended, the Authority needs to consider its approach to offering VSP to Scheme members meeting the relevant criteria.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1. the operation of Voluntary Scheme Pays for all eligible Scheme members when the tax charge in a particular year is in excess of £2,000 be approved; and</li> <li>2. it be noted that the Scheme members' benefits will be adjusted to reflect the payment made by the Authority under Voluntary Scheme Pays.</li> </ol>
<b>RISK MANAGEMENT</b>	<p><b>Regulations:</b> At their meeting on 6 March 2017, the Firefighters' Scheme Advisory Board considered and agreed an initial proposal from the Home Office to amend the Firefighter Pension Regulations to allow the charge to be met in the following circumstances:</p> <ul style="list-style-type: none"> <li>• Transitional members with pension growth of over £40,000 across both Schemes (HMRC AA limit) and a corresponding tax charge, to use the Scheme to pay this cost initially, before it is repaid by a pension debit added to the Scheme member's pension when it comes into payment</li> </ul>

	<ul style="list-style-type: none"> <li>• Scheme members subject to a tapered AA to use the Scheme to pay their charge initially and have this repaid via a pension debit.</li> </ul> <p>Any changes would be introduced via an amendment to the Pension Regulations. As legislative amendments take time an amendment will not be introduced in the short term, and unless or until new legislation is introduced it is for the Authority to consider its approach to offering VSP in particular circumstances, i.e. those transitioning into the 2015 Scheme or those affected by tapered AA, ensuring that what is done is both lawful and appropriate.</p> <p>With regards to the initial contribution of £2,000 for tapered Scheme members, it is recommended this Home Office proposal as detailed in Appendix 1 is noted but not adopted unless formally done so through amendments to the Regulations. This is to mitigate any risk of it not being formally adopted and the implications arising from this should the Authority adopt it during this interim stage. In addition, it is not entirely clear how this proposed arrangement would operate, there is also uncertainty of how/when the contribution would be paid by the Scheme member.</p> <p><b>Reasonableness:</b> In examining the test of reasonableness, the two circumstances proposed by the Home Office and agreed by the Scheme Advisory Board to be considered are:</p> <ul style="list-style-type: none"> <li>• Transitional Scheme members with service in one of the 1992 or 2006 Schemes and the 2015 Scheme are able to access the VSP in the same way that a protected 1992 or 2006 Scheme member or a member with service only in the 2015 Scheme can do through MSP (there is no choice to transitioning into the 2015 Scheme which means tax charges are not covered under MSP arrangements as it would have been previously)</li> <li>• Scheme members with a tapered AA are able to use a VSP arrangement to pay a tax charge in circumstances where the pension growth in one Scheme is less than the £40,000 standard AA limit, however more than their own tapered AA limit</li> </ul> <p><b>Consistency:</b> To ensure consistency and fairness, it is proposed that VSP is not triggered unless the tax charge exceeds £2,000 (in either Scheme); a charge below this sum therefore requiring the individual to liaise directly with HMRC to pay the charge. This would mirror the current arrangement under MSP and would mean transitional Scheme members are able to use a VSP arrangement to have an AA tax charge paid rather than having to pay a tax charge on a yearly</p>
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	basis directly with HMRC.
<b>FINANCIAL IMPLICATIONS</b>	There are no immediate financial implications to the Authority adopting VSP. The Home Office has advised that if an Authority determines VSP is to be used, the cost would be met from the Pension Scheme Account not by the Authority.
<b>LEGAL IMPLICATIONS</b>	<p>There is currently no express statutory power to authorise 'Voluntary Scheme Pays'. The Authority can rely upon its general powers under Section 5A of the Fire and Rescue Services Act 2004. The Section 5A power would not permit the Authority to amend the terms of the Firefighters' Pension Schemes or to make them more generous to firefighters than the statutory Schemes provide. However, the decision to pay the tax on behalf of the firefighter on the excess over an AA is not a decision to make special pension provision for the firefighter. It would be a form of an employment benefit, not an alteration to the pension entitlements.</p> <p>If the Authority were to agree to the recommendations it is likely to be within the boundaries of the Authority's power under Section 5A to do what it, reasonably, thinks is best for the carrying on of its functions. It is important that the Authority takes into account its own wider interests in agreeing to the recommendations.</p> <p>The Authority as 'Scheme Administrator' has an express power under Rule 2, paragraph 2 of the Modification of Scheme Regulations SI 2011/1791 to allow for an adjustment to be made to the pension.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b>	The Authority continues to collaborate with neighbouring Fire and Rescue Authorities (FRAs) on pension related matters. Recommendations within this report have been made in collaboration with other FRAs as advised by representatives from the Local Government Association in collaboration with the Scheme Advisory Board.
<b>HEALTH AND SAFETY</b>	There are no health and safety implications arising from this report.
<b>EQUALITY AND DIVERSITY</b>	<p>The recommendation to approve VSP ensures parity with the current MSP arrangement:</p> <ul style="list-style-type: none"> <li>Transitional Scheme members with service in the 1992 or 2006 Scheme and then the 2015 Scheme will be able to access VSP in the same way that a protected 1992 or 2006 Scheme member or a member with service only in the 2015 Scheme can do through MSP. A Scheme member has no choice of transitioning into the 2015 Scheme; a tax charge cannot be covered under MSP</li> </ul>



	<p>arrangements as it would have otherwise been in the 1992 or 2006 Scheme.</p> <ul style="list-style-type: none"> <li>By not having VSP triggered unless a tax charge exceeds £2,000, this will help to ensure consistency and fairness to the current arrangement under MSP.</li> </ul>
<b>USE OF RESOURCES</b>	<p><b>Communication with stakeholders:</b> Stakeholder communication will remain a significant element of the successful implementation of the Firefighters' Pension Schemes. Communication to the relevant stakeholders will be via the normal process.</p> <p><b>The system of internal control:</b> Regular reports will be provided to the Strategic Management Board, Executive Committee and Fire Authority as necessary. In addition, the Local Pension Board have a statutory responsibility to oversee the governance of the Firefighters' Pension Schemes.</p> <p>Any legislation or Pension Regulation changes that directly affect how the Scheme is managed will be addressed, with the impact on the Authority raised with the appropriate Committee.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011. No.1791 Regulation 2  <a href="http://www.legislation.gov.uk/uksi/2011/1791/content/s/made">http://www.legislation.gov.uk/uksi/2011/1791/content/s/made</a></p> <p>Explanatory Memorandum to The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011. No.1791 Regulation  <a href="http://www.legislation.gov.uk/uksi/2011/1791/pdfs/uksiem_20111791_en.pdf">http://www.legislation.gov.uk/uksi/2011/1791/pdfs/uksiem_20111791_en.pdf</a></p>
<b>APPENDICES</b>	<b>Appendix 1</b> – Local Government Association, Voluntary Scheme Pays in the Firefighters' Pension Schemes
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Faye Mansfield – HR Services &amp; Development Manager  <a href="mailto:fmansfield@bucksfire.gov.uk">fmansfield@bucksfire.gov.uk</a>                      01296 744623</p>

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## ‘Voluntary Scheme Pays’ in the Firefighters’ Pension Schemes.

### Background

#### Mandatory Scheme Pays (‘MSP’).

1. Individuals whose annual growth in pension savings during the Scheme’s ‘Pension Input Period’ exceeds **HMRC’s standard Annual Allowance Limit (‘HMRC AA Limit’)**, currently set at £40,000, and who have no unused Annual Allowance to carry forward from the previous three tax years will be subject to an **Annual Allowance tax charge (‘AA tax charge’)**.
2. The individual can pay the AA tax charge from their own personal finances, however, the Finance Act 2004 provides that a pension scheme must provide a ‘Scheme Pays’ facility<sup>1</sup> where all of the following qualifying conditions are met:
  - i. the HMRC AA limit (currently set at £40,000) has been exceeded in the pension scheme that the Scheme Pays election is made; and
  - ii. an AA tax charge exceeding £2,000 has been triggered; and
  - iii. the relevant time limits for making an election have been met.

#### Voluntary Scheme Pays ‘VSP’

3. Where a member does not meet the conditions for Mandatory Scheme Pays ‘**MSP**’ to apply or they do not make their nomination in time then a scheme may decide to pay the member’s annual allowance charge on a voluntary basis ‘**VSP**’.
4. Changes to the tax rules now mean that some high earning members with income of more than £150,000 per annum are now subject to a **Tapered Annual Allowance (‘tapered AA’)** which reduces from £40,000 to £10,000 incrementally for those earning between £150,000 and £210,000 per annum.

Members who are subject to a tapered AA will incur an AA tax charge where their pension growth exceeds their tapered AA. The tapered AA will be lower than the £40,000 HMRC AA limit and therefore these members cannot use MSP to pay this charge.

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<sup>1</sup> A scheme pays facility works by having the pension fund pay the member’s tax charge initially. This is then repaid by the member as a debit is added to their pension once it comes into payment.

5. With the introduction of the 2015 Scheme, members of the 1992 Firefighters' Pension Scheme ('1992 Scheme') and 2006 Firefighters' Pensions Scheme ('2006 Scheme') who have transferred into the 2015 Scheme on or after 1 April 2015 will effectively be members of two pension schemes and will see pension benefit growth in both schemes until retirement:

By virtue of accruing their pension growth across two rather than one pension scheme, there is an increased likelihood that although the member's total annual pension growth across both schemes may exceed £40,000, the pension growth in any one of the schemes may fall short of the HMRC AA limit. As such, they will not be eligible to use MSP to pay the AA tax charge.

### **Home Office Proposal**

6. At their meeting of 6<sup>th</sup> March 2017, the Firefighters Scheme Advisory Board considered and agreed an initial proposal from the Home Office to amend the Firefighter Pension Regulations to allow the charge to be met in the circumstances below using Voluntary Scheme Pays (**VSP**)
  - (i) transitional members with pension growth of over £40,000 across both schemes (HMRC AA limit) and a corresponding tax charge, to use the scheme to pay this cost initially, before it is repaid by a pension debit added to the member's pension when it comes into payment
  - (ii) members subject to a tapered AA, to use the scheme to pay their charge initially and then this be repaid via a pension debit. For this option, it is also recommended that the member should be required to make an initial contribution of £2,000 from their own finances towards the resultant AA tax charge.
7. It is now for the Home Office to seek the new administration's views on the proposal after the General Election. Assuming this is taken forward the working assumption is that these changes would be introduced via an amendment to the pension scheme regulations rather than guidance. Legislative amendments take time and therefore will not be introduced in the short term.
8. **It is important to note that this is simply a proposal at this time and is not a guarantee that legislation will change. It will be dependent on a number of factors.**
9. Therefore unless or until that legislation is introduced it is for the FRA to consider their approach to this issue ensuring that what they do is both lawful and appropriate.

## Can an FRA operate Voluntary Scheme Pays?

10. This note therefore considers whether FRAs have the ability to offer **Voluntary Scheme Pays 'VSP'** without an amendment to the Firefighter Pension Regulations, and that it is both lawful and appropriate.
11. LGA has recently sought legal advice on behalf of English FRAs, in order to determine whether an FRA can offer voluntary scheme pays, without the need for a change to legislation.
12. **The legal advice was prepared solely for the Local Government Association ("LGA"). Sharing of this legal advice does not amount to a waiver of legal privilege by Eversheds Sutherland.**
13. To operate voluntary scheme pays there are two different steps.
  1. The first is for the Fire Authority to pay the annual allowance charge on behalf of the scheme member to HMRC
  2. The second is for the Fire Authority to adjust the members benefit to reflect the payment made by the administrator

### **Step 1 – Can the Fire Authority satisfy a member's annual allowance charge on a voluntary basis?**

14. The legal advice we have sought opines 'yes, we consider that it is possible for an FRA to operate voluntary "scheme pays"'.

The instruction to Eversheds Sutherland from LGA was

"Does a FRA have the power to agree to voluntary "scheme pays", taking into account both the relevant provisions of the FPS Regulations and the FRA's general powers, and to pay the member's tax liability from the Firefighters' Pension Fund (the "FPF") maintained under the FPS Regulations?"

15. The short answer was 'yes' the longer answer (paraphrased) was 'yes because they have a power of general competence, which may be exercised reasonably where there are sufficient grounds for doing so'.

## 16. Extract from the 'executive summary' of the legal advice

3. In relation to the specific questions posed:

3.1 Yes, we consider that it is possible for a FRA to operate voluntary "scheme pays":

3.1.1 A FRA which is a county council in England can operate voluntary "scheme pays" relying on s.1 of the Localism Act 2011 and reg.2 of the Modification Regulations. It would be possible to construct an argument that the necessary powers are conferred by virtue of s.111 of the Local Government Act 1972, but the position is less clear-cut than under the Localism Act.

3.1.2 For those FRAs which are metropolitan county FRAs or created by Order as a combined FRA the power to operate such a scheme is derived from s.5A of the Fire and Rescue Services Act 2004 which was inserted by s.9 of the Localism Act 2011.

3.1.3 Where a FRA agrees to operate voluntary "scheme pays", it can properly pay the amount of the tax charge which is due to HMRC from its FPF without contravening the FPS Regulations.

## 17. Extract from the 'detailed advice' of the legal advice

3.2 First, as regards the question of whether a FRA may agree to meet a member's liability to the annual allowance charge, the arrangements for the administration of the FPS are set out in regulations which are complex in nature and very prescriptive. This is true of many areas of local government activity, and through the Localism Act 2011 the then Government introduced a means by which specific regimes can be supplemented by the exercise of a broad general power of competence for local authorities.

3.3 Those FRAs which are county councils may exercise this power to enter into the necessary arrangements with the member and HMRC. This power cannot be exercised where there is express prohibition of the action proposed. However, since there is no express prohibition of the action proposed here, the FRA may participate in such an arrangement.

3.4 The power of general competence, like all local authority powers, must be exercised reasonably. The FRA must be satisfied that there are sound reasons to make the payments and that the interests of the authority are not harmed by so doing.

3.5 We believe that there are sufficient grounds on which the authority could conclude that there are sound reasons for offering a voluntary "scheme pays" facility, given that (for instance) the effect of the recently introduced tapered annual allowance is that scheme members may now face a substantial tax charge without being able to access the mandatory "scheme pays" facility (because the latter provisions remain based upon the standard annual allowance). Similarly, the interests of the authority will not be harmed, provided that the authority is able to make a consequential adjustment under the Modification Regulations, because the payment will ultimately be met from the member's benefit entitlement, and because the authority will have discretion as to when to offer voluntary "scheme pays", meaning that the administrative burden of such arrangements can be retained within manageable bounds.

3.6 It should be noted that the Localism Act 2011 provisions apply only to English local authorities.

3.7 For those English fire and rescue authorities which are not county councils there is power in the Fire and Rescue Services Act 2004 to enter into voluntary "scheme pays" arrangements subject to the same principles and constraints as apply to county councils.

3.8 Section 5A of the Fire and Rescue Services Act 2004 was inserted by s.9 of the Localism Act 2011. This provides as follows:

***“Powers of certain fire and rescue authorities***

*(1) A relevant fire and rescue authority may do—*

*(a) anything it considers appropriate for the purposes of the carrying-out of any of its functions (its “functional purposes”),*

*(b) anything it considers appropriate for purposes incidental to its functional purposes,*

*(c) anything it considers appropriate for purposes indirectly incidental to its functional purposes through any number of removes,*

*(d) anything it considers to be connected with—*

*(i) any of its functions, or*

*(ii) anything it may do under paragraph (a), (b) or (c), and*

*(e) for a commercial purpose anything which it may do under any of paragraphs (a) to (d) otherwise than for a commercial purpose.*

*(2) A relevant fire and rescue authority's power under subsection (1) is in addition to, and is not limited by, the other powers of the authority.*

*(3) In this section “relevant fire and rescue authority” means a fire and rescue authority that is—*

*(a) a metropolitan county fire and rescue authority,*

*(b) the London Fire and Emergency Planning Authority,*

*(c) constituted by a scheme under section 2, or*

*(d) constituted by a scheme to which section 4 applies.”*

*[Sections 2 and 4 relate to combined FRAs.]*

3.9 Reliance upon s.111 of the Local Government Act 1972 requires the FRA to be satisfied that it is doing something “*which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions*”. The purpose of the incidental power is to enable actions to be taken in support of statutory functions, so it is necessary to identify the function before the authority can be said to be acting incidentally to it. The functions of a local authority acting as a FRA and as scheme administrator (for tax purposes) are defined by statute and regulation, and it can be argued that entry into a voluntary “scheme pays” arrangement is incidental or conducive to the performance of those functions (though the position is necessarily not as clear-cut as with the general power of competence under the Localism Act). Again, the test of reasonableness is to be applied.

**‘Exercised reasonably where there are sufficient grounds for doing so’**

18. The power of general competence that allows an FRA to satisfy an annual allowance charge on a voluntary basis, must be exercised reasonably and the FRA must be satisfied there are sound reasons for doing so.
19. LGA consider that the circumstances below proposed by the Home Office and agreed by the Scheme Advisory Board should be considered as sound reasons.
- Transitional members with service in one of the 1992 or 2006 Schemes, and the 2015 Scheme, are able to access a VSP arrangement in the same way that a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, can do so through Mandatory Scheme Pays.
  - Scheme members with a tapered annual allowance are able to use a VSP arrangement to pay a tax charge in a circumstance where the pension growth in one scheme (or more schemes) is less than the £40,000 general AA limit but more than their own tapered AA limit.
20. Any fire authority wishing to make a Voluntary Scheme Pays arrangement for reasons outside of the two listed are advised to consider whether to do so is a reasonable exercise of their powers and they would have sound reasons for doing so. For example they may not consider allowing a VSP arrangement for a member who would have been eligible for Mandatory Scheme Pays but did not notify the authority within the statutory limit to be a reasonable exercise of their powers.

**Step 2 - Can a fire authority adjust a members benefits to reflect the payment made?**

21. Having established that the fire authority has the vires in order to satisfy the members charge. The second question for consideration, is does the Fire authority have the power to adjust the members benefit (ie the scheme pays debit) to recover the charge?
22. The Modification of Scheme Rules [\[SI 2011/1791\]](#), Rule 2, Paragraph 2 allows for such an adjustment to be made to the pension (ie the scheme pays debit)

*2.—(1) This regulation applies where a scheme administrator of a registered pension scheme (“the scheme”) satisfies all or part of a member’s liability to the annual allowance charge, either on a voluntary basis or pursuant to a liability under section 237B of the Finance Act 2004(1).*

*(2) The rules of the scheme shall be modified so as to allow for a consequential adjustment to be made to the entitlement of the member to benefits under the scheme on a basis that is just and reasonable having regard to normal actuarial practice. This paragraph is subject to paragraph (3).*

*(3) Any modification to the scheme’s rules made by virtue of paragraph (2) is subject to section 159 of the Pension Schemes Act 1993(2) or section 155 of the Pension Schemes (Northern Ireland) Act 1993(3) (inalienability of guaranteed minimum pension etc).*



23. The intent of this regulation is explicitly laid out in the explanatory memorandum paragraph 2.1

*This instrument provides that where a scheme administrator of a registered pension scheme satisfies an annual allowance charge on behalf of a member of the pension scheme from the member's pension benefits, any rules of the pension scheme which prevent such an adjustment to the member's pension benefits are modified to allow for such adjustments.*

**For the avoidance of doubt who is the 'scheme administrator'?**

24. The modification of scheme rules refers to the 'scheme administrator' for the avoidance of doubt, LGA sought legal guidance onto whom this refers in the case of a Fire Authority.

Does a FRA count as the "scheme administrator" for the purposes of reg.2(1) of The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011 (the "**Modification Regulations**"), taking into account the effect of The Registered Pension Schemes (Splitting of Schemes) Regulations 2006 (the "**Split Scheme Regulations**")?

25. The legal advice opines that the FRA in this case is the 'scheme administrator'.

4.1 Yes. The Split Scheme Regulations provide in reg.2(1)(a) that all registered pension schemes listed in Schedule 1 to the regulations are to be treated as "split schemes". Both the 1992 scheme and the 2015 scheme are listed by name, and although the 2006 scheme (the NFPS) is not expressly listed by name, it is clear that the intention is for the reference in Sch.1 to the "Firefighters Pension Scheme" to cover both the 1992 and the 2006 schemes, since reference is made expressly to s.34 of the Fire and Rescue Services Act 2004, which is the enabling legislation for the 2006 scheme.

4.2 On the basis that all three FPS schemes are to be treated as "split schemes", this therefore means that under reg.3(2) of the Split Scheme Regulations, in the provisions referred to in Schedule 3 to those regulations, "any reference to the scheme administrator shall be read as a reference to the sub-scheme administrator". Schedule 3 includes the Modification Regulations.

4.3 Under reg.1, the "sub-scheme administrator" for a split scheme is "the scheme administrator of a sub-scheme appointed in accordance with the rules of the split scheme to be responsible for the discharge of the functions conferred or imposed on the sub-scheme administrator by or under these Regulations".

4.4 In relation to the 2015 scheme, this is clearly the FRA as "scheme manager" for the purposes of the 2014 Regulations. Under reg.177 of the 2014 Regulations:

*"177 Scheme administrator for the purposes of the Finance Act 2004  
The scheme manager is appointed to be responsible for all liabilities and responsibilities connected with the functions conferred or imposed on the scheme administrator by or under Part 4 of FA 2004 which the scheme manager assumes as sub-scheme administrator under regulation 3 of, and Schedule 3 to, the Registered Pension Schemes (Splitting of Schemes) Regulations 2006."*

4.5 In relation to the 2006 scheme and the 1992 scheme, there is no explicit statement under either the 2006 Order or the 1992 Order confirming who is to act as scheme administrator for the purposes of the Finance Act 2004. However, given that under both sets of provisions, the FRA is expressly required to deduct tax / lifetime allowance charges which are due on any payments, it can be inferred that the intention was for the FRA also to be the scheme administrator for Finance Act purposes.

4.6 Therefore, a decision by a FRA to operate voluntary "scheme pays" would constitute a "scheme administrator" satisfying "all or part of a member's liability to the annual allowance charge" for the purposes of reg.2(1) of the Modification Regulations. As such, it would trigger the operation of reg.(2)(2), which would override the provisions of the FPS to the extent needed to make the "consequential adjustment" to the member's benefit entitlement.

## Summary

26. In certain circumstances, an individual cannot use Mandatory Scheme Pays 'MSP' to pay a relevant HMRC tax charge. This note considers whether an FRA can satisfy the tax charge on a members behalf using Voluntary Scheme Pays 'VSP'
27. The Home Office is considering amendment to the legislation that would allow an FRA to use 'VSP' in certain circumstances only. However, unless or until that legislation is introduced it is for the FRA to consider their approach to this issue ensuring that what they do is both lawful and appropriate.
28. Having taken Legal advice on behalf of FRA's, LGA can confirm that an FRA (including County Councils, combined Fire Authorities and Metropolitans) can offer Voluntary Scheme Pays arrangements in order to pay the tax bill where a member of the scheme cannot use mandatory scheme pays because they have a power of general competence, which may be exercised reasonably where there are sufficient grounds for doing so'.
29. It is considered that FRAs should consider the test of 'exercised reasonably where there are sufficient grounds for doing so' to be in line with the two circumstances proposed by the Home Office and agreed by the Scheme Advisory Board:
- Transitional members with service in one of the 1992 or 2006 Schemes, and the 2015 Scheme, are able to access a VSP arrangement in the same way that a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, can do so through Mandatory Scheme Pays.
  - Scheme members with a tapered annual allowance are able to use a VSP arrangement to pay a tax charge in a circumstance where the pension growth in one scheme (or more schemes) is less than the £40,000 general AA limit but more than their own tapered AA limit.
30. The Fire Authority as the 'scheme administrator' have an express power under [Rule 2, paragraph 2](#) of the Modification of Scheme Regs SI 2011/1791, to allow for an adjustment to be made to the pension (ie in this case a scheme pays debit)

## Final Note

31. This note was prepared on 31<sup>st</sup> May 2017 for Fire Authorities consideration by the Local Government Association. It does not constitute legal advice and should not be treated as so.

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