

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

Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
Brigade HQ, Stocklake, Aylesbury, Bucks HP20 1BD
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Chief Fire Officer and Chief Executive

Jason Thelwell

To: The Members of the Overview and Audit Committee

5 November 2018

**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 **OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 14 NOVEMBER 2018 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten
Director of Legal and Governance

Chairman: Councillor Watson
Councillors: Cranmer, Exon, Glover, Geary, Irwin, Teesdale and Wilson



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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 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*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

OVERVIEW AND AUDIT COMMITTEE

TERMS OF REFERENCE

Overview

1. To review current and emerging organisational issues and make recommendations to the Executive Committee as appropriate.
2. To comment upon proposed new policies and make recommendations to the Executive Committee as appropriate.
3. To review issues referred by the Authority and its other bodies and make recommendations to those bodies as appropriate.
4. To make recommendations to the Executive Committee on:
 - (a) the Electronic Services Delivery Plan;
 - (b) the Brigade Personnel Strategy;
 - (c) Levels of Incident Response;
 - (d) the Corporate Risk Management Policy;
 - (e) the Authority's Information Policy; andother such policies and procedures as are required from time to time
5. To consider and make recommendations to the Authority on the Annual Treasury Management Strategy.

Audit

1. To determine the internal and external audit plans and the Internal Audit Strategy
2. To determine the Internal Audit Annual Plan and Annual Report (including a summary of internal audit activity and the level of assurance it can give over the Authority's governance arrangements).
3. To consider and make recommendations on action plans arising from internal and external audit reports, including arrangements to ensure that processes which deliver value for money are maintained and developed.
4. To consider and make recommendations to the Executive Committee on reports dealing with the management and performance of the providers of internal audit services.
5. To consider and make recommendations on the external auditor's Annual Audit Letter and Action Plan, relevant reports and the report to those charged with governance.
6. To consider specific reports as agreed with the Treasurer, Internal Audit, Monitoring Officer, Chief Fire Officer, or external audit and to make decisions as appropriate.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To oversee investigations arising out of fraud and corruption allegations.
9. To determine Insurance matters not delegated to officers, or another committee.

10. To consider and determine as appropriate such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

Governance

1. To:
 - (a) make recommendations to the Authority in respect of:
 - (i) variations to Financial Regulations; and
 - (ii) variations to Contract Standing Orders.
 - (b) receive a report from the Chief Finance Officer/Treasurer when there has been any variation to the Financial Instructions in the preceding twelve month period.
2. To determine the following issues:
 - (a) the Authority's Anti-Money Laundering Policy;
 - (b) the Authority's Whistleblowing Policy; and
 - (c) the Authority's Anti Fraud and Corruption Policy.
3. To determine the Statement of Accounts and the Authority's Annual Governance Statement. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.
4. To consider the Authority's arrangements for corporate governance and make recommendations to ensure compliance with best practice.
5. To monitor the Authority's compliance with its own and other published standards and controls.
6. To maintain and promote high standards of conduct by the Members and co-opted members of the Authority.
7. To assist Members and co-opted members of the Authority to observe the Authority's Code of Conduct.
8. To advise the Authority on the adoption or revision of a code of conduct.
9. To monitor the operation of the Authority's Code of Conduct
10. To deal with cases referred by the Monitoring Officer.
11. To advise on training, or arranging to train Members and co-opted members of the Authority on matters relating to the Authority's Code of Conduct.
12. To monitor the operation of any registers of interest, of disclosures of interests and disclosures of gifts and hospitality in respect of officers or Members

Risk

1. To monitor the effective development and operation of risk management and corporate governance within the Authority.
2. To consider reports dealing with the management of risk across the organisation, identifying the key risks facing the Authority and seeking assurance of appropriate management action.

Employees

1. To be a sounding board to help the Authority promote and maintain high standards of conduct by employees of the Authority.
2. To advise the Executive Committee on the adoption or revision of any policies, codes or guidance:
 - (a) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority;
 - (b) governing the conduct of employees of the Authority; or
 - (c) relating to complaints; andother such policies and procedures as are required from time to time.
3. To monitor the operation of any such policies, codes or guidance mentioned at 2 above.
4. To comment on the training arrangements in connection with any of the above.

General

1. To make such other recommendations to the Executive Committee on the issues within the remit of the Overview and Audit Committee as required.
2. To review any issue referred to it by the Chief Fire Officer, Treasurer, or Monitoring Officer, or any Authority body within the remit of these terms of reference.
3. To consider such other matters as are required in legislation or guidance to be within the proper remit of this Committee.
4. To commission reports from the Chief Fire Officer, the Internal Audit Service, the Monitoring Officer, or such other officer as is appropriate, when the Committee agrees that such reports are necessary.
5. To support the Monitoring Officer and the Treasurer in their statutory roles and in the issue of any guidance by them.
6. To receiving reports from the Monitoring Officer in his/her statutory role or otherwise relating to ethical standards and deciding action as appropriate.
7. To respond to consultation on probity and the ethical standards of public authorities.

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 18 July 2018 (Item 2) **(Pages 9 - 20)**

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. RIPA Policy (Minute OA39 - 090316)

To note that there has been no covert surveillance conducted by officers since the last meeting of the Committee.

6. Business and Systems Integration Project: Progress Report

To consider Item 6 **(Pages 21 - 28)**

7. Internal Audit Reports

(a) Update on Progress of Audit Recommendations

To consider Item 7a **(Pages 29 - 32)**

(b) Update of Progress of the Annual Audit Plan

To consider Item 7b **(Pages 33 - 36)**

8. Annual Audit Letter

To consider Item 8 **(Pages 37 - 60)**

9. 2017/18 Statement of Assurance

To consider Item 9 **(Pages 61 - 86)**

10. Treasury Management Performance 2018/19 Quarter 2

To consider Item 10 **(Pages 87 - 94)**

11. Treasury Management Practices (TMP)

To consider Item 11 **(Pages 95 - 152)**

12. Counter-Fraud and Corruption Policy Review

To consider Item 12 (**Pages 153 - 160**)

13. Local Pension Board Update - November 2018

To consider Item 13 (**Pages 161 - 168**)

14. Corporate Risk Management

To consider Item 14 (**Pages 169 - 184**)

15. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services - Preparation Update

To consider Item 15 (**Pages 185 - 192**)

16. Operational Assurance Improvement Plan

To consider Item 16 (**Pages 193 - 208**)

17. Annual Performance Monitoring 2017-18

To consider Item 17 (**Pages 209 - 232**)

18. Date of next meeting

To note that the next meeting of the Committee will be held on Wednesday 13 March 2019 at 10.00am.

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

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Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 18 JULY 2018 at 10.00AM

Present: Councillors Cranmer, Exon, Farrow (part), Glover (part), Teesdale (part), Reed (Substitute for Irwin), Watson and Wilson

Officers: J Thelwell (Chief Fire Officer), Mick Osborne (Deputy Chief Fire Officer), L Swift (Director of People and Organisational Development), D Sutherland (Director of Finance and Assets), J Parsons (Head of Service Development), M Gibb (Internal Audit Manager), S Harlock (Senior Auditor), M Grindley (Ernst & Young), A Kennett (Ernst & Young), A Carter (BASI Project Manager), G Barry (Information Governance and Compliance Manager) S Gowanlock (Corporate Planning Manager) A Hussain (Principal Accountant) and K Nellist (Democratic Services Officer)

Apologies: Councillors Geary and Irwin

OA01 ELECTION OF CHAIRMAN

(Councillor Cranmer presiding)

It was moved and seconded that Councillor Watson be elected Chairman of the Committee for 2018/19.

RESOLVED –

That Councillor Watson be elected as Chairman of the Committee for 2018/19

(Councillor Farrow joined the meeting)

OA02 APPOINTMENT OF VICE CHAIRMAN

It was moved and seconded that Councillor Cranmer be appointed as Vice Chairman of the Committee for 2018/19.

RESOLVED -

That Councillor Cranmer be appointed as Vice-Chairman of the Committee for 2018/19.

OA03 MINUTES

The Chairman advised Members that there was an update on Minute OA39 2016/17 Compliments and Complaints which was given by the Head of Service Development.

Extract from Minute OA39:

'A Member asked if there was a recording system for incidents that had impeded the fire service, accessing a property for example, and was advised that if there were issues with a

property, it was recorded and followed up by the Protection teams as part of its work around the Fire Safety Order. Local issues were recorded at Station level. Reported frustrations or incidents that fire crews had come across were captured on the incident reporting system; the other issue was reports by local residents concerned about parking and appliances not getting access. The Head of Service Delivery agreed to look at what data was held on both elements for a potential item at a future Committee.'

The Response from the Head of Service Delivery was: 'Incidents where there had been access issues for the Fire Service are recorded on the Incident Recording System (IRS). Looking back over the last three years' data the issue had primarily been either due to car fires being located off road or property fires being located via narrow lanes or with particular site security such as electric gates.

There was a consultation process between the Building Control Authority or Approved Inspector and the Fire Authority in respect of commercial developments and this related to distances which should be reached from an appliance to every part of the premises, and the size and load bearing capacity of the road.

Planned Fire Station prevention activities primarily focus on road safety initiatives in respect to parking, with a focus on known safety concerns such as outside schools during drop-off and collection times.

Stations do also react to information from the public and visit reported pinch spots and place temporary signage around lampposts if there was any subsequent concerns. Referencing the last three years IRS there was no incident highlighted where delays in attending an incident had been caused by inconsiderate parking.'

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 7 March 2018, be approved and signed by the Chairman as a correct record.

(Councillor Teesdale joined the meeting)

OA04 RIPA POLICY (MINUTE OA39 – 090316)

RESOLVED –

To note that there had been no covert surveillance conducted by officers since the last meeting of the Committee.

OA05 INTERNAL AUDIT REPORTS

a) Internal Audit Report: Final Audit Reports

The Internal Audit Manager introduced Members to her colleague Selina Harlock who would be assisting with future audits. The

Core Financial Controls and Corporate Governance Audits for 2017/18 had both been finalised and both received a 'Substantial' level of assurance. All the recommendations had been agreed with the responsible officers and suitable deadline dates for implementation had been identified.

The internal Audit Manager advised Members that the Core Financial Controls audit, was the first audit of the new finance system. The financial control framework was very strong and there were only four medium priority actions raised.

The Director of Finance and Assets confirmed that all actions dated 30 June 2018 had been completed.

The Internal Audit Manager advised Members that the scope of the Corporate Governance Audit included compliance with the seven key principles of Corporate Governance as identified by the CIPFA SOLACE framework 2016 for delivering good governance in the Public Sector. There were only three medium priority actions for improvement.

RESOLVED –

That the recommendations raised in the finalised Internal Audit reports be noted.

b) Internal Audit Report: Update on Progress of Audit Recommendations

The Internal Audit Manager advised that the purpose of this report was to update Members on the progress of the implementation of audit recommendations made as at 26 June 2018. There were eleven recommendations to report on, eight had been implemented, one was on track but not yet due, and two were not implemented and the due date revised. There were no outstanding recommendations to be brought to the attention of Members at this time. The Internal Audit Manager also advised Members that this year there was a record low number of audit recommendations.

A Member asked what the new agreed dates were for the two recommendations that had not yet been implemented and was advised that with regard to Core Financial Controls, the outstanding recommendation related to the process for approving new starter forms and it was anticipated that the system would be in place by October 2018. The outstanding Fleet Management recommendation related to the use of the Tranman System and this would be looked at in more detail by the Business and Systems Integration project to ensure a full understanding of the current functionality, whether training was needed on the system and the way in which it could be further developed (or replaced) to meet the business requirements.

RESOLVED –

That the progress on implementation of recommendations be noted.

c) Internal Audit Report: Annual Audit Report

The Internal Audit Manager advised that the purpose of this report was to present to Members the draft Annual Audit Report 2017/18, which summarised the audit activity carried out for the last financial year. The Chief Internal Auditor's opinion was that the system of internal control provided reasonable assurance regarding the effective, efficient and economic exercise of the Authority's functions. During 2017/18 there had been continued improvement to the Authority's system of internal control through the on-going development of policies and procedures covering the key control processes. This demonstrated a continued robust and effective internal control and risk management environment that would facilitate the effective exercise of the Authority's functions.

A Member asked if the Internal Audit Manager could expand on why the audit opinion could only ever be 'reasonable' and was advised that Internal Audit can only ever provide reasonable assurance and not absolute assurance because the Audit Plan was restricted to a certain number of days per year. Internal Audit could only base its opinion on the work carried out within those days and on the controls it looked at. However, this was a very positive position and all areas looked at in 2017/18 had received a 'substantial' level of assurance.

A Member asked if the audit resource could be better deployed to be able to make recommendations and challenges to the Authority which would drive the increased efficiencies that it required in the future and also to recommend where the Authority could afford to take more risk and was advised by the Internal Audit Manager that Internal Audit was needed to provide the assurance environment that was currently in place. It could in future look at risk management type advisory opportunities, but this would need to be in addition to the current internal audit activity.

The Director of Finance and Assets advised Members that it was his duty to provide Members with the assurance they needed to hear on the activity of Internal Audit. The number of audit days could be varied up or down, but he felt that the current number of days was the appropriate level. When the audit programme was next considered, some of the views Members had expressed needed to be captured and also the Authority would have a better idea of some of the challenges coming forward.

The Chairman asked that the Internal Audit Plan be brought to this Committee at the next meeting so that Members could be briefed on what was going to be addressed in the coming year and the Director of Finance and Assets advised that at the next

meeting the Internal Audit Manager would be giving Members an update on the current year's programme and the proposed programme for the coming year was presented to Members each March.

The Chief Fire Officer advised Members that the first tranche of inspections for the new HMICFRS inspection process for fire and rescue services was underway and reports would be available in October/November 2018. Hopefully this would give an indication of where fire and rescue services were, which would be helpful as this Authority's inspection was due within the next 8-10 months.

The Chief Fire Officer asked Members to consider the Audit Plan, and also consider how the Authority could adapt and adopt the findings of the inspection team and try to connect the two together, it would give Members a broader view of what issues could be faced going forward.

RESOLVED –

That the contents of the Annual Report be reviewed and noted.

OA06

ANNUAL GOVERNANCE STATEMENT 2017/18

The Director of Finance and Assets advised Members that the purpose of this report was to present the 2017/18 Annual Governance Statement. This contained the progress on the implementation of the recommendations of the 2016/17 Annual Governance Statement and highlighted recommendations for 2018/19. The Annual Governance Statement had been based upon the six core principles of good governance set out in the CIPFA/SOLACE guidance (2007, revised and updated 2012).

The Head of Service Development updated Members on two items, the first one was with regard to Operational Assurance. In November 2017 Operational Assurance Ltd (OAL) were invited back into the Service, in order to undertake a further independent review of the progress made against previously identified improvement recommendations. The value of having such in-depth scrutiny was so great that the Authority agreed to sanction the funding of a further three years of external assurance for our operations. After a procurement process, the contract was awarded to OAL. The benefit of having external scrutiny of the Authority's operations had been extensive, it would also supply really strong evidence for the HMICFRS inspection around service delivery.

The Head of Service Development also advised Members that in June 2017 an assurance team from the home Office visited the service to examine its progress in delivering Joint Emergency Services Interoperability Principles (JESIP), this looked at how the service interacted with other blue light agencies and how it assessed risk at incidents and how they work together. The

Authority received a really positive report with only one recommendation.

RESOLVED –

1. That the Annual Governance Statement be approved.
2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be acknowledged.
3. That the priorities for 2018/19 (Appendix B to the Annual Governance Statement) be agreed.

OA07

AUDIT RESULTS REPORT

The External Audit Manager advised Members that this report summarised the findings from the 2017/18 audit. Members were aware, the deadline for the accounts this year was the end of July and this report had been drafted on 25 June 2018, which was an extremely positive position to be in at that time.

The External Audit Manager advised Members that she would be issuing an unqualified opinion on the Authority's financial statements and an unqualified value for money conclusion. All the work had now been completed for the audit, and when the Authority adopted the statements today, and the Letter of Management Representation was issued, the financial statements would be signed off.

The External Audit Manager asked Members to note the two areas of significant risk, revenue and expenditure recognition and the risk of management override and could confirm to Members, that having flagged them as risks, there were no concerns. Other areas of audit focus were valuation of land and buildings and pensions. Pensions assurance had now been received from the Pensions Auditor.

The External Audit Manager advised Members that as requested previously, some useful diagrams had been added to show what the data analytic tools could do. All information was downloaded and any nuances could be shared and investigated with officers.

The External Audit Manager advised Members that with regard to fees, the audit had taken longer than planned because of the new finance system and this had resulted in additional work. Once the audit was complete the impact on fees would be quantified.

RESOLVED –

That the content of the report be noted.

OA08**LETTER OF MANAGEMENT REPRESENTATION 2017/18**

The Committee considered the Letter of Management Representation to Ernst & Young to be signed by both the Director of Finance and Assets and the Chairman of the Committee in order for the audit opinion and conclusion to be issued.

There was also a letter previously sent from the Chairman to Ernst & Young to provide them with assurance as to how the Overview and Audit Committee get assurance from the Management of the Authority.

RESOLVED -

That the Letter of Representation be approved for signature by the Chief Finance Officer and the Chairman of the Committee.

OA09**ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS**

The Principal Accountant advised Members that this year was the first year the Authority was required to legislatively close its accounts by the 31 July 2018. As mentioned previously, there had been challenges with the new finance system requiring Ernst & Young to carry out further work, but even with the additional work, the Authority was in a position to sign off its accounts in a timely manner.

A Member asked about the small underspend of £95k and was advised that as Members would be aware historically the Authority had a much bigger underspend, but this was now more reflective of where the Authority was and the direction it was going in, with the next few years being challenging financially.

A Member asked what was the background for the considerable slippage in the capital outturn, and was advised that there was a figure of £11.659M which mainly related to the Blue Light Hub currently being built in Milton Keynes which was due to be completed in 2019/20. It had taken longer than expected to start the build as the tender process had taken longer than anticipated, but as Members would be aware, work started on site in April. There would be a considerable spend in the current year and the level of slippage would fall away in the run up to completion of the construction.

A Member asked why there was an overspend on contingency in the Revenue Outturn and was advised that the apprentices were funded from contingency. And the expenditure was slightly over what was anticipated.

A Member asked why there was a variance of £578K on service delivery and was advised that this was an underspend due to not fully recruiting all on call vacancies. The Authority was currently looking at remodelling how on call staff were recruited.

A Member asked if the senior management team bonus figures were pre-determined as the level of payment was identical to last year and was advised that each year was considered on its merit. It was put before the Executive Committee and discussed in detail and robustly challenged and any similarities were a matter of coincidence.

RESOLVED –

1. That the matters raised by the Audit Commission be considered.
2. That the Statement of Accounts for the financial year ended 31 March 2018 be approved for signing by the Chairman of the Committee.

OA10 ANTI-MONEY LAUNDERING POLICY

The Director of Finance and Assets advised Members that the Anti-Money Laundering Policy had been updated to reflect the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which came into force on 26 June 2017, repealing the Money Laundering Regulations 2007. This paper was being presented to the Committee as part of a triennial review and Members would be aware that the Authority was very low risk.

RESOLVED –

That the Anti-Money Laundering Policy be approved.

OA11 TREASURY MANAGEMENT PERFORMANCE 2017/18 – QUARTER 4

The Director of Finance and Assets advised Members that the accrued interest earned for 2017/18 was £164k, which was £64k higher than budgeted for the year. The budget had been raised in the coming year to £150k.

The Director of Finance and Assets also advised Members that he had approached the Public Works Loans Board (PWLB), to ask if they would consider allowing the Authority early repayment of its debt. PWLB stated that the statute under which it was set up does not allow it to make a loss, so unfortunately early repayment was not possible.

RESOLVED –

That the Treasury Management Performance 2017/18 – Quarter 4 report be noted.

OA12 CORPORATE RISK MANAGEMENT

The Corporate Risk Manager advised Members that this report provided an update on the current status of identified corporate risks. Risk registers were maintained at project, departmental and directorate levels. Corporate risks were those that had been escalated from these levels for scrutiny by the Strategic Management Board because of their magnitude, proximity or because the treatments and controls require significant development. The Corporate Risk Register was last reviewed by the Performance Management Board at its meeting on the 21 June 2018 and by SMB more recently at its meeting on 3 July 2018, where it was agreed that the risk scores for each of the four corporate risks would be maintained at their present level.

The Corporate Risk Manager advised that in terms of individual risks on the corporate risk register, the updated position was set out in Annex C:

- Staff availability risk was still rated at amber, as there was still a risk of operational staff leaving or transferring to a different service. London Fire Brigade was still actively recruiting. To mitigate this risk there were various initiatives underway, including a very active programme of recruitment for apprentices and also taking in a small number of transferees from other services to get the balance of experience right. The development pools were also being replenished, to identify people who could potentially be promoted internally.
- The funding and savings risk remained at red because of financial challenges. The Authority had still not received any firm reassurance regarding the long-term viability of USAR grant funding. There was also no clarity as to the level of any pay-award, and whether amounts above 1% (planned for in the budget) would be funded centrally or not. There was also a budget forecast deficit of £440k for 2019-20.
- The closure of the Vodafone paging service was still an amber risk, there was an interim solution in place and the Authority was still awaiting confirmation of the code of compliance permissions from the Home Office which would allow integration with the mobilising system at Thames Valley Fire Control Service. In the interim, the opportunity to develop the App with the provider was being undertaken.
- Information Security Failure was a red risk but the defences put in place, firewalls, email screening etc., had kept the Authority safe from any significant hostile activities.

A Member asked why the information security risk was rated at red if the organisation understood the threats it was facing up to

and had put in reasonable industry standard solutions to deal with those threats, why was it not rated amber or even green and was advised that the intention was to keep the awareness level very high.

RESOLVED –

1. That the status report on identified corporate risk at Annex C be reviewed and approved.
2. That comments to officers for consideration and attention in future updates/reports be provided.

OA13

EMERGENCY RESPONSE PERFORMANCE REPORTING

The Head of Service Development advised Members that the purpose of this report was to review how the service currently measured and reported its speed of response to emergency incidents. In particular, it considered how performance was reported to the Fire Authority and the general public and whether this form of reporting was sufficiently viable, transparent and comprehensive.

The Head of Service Development advised Members that it was not the purpose of this report to recommend a review of the standards of fire cover or how the service distribute resources. These were currently determined by the Authority's 2015-2020 Public Safety Plan and would be considered within the scope of the work to develop the next Public Safety Plan which would cover the period 2020-2025. The report provided an overview of how response standards and associated performance reporting had evolved. The review also examined how other fire and rescue services report to see if there were any good practices from which the service could learn.

A Member asked if the response time for incidents started when the caller called 999 and was advised that the response time started when a call was received by Thames Valley Fire Control.

A Member asked if this was a national standard for reporting or a local 'Buckinghamshire' initiative and was advised that there were no national standards of reporting.

A Member asked if it would be helpful to add the average travel time as well as the average response time to the 'Average Response Times All Emergencies 17-18' graph and was advised that some work had been done around this, but it relied on fire appliances being in fire stations which might not always be the case as they may be out in the communities and also fire appliances were moved around to meet the risk demand in communities.

RESOLVED –

That the proposed changes and improvements to the emergency response performance reporting methodology be approved (as summarised in the 'Overall Recommendation' at page 2 of Appendix 1 and further detailed at Appendix 3 to this report).

(Councillor Glover left the meeting)

OA14 BUSINESS AND SYSTEMS INTEGRATION PROJECT: PROGRESS REPORT

The BASI Project Manager presented the report and informed Members that since the last meeting eRecruitment was now live and had been utilised for the latest round of Apprentice recruitment. Two new systems had been built, the Prevention System was nearing completion and the go live date revised until the end of July 2018. The Resource Management System was well underway, this system had taken three different systems and pulled them into one system. The timescales and budget had been reviewed and senior management had signed off an extension to the Project Manager role until March 2020.

RESOLVED –

That the report be noted.

OA15 DATE OF NEXT MEETING

The Committee noted that the next Overview and Audit Committee meeting would be held on Wednesday 14 November 2018 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.45AM

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Business and Systems Integration Project: Progress Report
EXECUTIVE SUMMARY	<p>The Business and Systems Integration Project (BASI) remains on track to meet our requirements and on budget.</p> <p>Since the last Overview and Audit Committee meeting there has been the following activity:</p> <ul style="list-style-type: none"> • The Prevention trial has started in High Wycombe with crews using a tablet to complete a Safe and Well visit. Feedback sessions have been held and the project team are now looking at how we could incorporate their feedback; • The Resource Management System (RMS) build is nearing completion with 85% of the functionality now available. Station Commanders familiarisation session have been completed; • Delays with Vision integration, due to cost & timescales, means we have had to extend the rollout dates of the RMS, revised dates can be seen in Appendix D • We are hosting the first UK Fire Service User group meeting with both Shropshire and Warwickshire attending, this will provide an opportunity to align development & reduce costs. <p>Spend across the BASI project remains on track and within overall budget. Regular reviews are completed with the finance team (See Appendix E for Spend breakdown).</p> <p>At the time of completing this report the current activities are underway:</p> <ul style="list-style-type: none"> • Extending the trial of the Prevention system to a further station including updated training, process and system; • Design of Protection system to support alignment of processes and templates across


	<p>the county;</p> <ul style="list-style-type: none"> • Dual running the RMS officers rota throughout October and trialling at two stations, the focus for RMS stream is training On Call Officers, Station Commanders and station teams.
ACTION	Noting.
RECOMMENDATIONS	That the report is noted.
RISK MANAGEMENT	<p>The project risks are contained within a project risk register. Current high level project risks can be seen in Appendix A – Highlight Report – Sept/Oct 2018.</p> <p>The governance of this register, including escalations is in line with existing Service policy.</p> <p>An integrated impact assessment is underway for each system.</p>
FINANCIAL IMPLICATIONS	There are no further financial implications related to the project identified in this paper.
LEGAL IMPLICATIONS	There are no further legal implications related to the project identified in this paper.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	<p>Opportunities for collaboration have been actively sought and considered during the procurement phase of the project.</p> <p>Collaboration has been explored with Royal Berkshire Fire and Rescue Service and Oxfordshire Fire and Rescue Service. Further collaboration was explored with Oxford County Council and Reading Council. None of these potential collaborations have led to formal agreements due to various issues around differing needs and timings.</p> <p>We continue to look beyond our Thames Valley partners, working with organisations that use the same systems as us to share knowledge and collaborate on developing the systems i.e. Bedfordshire.</p>
HEALTH AND SAFETY	No Health and Safety implications perceived at this time.
EQUALITY AND DIVERSITY	The HR system allows us to collect 'real time' Equality & Diversity (E&D) data securely allowing it to be used for trend analysis. eRecruitment will provide E&D data at all stages of recruitment.
USE OF RESOURCES	<p>The project is managed by the Project Manager. The Project Manager is proactively using existing skills and experience within the workforce to move the project forward.</p> <p>An agreement has been made with Service Delivery</p>

	<p>managers to assign an operational resource to support the implementation of the PRM and RMS. As a result of Crew Commander Oli Finch has joined the team, on secondment from Broughton, for a period of 10 months.</p> <p>A risk has been added to the risk register due to the movement and leaving of key staff.</p> <p>Staff are being kept abreast of progress through the i:drive and blogs. The communication strategy will be followed as part of the roll out of the new systems and in line with the project plan which has to be agreed with the suppliers.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>As part of the ICT Strategy 2014-2019 an independent review of systems integration was commissioned. An external consultant undertook this task and delivered a business case which was formally agreed to be progressed by the Executive Committee Meeting 29 July 2015.</p> <p>The project is scheduled to be delivered in phases over a two year period.</p> <p>Background Papers</p> <ul style="list-style-type: none"> • ICT Strategy 2014-2019 • Business and Systems Terms of Reference • Business and Systems Integration Business case • Business and Systems Integration Project: Governance Reporting Arrangements (18 November 2015)
<p>APPENDICES</p>	<p>Appendix A: Highlight Report – Sept/Oct 2018 Appendix B: Highlight Report – July/Aug 2018 Appendix C: Spend Breakdown Appendix D: Go Live Dates</p>
<p>TIME REQUIRED</p>	<p>5 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Anne-Marie Carter acarter@bucksfire.gov.uk 07966 886689</p>

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Appendix A: Sponsor Highlight Report – Sept/Oct 2018

Business & Systems Integration project – Sept/Oct 2018

Business Owner: Project Manager: Business Sponsors:	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	Project Objectives: To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase	Overall RAG 
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Finance		Plan		Risks & Issues		Scope		Resources	
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Exec Summary – Past Period’s Activities
Finance & Planning

HR & Payroll

- Course and Skill Trial continues
- System updated following feedback from across POD

Premises Risk Management

- Prevention Trial continues in High Wycombe with feedback sessions held
- Protection forms agreed to go onto to the new system

Resource Management

- Development and build continues
- Staff engagement/training sessions started in Aylesbury/Broughton/Oncall & Officers

Asset Management

- Process mapping the As-Is continues

Priorities for Next Period – Nov/Dec
Finance & Planning

HR & Payroll

- Extend Attendance management trial
- Update Learning and Development build following feedback
- Continue updating system/process with feedback following Recruitment Optimisation sessions

Premises Risk Management

- Prevention feedback to be incorporated into the system and processes updated
- Extend Prevention trial to one further station
- Protection letters to be signed off and start system build

Resource Management

- Development and build continues
- Continue staff engagement/training sessions




Asset Management

- Review the options we have with current suppliers



Key Decisions Required:

- None

Key Milestones


Milestone	Forecast/ Actual	RAG
Next BTB	6 th Sept	
Next O&A	14 th ~Nov	
Resource Management System Trial	Sept	






Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		FRS/Capita integration change request price higher than expected	Working with Capita to review alternatives New quote due 26 th Oct	Nov
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Agree change control process	Ongoing
R		Budget Management	Review monthly	Ongoing
R		Key resources leaving the business or moving role	Continue to review progress regularly and raise issues with Sponsors if needed	Ongoing

Appendix B: Sponsor Highlight Report – July/Aug 2018

Business & Systems Integration project – July/Aug 2018

Business Owner: Project Manager: Business Sponsors:	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	Project Objectives: To streamline, automate and integrate systems and business processes across: - HR & Payroll, Finance & Planning, Premises Risk Management, Resource Management, Asset Management Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase	Overall RAG 
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Finance		Plan		Risks & Issues		Scope		Resources	
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Exec Summary – Past Period's Activities

Finance & Planning

- Refresher training sessions held

HR & Payroll

- Attendance Management system/processes updated following feedback
- Course and Skill Trial continues

Premises Risk Management

- Prevention Trial started in High Wycombe
- Review started of Protection documentation to go onto to the new system

Resource Management

- Development and build continues
- Visited Warwickshire Fire service to review collaboration opportunities

Asset Management

- Process mapping the As-Is continues

Priorities for Next Period – Sept/Oct

Finance & Planning

- Refresher training sessions held

HR & Payroll

- Extend Attendance management trial
- Update Learning and Development build following feedback
- Continue updating system/process with feedback following Recruitment Optimisation sessions

Premises Risk Management

- Prevention trial continues with ongoing reviews
- Agree Protection documentation and start system build

Resource Management

- Development and build continues
- Hold staff engagement/training sessions

Asset Management

- Continue with process mapping the As-Is

Key Decisions Required:

- None

Key Milestones

Milestone	Forecast/ Actual	RAG
Next BTB	6 th Sept	
Next O&A	14 th ~Nov	
Resource Management System Trial	Sept	

Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		FRS/Capita integration change request price higher than expected	Work with Capita to review alternatives	Sept
R		New systems and ways of working impacting BASI	Continue to engage with Stakeholders. Agree change control process	Ongoing
R		Budget Management	Review monthly	Ongoing
R		Key resources leaving the business or moving role	Continue to review progress regularly and raise issues with Sponsors if needed	Ongoing

Appendix C: Spend Breakdown

Summary:

	2015/16	2016/17	2017/18	2018/19	Total
	£000	£000	£000	£000	£000
Budget		590	410	0	1,000
Spent	34	373	237	142	786
Committed		0	0	71	71
Earmarked		0	0	143	143
Total	34	373	237	356	1,000

Contingency of £200k is being used in the following way.

	18/19	19/20	Total
	£000	£000	£000
Project Manager Extension	74	31	105
Resource Management Integrations	75		75

Please note:

- All figures as at end of Sept 2018
- Spent = Purchase Order paid
- Committed = Purchase Order raised
- Earmarked = For Asset Management system replacement; Project Support and training

Appendix D: Go Live Dates

Area	Target Go Live	Tracking
Finance	April 2017	Achieved
HR – Phase 1	April 2017	Achieved
HR – Phase 2	September 2017- March 2019	On track
Payroll	April 2017 1 st Pay run at end of April '17	Achieved
Premises Risk Management	Late 2018	In Review
Resource Management	TBC – Mid 2018- Oct 2018 – Jan 2019	Delayed
Asset Management	TBC – Late 2018- Early 2019	N/A

System Descriptions:

Finance: Replacement of SAP covering all areas of Finance and Planning

HR – Phase 1: Replacement of SAP covering Core HR, Absence, Pensions, Costing and Employee and Manager Self Service.

HR – Phase 2: Replacement of SAP covering Learning Events, People Development, Discipline and grievance, Dashboards, Org Charting, Recruitment/web recruitment.

Payroll: Replacement of SAP covering all Payroll elements

Premises Risk Management: Replacement of Microsoft access database and manual processes covering:

- Home Fire and Risk Checks and prevention activities;
- Site Specific Risk Information. This is the data used by our firefighters when attending operational incidents;
- Fire Protection Audits. This is the data collected as part of our activities in enforcing fire safety regulations in commercial premises.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Update on Progress of Audit Recommendations
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update Members on the progress of the implementation of audit recommendations made as at 15 October 2018.</p> <p>Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 14 November 2018.</p> <p>In total there are 24 recommendations to report on the status of which are classified as follows:</p> <p>Green (Implemented) 18/24 (75%) Amber (on track not yet due) 4/24 (17%) Red (not implemented, due date revised) 2/24 (8%)</p> <p>There are no outstanding recommendations to bring to the attention of the Members at this time.</p> <p>Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.</p>
ACTION	Noting.
RECOMMENDATIONS	That the progress on implementation of recommendations be noted.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2018-19 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH	Not applicable.

THE PRINCIPLES OF THE DUTY TO COLLABORATE	
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and progress monitoring All audits, follow-up reports and further updates will be submitted to SMB and Overview and Audit Committee.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plans 2016/17 and 2017/18 Internal Audit reports taken to Overview and Audit Committee.
APPENDICES	Annex A: Status of Internal Audit Recommendations – October 2018
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

ANNEX A: Status of Internal Audit recommendations – 15 October 2018

Audit Assignments	Date of final audit report	Overall Assurance	No of recommendations made	No of recommendations Implemented	Implemented since last meeting	Direction of Travel (see notes)	Status of recommendations at 15 October 2018								
							Red	Amber	Green						
							<table border="1"> <tr> <td style="background-color: red; color: black;">Red</td> <td>Recommendation has not yet been implemented and will not meet the original deadline</td> </tr> <tr> <td style="background-color: orange; color: black;">Amber</td> <td>Recommendation is progressing, not due to be actioned yet.</td> </tr> <tr> <td style="background-color: green; color: black;">Green</td> <td>Recommendation has been actioned</td> </tr> </table>	Red	Recommendation has not yet been implemented and will not meet the original deadline	Amber	Recommendation is progressing, not due to be actioned yet.	Green	Recommendation has been actioned		
Red	Recommendation has not yet been implemented and will not meet the original deadline														
Amber	Recommendation is progressing, not due to be actioned yet.														
Green	Recommendation has been actioned														
2016/17															
Core Financial Controls	June 2017	Substantial	8	7	0	↓	1*	0	7						
2017/18															
Fleet Management	July 2017	Substantial	2	1	0	↓	1**	0	1						
Property Management	February 2018	Substantial	1***	0	0	↔	0	1	0						
Core Financial Controls	June 2018	Substantial	7	4	4	↑	0	3	4						
Corporate Governance	June 2018	Substantial	6	6	6	↑	0	0	6						
Totals			24	18	0		2	4	18						

Notes for Overview and Audit Committee:

* **Core Financial Controls 2016/17** – Partially complete, the outstanding recommendation relates to the process for approving new starter forms; controls have been tightened for processing paper forms, the first phases of eRecruitment were completed in April 2018, the workflow process has been built and tested. The new process now needs to be fully communicated and utilised throughout the service, this is planned for Mid-November. Managers will be supported with face to face tuition and a “how to” guide is planned.

** **Fleet Management 2017/18** – The outstanding recommendation relates to the use of the Tranman System, this will be looked at in more detail as part of the BaSI project (Business and Systems Integration) to ensure a full understanding of the current functionality, whether training is needed on the system and the way in which it can be further developed (or replaced) to meet the business requirements.

*** **Property Management 2017/18** – There is one low priority action due to be completed in financial year 2019/20

Direction of travel indicates how well recommendations have been progressed since previous Overview and Audit Committee meeting.



Further recommendations have been implemented in period



No recommendations due for implementation in period



Recommendations due for implementation have not been actioned



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Update of Progress of the Annual Audit Plan
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update Members on the progress of the annual Internal Audit Plan since the last meeting.</p> <p>Work is progressing according to the 2018/19 plan, and regular discussions have been held with the Director of Finance and Assets to monitor progress.</p> <p>The audit of Information Security has been completed and issued as a draft report.</p> <p>The fieldwork for the Blue Light Hub Project Management audit is in progress. The final reports will be presented to Members at the next Overview and Audit Committee meeting.</p> <p>The audit of Core Financial Controls is at a planning stage, and the scope and start date will be agreed with management in due course.</p> <p>Timings for the remaining audits will be discussed and agreed with SMB.</p>
ACTION	Noting.
RECOMMENDATIONS	That the progress on the Annual Internal Audit Plan be noted.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2018/19 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO	Not applicable.

COLLABORATE	
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and progress monitoring All audits, follow-up reports and further updates will be submitted to SMB and Overview and Audit Committee.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plan 2018/19 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Annex A: Progress against 2018/19 Internal Audit Plan with a schedule of proposed work still to be undertaken
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

Appendix A

Progress against 2018/19 Internal Audit Plan

Auditable Area	Key Audit Objectives	Day Budget (Timing)	Status
Core Financial Controls	<p>To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework. Key systems that will be tested include:</p> <ul style="list-style-type: none"> • Financial Control/Monitoring • Procure to Pay • Payroll & Pensions • Debtors • Capital • Financial Regulations • General Ledger • Reconciliations • Treasury Management <p>This review will include a follow up of the 2017/18 audit report.</p>	40 days (Q3/4)	Planning Stage
Information Security	This risk based audit provided assurance over the robustness of the Information Security controls in place, including the readiness for the new GDPR requirements.	10 days (Q2)	Draft Report
Performance Management	This risk based audit will aim to provide assurance on the controls in place over the key performance indicator monitoring system, the robustness of reporting and the escalation of issues.	10 days (Q4)	Planning Stage
Project Management	This systems based audit will provide assurance on the adequacy and effectiveness of the governance arrangements in place over the Blue Light Hub project.	10 days (Q3)	Fieldwork Stage
Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.	10 days	N/A
Follow Up - general	To ensure all 2016/17 and 2017/18 medium and high recommendations of significant nature are implemented, in addition to recommendations still outstanding from previous years.	10 days	On-going
Corporate Work	A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit.	10 days	N/a
Total		100 days	

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance & Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Annual Audit Letter
EXECUTIVE SUMMARY	The Purpose of the Annual Audit Letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from the audit and which they consider should be brought to the attention of the Authority.
ACTION	Decision.
RECOMMENDATIONS	That the Annual Audit Letter for the year ended 31 March 2018 be considered and approved for publication.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	No direct impact.
LEGAL IMPLICATIONS	No direct impact.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	None.
PROVENANCE SECTION & BACKGROUND PAPERS	Audit Results Report, Overview and Audit Committee, 18 July 2018 https://bucksfire.gov.uk/files/7315/3112/6693/ITEM_10_Audit_Results_Report_Appendix.pdf
APPENDICES	Annex A – Annual Audit Letter

TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Asif Hussain ahussain@bucksfire.gov.uk 01296 744421

Buckinghamshire & Milton Keynes Fire Authority

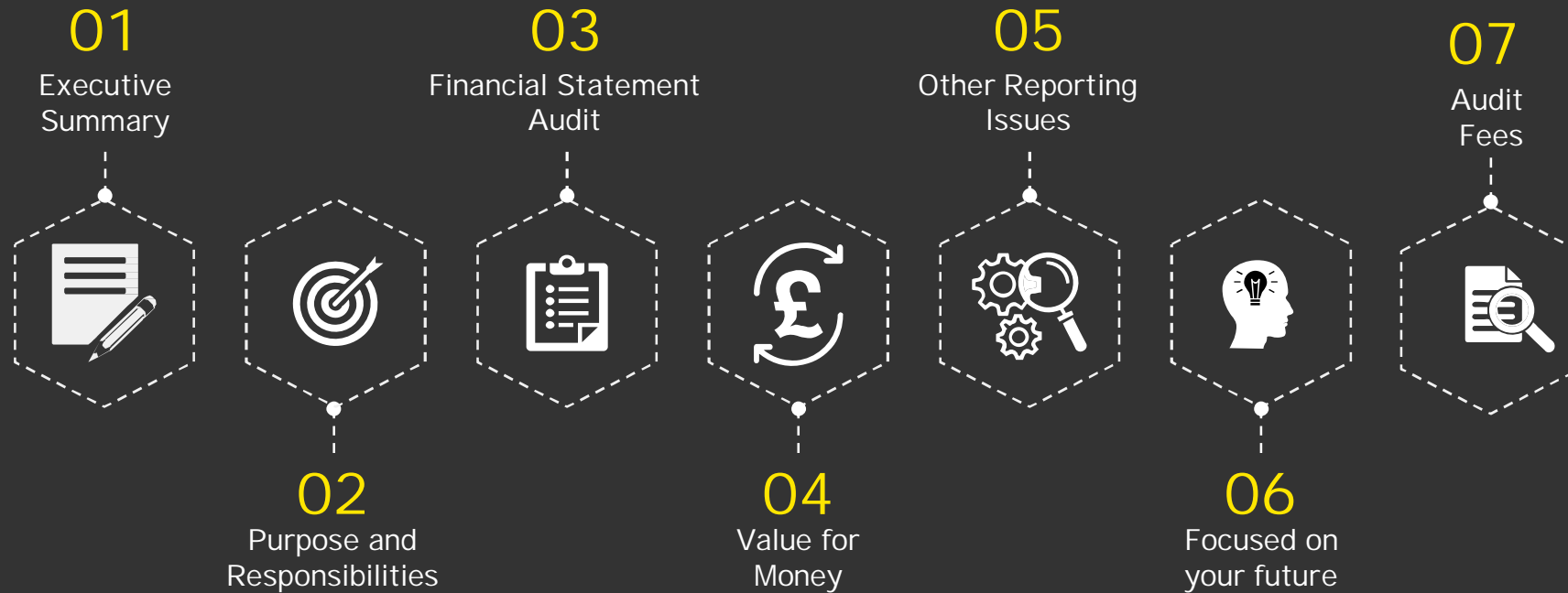
Annual Audit Letter for the year
ended 31 March 2018

August 2018

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

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Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated 23 February 2017)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

We are required to issue an annual audit letter to Buckinghamshire and Milton Keynes Fire Authority following completion of our audit procedures for the year ended 31 March 2018.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Authority's and Pension Fund's:	Unqualified – the financial statements give a true and fair view of the financial position of the Authority and Pension Fund as at 31 March 2018 and of its expenditure and income for the year then ended.
▶ Financial statements; and	
▶ Consistency of other information published with the financial statements.	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Authority's arrangements for securing economy, efficiency and effectiveness.	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Annual Governance Statement;	The Annual Governance Statement was consistent with our understanding of the Authority.
▶ Public interest report;	We had no matters to report in the public interest.
▶ Written recommendations to the Authority, which should be copied to the Secretary of State; and	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Authority's Whole of Government Accounts return (WGA).	We had no matters to report.

Executive Summary

As a result of our work we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 25 June 2018.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 18 July 2018.

We would like to take this opportunity to thank the Authority and Pension Fund's staff for their assistance during the course of our work.

Maria Grindley

Associate Partner

For and on behalf of Ernst & Young LLP



02 Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Authority.

We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the 18 July 2018 Overview and Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Authority.

Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued on 1 February 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2017/18 financial statements, including the pension fund; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Authority has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Authority;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Authority, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return.

Responsibilities of the Authority

The Authority is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Authority reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



03 Financial Statement Audit

Financial Statement Audit

Key Issues

The Authority's Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Authority and Pension Fund's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 18 July 2018.

Our detailed findings were reported to the 18 July 2018 Overview and Audit Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Misstatements due to fraud or error/Risk of management override of control</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.</p> <p>We reviewed accounting estimates for evidence of management bias relating to revenue and expenditure recognition.</p> <p>We evaluated the business rationale for any significant unusual transactions.</p> <p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.</p>
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.</p> <p>We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.</p> <p>The risk in local government resides in areas in which management judgements are made and transactions not subject to routine based system controls. As such we attach the risk of revenue recognition to the judgements made in recognising capital expenditure and the subsequent capital financing transactions.</p>	<p>We reviewed and tested revenue and expenditure recognition policies.</p> <p>We reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias.</p> <p>We developed a testing strategy and tested material revenue and expenditure streams.</p> <p>We reviewed and tested revenue and expenditure cut-off at the period end date.</p> <p>Our testing has not identified any material misstatements from revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Authority's financial position.</p>

Financial Statement Audit (cont'd)

Other Key Findings	Conclusion
Valuation of Land and Buildings	<p>We have reviewed the data sent to, and the report produced by, the Authority's valuer.</p> <p>We have challenged the assumptions used by the Authority's valuer by reference to external evidence.</p> <p>We have tested the journals for the valuation adjustments to confirm that they have been accurately processed in the financial statements.</p> <p>We concluded that the valuation has been accurately processed and reflected in the financial statements.</p>
Pension Liability Valuation	<p>We have liaised with the auditors of Buckinghamshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Buckinghamshire & Milton Keynes Fire Authority LGPS members.</p> <p>We assessed the work of the LGPS Pension Fund actuary (Barnett Waddingham) and the Firefighters pension actuary (also Barnett Waddingham) including the assumptions they used by relying on the work of PWC - Consulting Actuaries commissioned by Public Sector Auditor Appointments for all Local Government sector auditors, and considered any relevant reviews by the EY actuarial team.</p> <p>We reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.</p> <p>We concluded that the pension liability valuation has been treated correctly in the financial statements.</p>

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>For the main accounts, we determined planning materiality to be £662k, which is 2% of gross expenditure reported in the accounts of £33,372k.</p> <p>For the pension fund, we determined planning materiality to be £153k, which is 2% of benefits payable reported in the accounts of £7,745k.</p> <p>We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Authority.</p>
Reporting threshold	<p>We agreed with the Overview and Audit Committee that we would report to the Committee all audit differences in excess of £33k for the main accounts and £7.7k for the pension fund.</p>

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits. Disclosure is numerically and politically sensitive. Therefore, the general materiality level is not felt to be appropriate. Errors in the note would be considered material. Where figures are in bandings, it is considered that a materiality of £1k as this is the rounding point in the accounts
- ▶ Related party transactions. Disclosure is numerically and politically sensitive. As the note is split between Organisations and Individuals and the accounting standard requires us to consider the disclosure from the point of materiality to either side of the transaction, we will set materiality for the Organisational element at the same level as the audit and the individuals element is to be considered on a case by case basis.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.



04 Value for Money

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



We did not identify any significant risks in relation to these criteria

We have performed the procedures outlined in our audit plan to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.



05 Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes. We had no issues to report.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2017/18 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Overview and Audit Committee on 18 July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Overview and Audit Committee.



06 Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Authority is summarised in the table below.

Standard	Issue	Impact
IFRS 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> • How financial assets are classified and measured; • How the impairment of financial assets are calculated; and • The disclosure requirements for financial assets. <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Authority will have to:</p> <ul style="list-style-type: none"> • Reclassify existing financial instrument assets; • Re-measure and recalculate potential impairments of those assets; and • Prepare additional disclosure notes for material items.
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> • Leases; • Financial instruments; • Insurance contracts; and • For local authorities; Authority Tax and NDR income. <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Authority will need to consider the impact of this on their own group accounts when that trading company is consolidated.</p>



Focused on your future (cont'd)

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Authority will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Authority must therefore ensure that all lease arrangements are fully documented.</p>



07 Audit Fees

Audit Fees

Our planned fee for 2017/18 was initially set in line with the scale fee set by the PSAA and reported in our 1 February 2018 Audit Plan. The final fee is subject to a scale fee variation due to additional work being required this year – more detail is provided below the fee table.

Description	Final Fee 2017/18 £	Planned Fee 2017/18 £	Scale Fee 2017/18 £	Final Fee 2016/17 £
Total Audit Fee – Code work	35,879*	31,379	31,379	31,379

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

* There have been delays this year due to the new accounting system in place which resulted in more cleansing of data for the analytics work. The financial statements weren't ready for the start of the audit and working papers were provided later than planned. Remuneration work was delayed to the end of the audit. These issues resulted in additional work. Key staff worked hard to respond in a timely way to the audit and this helped us minimise the disruption caused by these delays. The additional fee for this work is £4,500 and this is subject to PSAA review.

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Graham Britten, Director of Legal and Governance
LEAD MEMBER	Councillor David Watson (Chairman, Overview and Audit Committee)
SUBJECT OF THE REPORT	2017/18 Statement of Assurance
EXECUTIVE SUMMARY	<p>The Fire and Rescue National Framework, published by the Department of Communities and Local Government in July 2012, introduced the requirement for fire and rescue authorities in England to produce a 'statement of assurance' on an annual basis. An updated National Framework was published in May 2018. This maintained the requirement that every authority must publish an annual statement of assurance of compliance with the Framework. The statements are intended to provide assurance to the public on financial, governance and operational matters and demonstrate that National Framework requirements, including those relating to integrated risk management planning, are being met.</p> <p>The precise form, content and methodology used to prepare the statements are left to local discretion. Where authorities "<i>have already set out relevant information that is clear, accessible, and user-friendly within existing documents</i>" they may draw on these in preparing their statements of assurance.</p> <p>Buckinghamshire and Milton Keynes Fire Authority already produces and publishes a variety of separate statements relating to financial, governance and operational performance such as the Annual Governance Statement and Annual Financial Statements. The draft 2017/18 Statement of Assurance, shown at Annex A, draws on, summarises and includes relevant extracts from these more detailed assessments. Changes from the 2016/17 Statement of Assurance are shown as shaded text. Officers are of the view that collectively the assurance processes underpinning the range of existing statements covers the scope and nature of what is required for the statement of assurance.</p> <p>The Statement of Assurance should be signed off by an elected member of the Authority who is able to take responsibility for its contents. It is for authorities</p>

	<p>to decide who the most appropriate person is.</p> <p>In respect of Buckinghamshire and Milton Keynes Fire Authority, officers are of the view that the most appropriate person is the Chairman of the Overview and Audit Committee.</p>
ACTION	Decision.
RECOMMENDATIONS	That the 2017/18 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer.
RISK MANAGEMENT	Financial, governance and operational assurance processes form part of the Authority's risk management framework. The effectiveness of these contributes to the identification, reduction and mitigation of corporate and operational risks.
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from the introduction of the statement of assurance.
LEGAL IMPLICATIONS	<p>Section 21 of the Fire and Rescue Services Act 2004 (FRSA 2004) provides the statutory authority for the National Framework and requires Fire and Rescue Authorities to 'have regard' to it in carrying out their functions. However, Section 22 of the Act gives the Secretary of State the power to intervene if he considers that "<i>...a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under section 21</i>".</p> <p>Also "<i>The Secretary of State must report to Parliament on—</i></p> <p><i>(a) the extent to which fire and rescue authorities are acting in accordance with the Framework prepared under section 21;</i></p> <p><i>(b) any steps taken by him for the purpose of securing that fire and rescue authorities act in accordance with the Framework</i>".</p> <p>The Statement of Assurance will be used as a source of information by the Secretary of State when preparing biennial reports required by section 25 of the Fire & Rescue Services Act 2004.</p>
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	The statement is designed to provide assurance in relation to the operations of the Authority and details any relevant collaborative work with the other Thames Valley Fire Authorities and other agencies.
HEALTH AND SAFETY	There are no direct health and safety implications arising from this report.

EQUALITY AND DIVERSITY	There are no direct equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and consultation The officers with responsibility for the areas reported on in the Statement of Assurance have been responsible for supplying the information and responses necessary for its preparation.
PROVENANCE SECTION & BACKGROUND PAPERS	The requirement for Statements of Assurance arose from the revisions to the National Framework published by the Department for Communities and Local Government in July 2012. An evaluation of the implications of the new Framework was reported to the Fire Authority at its 27 September 2012 meeting: http://www.bucksfire.gov.uk/NR/rdonlyres/E6EE2A89-79F6-45B3-B02E-CE3675D252A3/0/270912Agendaandreports.pdf The 2016/17 Statement of Assurance was approved on 15 November 2017: https://bucksfire.gov.uk/files/9315/0964/6131/Overview_and_Audit_Committee_151117_Agenda_and_Reports-min.pdf
APPENDICES	Annex A: Draft 2017/18 Statement of Assurance Annex B: CLG Guidance on Statements of Assurance
TIME REQUIRED	15 Minutes.
REPORT ORIGINATOR AND CONTACT	Stuart Gowanlock sgowanlock@bucksfire.gov.uk 01296 744435

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Approval date: 14 November 2018



**Statement of Assurance
2017/2018**

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1. INTRODUCTION

1.1 Although fire and rescue services in England are run by local government bodies, the Fire and Rescue Services Act 2004 requires that local fire and rescue authorities must have regard to direction from central government. This direction, issued in the form of a 'National Framework', sets out the Government's strategic aims and requirements for Fire and Rescue Services in England. An updated National Framework was published in May 2018. This maintained the requirement, introduced by Government in 2012, that every authority must publish an annual statement of assurance of compliance with the Framework that:

"should outline the way in which the authority and its fire and rescue service has had regard – in the period covered by the document – to this National Framework, the Integrated Risk Management Plan and to any strategic plan... prepared by the authority for that period. The authority must also provide assurance to their community and to government on financial, governance and operational matters".

- 1.2 The purpose of this document is to provide the public and Government with assurance that Buckinghamshire and Milton Keynes Fire Authority ('The Authority') met the requirements set out in the National Framework and accompanying Government guidance¹ during the 2017/18 financial year.
- 1.3 Where relevant the document draws on, consolidates and summarises the findings of existing assurance processes relating to financial, governance and operational matters that were set up to meet other statutory and regulatory requirements of fire and rescue authorities.

2. FINANCIAL ASSURANCE

- 2.1 It is a statutory requirement under the Accounts and Audit Regulations 2015 for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the Service and is determined by a Code of Practice which aims to give a "true and fair" view of the financial position and transactions of the authority.
- 2.2 The audited annual financial statements for the Year Ending 31 March 2018 can be accessed via this hyperlink:
https://bucksfire.gov.uk/files/1315/3192/5032/Statement_of_Accounts_2017_18_Audited_SIGNED.pdf

¹ 'Guidance on Statements of assurance for fire and rescue authorities in England, Department for Communities and Local Government, May 2013.

- 2.3 The financial statements are required to be audited under the Local Audit and Accountability Act 2014. The auditors are responsible for:
- forming an opinion on the financial statements;
 - reviewing the Annual Governance Statement;
 - forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources.

2.4 In the auditor's opinion the financial statements:

- Gave a true and fair view of the financial position of Buckinghamshire and Milton Keynes Fire Authority as at 31 March 2018 and of its expenditure and income for the year then ended; and,
- had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

- 2.5 Regarding the requirement to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources – known as the 'value for money conclusion' the auditors found that:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

- 2.6 The detailed results and conclusions from the appointed external auditors audit process can be found in the Annual Audit Letter for the year ended 31 March 2018:

[https://bucksfire.gov.uk/files/2115/3598/2688/18_BMKFA_Audit_results_report - 25.06.18 - final.pdf](https://bucksfire.gov.uk/files/2115/3598/2688/18_BMKFA_Audit_results_report_-_25.06.18_-_final.pdf)

- 2.7 The Authority is also required to report annually on progress against the Efficiency Plan. The Plan required the Authority to make savings of £4.5million between 2015/16 and 2019/20. The Authority is currently forecasting that it will have made savings totalling £5million by the end of 2019/20.

- 2.8 The Authority's internal auditors also produce an annual report on the internal control environment. In this report, the Chief Internal Auditor noted:

"In my opinion the system of internal control provides reasonable assurance regarding the effective, efficient and economic exercise of the Authority's functions. During 2017/18 there has been continued improvement to Bucks & Milton Keynes Fire Authority's system of

internal control through the on-going development of policies and procedures covering the key control processes. This demonstrates a positive direction of travel towards robust and effective internal control and risk management that will facilitate the effective exercise of the Authority's functions".

The full internal audit report containing the Internal Auditors opinion can be viewed at pages 61 – 66 of the hyperlinked document:

https://bucksfire.gov.uk/files/2815/3112/5913/OVERVIEW_AND_AUDIT_COMMITTEE_180718_AGENDA_AND_REPORTS.compressed.pdf

- 2.9 In addition to the statutory requirement to publish annual financial results, the government is committed to increasing transparency across local authorities. One of the steps in this process is for the publication online of information relating to spend items in excess of £500. In accordance with that requirement, the Authority is publishing monthly schedules of payments, which can be found on our website:

<http://bucksfire.gov.uk/fire-authority/financial-information/spend-over-500/>

3. GOVERNANCE

- 3.1 The Authority is responsible for maintaining a sound system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding public money and organisational assets. There is also a requirement to ensure that the Authority is administered prudently and economically and that resources are used efficiently and effectively and that sound arrangements are in place for the identification and management of risks.
- 3.2 The Authority's approach to governance is based on the six core principles of good governance set out in the CIPFA / SOLACE governance framework ("*Delivering Good Governance in Local Government*"):
1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective;
6. Engaging with local people and other stakeholders to ensure robust public accountability.

3.3 There is already a statutory requirement for the Authority to produce an annual governance statement to demonstrate and evidence that it operates an effective system of internal control. The internal control systems underlying the annual governance statement are assessed by Internal Audit to ensure that they are adequate and effective so that:

- The Authority can establish the extent to which they can rely on the whole system; and,
- Individual managers can establish the reliability of the systems and controls for which they are responsible.

3.4 The Chief Internal Auditor's most recent opinion on the Authority's internal control environment was published in the Annual Governance Statement for the 2017/18 financial year. This stated that:

The audit activity in 2017/18 has demonstrated that the Authority continues to improve and develop corporate governance, and remains focused on creating a strong system of internal control. This can be evidenced by the continued strengthening of key control processes through the on-going development of policies and procedures and has resulted in core financial controls continuing to be rated as substantial.

3.5 Further details of the Authority's governance arrangements and the internal auditor's findings in relation to these can be found in the Annual Governance Statement 2017/18:

https://bucksfire.gov.uk/files/9415/3192/4816/AGS_Signed.pdf

3.6 The Annual Governance Statement also confirms that the Authority met its statutory obligation to review its Pay Policy Statement annually. This sets out its policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. This was approved and adopted by

the Authority at its February 2018 meeting, and can be viewed via the following link to the Authority's website (at pages 163 - 182):

https://bucksfire.gov.uk/files/9615/1782/8239/FIRE_AUTHORITY_AGEN_DA_AND_REPORTS_140218-min.pdf

4. OPERATIONAL ASSURANCE

4.1 The Government requires Fire Authorities to provide assurance that they meet the requirements arising out of the legislative and policy framework for fire and rescue services. In particular:

- Details of specific events that raise issues of operational competence or delivery such as advice received under health and safety or other legislation together with assurance that these matters have been considered and, where appropriate, acted on;
- That integrated risk management plans are consulted on and that during the consultations appropriate information was provided to enable active and informed participation;
- Details of any agreements and / or mutual aid arrangements with other relevant bodies such as neighbouring fire and rescue services.

Statutory Duties and Operational Effectiveness

Fire and rescue authorities operate within in a clearly defined legislative and policy framework comprising of:

- The Fire and Rescue Services Act 2004;
- The Civil Contingencies Act 2004;
- The Regulatory Reform (Fire Safety) Order 2005;
- The Fire and Rescue Services (Emergencies) (England) Order 2007;
- The Localism Act 2011;
- The Fire and Rescue National Framework for England;
- Policing and Crime Act 2017.

4.2 In 2016 the Authority reviewed its approach to assuring operational effectiveness and developed a new operational assurance model to help identify and meet known 'best practice' requirements. It subsequently commissioned an independent appraisal and application of the new model in order to assure its fitness for purpose and assess the Authority's performance in relation to it. The appraisal and application of the new operational assurance model, carried out by Operational Assurance Limited (OAL), identified a total of 30 improvement recommendations.

4.3 In November 2017, OAL were commissioned to undertake a further independent review of progress made against the previously identified improvement recommendations, over the preceding 12 months. The subsequent 'checkpoint' report was extremely positive highlighting the considerable progress made against all the previously accepted recommendations. Particular emphasis was placed upon the work undertaken to address Priority Recommendation 1, notably the training package based on the 'Balmoral Bar' incident and development of the operationally focused Operational Assurance monthly report, both of which were considered as exemplars.

4.4 The OAL's 'Progress Checkpoint Report', together with the Service's updated Operational Assurance Improvement Plan, was presented to the Authority's Overview and Audit Committee in March 2018 and can be viewed by following the hyperlink below (see pages 15 – 40):

https://bucksfire.gov.uk/files/9415/1939/6037/OVERVIEW_AND_AUDIT_COMMITTEE_070318-min.pdf

5. INTEGRATED RISK MANAGEMENT PLANNING

5.1 The National Framework requires that Fire Authorities must produce an Integrated Risk Management Plan (IRMP) that identifies and assesses all foreseeable fire and rescue related risks that could affect its community, including those of a cross-border, multi-authority and / or national nature. The plan must have regard to the community risk registers produced by Local Resilience Forums and any other local risk analyses as appropriate. Each fire and rescue authority integrated IRMP must:

- be easily accessible and publicly available; and,
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies, and partners.

5.2 The Government guidance relating to statements of assurance requires that they should include details of IRMP consultations and, in particular, that appropriate information was provided to enable active and informed participation.

5.3 Buckinghamshire and Milton Keynes Fire Authority regularly reviews the fire and rescue related risks to the community it serves and updates its IRMP in response to any material changes to the nature and level of the risks identified and assessed.

- 5.4 The Authority's current IRMP, known as the '2015-20 Public Safety Plan', is published on its website. This sets out the Authority's strategy for achieving its vision of making '*Buckinghamshire and Milton Keynes the safest areas in England in which to live, work and travel*':
[http://bucksfire.gov.uk/files/8114/2116/4524/2015 -
20 PSP Updated after 17 Dec CFA.pdf](http://bucksfire.gov.uk/files/8114/2116/4524/2015-_20_PSP_Updated_after_17_Dec_CFA.pdf)
- 5.5 The draft Public Safety Plan (PSP) was subject to extensive consultations prior to the Authority reaching any decisions. The consultation process embraced key stakeholder groups including the general public, Authority staff, neighbouring fire and rescue services and a range of other organisations with a potential interest in the development of the plan. It also included the use of qualitative consultation methods such as 'community engagement forums' and focus groups which encourage participants to reflect in depth about their priorities for the Authority while both receiving and questioning background information and discussing service delivery issues in detail. Full details of the consultation process and its outcomes are available on the Authority's website:
[http://bucksfire.gov.uk/files/5514/5527/7938/ITEM_16_2015-
20 PSP Consultation -
_17 December 14 CFA Paper Annexes.compressed.pdf](http://bucksfire.gov.uk/files/5514/5527/7938/ITEM_16_2015-20_PSP_Consultation_-_17_December_14_CFA_Paper_Annexes.compressed.pdf)
- 5.6 A follow up public consultation was undertaken in 2015 to assist the Authority with its determinations in relation to a proposal to consolidate two of its existing fire stations in Milton Keynes onto a new tri-service 'blue light hub' facility with police and ambulance services (see Agenda Item 9, Pages 87 – 189):
[http://bucksfire.gov.uk/files/4614/5459/6672/Fire_Authority_Summons
and Agenda_100216_72dpi.pdf](http://bucksfire.gov.uk/files/4614/5459/6672/Fire_Authority_Summons_and_Agenda_100216_72dpi.pdf)
- 5.7 In January 2018, preparatory work began on the development of the next PSP that will cover the period April 2020 – March 2025. This will include a comprehensive programme of public and other stakeholder consultation work to help inform the setting of the Authority's future strategic priorities.
- 5.8 The Authority has also established a framework of key performance indicators and measures to help it assess progress towards the achievement of its vision. Performance in relation to these is reported to the Authority's Overview and Audit Committee on a regular basis whose role is to scrutinise any areas of under-performance together with proposals for corrective action. A report on performance outcomes against the framework of indicators and measures can be viewed on the Authority's website (Agenda Item 17 – 14 November 2018): [\[Hyperlink to](#)

6. MUTUAL AID, REGIONAL AND NATIONAL RESILIENCE

6.1 The National Framework requires fire authorities to consider risks of a cross-border, multi-authority and/or national nature and to make appropriate provision for dealing with these. The Authority does this via:

- Its active participation in the Thames Valley Local Resilience Forum which comprises other Category 1 and 2 responders. The forum maintains a community risk register which the Authority considers as part of its integrated risk management planning process;
- Review of the National Risk Register, National Risk Assessment and National Resilience Planning Assumptions which are maintained by the UK Government Cabinet Office to inform planning in relation to major civil emergencies of a national or regional nature;
- Mutual aid agreements with neighbouring fire and rescue authorities which enable authorities to provide each other with additional resources to deal with emergencies that cannot be dealt with by an authority acting alone. Buckinghamshire and Milton Keynes Fire Authority maintains formal mutual aid agreements with all six of its neighbours – Bedfordshire, Hertfordshire, London, Royal Berkshire, Oxfordshire and Northamptonshire.
- Working with South Central Ambulance Service (SCAS) to provide co-responding services to medical emergencies and in allowing SCAS crews to use Authority premises.

6.2 The Authority maintains specialist assets to enable it to deal with major civil emergencies such as major transport incidents, natural disasters and terrorist incidents. The capabilities, which include Urban Search and Rescue (USAR), Detection, Identification & Monitoring Officers (DIM) and water rescue are available on a local, regional and national scale, and have been deployed in support of other Authorities during major emergencies. The Authority's USAR and water rescue assets are included on the National Asset Register. The National Asset DIM capability is overseen by Oxfordshire FRS, with support from specially trained officers from across the three Thames Valley FRS's.

6.3 The Authority also has an established cadre of National Inter-agency Liaison Officers (NILO) who are trained and qualified officers who can advise and support FRS Incident Commanders, police, medical, military and other government agencies on the FRS's operational capacity and

capability to reduce risk and safety resolve incidents at which a FRS attendance may be required.

- 6.4 The Authority collaborates with all the other South East Fire and Rescue Services to jointly fund the post of a NILO who is seconded to the Counter Terrorism Policing South East (CTPSE). This post acts as a focal point for advice to and from the unit.
- 6.5 As a Category 1 responder as defined in the Civil Contingencies Act 2004, business continuity is a high priority for Buckinghamshire and Milton Keynes Fire Authority. The Authority has secured a number of employees who work on flexible resilience contracts. These contracts ensure the Authority maintains availability of local, regional and national assets during the full range of foreseeable business continuity events.
- 6.6 At all times we also maintain sufficient numbers of trained USAR staff on duty to provide an initial response to incidents in line with the USAR Concept of Operations. Additionally we have staff who maintain cover through a recall to duty contract, who deliver our second set of staff as detailed under the USAR Concept of Operations and enable us to maintain operational cover locally if USAR is deployed for an extended period, this includes national exercising. Under their contractual arrangements these staff are required to maintain this cover during periods of industrial action, meaning Buckinghamshire FRS were one of only two USAR hosting Services that guaranteed this capability during the most recent industrial action.
- 6.7 In June 2017 the Service was visited by the 'Joint Emergency Services Interoperability Programme' (JESIP) Assurance Team. The purpose of the visit was to act as a 'critical friend' and provide an independent view of how far the Service has progressed with embedding the JESIP models and principles into its business as usual activity. The visit was one of a number undertaken by the team involving Police, Fire and Ambulance services across England, Wales and Northern Ireland.
- 6.8 The JESIP team's report contained 19 observations. Whilst many of the observations were very positive, there was nevertheless a particular aspect in relation to JESIP command refresher training, which the team highlighted as the biggest risk, being as none had taken place nor was there a plan in place for this. As a consequence the identified areas of improvement contained within this report, have now been incorporated in the Service's Operational Assurance Improvement Plan. The full JESIP Report can be viewed here at pages 41-58:

6.9 Since 3 April 2017 section 2 of the Policing and Crime Act 2017 has placed a duty on the Authority to keep opportunities for collaboration with the police and ambulance services under review. Where two or more of the emergency services consider it would be in the interests of their efficiency or effectiveness to collaborate, there then arises a duty to enter into a collaboration agreement.

6.10 A Thames Valley Emergency Services Collaboration Executive Board has been established in 2017, comprised of the Chief Fire Officers from the Thames Valley Fire and Rescue Authorities, the Thames Valley Police Deputy Chief Constable and the Chief Executive from South Central Ambulance service, as the forum to determine collaboration opportunities and enter collaboration agreements.

6.11 Following the move to a jointly funded Thames Valley Fire Control Centre in 2015, the Authority has continued their commitment to collaboration through a Thames Valley Operational Alignment Programme. Amongst other things, the programme sets out to align:-

6.11.1 Operational equipment, procedures, training and practice across the region. The key benefits are improved interoperability, enhanced resilience, a reduction in cross border mobilisations and maximised Best Value through collaborative contract negotiation and joint procurement. A recent example is the jointly procured red fleet replacement, which has standardised the front line fire appliances and equipment across the Thames Valley, and has generated significant savings for the public purse;

6.11.2 Protection Policy. Work between Thames Valley fire services, chaired by Oxfordshire Fire and Rescue Service (OFRS), to develop a collaborative protection model has been ongoing. An options appraisal has been carried out to identify each services current position and governance structure, identifying the Critical Success Factors (CSF) necessary to develop and deliver a single Fire Protection (FP) function across the Thames Valley. Following a SWOT analysis of the identified options, a one size fits all approach has been ruled out as a viable option at this time, and a bottom up approach will be taken. We will seek to align policies and procedures and ways of working where we can, developing a framework for the aligned Policies and Procedures which will build a foundation that will facilitate a move to a single FP function in the future. Whilst this

bottom up approach is developed, any work streams, such as integrated system development or data purchasing will be shared with Thames Valley partners and collaboration considered.

6.11.3 **Workforce recruitment.** Two inter dependent projects are underway within one work stream; to develop a single recruitment process for Whole time and On Call fire fighters across the Thames Valley and to develop and deliver a joint Thames Valley programme based on the Buckinghamshire Fire and Rescue Service Apprenticeship model.

The key benefits for these enabling projects are a more cost effective and efficient shared recruitment service achieved through pooling external and internal resources ; opportunity to increase the diversity of the workforce and consistency of approach across the Thames Valley. In addition, the joint approach to apprenticeships recruitment will also optimise opportunity to draw down the apprenticeship levy to fund apprenticeships training.

A joint recruitment process has been developed, workforce plans including expected recruitment requirements are being shared and the focus has been and continues to be on improving the diversity of applicants for operational roles, including apprenticeships and on design and delivery of an end to end recruitment through to training programme for On-Call fire fighters.

7. DECLARATION

Buckinghamshire and Milton Keynes Fire Authority are satisfied that the financial, governance and operational assurance arrangements in place across the organisation meet the requirements set out in the National Framework.

Jason Thelwell
Chief Fire Officer and Chief Executive

Councillor David Watson
Chairman, Overview and Audit Committee

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Department for
Communities and
Local Government

Guidance on statements of assurance for fire and rescue authorities in England

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Introduction

1. The Government is committed to unburdening local government; eliminating top-down bureaucracy and increasing local flexibility. For fire and rescue authorities, this ethos is demonstrated by the revised Fire and Rescue National Framework for England (the Framework), and in the provisions of the Localism Act 2011, which helps to let them run their services as they see fit.
2. This freedom and flexibility is accompanied by the need for accountability and transparency. Providing an excellent service is only the starting point - communities expect to know how their services are being provided.
3. It is against this background that the Framework sets out a requirement for fire and rescue authorities to publish Statements of Assurance. It says:

‘Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance’.

4. This document provides guidance on the content of statements of assurance, and indicates how existing assessment processes might feed into the statements in order to avoid duplication.
5. Guidance should not be taken to constitute legal advice. We have indicated what should be included in the statements of assurance, while allowing the flexibility to tailor the format and presentation. It is for fire and rescue authorities to decide how to best present the information with their communities in mind.

Context

6. Fire and rescue authorities are accountable for their performance and should be open to evaluation by the communities they serve. Information on their performance should be accessible, robust, fit-for-purpose and accurately report on effectiveness and value for money.
7. One of the principal aims of the statement of assurance is to provide an accessible way in which communities, Government, local authorities and other partners may make a valid assessment of their local fire and rescue authority’s performance.
8. Where fire and rescue authorities have already set out relevant information that is clear, accessible, and user-friendly within existing documents, they may wish to include extracts, or links to these documents within their statement of assurance.

9. The statement of assurance will be used as a source of information on which to base the Secretary of State's biennial report under section 25 of the *Fire and Rescue Act 2004*.¹

Assessment and ownership

10. Authorities should assess their performance across a number of key areas. The areas to be included for assessment, and the methodology used, are a matter for local determination, although authorities will need to satisfy themselves that the measures and methods used are appropriate and fit for purpose.
11. The statement of assurance should be signed off by an elected member of the relevant authority who is able to take responsibility for its contents. It is up to the individual authority to ensure that this is done by an appropriate person (or persons) who can approve it on behalf of the authority.
12. Statements of assurance should be published annually by fire and rescue authorities. It is for fire and rescue authorities to decide when they should publish depending on individual reporting arrangements. The first statements are due for publication in the financial year 2013-14, and annually thereafter.

Content of the annual statement of assurance

Financial

13. Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.²
14. It is a statutory requirement under the *Accounts and Audit (England) Regulations 2011*³ for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the service and is determined by a Code of Practice⁴ which aims to give a "true and fair" view of the financial position and transactions of the authority. The authority is responsible for approval of the statement of accounts prior to publication.
15. The statement of assurance may briefly set out what assessment procedures are in place with regard to the authorities' statements of account.

Governance

16. The *Accounts and Audit (England) Regulations 2011* also requires authorities to prepare an annual governance statement in support of this statement of accounts. This governance statement is an expression of the measures taken by the authority to ensure appropriate business practice, high standards of conduct and sound governance. The statement of assurance may set out what work authorities

¹ <http://www.legislation.gov.uk/ukpga/2004/21/section/25>

² Section 3 of the Local Government Act 1999

³ <http://www.legislation.gov.uk/uksi/2011/817/contents/made>

⁴ *Code of Practice on Local Authority Accounting* - Chartered Institute of Public Finance and Accountancy

have undertaken to review the effectiveness of their governance framework, including the system of internal control.

17. Greater transparency is a key element of the Framework and is at the heart of the Government's commitment to enable the public to hold their authorities to account for the way they spend public money. In preparing the statement of assurance, fire and rescue authorities may consider the principles of transparency set out in the *Code of Recommended Practice for Local Authorities on Data Transparency*.⁵

Operational

18. Fire and rescue authorities function within a clearly defined statutory and policy framework. The key documents setting this out are:
- the [Fire and Rescue Services Act 2004](#)⁶
 - the [Civil Contingencies Act 2004](#)⁷
 - the [Regulatory Reform \(Fire Safety\) Order 2005](#)⁸
 - the [Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)⁹
 - the [Localism Act 2011](#)¹⁰
 - the [Fire and Rescue National Framework for England](#)¹¹
19. Fire and rescue authorities already consult on, and publish, their integrated risk management plans, which set out local strategies including cross-border, multi-authority and national arrangements where appropriate. The statement of assurance should include details of consultation on these plans, and confirm that appropriate information was provided to enable active and informed participation.
20. The statement of assurance may also indicate where fire and rescue authorities have entered into agreements and/or mutual aid arrangements with other relevant bodies. The level of detail included will be a matter for each individual fire and rescue authority and may be linked to their integrated risk management plan.
21. It is not the aim of statements of assurance to set out the operational procedures for fire and rescue authorities. However, statements of assurance are the appropriate vehicle with regard to specific events which raise issues of operational competence or delivery. For example, when advice is received under health and safety or other legislation, it is appropriate for the fire and rescue authority to use the statement of assurance as a means to inform their communities that these matters have been considered and, where appropriate, acted on.

Framework requirements

⁵ <https://www.gov.uk/government/publications/local-authority-data-transparency-code>

⁶ <http://www.legislation.gov.uk/ukpga/2004/21/contents>

⁷ <http://www.legislation.gov.uk/ukpga/2004/36/contents>

⁸ <http://www.legislation.gov.uk/uksi/2005/1541/contents/made>

⁹ <http://www.legislation.gov.uk/uksi/2007/735/contents/made>

¹⁰ <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

¹¹ <https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england>

22. Where fire and rescue authorities are satisfied that the systems they have in place, and any specific measures they have undertaken, fulfil their Framework requirements, this should be clearly stated in the statement of assurance. Accordingly, where appropriate, authorities may consider making a simple declaration that the Framework requirements have been met.

Future improvements

23. Fire and rescue authorities may wish to include a section in their statements of assurance on any potential improvements they have identified across their accounting, governance or operational responsibilities to communities, particularly where plans are underway.

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance & Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Treasury Management Performance 2018/19 - Quarter 2
EXECUTIVE SUMMARY	<p>This report is being presented to provide the treasury investment position as at the end of the first quarter. It is best practice to review on a regular basis how Treasury Management activity is performing.</p> <p>The accrued interest earned for the first half of 2018/19 is £111k, which is £36k higher than the budget for the period.</p>
ACTION	Noting.
RECOMMENDATIONS	That the Treasury Management Performance 2018/19 – Quarter 2 report be noted.
RISK MANAGEMENT	<p>Making investments in the Authority’s own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets, will act in accordance with the Authority’s policy statement; Treasury Management Practices and CIPFA’s Standard of Professional Practice on Treasury Management.</p> <p>The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.</p> <p>There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	The budget for 2018/19 relating to interest earned on balances invested is £150k. Performance against the budget is included within Appendix A.
LEGAL IMPLICATIONS	The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI

	3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy http://bucksfire.gov.uk/files/1614/4827/6491/ITEM_8_Treasury_Management_Strategy_2016-17_FINAL.pdf Treasury Management Practices http://bucksfire.gov.uk/files/4314/5527/8969/OA250913.compressed.pdf
APPENDICES	Appendix A – Treasury Management Performance 2018/19 – Quarter 2
TIME REQUIRED	5 minutes
REPORT ORIGINATOR AND CONTACT	Linda Blunt lblunt@bucksfire.gov.uk 01296 744404

Appendix A – Treasury Management Performance 2018/19 – Quarter 2

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire County Council (BCC) under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. This report highlights the performance of the in-house treasury management function for its fourth year 2018/19.

Security of Investments

The primary investment priority as set out in the Treasury Management Policy Statement is the security of capital. The Authority applies the creditworthiness service provided by Link. This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them. In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider that have a limit of £7.5m, of which at least £2.5m must be instant access). The amount invested with each counterparty on the approved lending list as at 30 June 2018 is detailed below:

Counterparty	Amount (£000)
Warrington Borough Council	2,000
Bournemouth Borough Council	2,000
Newcastle Building Society	2,000
Nottingham Building Society	2,000
UBS Ltd	2,500
Goldman Sachs International	2,000
Lloyds Bank PLC	2,000
Principality Building Society	2,000
West Bromwich Building Society	2,000
Leeds Building Society	1,000
Lloyds Bank plc (current accounts)	958
Payden & Rygel USBD	1,004
Royal London Asset Management USDBF	1,006
Ignis Sterling MMF*	200
CCLA MMF	501
Total	23,169

*MMF denotes a Money Market Fund

No counterparty limits were breached during Quarter 1.

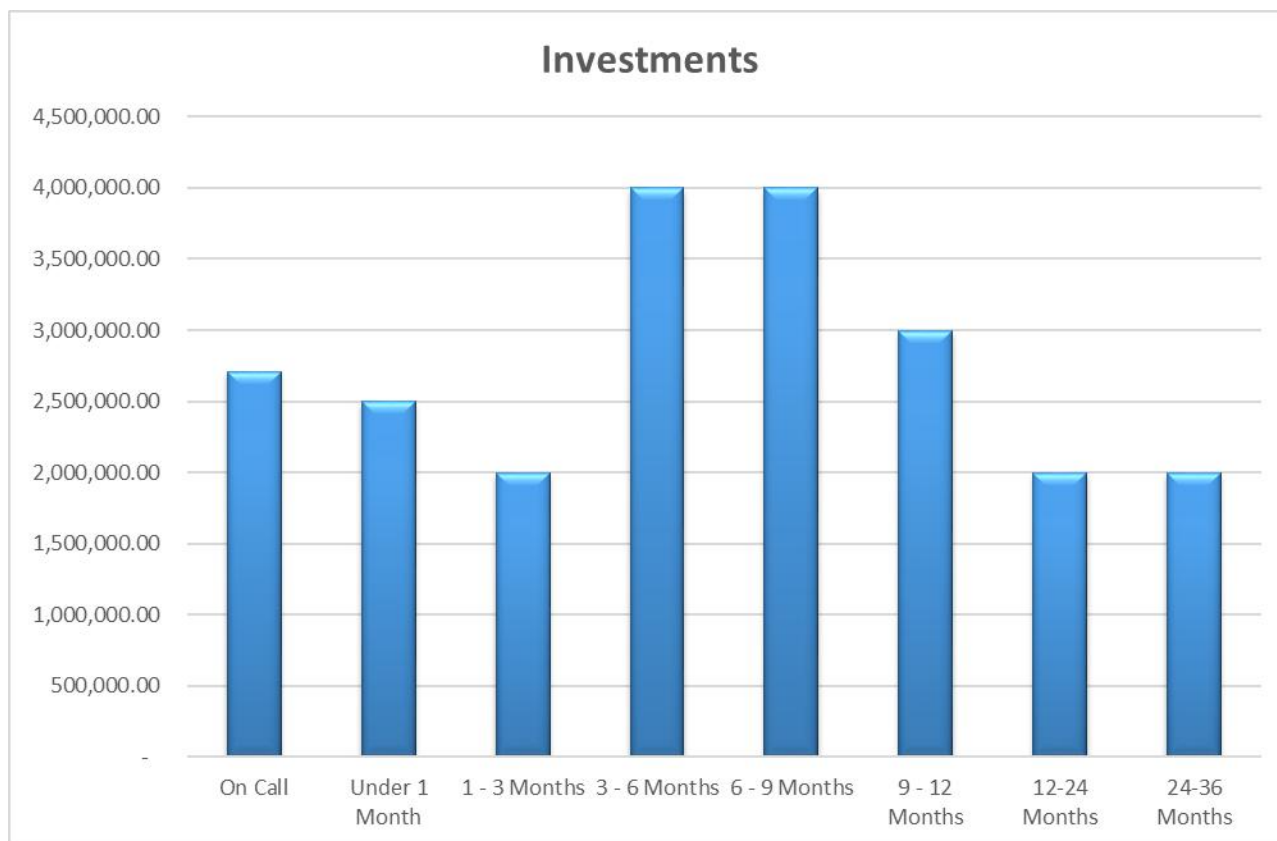
The above investments include an amount of £2,010m invested in two Ultra Short Dated Bond Funds (USDBF). These were previously known as Enhanced Money Market Funds. An USDBF is a collective investment vehicle which, like a MMF employs credit analysts who first assess who is a suitable counterparty and then continue to monitor those counterparties over time. By investing with a range of counterparties, risk is able to be diversified to a greater extent than investing directly in single counterparties.

In its AIS the Authority also resolved that all credit ratings will be monitored weekly, by means of the Link creditworthiness service. During Quarter 2 Link made no relevant changes to the counterparty listing.

Liquidity

Investments

The second objective set out within the Treasury Management Policy Statement is the liquidity of investments (i.e. keeping the money readily available for expenditure when needed). Investments have been placed at a range of maturities, including having money on-call in order to maintain adequate liquidity. The current investment allocation by remaining duration can be seen on the chart below:



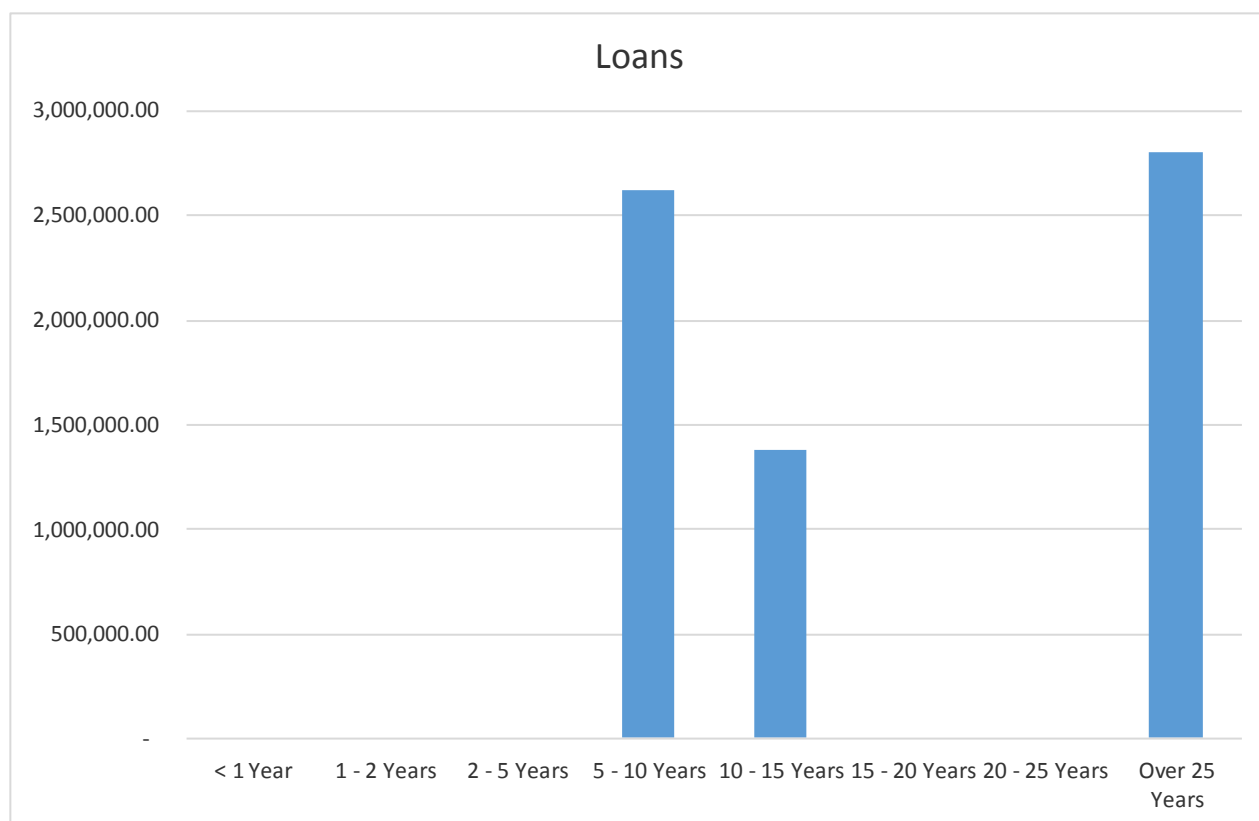
In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which we have made provisions within the Statement of Accounts, a greater proportion of the balances are invested as short fixed-term deposits. Any unforeseen circumstances and potential major incidents that could

occur are covered by holding a smaller proportion of the investment balances on call (i.e. it is available for use on the day it is required).

There are currently 18 investments with 14 different counterparties detailed in the Security of Investments table. These were all originally invested for different terms and will be used to cover monthly expenditure such as salaries and capital expenditure relating to the Blue Light Hub build. Any surplus funds will be re-invested for varying terms upon maturity in order to maintain liquidity and meet future commitments. Balances on call include the investments in the Money Market Funds and the Ultra Short Dated Bond Funds. These help improve the liquidity of the Authority’s balances. By investing collectively, the Authority benefits from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. This can be seen in the following chart:



The total borrowing outstanding as at 30 September 2018 is £6.797m. No further debt repayment is due until May 2020. These repayments do not directly affect the revenue budget, as they simply reflect the use of cash accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability.

Investment Yield

Having determined proper levels of security and liquidity, it is reasonable to consider the level of yield that could be obtained that is consistent with those priorities.

Performance Against Budget – Quarter 2

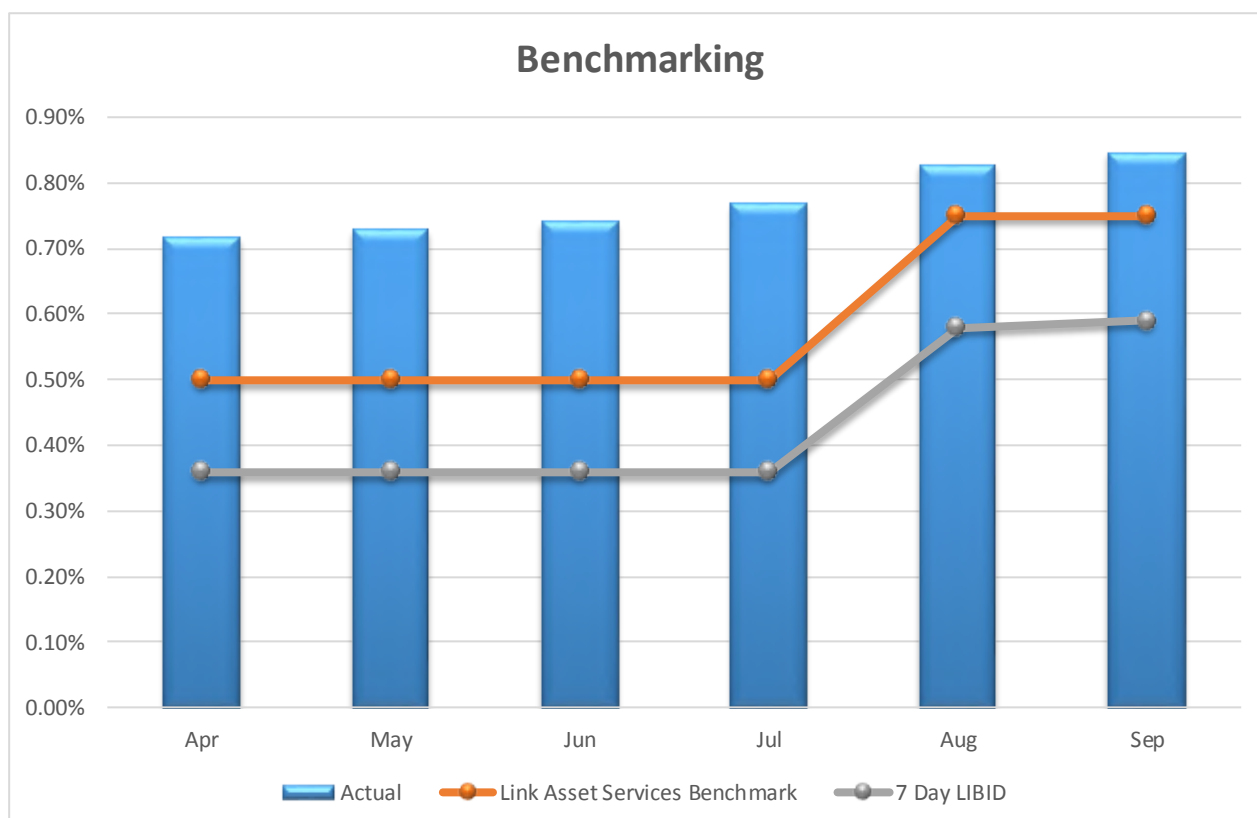
The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target for 2018/19 is £150k. This has increased by £50k for 2018/19 due to the continuing over-achievement against the previous year’s budget.

The accrued interest earned as at 30 September 2018 is £111k against the planned budget of £75k for the first quarter, which is an over achievement of £36k. It should be noted that £18k of this is due to the interest achieved from making an advance payment in respect of the Employers contribution to the LGPS, achieving £36k interest per year.

Performance Against the Benchmark – Quarter 2

The relative performance of the investments is measured against two benchmark figures:

- 7 day LIBID – this is the rate the Authority would have earned on all balances had the SLA with BCC continued into future years
- Link benchmark – this is the indicative rate that Link advised we should be looking to achieve for 2018/19 at the start of the year
- The weighted average rate (%) is compared to the two benchmark figures in the following chart for each month:



The Authority has out-performed both benchmark figures for the second quarter. This is predominantly due to the Authority investing in longer durations with Local Authorities and other counterparties and benefitting from higher returns which has resulted in the Authority outperforming against the budget set.

In the second quarter, the Bank of England base rate increased by 0.25% and is currently set at 0.75%. As a result of this increase, the market is expected to follow suit and the level of returns the Authority receive should improve in the coming months. However the level of funds available for investment will reduce in the near future as they are being used to fund the build of the Blue Light Hub in West Ashlands, Milton Keynes. The Authority will continue to re-invest any surplus funds with varying maturity dates to ensure we make a return and have sufficient liquidity to cover the day to day expenditure.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance and Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Treasury Management Practices (TMP)
EXECUTIVE SUMMARY	<p>This report is being presented as Members resolved at the meeting of Buckinghamshire and Milton Keynes Fire Authority that Overview and Audit Committee would be responsible for ensuring effective scrutiny of the treasury management strategy and policies post-implementation.</p> <p>The TMP is the key document governing the running of the Treasury Management function. This version has been updated to reflect changes to legislation, approved strategies and structure of the team.</p>
ACTION	Decision.
RECOMMENDATIONS	<ol style="list-style-type: none"> 1. That the TMP document be approved by the Overview and Audit Committee. 2. That future updates to the TMP document are submitted to the Committee for approval as part of a triennial review.
RISK MANAGEMENT	<p>Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets, will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.</p> <p>The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.</p> <p>There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	No direct impact.
LEGAL IMPLICATIONS	The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the

	Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	No direct impact.
PROVENANCE SECTION & BACKGROUND PAPERS	Treasury Management Strategy 2018/19, Fire Authority, 14 February 2018: https://bucksfire.gov.uk/files/4515/1782/9250/ITEM_8_Treasury_Management_Strategy_2018_19.pdf
APPENDICES	Annex A: Treasury Management Practices
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	Asif Hussain ahussain@bucksfire.gov.uk 01296 744421

Service Document Procedure: Treasury Management Practices



Buckinghamshire
FIRE & RESCUE SERVICE
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To:	Document Type:	✓	Document Summary:
All Staff but particularly finance staff, senior officers and Members.	Policy		Handbook that covers the rules and procedures to follow in line with BMKFA treasury management strategy, policies and procedures.
	Assessment		
	Procedure	✓	Includes all operational and authorisation aspects of investment and borrowing, banking and cash management, including division of duties and authorisation.
	Guidance Note		
	Technical Note		
	Information		
	Safety Critical		In particular it sets out third party and level of investment restrictions in conjunction with the prevailing treasury management strategy.
Financial Instructions:			
Please note that as Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.			

~~1. Document History~~

1. Changes since the last version

- 1.1 Version 1 – Treasury Management operations commencing 1st April 2013.
- 1.2 Version 2 – Revisions in-line with the revised Annual Investment Strategy 2018/19 and latest Finance team structure.

Please note that as Service Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed. Always check the intranet for the latest version.

2. Introduction and Responsibility

- 2.1 These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard officers involved in financial processes.
- 2.2 The framework includes the Authority's Standing Orders as to Contracts, The Treasury Management Strategy, Financial Regulations and Instructions and any manuals of guidance or financial policy statements issued by the Authority.
- 2.3 The Chief Finance Officer, issues these practices and procedures.
- 2.4 References to "officer" include all employees of the Authority.



Treasury Management Practices

Buckinghamshire & Milton Keynes Fire Authority

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TMP 1 Risk Management

The Section 112 Officer, in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements* will:

- ❖ design, implement and monitor all arrangements for the identification, management and control of treasury management risk,
- ❖ report at least annually on the adequacy/suitability thereof, and
- ❖ report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation’s objectives in this respect

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in **Schedule A**.

1.1 Credit and Counterparty Risk Management

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the third party’s diminished creditworthiness, and the resulting detrimental effect on the Authority’s capital or revenue resources.



The Fire Authority regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in *TMP4 Approved Instruments Methods and Techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Authority's business/service objectives will be thereby compromised.

The Section 112 Officer will ensure that the Authority has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Authority will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

1.3 Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Authority's finances, against which the authority has failed to protect itself adequately.

This Section 112 Officer will manage exposure to fluctuations in interest rates with a view to containing interest costs, and securing interest revenues, in accordance with the amounts provided in the budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

These objectives will be achieved by the prudent use of the Authority's approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

1.4 Exchange Rate Risk Management



The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Authority's finances, against which the organisation has failed to protect itself adequately.

Not applicable as the Authority's policy is to invest in [UKGBP Sterling deposits](#) only.

1.5 Refinancing Risk Management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Authority for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

The Authority will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Authority as can reasonably be achieved in the light of market conditions prevailing at the time.

The Authority will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

1.6 Legal and Regulatory Risk Management

The risk that the Authority itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The Section 112 Officer will ensure that all of the Authority's treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing the Authority's credit and counterparty policy under TMP1[1.1] *Credit and counterparty risk management*, the Section 112 Officer will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Authority, particularly with regard to duty of care and fees charged.

The Section 112 Officer recognises that future legislative or regulatory changes may impact on the Authority's treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Authority.



1.7 Fraud, Error and Corruption, and Contingency Management

The risk that the Authority fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Authority will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements to these ends.

1.8 Market Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums the Authority borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The Authority will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP 2 Performance Measurement

Evaluation and Review of Treasury Management Decisions

The Fire Authority is committed to the pursuit of value for money and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the Authority's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and or the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in **Schedule B**.

TMP 3 Decision-Making And Analysis

The Authority will maintain full records of its treasury management decisions and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for demonstrating that reasonable steps



were taken to ensure that all issues relevant to those decisions were taken into account at the time.

The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in **Schedule C**.

TMP 4 Approved Instruments, Methods and Techniques

The Section 112 Officer will undertake the Authority's treasury management activities by employing only those instruments, methods and techniques outlined in **Schedule D** and within the limits and parameters defined in TMP 1 *Risk Management*.

TMP 5 Organisations, Clarity and Segregation of Responsibilities, and Dealing Arrangements

The Authority considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of risk of fraud or error and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner and that there is at all times clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions and the audit and review of the treasury management function.

If and when the Authority intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 112 Officer will ensure that the reasons are properly reported in accordance with TMP 6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Section 112 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. The Section 112 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. Present arrangements are detailed in *Schedule E*.

The Section 112 Officer will ensure there is proper documentation for all deals and transactions and that procedures exist for the effective transmission of funds. The present arrangements are detailed in **Schedule E**.

The delegations to the Section 112 Officer and the treasury officers in respect of treasury management are set out in **Schedule E**. The responsible officer will fulfil



all such responsibilities in accordance with the Authority's policy statement and TMP's and, if a CIPFA member, *the Standard of Professional Practice on Treasury Management*.

TMP 6 Reporting Requirements and Management Information Arrangements

The Section 112 Officer will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting the Council's treasury management activities; and on the performance of the treasury management function.

As a minimum the Fire Authority via Executive Committee will receive:

- ❖ An annual report on the strategy and plan to be pursued in the coming year
- ~~❖ A mid-year review~~
- ❖ An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Authority's treasury management policy statement and TMP's.
- ~~❖ Regular monitoring reports on treasury management activities and risks~~

The Overview and Audit Committee will have responsibility for the scrutiny of treasury management policies and practices and will receive quarterly reports on treasury management activity and performance.

The Authority will report the treasury management indicators as detailed in the local authority guidance notes.

The present arrangement and form of these reports are detailed in **Schedule F**.

TMP 7 Budgeting, Accounting and Audit Arrangements

The Section 112 Officer will prepare and the Authority will approve and if necessary from time to time will amend an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function together with the associated income. The matters to be included in the budget will at a minimum be those require by statute or regulation, together with such information as will demonstrate compliance with TMP 1 *Risk management*, TMP 2 *Performance measurement* and TMP 4 *Approved*



instruments, methods and techniques. The form the Authority's budget will take is set out in **Schedule G**.

The Section 112 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with *TMP 6 Reporting requirements and management information arrangements*.

The Authority will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standard, and with statutory and regulatory requirements in force for the time being.

TMP 8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this ~~Council~~Authority will be under the control of the Section 112 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Section 112 Officer will ensure that these are adequate for the purposes of monitoring compliance with *TMP 1 (1.2) Liquidity risk management*. The present arrangements for preparing cash flow projections and their form are set out in **Schedule H**.

TMP 9 Money Laundering

The Authority is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this area are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are set out in **Schedule I**.

TMP 10 Training and Qualifications

The Fire Authority recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills to complete their role effectively.

The Fire Authority operates a ~~Professional Development Review~~Training Needs Analysis system, which identifies the training requirements of individual members of staff engaged on treasury related activities. This will also apply to those staff that from time to time cover for absences from the treasury management team. The Section 112 Officer will recommend and implement the necessary arrangements.



The Section 112 Officer will ensure that Authority members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

Present arrangements are detailed in **Schedule J**.

TMP 11 Use of External Service Providers

The Fire Authority recognises that responsibility for treasury management decisions remains with the Authority at all times. It recognises that there may be potential value of employing external providers of treasury management services in order to acquire access to specialist skills and resources. When it employs such service providers it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits.

It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review. AndFurthermore, it will ensure, where feasible and necessary, that a spread of service providers is used to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 112 Officer and details of the current arrangements are set out in **Schedule K**.

TMP 12 Corporate Governance

The Authority is committed to the pursuit of proper corporate governance throughout its business and services and to establishing the principles and practices by which this can be achieved. Accordingly the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Authority has adopted and has implemented the key principles of the Code of Practice on Treasury Management. This, together with the other arrangements detailed in **Schedule L** to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 112 officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.



SCHEDULE A – Risk Management

Credit and Counterparty Risk

The Fire Authority applies the creditworthiness service provided by [Sector.Link Asset Services](#). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- ❖ ~~credit~~Credit watches and credit outlooks from credit rating agencies
- ❖ CDS spreads to give early warning of likely changes in credit ratings;
- ❖ ~~sovereign~~Sovereign ratings to select counterparties from only the most creditworthy countries.
- ❖ This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority as a basis to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- ~~❖ Yellow — 5 years~~
- ~~❖ Purple — 2 years~~
- ~~❖ Blue — 1 year (only applies to nationalised or semi-nationalised UK Banks)~~
- ~~❖ Orange — 1 year~~
- ~~❖ Red — 6 months~~
- ~~❖ Green — 3 months~~
- ~~❖ No colour — not to be used~~

<u>Colour Rating (UK Counterparties)</u>	<u>Colour Rating (Non UK Counterparties)</u>
<u>Yellow - 5 Years and 6 Months</u>	<u>Yellow - 5 Years</u>
<u>Purple - 2 Years and 6 Months</u>	<u>Purple - 2 Years</u>
<u>Blue - 1 Year and 6 Months (only applies to nationalised or semi nationalised UK Banks)</u>	<u>Blue - 1 Year</u>
<u>Orange - 1 Year and 6 Months</u>	<u>Orange - 1 Year</u>
<u>Red - 1 Year</u>	<u>Red - 6 Months</u>
<u>Green - 9 Months</u>	<u>Green - 3 Months</u>



No colour not to be used (except for building societies on our counterparty list which the Authority can invest with for a maximum duration of 365 days limited to a maximum investment of £2 million per counterparty)

No colour not to be used

The ~~Sector~~Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be

- ❖ a short term rating (Fitch or equivalents) of short term rating F1
- ❖ long term rating A-
- ~~❖—viability rating of A- and;~~
- ~~❖—a support rating of 1~~

There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used, depending on the advice provided by our external advisors. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the ~~Sector~~Link creditworthiness service.

- ❖ if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- ❖ in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use:

- ❖ market data and market information,
- ❖ information on government support for banks and;
- ❖ the credit ratings of that supporting government.
- ❖ quality financial press

The Authority will also consider investing in AAA rated money market funds during



the year.

Country Limits

~~The Authority has determined that it will only use approved counterparties based within the United Kingdom at present.~~

In 2014/15, the Authority determined that it would not only use approved counterparties based within the United Kingdom during the year but allowed a limited number of counterparties from outside of the UK to be used. Although none of these counterparties have been used to date, these will remain on the lending list.. In addition, any counterparty rated at least 'Green' by Link should be added to the counterparty list regardless of location. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. A number of non-UK banks are ranked higher than some of the UK banks on the Authority's current counterparty list. Therefore, the Authority proposes to limit the duration of all non UK investment in line with Link's recommended limits and remove the limit of 100 days set in previous years for non-UK banks.

Counterparty Limits

~~The~~As per the 2017/18 AIS, the Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be £5m or no more than 30% of the portfolio, whichever up to a limit is the greater of £5 million.

There are two exceptions to this limit in the 2017/18 AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider, and as part of the contract will pay credit interest on all balances at a rate of Base Rate minus 0.10% (currently giving an effective rate of 0.65%). This means that:

- A higher rate can be achieved than on most other instant-access accounts
- The staff time taken to move money between our main bank account and other instant access account is reduced
- The banking charges associated with the movement of the money between accounts is reduced
- The additional risk exposure to the Authority is minimal as all amounts over the current £5 million limit would be available for withdrawal immediately should circumstances require

The other exception relates to non-rated building societies on our counterparty listing whereby the maximum balance that can be invested will be limited to £2 million for a maximum duration of 365 days.



Specified and Non Specified Investments

In accordance with CLG's Guidance for Local Government Investments in England and The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations SI 534 No 2004, the Authority will determine, through its Annual Treasury Strategy report, the 'Specified' and 'Non-Specified' investments it will use for its surplus funds.

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than ~~one year~~ five years. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of “high credit quality” (as judged against the Creditworthiness Policy detailed earlier in this paper). Specified investments currently available to the Authority are deposits with the Debt Management Office, banks, building societies and other local authorities, as well as investments in money market funds.
- Non-specified investments – any type of investment that ~~is not a specified investment. The Authority does not plan to make any non-specified investments during the year.~~ does not meet the specified investment criteria. A maximum of £5 million will be held in aggregate in non-specified investments for longer than 364 days – up to a maximum of five years and 6 months as denoted by the yellow banding on the Link creditworthiness policy detailed earlier in this paper. In addition, property funds are also classified as non-specified investments and a maximum of £3 million will be held in aggregate [subject to further approval from the Fire Authority].

Liquidity Risk

Amounts of approved minimum cash balances and short-term investments

The Treasury Management section shall seek to minimise the balance held in the Fire Authority's main bank ~~accounts~~ account at the close of each working day. ~~Generally However, a total balance of £50k will up to £2.5m may be held across all in the main accounts. Borrowing or lending shall be arranged in order to achieve current account. The Authority will receive interest on this aim balance from its banking provider.~~

Details of:

~~a. Standby facilities~~

~~At the end of each financial day any unexpected surplus funds are transferred to an instant access call account which is available from the Fire Authority's main bank. The balance on this account is instantly accessible if the group bank account becomes overdrawn.~~



b.a. *Bank overdraft arrangements*

An overdraft of £75k has been agreed as part of the banking services contract. The overdraft is assessed on an individual account basis for the Fire Authority's accounts, so that no single account should be in an overdrawn position at the end of the day.

e.b. *Short-term borrowing facilities*

The Fire Authority accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short-term debt is £1m.

d.c. *Insurance/guarantee facilities*

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

e.d. *Special payments*

The proposed BACS run will be reviewed each week for any special payments above the level anticipated. This will then be factored into the cash flow forecast going forwards.

Interest Rate Risk

Details of approved interest rate exposure limits

Upper limits on fixed and variable interest rates means that from the total portfolio of investments, no more than 20% of investments held by the Authority at any one time can be agreed at variable interest rates. There is no limit to the number of investments held at fixed interest rates.

Trigger points and other guidelines for managing changes to interest rate levels

It is ~~not~~ anticipated that there ~~will~~ may be ~~any change~~ small stepped changes to the Bank of England base rate during ~~2013/14~~ 2018/19. If the rate were to move, the investment strategy would be reviewed in light of this. PWLB rates are reviewed periodically to determine whether there are any opportunities for early repayment on advantageous terms.

Upper limit for fixed interest rate exposure

Indicator	Actual	Estimate	Estimate	Estimate
	2011/12 <u>2017/18</u>	2012/13 <u>2018/19</u>	2013/14 <u>2019/20</u>	2014/15 <u>2020/21</u>
Upper limit on fixed interest	100%	100%	100%	100%



rate exposures				
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Upper limit for variable interest rate exposure

Indicator	Actual 2011/12 2017/18	Estimate 2012/13 2018/19	Estimate 2013/14 2019/20	Estimate 2014/15 2020/21	Estimate 2015/16 2021/22
Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%

Policies concerning the use of instruments for interest rate management

a. forward dealing

Consideration will be given to dealing from forward periods dependent upon market conditions. When forward dealing is more than 1 month forward then the approval of the Section 112 Officer is required.

b. callable deposits

The Fire Authority will use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

c. LOBOS (borrowing under lender’s option/borrower’s option)

Use of LOBOs are not considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days must be approved by the Full Authority.

Exchange Rate Risk

Not applicable as the Authority’s policy is to invest in UK GBP sterling deposits only.

Refinancing Risk

Debt/Other Capital Financing, Maturity Profiling, Policies and Practices

The Fire Authority will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation



will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

The CFA will be required to approve any early repayment of borrowing in advance.

Projected Capital Investment Requirements

The responsible officer will prepare a three year plan for capital expenditure for the Fire Authority. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing

In considering the affordability of its capital plans, the Fire Authority will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the three following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period. (Note: paragraph 30 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Fire Authority will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72) and other long term liabilities (73).

PFI, Partnerships, ALMOs and guarantees

The Authority is not currently exposed to any of the above.

Legal and Regulatory Risk

References to Relevant Statutes and Regulations



The treasury management activities of the Fire Authority shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Fire Authority. These are:

English Authorities: -

- Local Government Act 2003 and relevant statutory instruments
- Guidance on Investments ODPM 12.3.2004 (revised 1.4.10)
- Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 Statutory Instrument No. 521
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- S.I. 2008 no. 414 (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Revised Guidance on Investments CLG 1.4.2010
- Localism Act 2011

- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Fire Authority is likely to get into a financially unviable position.

- CIPFA’s Treasury Management Codes of Practice and Guidance Notes 2011,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- LAAP Bulletins
- Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice

- PWLB circulars on Lending Policy

Service Document Procedure: Treasury Management Practices



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- The FX Global Code - (formerly known as The Non-Investment Products Code ~~(NIPS)~~ - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- The UK Money Markets Code
 - Financial Services Authority's Code of Market Conduct
 - The Fire Authority's Standing Orders relating to Contracts
 - The Fire Authority's Financial Regulations
 - The Fire Authority's Scheme of Delegated Functions



Procedures for Evidencing the Fire Authority's Powers/Authorities to Counterparties

The Fire Authority's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, the Authority will make available on request the following: -

- a. the Scheme of Delegations which states which officers have the authority to carry out Treasury Management activities on behalf of the Authority
- b. the document which sets out which officers are the ~~authorized~~authorised signatories

Required Information on Counterparties

Lending shall only be made to counterparties on the Approved Lending list, as held within the TreasuryLive system. This list has been compiled using advice from the Fire Authority's treasury advisers based upon credit ratings supplied by Fitch, Moodys and Standard & Poors.

Statement on the Fire Authority's Political Risks and Management of Same

The Section 112 officer shall take appropriate action with the Fire Authority, the Chief Fire Officer and the Leader of the Fire Authority to respond to and manage appropriately political risks such as change of majority group, leadership in the Fire Authority, change of Government etc.

Monitoring Officer

The monitoring officer is the Director of Legal & Governance; the duty of this officer is to ensure that the treasury management activities of the Fire Authority are lawful.

Chief Finance Officer (Section 112 Officer)

The Chief Finance Officer is the Director of Finance and Assets; the duty of this officer is to ensure that the financial affairs of the Fire Authority are conducted in a prudent manner and to make a report to the Fire Authority if he has concerns as to the financial prudence of its actions or its expected financial position.



Fraud, Error and Corruption and Contingency Management

The Fire Authority will:-

- a) seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) fully document all of its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) employees of the Authority will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

Details of systems and procedures to be followed, including internet services

Authority

- ❖ The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- ❖ All loans and investments are negotiated by the responsible officer or authorised persons.
- ❖ Loan procedures are defined in the Fire Authority's Financial Regulations.

Procedures

Detailed procedures covering electronic banking, CHAPS payments and the use of the treasury management system are available to authorised persons. The high level procedures are shown below:

- Electronic Banking
 - Balances are checked at the beginning of the day, and also late in the day to check for unexpected income;
 - ~~Balances are transferred between accounts to ensure that no account is overdrawn;~~
 - Any surplus cash is ~~either transferred to an instant access/notice account or~~ placed on a term deposit ~~or in a Money Market Fund or held on the Bank account as detailed.~~
- CHAPS payments
 - CHAPS payments are made via the HSBCnetLloyds electronic banking system;
 - All payments are input by an authorised officer, and then approved by a more senior officer before being released
- Accessing the Treasury Management System
 - There are three users, all with a unique username and password;



- The system records investments, loans and cash flows. It does not have the ability to enter into any new arrangements or make any payments;
- A full audit trail of all entries made on the system is recorded in real time.

Investment and borrowing transactions

- ❖ A detailed register of all loans and investments is maintained in the TreasuryLive system.
- ~~❖ A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.~~
- ❖ Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the HeadDirector of Finance and Assets for resolution.
- ❖ All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the HeadDirector of Finance and Assets for resolution.
- ❖ Contract notes for transactions carried out by the external fund manager(s) will be received as executed and maintained on the TreasuryLive system.

Regularity and security

- ❖ Lending is only made to institutions on the Approved List of Counterparties.
- ❖ The TreasuryLive system prompts the authorised persons that money borrowed or lent is due to be repaid.
- ❖ All loans raised and repayments made go directly to and from the bank account of approved counterparties or a custodian
- ❖ Counterparty limits are set for every institution that the Fire Authority invests with and are maintained on the TreasuryLive system.
- ❖ Brokers have a list of named officials authorised to agree deals.
- ❖ There is a separation of duties in the section between dealers and the checking and authorization of all deals.
- ❖ The Fire Authority's banksbank and all counterparties hold a list of Fire Authority officials who are authorised signatories for treasury management transactions.
- ❖ Payments can only be authorised ~~in a formal letter~~ by an authorisedagreed signatory, the list of signatories having previously been agreedlodged with the current provider of our banking services.
- ❖ The TreasuryLive system can only be accessed by a username and password.
- ❖ There is adequate insurance cover for employees involved in loans management and accounting.

Checks



- ❖ The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- ❖ The TreasuryLive system balances are proved to the balance sheet ledger codes at the end of each monthquarter and at the financial year end.
- ❖ A debt charge/investment income listing is produced every monthquarter when a review is undertaken against the budget for interest earnings and debt costs.

Calculations

The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the TreasuryLive system. The TreasuryLive system automatically calculates periodic interest payments of PWLB and other long term loans. This is used to check the amount paid to lenders.

Emergency and Contingency Planning Arrangements

Disaster Recovery Plan.

If the offices where treasury management is normally undertaken are unavailable, emergency facilities will be provided ~~as part of the SLA with Buckinghamshire County Council for disaster recovery.~~ All finance employees now have their own laptops and therefore can carry out treasury functions securely from a location where they have access to the internet. If the electronic banking system is unavailable, balances and payment functionality are available from HSBCLloyds Bank via telephone or in-branch facilities.

All members of the treasury management team are familiar with this plan and new members will be briefed on it.

All computer files are backed up on the server to enable files to be accessed from remote sites. The TreasuryLive system is hosted by an external service provider. ~~A hardcopy file will be maintained to enable continuity of service if the system is unavailable.~~ This will be updated daily to show the total value of investments outstanding, dates of maturity and other significant cash flow items.

Insurance Cover Details

Fidelity Insurance

The Fire Authority has 'Fidelity' insurance cover with TravelersZurich Insurance Company Ltd. This covers the loss of cash by fraud or dishonesty of employees. This cover is limited to £5m for any one event.

Professional Indemnity Insurance



The Fire Authority also has a 'Professional Indemnity' insurance policy with [TravelersZurich](#) Insurance Company Ltd which covers loss to the Fire Authority from the actions and advice of its officers which are negligent and without due care. This cover is limited to £2m for any one event.

Business Interruption

The Fire Authority also has a 'Business Interruption' cover as part of its property insurance with [TravelersZurich](#) Insurance Company Ltd.

Market Risk

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (Gilts, CDs, Etc.)

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits are determined and set through the Annual Investment Strategy.



SCHEDULE B – Performance Management

The approaches to be followed in evaluating treasury management decisions are:

-

- a. ~~monthly~~quarterly reviews and reporting carried out by the treasury management team
- b. regular reviews with our treasury management consultants
- c. annual review after the end of the year as reported to full Fire Authority
- d. ~~half yearly / quarterly / other~~ monitoring reports to ~~committee / full Fire Authority as applicable~~the Overview and Audit Committee
- e. comparative reviews
- f. strategic, scrutiny and efficiency value for money reviews

Periodic reviews during the financial year

The Director of Finance and Assets holds a treasury management review meeting with the ~~Head of Finance and the Technical~~Principal Accountant at least every quarter to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include :

- a) Total debt (both on-and off balance sheet) including average rate and maturity profile
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants every 3-6 months to review the performance of the investment and debt portfolios.

Annual Review after the end of the financial year



An Annual Treasury Report is submitted to the Fire Authority each year after the close of the financial year which reviews the performance of the debt / investment portfolios. This report contains the following: -

- a. total debt and investments at the beginning and close of the financial year and average interest rates
- b. borrowing strategy for the year compared to actual strategy
- c. investment strategy for the year compared to actual strategy
- d. explanations for variance between original strategies and actual
- e. debt rescheduling done in the year
- f. actual borrowing and investment rates available through the year
- g. comparison of return on investments to the investment benchmark (7 day LIBID)
- h. compliance with Prudential and Treasury Indicators
- i. other matters of relevance at the time

Comparative reviews

IfAs and when data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- Other relevant information

Benchmarks and Calculation Methodology

Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

Investment

The performance of investment earnings will be measured against the following benchmarks: -

7 day LIBID

Bank of England Base Rate



It is expected that the overall rate of return on investments will exceed the above ~~measure~~measures.

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers.

Policy Concerning Methods for Testing Value for money in Treasury Management

Frequency and processes for tendering:-Tenders are normally awarded on a triennial basis. The process for advertising and awarding contracts will be in line with the Fire Authority's Contract Standing Orders.

Banking services

The Fire Authority's banking arrangements are to be subject to competitive tender every five years unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

If tendering is not considered appropriate a specialist banking company must be appointed to ensure that the terms offered represent value for money.

Money-broking services

The Fire Authority will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

An approved list of brokers will be established which takes account of both prices and quality of services.

Consultants'/advisers' services

The Fire Authority's policy is to appoint full-time professional treasury management consultants and separate leasing advisory consultants (see also Schedule K).

Policy on External Managers (Other than relating to Superannuation Funds)

The Fire Authority's policy is not to appoint external investment fund managers.



SCHEDULE C – Decision Making and Analysis

Records to be kept

The Treasury section has a computerised TreasuryLive system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained electronically where relevant:

- Daily cash balance forecasts
- Money market rates obtained by telephone from brokers
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements

Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

In respect of every treasury management decision made the Fire Authority will:

- a) Above all be clear about the nature and extent of the risks to which the Fire Authority may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Fire Authority's objectives and protect the Fire Authority's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Fire Authority's creditworthiness policies, and that limits have not been exceeded



- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- f) In respect of borrowing and other funding decisions, the Fire Authority will:**
 - a) consider the on-going revenue liabilities created, and the implications for the organisation's future plans and budgets
 - b) evaluate the economic and market factors that might influence the manner and timing of any decision to fund
 - c) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships
 - d) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.

In respect of investment decisions, the Fire Authority will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Fire Authority to changes in the value of its capital;



SCHEDULE D – Approved instruments, methods and techniques

Approved Activities of the Treasury Management Operation

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Fire Authority’s capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- leasing.

Approved Instruments for Investments

Please refer to the section on Specified and Non-Specified Investments

Approved Techniques

- Forward dealing
- The use of structured products such as callable deposits

Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003), and within this limit the Fire Authority has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Local temporary	●	●
Overdraft		●
Internal (capital receipts & revenue balances)	●	●
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

Other Methods of Financing

- Government and EC Capital Grants
- Lottery monies
- PFI/PPP
- Operating leases



Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The responsible officer has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

Investment Limits

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

Borrowing Limits

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.



SCHEDULE E – Organisation, clarity and segregation of responsibilities, and dealing arrangements

Allocation of responsibilities

(i) Fire Authority

- receiving and reviewing reports on treasury management policies, practices and activities.
- approval of annual strategy.
- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- budget consideration and approval.
- approval of the division of responsibilities.
- ~~receiving and reviewing regular monitoring reports and acting on recommendations.~~
- approving the selection of external service providers and agreeing terms of appointment.

(ii) Overview and Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular monitoring reports and acting on recommendations.
-

Principles and Practices Concerning Segregation of Duties

The following duties must be undertaken by separate officers: -

Dealing	Negotiation and approval of deal. Receipt and checking of broker's confirmation note against loans diary. Approval of bank reconciliation
Accounting Entry	Production of transfer note. Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.



Treasury Management Organisation Chart

Director of
Finance and
Assets

(Section 112
Officer)

I

~~Head of Finance~~

~~(Deputy S112
Officer) Principal
Accountant~~

I

~~Finance Officer
(Transactions
Exchequer and
Reporting)~~

I

Finance
Assistant

~~Technical
Accountant (Exch
equer
Transactions and
Reporting)~~

~~——— I~~

~~Senior Finance
Officer
(Exchequer and
Reporting)~~

I



~~Finance
Assistant~~

~~(Exchequer and
Reporting)~~

Statement of the treasury management duties/responsibilities of each treasury post:-

The responsible officer (S112 Officer)

The S112 or responsible officer is the person charged with professional responsibility for the treasury management function and in this Fire Authority is the Director of Finance and Assets.

Individual Responsibilities

Director of Finance and Assets (or, in his/her absence, the ~~Head of Finance~~ Principal Accountant)

- a. recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b. submitting regular treasury management policy reports
- c. submitting budgets and budget variations
- d. receiving and reviewing management information reports
- e. reviewing the performance of the treasury management function
- f. ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g. ensuring the adequacy of internal audit, and liaising with external audit
- h. recommending the appointment of external service providers.
- i. The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j. The responsible officer may delegate the power to borrow and invest to members of staff, the current delegations are outlined below:-

Borrowing

Section 112 Officer Long term borrowing up to the authorised limit, temporary borrowing up to £2 million

Head of Finance	Long term borrowing up to the authorised limit, temporary borrowing up to £2 million
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~~Technical~~ Principal Accountant Temporary Borrowing up to £1 million

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~~Senior~~ Finance Officer No authorisation
Finance Assistant No authorisation

Investments

Section 112 Officer Investments up to 5 years

~~Head of Finance~~

~~Investments up to 5 years~~

~~Technical~~Principal Accountant Investments up to ~~1 year~~3 years

~~Senior~~ Finance Officer Investments up to ~~95 days~~1 year

Finance Assistant Investments up to 1 month

- k. The ~~Head of Director~~ Finance, ~~Technical & Assets, Principal~~ Accountant, ~~Management Accountant, Senior~~ Finance Officer and Finance Assistant must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above.
- l. The responsible officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- m. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Fire Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Fire Authority's Financial Regulations
- n. It is also the responsibility of the responsible officer to ensure that the Fire Authority complies with the requirements of The ~~Non Investment Products~~FX Global Code (formerly known as The ~~London Non Investment Code of Conduct~~)Practice and the UK Money Markets Code for principals and broking firms in the wholesale markets.

~~Head of Finance (or, in his/her absence, the Director of Finance and Assets)~~

- ~~a. Take steps to provide adequate internal checks and division of duties.~~
- ~~b. Ensure that there is a clear written statement of the responsibilities delegated to each post engaged in Treasury Management. Because of the particular demands of Treasury Management, this statement should also clearly specify the arrangements for absence cover.~~
- ~~c. Ensure all persons engaged in Treasury Management receive appropriate training.~~
- ~~d. Ensure that the treasury activities of the local authority follow the appropriate processes set out and that adherence to them can be verified.~~



- ~~e. Monitor Prudential Indicators and Treasury Management activities. Such monitoring should include performance measurement utilising appropriate measures.~~
- ~~f. Undertake reviews of the Treasury Management function at least twice a year which will examine costs, performance, earlier decisions and trends.~~
- ~~g. Take account of the cash flow budget as part of the budgetary process and consider the need to report thereon.~~
- ~~h. Prepare a budget for the treasury function which will be included as part of the published budget.~~
- ~~i. Comply with CIPFA's Standard of Professional Practice on Treasury Management.~~
- ~~j. Be responsible for the reporting procedure and the drafting of the Practices Document.~~
- ~~k. Authorise the transfer of funds to or from externally managed investments.~~
- ~~l. Approve Input Officers and Authorising Officers for the Banking system.~~
- ~~m. Approve or undertake borrowing from the PWLB, or market sources.~~

Technical

Principal Accountant Post (in his/her absence, the **Management Accountant/Finance Officer** will assume responsibility)

- a. Report weekly on lending, including returns against budget and target to the Director of Finance, and the Head of Finance, or borrowing and cost of borrowing.
- b. Assist as required with the production of reports to Members, in particular the cyclical reports to the Scrutiny Co-ordinating Board.
- c. Assess daily cash requirements, and discuss them with the Head of Finance as necessary.
- d. Arrange borrowing and lending requirements. Any borrowing is only to be with the approval of the Director of Finance or the Head of Finance.
- e. Liaise with external brokers and lenders, recording and timing all agreements and advice. Complete transactions on TreasuryLive and present it to the Head of Finance with appropriate back-up for signing once repayment has been made.
- f. Be familiar with the Treasury Management Practices Document, the CIPFA Code of Practice and the Treasury Management Strategy.
- g. Ensure compliance with reporting procedures and the Practices Document and Annual Strategy.
- h. Supervise and monitor the work of ~~Senior~~ Finance Officer and review the weekly statement of investments.
- i. Maintain the TMP, updating as necessary.
- j. Assess, monitor and review staff training requirements in relation to Treasury Management.
- k. Assist as required with the production of reports to Members.



- l. Ensure that there is adequate division of duties between the TechnicalPrincipal Accountant / ~~Senior~~ Finance Officer and Finance Assistant Posts in relation to Cash Book duties.
- m. Agree confirmation of deals undertaken by brokers.
- n. Draft the Prudential Indicators, MRP, and Treasury Management Strategy.
- o. Be familiar with the Prudential Indicators and the CIPFA Code of Practice.
- p. Be systems administrator for the Council's banking system.
- q. Review weekly system log from the Council's banking system.
- r. Review Investment Register quarterly.
- s. Check all completed deal records on a monthly basis.

Note: The TechnicalPrincipal Accountant (and in his or her absence, the ~~Senior~~ Finance Officer) supervises the work of the Finance Assistant Post ~~who has day to day responsibility for the Cash Book~~. Given the smallness of the Council's Finance Section it is not practical to do otherwise. However, the Head of Director Finance & Assets must make clear to the Finance Assistant that he/she has a direct reporting line to the Head of Director Finance, ~~or the Director of Finance & Assets~~, if the post-holder believes that the TechnicalPrincipal Accountant or ~~Senior~~ Finance Officer is becoming involved in detailed Cash Book matters.

~~Senior~~ Finance Officer (or in their absence, the Finance Assistant)

- a) Administration of the Council's Bank Accounts and preparation of all necessary controls and reconciliations, including the completion of monthly bank reconciliations.
- b) To comply with and carry out the day to day operational requirements of the Council's Treasury Policy Statement and to have delegated authority in respect of lending as outlined in the table above.
- c) To act as authorised operator of the Councils on-line electronic banking.
- d) To provide information for cash flow purposes, to produce quarterly reports on investments and to carry out regular investment reconciliations.

The responsibilities of this post will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising Finance Assistant
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices



The Chief Fire Officer

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the Section 112 Officer reports regularly to the Fire Authority and the Overview and Audit Committee on treasury policy, activity and performance.

The Monitoring Officer – the Director of Legal & Governance

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

Absence Cover Arrangements

Multiple staff are authorised to deal, access the TreasuryLive system and [HSBCnet.electronic banking system](#). Sufficient training is provided to ensure staff are able to provide sufficient cover for expected and unexpected absences.

Dealing Limits

The following posts are authorised to deal: -

- ~~Head of Director~~ Finance & Assets
- ~~Technical Principal~~ Accountant



- ~~Senior~~ Finance Officer (~~x2~~)
- Finance Assistant

There is no monetary dealing limit for individual posts, although maximum periods for investment are detailed earlier in Section E. All proposed deals must be reviewed by ~~the Head of Finance, Technical Accountant or Management Accountant~~ one of the Principal Accountants before they are confirmed.

List of Approved Brokers

A list of approved brokers will be maintained within the Treasury Team if and when required, and a record of all transactions recorded against them. ~~Currently brokers are not required.~~ See TMP 11

Policy on Brokers' Services

It will be this Fire Authority's policy to rotate business between brokers where applicable.

Policy on Taping/Recording of Conversations

It is not this Fire Authority's policy to tape broker conversations. Approved brokers and direct deal organisations do record their conversations and could make these available if circumstances required.

Direct Dealing Practices

The Fire Authority will consider dealing direct with counterparties if it is appropriate and the Fire Authority believes that better terms will be available. At present, most deals are arranged directly. There are certain types of accounts and facilities where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

Settlement Transmission Procedures

A formal email setting out each transaction must be received from the counterparty before any payments are authorised. For payments, a transfer will be made through the ~~HSBCnet~~ Authority's electronic banking system to be completed by 2.00 pm on the same day.

Documentation Requirements

For each deal undertaken a record will be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker. These records will all be held on the TreasuryLive system and in ~~hardcopy~~ electronic format.



Arrangements Concerning the Management of Third-Party Funds.

The Fire Authority does not manage any third party funds.



SCHEDULE F – Reporting requirements and management information

Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - i) review of the Authority's approved clauses, treasury management policy statement and practices
 - ii) strategy report on proposed treasury management activities for the year comprising of the Treasury Management Strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
- b) Quarterly review
- c) Annual review report after the end of the year

Annual Treasury Management Strategy Statement

The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Executive Committee and then to the full Fire Authority for approval before the commencement of each financial year.

The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates. For instance, this Fire Authority may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

The Treasury Management Strategy Statement is concerned with the following elements:

- a) formally adopted clauses
- b) Prudential and Treasury Indicators
- c) current Treasury portfolio position
- d) borrowing requirement
- e) prospects for interest rates
- f) borrowing strategy
- g) policy on borrowing in advance of need
- h) debt rescheduling
- i) investment strategy
- j) creditworthiness policy
- k) policy on the use of external service providers
- l) any extraordinary treasury issue
- m) the MRP strategy

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The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.



The Annual Investment Strategy Statement

At the same time as the Fire Authority receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Fire Authority's risk appetite in respect of security, liquidity and yield
- b) The definition of high credit quality to determine what are specified investments as distinct from non specified investments
- c) Which specified and non-specified instruments the Fire Authority will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Fire Authority's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- f) Which credit rating agencies the Fire Authority will use
- g) How the Fire Authority will deal with changes in ratings, rating watches and rating outlooks
- h) Limits for individual counterparties and group limits
- i) Country limits
- j) Levels of cash balances
- k) Interest rate outlook
- l) Budget for investment earnings
- m) Use of a cash fund manager (if applicable)
- n) Policy on the use of external service providers

The Annual Minimum Revenue Provision Statement

This statement will set out how the Fire Authority will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

Policy on Prudential and Treasury Indicators

The Fire Authority approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Fire Authority



Quarterly review

The ~~Fire Authority~~Overview and Audit Committee will review its treasury management activities and strategy on a quarterly basis. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

Annual Review Report on Treasury Management Activity

An annual report will be presented to the Executive Committee and then to the full Fire Authority at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) transactions executed and their revenue (current) effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations
- f) monitoring of treasury management indicators

Management Information Reports

Management information reports will be prepared every month by the ~~Technical~~Principal Accountant and will be presented to the Director of Finance and Assets.

These reports will contain the following information: -

- a) a summary of transactions executed, brokers used and fees paid and their revenue (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non compliance with Prudential limits or other treasury management limits.

Publication of Treasury Management Reports

All reports to the Executive Committee and Fire Authority will be made public on our website as part of the committee papers and agenda for each meeting.



SCHEDULE G – Budgeting, accounting and audit arrangements

Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Fire Authority has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Fire Authority's treasury management activities.

The Authority also has a statutory obligation to comply with all relevant acts and statutory instruments (see list in section on Legal and Regulatory Risk).

Sample Budgets / Accounts / Prudential and Treasury Indicators

The Director of Finance and Assets will prepare a ~~four year~~ medium term financial plan with Prudential and Treasury Indicators for treasury management ~~which that~~ will incorporate the budget for the forthcoming year and provisional estimates for ~~at least~~ the following ~~threetwo~~ years.

The ~~previouscurrent~~ MTFP ~~coveredcovers~~ the period ~~2012/132018/19~~ to ~~2015/162020/21~~. The income budget for the period where the Authority managed its own investments (2013/14 – ~~2015/16~~ ~~is~~2017/18) ~~was initially~~ £70k ~~and increased to £100k~~ per annum ~~for eachover the 5~~ year ~~period~~. ~~The income budget from 2018/19 onwards has been set at £150k per annum which reflects the levels of returns the Authority has achieved since managing its own investments.~~

The Director of Finance and Assets will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

List of Information Requirements of External Auditors.

- ❖ Reconciliation of loans outstanding in the financial ledger to treasury management records
- ❖ Maturity analysis of loans outstanding
- ❖ Certificates for new long term loans taken out in the year
- ❖ Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- ❖ Calculation of loans fund interest and debt management expenses
- ❖ Details of interest rates applied to internal investments
- ❖ Calculation of interest on working balances
- ❖ Interest accrual calculation
- ❖ Principal and interest charges reports from the TreasuryLive system
- ❖ Analysis of any deferred charges



- ❖ Calculation of loans fund creditors and debtors
- ❖ Annual Treasury Report
- ❖ Treasury Management Strategy Statement and Prudential and Treasury Indicators
- ❖ Review of observance of limits set by Prudential and Treasury Indicators
- ❖ Calculation of the Minimum Revenue Provision
- ❖ External fund manager(s) valuations including investment income schedules and movement in capital values.

Quarterly Budget Monitoring Report

Quarterly Budget Monitoring reports are produced for the Strategic Management Board, whilst a quarterly budget monitoring report goes to [Executive the Overview and Audit](#) Committee. The report is intended to highlight any variances between budgets and spend in order that the Fire Authority can assess its financial position. Details of treasury management activities are included within this report.



SCHEDULE H – Cash and cash flow management

The Authority will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standard, and with statutory and regulatory requirements in force for the time being.

Arrangements for Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

Bank Statements Procedures

The Fire Authority ~~receives daily~~ obtains electronic bank statements daily and a daily electronic download of data from its bank. All amounts on the statement are checked ~~to source data from Payroll, Creditors etc~~ and any anomalies investigated.

A formal bank reconciliation is undertaken on a monthly basis by the Senior Finance Officer (Exchequer Transactions and Reporting).

Payment Scheduling and Agreed Terms of Trade With Creditors

Our policy is to pay creditors within 30 days of the invoice date and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within the terms specified within each contract.

Arrangements for Monitoring Debtors / Creditors Levels

The Technical Principal Accountant is responsible for monitoring the levels of debtors and creditors. Details are used to assist in updating the cash flow models.

Procedures for Banking of Funds

All money received by an officer on behalf of the Fire Authority will without unreasonable delay be passed to the Finance Assistant (Exchequer Transactions and Reporting Reports) to deposit in the Fire Authority's banking accounts. ~~The Finance Assistant (Exchequer and Reporting) will notify the Technical Accountant each morning of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.~~

Practices Concerning Prepayments to Obtain Benefits

The Fire Authority has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the responsible officer.

Service Document Procedure: Treasury Management Practices



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SCHEDULE I – Money Laundering

Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

The Authority has an Anti-Money Laundering Policy. The Money Laundering Responsible Officer (MLRO) is the Chief Finance Officer and Director of Finance & Assets. The [Head Director](#) of [Legal Services and Governance](#) is able to deputise for the MLRO in his/her absence.

The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment



The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2007/2017

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FSA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In ~~December 2007~~ June 2017 the UK Government published the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007/2017 (MLR 2017), which replaced the Money Laundering Regulations ~~2003~~ 2007.

Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007/2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Fire Authority will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is the Director of Finance and Assets
- f) in order to ensure compliance is appropriately managed, this Fire Authority will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the Director of Finance and Assets and it shall be a requirement that all services and departments implement this corporate policy and procedures.



Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

The Fire Authority does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on www.fsa.gov.uk.

Methodologies for Identifying Deposit Takers

In the course of its Treasury activities, the Fire Authority will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on www.fsa.gov.uk.

All transactions will be carried out by CHAPS for making deposits or Direct Debit for repaying existing loans.



SCHEDULE J – Training and qualifications

Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

Records of Training Received by Treasury Staff

The ~~Technical~~Principal Accountant will maintain records on all staff and the training they receive. Copies will also be kept on individual's personal records file.

Approved Qualifications for Treasury Staff

The Director of Finance & Assets, ~~the Head of Finance, Technical Account~~ and ~~Management~~Principal Accountant must be fully qualified accountants (CCAB). The ~~Senior~~ Finance Officers and Finance Assistants must be at least part-qualified AAT or have evidence of equivalent experience.

Statement of Professional Practice (SOPP)

Where the Director of Finance and Assets is a member of a professional accountancy body, there is a professional need for the him/her to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

Other staff involved in treasury management activities who are members of professional accountancy bodies also have a duty to follow the principles and uphold standards of professional conduct.

Member training records

Records will be kept of all training in treasury management provided to members.

Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.



SCHEDULE K – Use of external service providers

Banking Services

- a) Name of supplier of service is HSBCLloyds
- b) Regulatory status – banking institution authorised to undertake banking activities by the FSA
- c) The branch address is: ~~2 Walton Road~~ Market Square, Aylesbury, Bucks, HP21 7SS ~~HP20 1TD~~
Cost of service is variable depending on schedule of tariffs and volumes
- d) Payments due monthly / other (varies by account)

Money-Broking Services

The Fire Authority will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. ~~The performance of brokers is reviewed by the Technical Accountant every month to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the Director of Finance and Assets.~~

Cash/Fund Management Services

The Authority does not currently use cash or fund managers.

Treasury Consultancy Services

The Fire Authority will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed by the ~~Technical~~ Principal Accountant every quarter to check whether performance has met expectations.

- a) Name of supplier of service is ~~Sector Treasury~~ Link Asset Services Limited. Their address is ~~17 Rochester Row~~ 65 Gresham Street, London ~~SW1P 1QT~~ EC2V 7NQ ~~Tel: 0871 664 6800~~
- b) Regulatory status: investment adviser authorised by the FSA
- c) Contract commenced 1 April ~~2013~~ 2017 and runs for 3 years.
- d) Cost of service is £5, ~~500~~ 825 per year (plus VAT).
- e) Payments due annually in advance

Leasing Consultancy Services

These are provided by ~~Sector~~ Link Asset Services as part of the treasury consultancy services agreement (see above)



Other Consultancy services may be employed on short term contracts as and when required.

Credit Rating Agency

The Fire Authority receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

Procedures and Frequency for Tendering Services

See TMP2



SCHEDULE L – Corporate Governance

List of Documents to be Made Available for Public Inspection

- a. The Fire Authority is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -

Treasury Management Policy Statement

Treasury Management Strategy Statement

Annual Investment Strategy

Minimum Revenue provision policy statement

Annual Treasury Review Report

Treasury Management monitoring reports (e.g. half yearly, quarterly)

Annual accounts and financial instruments disclosure notes

Annual budget

~~3-Year Medium Term Financial Plan (Capital Plan~~

)

Minutes of Fire Authority / Executive Committee meetings

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Counter-Fraud and Corruption Policy Review
EXECUTIVE SUMMARY	To seek approval of the updated policy to ensure that the Authority continues to comply with its Counter-Fraud and Corruption obligations. This paper is being presented to the Committee as part of a triennial review.
ACTION	Decision.
RECOMMENDATIONS	That the revised Counter-Fraud and Corruption Policy be approved.
RISK MANAGEMENT	This framework links into the risk register and will be revised as part of the risk monitoring framework.
FINANCIAL IMPLICATIONS	No direct impact.
LEGAL IMPLICATIONS	As covered in the report.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	This framework sets out the Authority's determination to ensure a 'zero-tolerance' policy towards corruption and to provide robust counter-fraud and corruption procedures. It will help maintain our existing resources to ensure they are used for legal purposes, and procedures are in place to ensure any investigations are carried out to maximise the chance of protection of the Authority and prosecution of guilty parties.

<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background Counter-Fraud and Corruption Policy – Overview and Audit Committee, 23 September 2015: https://bucksfire.gov.uk/files/4914/4222/9155/ITEM_11_Counter-fraud_and_Corruption_Policy_Annex.pdf</p>
<p>APPENDICES</p>	<p>Appendix A: Counter-Fraud and Corruption Policy</p>
<p>TIME REQUIRED</p>	<p>10 minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Mark Hemming mhemming@bucksfire.gov.uk 01296 744687</p>



1. Changes since the last version

This version has been reformatted on the new template, contains minor typographical corrections and links to other policies and procedures have been updated where necessary.

Please note that as Service Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed. Always check the intranet for the latest version.

2. Index

1. [Document changes](#)
2. [Index](#)
3. [Policy Statement](#)
4. [Introduction](#)
5. [Scope](#)
6. [Culture](#)
7. [Raising Concerns](#)
8. [Members Concerns](#)
9. [Other Stakeholder Concerns](#)
10. [Roles and Responsibilities](#)
11. [Recruitment and Training](#)
12. [Rules and Regulations](#)

3. Policy Statement

Buckinghamshire and Milton Keynes Fire Authority is committed to protecting the public funds to which it has been entrusted. As a consequence the Fire Authority aims to minimise the risk of fraud and safeguard public funds by developing a counter-fraud culture, developing robust control systems, encouraging the reporting of suspected fraud, investigating all allegations of fraud and assisting police in their investigations and prosecutions and taking appropriate action to recover from fraudsters any assets wrongfully obtained.

This Counter-Fraud and Corruption policy is to advise and guide members and employees of the Authority, contractors, suppliers, partner organisations and service users, on the Authority's approach to issues of fraud and corruption. This document provides an overview of the strategy and includes guidance on how the Authority will deal with allegations of fraud and corruption.

4. Introduction

The Fire Authority expects all members, employees, consultants, contractors, suppliers and partner organisations, to act honestly and with integrity and to safeguard the public resources for which they are responsible, and to provide any help information and support necessary to deal with fraud and corruption.



The Authority will not tolerate any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The Authority is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

Where relevant, the Authority will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts is likely to lead to a termination of the particular contract and may lead to prosecution. In respect of employees, the Authority's disciplinary rules are such that fraud and corruption are considered to be potential gross misconduct and if proven, will normally result in dismissal.

This Policy is based on a series of comprehensive and inter-related procedures, designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent act affecting the Authority or its assets.

5. Scope

The purpose of this Policy is to outline the Authority's approach for dealing with the threat of fraud and corruption. It applies to:

- elected members of the Fire Authority
- employees at all levels
- organisations, contractors, suppliers and partners associated with the Authority
- users of our services

and covers any matter that may be construed as attempted or actual fraud or corruption affecting the Fire Authority both from internal or external sources examples of which may include:

- Financial Issues i.e., where individuals or companies have fraudulently obtained money from the Authority, (e.g. invalid invoices/work not done).
- Resource Issues i.e., where there is a misuse of resources, (e.g. theft of cash / assets)
- Other Issues i.e., activities undertaken by officers of the Authority that may be unlawful; against the Authority's Standing Orders or policies; falls below established standards or practices; or amounts to improper conduct, (e.g. receiving unapproved hospitality).

This list is not exhaustive - advice and guidance can be obtained from the Authority's Internal Auditors.



6. Culture

The Authority actively promotes a culture of openness and honesty in all its dealings and has ~~recently updated its~~ [an approved Code of Conduct](#). It also has in place a [Code of Conduct for Councillors and Co-opted Members](#) together with procedures, for members and key employees with procurement powers, to declare financial and other interests and any gifts and hospitality.

To ensure that all employees understand this policy, it will be explained to all new employees and members as part of their induction procedure. Line managers are responsible for conducting an awareness programme for current employees.

The Authority has in place three Committees whose monitoring roles are relevant.

- The Overview and Audit Committee, which sets and monitors standards of conduct for members, reviews the activities of the Internal Audit function including reports of any significant investigations and the management response to recommendations. It also ~~scrutinizes~~ [scrutinises](#) and challenges proposals made by officers and decisions taken by members.
- The Executive Committee, determines the code of conduct for Members and considers other financial matters on recommendation from the Overview and Audit Committee.
- The Fire Authority agrees plans, policies and strategies and considers any other matters on recommendation from the Executive Committee.

7. Raising Concerns

The Authority's employees play an important part in creating, maintaining and promoting this culture and are encouraged to voice any serious concerns about any suspicion of fraudulent or corrupt activities using the Authority's '**Whistle Blowing**' policy. This policy aims to ensure that any concerns raised will be properly investigated in a professional and confidential manner.

8. Members' Concerns

If any member suspects fraud they should in the first instance approach the Chairman of the Overview and Audit Committee who will refer the matter to the Chief Fire Officer for investigation by the internal audit function.

9. Other Stakeholder Concerns

Members of the public are also encouraged to report concerns through the Fire Authority's [Local Code of Conduct Complaints Process](#).



10. Roles and Responsibilities

Responsible Officer

Under the Local Government Finance Act 1988, the Chief Finance Officer of the Authority is designated as the section 112 responsible officer and is responsible for ensuring that the Authority has adequate systems of internal control and measures in place to enable the prevention and detection of fraud and corruption.

The Chief Finance Officer is also responsible for maintaining an effective system of internal audit of the Authority's accounting records and control systems, and has a statutory right of access to the Authority's documents, records, and information necessary for that purpose.

The Chief Finance Officer will:

- take overall responsibility for the maintenance and operation of this Policy;
- maintain records of financial malpractice, including concerns and allegations received; matters arising from audits; investigations and evidence; and the outcomes;
- report as necessary to the Authority.

Managers

Managers are responsible for establishing and implementing effective controls to help prevent and/or detect incidents of fraud or corruption, for addressing key business risks, ensuring that employees are aware of their responsibilities and comply with the Authority's counter-fraud policy, and for creating an environment where employees feel able to raise any concerns they may have.

In the event that a complaint about a member of staff might result in disciplinary proceedings it is important that the rights of the employee under the **Discipline Procedure** are respected and managers should ensure that any investigation is compatible with the requirements of the disciplinary policy.

11. Recruitment and Training

The Authority strives to employ people who have high standards of propriety and integrity and will obtain written references prior to confirming appointments of any duration and undertake police checks where appropriate. On appointment, employees undertake induction training part of which is familiarisation with specified policies, including all ethical policies (e.g. Counter-Fraud and Corruption) and Standing Orders. ~~When any of these policies are amended every employee is consulted on the change, prior to approval being sought from~~



~~the Authority, and~~ Employees are notified when policies have been approved and where they are held.

12. Rules & Regulations

The key features of the system of internal control are summarised in the **The Authority's Annual Governance Statement**, published with the Fire Authority's Statement of Accounts.

There are a number of procedures, rules and guidelines that are an important part of the internal control process and it is important that members and employees ~~familiarize~~ familiarise themselves with them. Whilst this list is not exhaustive (as policies are being continually reviewed and developed) among these are:

- The [Local Code of Conduct Complaints Process](#) details the procedure to be adopted if a complaint is made against the service.
- [Standing Orders Relating to Contracts](#) give guidance on the minimum levels of control required for contracts.
- The Discipline Procedure is designed to help and encourage employees to achieve and maintain appropriate standards of conduct.
- [Financial Instructions](#) ~~approved by the Fire Authority~~ set out financial procedures.
- [Financial Regulations](#) ~~detailed within the Combined Fire Authority's Regulation Order 1996~~ constitutes the framework in which the financial management of the Fire Authority should operate.
- The Whistle Blowing Procedure which provides clear avenues for employees to raise concerns and to receive feedback on how these concerns have been addressed; take matters further if they are dissatisfied with the Authority's response and protect them from possible reprisals or victimisation for whistle blowing in good faith.

If anyone breaches these rules and regulations formal action will be taken which may include ending employment or referring members to the Overview and Audit Committee.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Mark Hemming, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Local Pension Board Update – November 2018
EXECUTIVE SUMMARY	<p>This paper is being presented to inform the Committee of the work undertaken by the Local Pension Board (the Board) for Buckinghamshire and Milton Keynes Fire Authority (BMKFA).</p> <p>Minutes of the most recent Board meeting can be seen in Appendix A (these are shown as Draft until formally approved by the Board at its next meeting).</p>
ACTION	Noting.
RECOMMENDATIONS	That Members note the report.
RISK MANAGEMENT	<p>The Board maintains a risk register, which is discussed and reviewed at each meeting. A copy of the most recent risk register can be seen in Appendix B.</p> <p>Any 'red' risks will be escalated to the Corporate risk register. There are currently no risks of this magnitude.</p>
FINANCIAL IMPLICATIONS	No direct impact.
LEGAL IMPLICATIONS	No direct impact.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	<p>The possibility of a joint Board with Royal Berkshire FRS has been discussed. However, it is felt that whilst the boards are relatively new it is too soon to look at combining them into one. This will be kept under review.</p> <p>The Authority continues to collaborate with the Eastern and South regional pension groups; for networking, joint learning, development and understanding and the development of pension related policies and procedures. These groups feed into the regional technical groups and Scheme Advisory Board and information is also cascaded to the Local Pension Board.</p>

HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	Communication with stakeholders; The Board consists of three employer representatives and three employee representatives. The Authority is the Scheme Manager for the Firefighters Pension Schemes and this report seeks to keep senior managers informed of the work of the Board.
PROVENANCE SECTION & BACKGROUND PAPERS	Firefighters’ Pension Scheme 2015: Proposed new governance arrangements, Executive Committee, 18 March 2015: https://bucksfire.gov.uk/files/5814/2564/3988/ITEM_8_Firefighters_Pension_Scheme_2015_Report_to_Executive_Committee_18.03.15_Annexes.pdf
APPENDICES	Appendix A – Draft Minutes of the Board, September 2018 Appendix B – Board Risk Register
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

Appendix A

Buckinghamshire & Milton Keynes Fire Authority Fire Fighters Local Pension Board Meeting

12th September 2018
Minutes of meeting

Present: Mark Hemming- Chair (MH), Faye Mansfield (FM), Richard Priest (RP), Calum Bel (CB), Tony Cliffe (TC), Chris Wycherley (CW) & Caroline Jordan (CJ)

Guest: Helen Scargill (HG) – West Yorkshire Pension Fund

Item		Action
1	<p>Apologies for Absence:</p> <p>No apologies</p>	
2	<p>Minutes from Previous Meeting</p> <p>The minutes from the meeting held on the 2nd May 2018 were agreed.</p> <p>For completion of action points please see the Action Log.</p>	
3	<p>Conflict of Interest</p> <p>MH informed the Board that he would shortly be promoted to Director of Finance & Assets and this would result in a conflict of interest so would need to tender his resignation from the Board and as Chair. The Board asked MH to attend the next meeting as advisor and MH agreed.</p> <p>A discussion followed regarding the appointment of a new Chair. CB agreed to put himself forward as Chair and RP and MH seconded the appointment.</p> <p>It was discussed that FM also has a conflict of interest as the Schemes Administrator. It was agreed that FM would resign from the Board and act as an Advisor to the Board.</p> <p>Two new employer representatives will need to be put forward and elected at the next meeting. MH and FM agreed to think who will be suitable and inform the other Board members of recommendations.</p>	<p>FM/MH</p>
4	<p>Review of Terms of Reference</p> <p>The Board reviewed the current Terms of Reference.</p> <p>The Board decided that a fixed term should be in place for the Chair and Board Members. After a further discussion, it was agreed that after 3 years the position of Chair and other Board members should be reviewed.</p> <p>A conversation took place regarding who the Board reports to. The Board has agreed a new Chair but who will decide the recommendation, the Scheme Manager, CFO or SMB. MH agreed to follow up on this matter.</p> <p>FM to update the Terms of Reference with fix term for Chair and Board members.</p>	<p>MH</p> <p>FM</p>

<p>5</p>	<p>WYPF Update</p> <p>Helen Scargill updated the meeting on recent events including:</p> <ul style="list-style-type: none"> • Target Figures: These had been meet except the target for the dispatch of the Annual Statements, but this had been rectified. • Annual Benefit Statement: As explained before the statements have been sent out but could be looked at as a breach. HS informed the Board that 6 out of 329 statements were not sent out on time. <p>Following a brief debate it was decided that this would not constitute a reportable breach.</p> <ul style="list-style-type: none"> • On-line Members: HS informed the Board that WYPF's on-line portal had been experiencing problems. It was advised that until the problems had been solved the use of the on-line portal should not be promoted. • Monthly Client Reports: HS notified the Board that monthly figures were available and sent to FM regularly. <p>FM agreed to make these reports available monthly to Board Members.</p>	<p>FM</p>
<p>6</p>	<p>Treatment of temporary promotions between 1 July 2013 and 1 April 2018</p> <p>FM updated the Board on the current situation regarding the treatment of temporary promotions. A discussion took place and the following points raised:</p> <ul style="list-style-type: none"> • Individual Allowance Breached: CB asked whether individual allowances may have been breached and if so what the tax implications might be. FM to look into the problem and check to see if any FF's may have breached the allowance. • Timescale: FM was asked what the timescale was for the process. FM confirmed she was unsure but hoped that the process would be completed by the end of March 2019. A dedicated resource was being used so no other work would interfere with the completion of the process. • Report this as a Breach: It was considered by the Board if this should be reported as a breach. <p>RP asked if procedures that should have been in place to pick up the mistake where now in place. FM confirmed that new procedures were now in place.</p> <p>HS felt the breach should be reported to show that the Scheme Manager was now in control of the situation and putting new processes and procedures into place to prevent this happening again.</p> <p>It was agreed that this was a red breach and should be reported. FM to report the breach.</p>	<p>FM</p> <p>FM</p>

	<p>CB asked for confirmation that the other amber breaches had been reported as agreed at previous meeting.</p> <p>FM informed the Board that these had not been reported. A discussion took place and MH agreed to look at the minutes of previous meetings to see what was agreed.</p>	MH
7	<p>Objectives and Work Plan for 2018/19</p> <p>No update.</p>	
8	<p>Communication Strategy</p> <p>The Board reviewed the discussion about how best to communicate updates regarding pensions.</p> <p>It was again proposed that e-mails would be the best way to communicate changes. It was suggested that this matter needed to go higher than the IT department as an e-mail pointing to the new information on the I-drive may solve many questions.</p>	
9	<p>Performance Data</p> <p>MH ran through the Survey of FRA Local Pension Boards 2017 and highlighted the recommendations on page 25.</p> <p>It was agreed that section 5.3 on page 25 should be reviewed at the next meeting including resources.</p>	ALL
10	<p>Training Needs</p> <p>Board Member agreed to look at training needs at the next meeting.</p>	ALL
11	<p>Appointments</p> <p>Resignation of current Chair from the Board due to conflict of interests – MH</p> <p>New appointment of Chair – CB</p> <p>FM resigned from the Board and will now advise the Board on Pension matters.</p>	
12	<p>AOB</p> <p>CW asked about the eligibility of who can join the FF's pension and if the Authority were making sure only eligible FF's were enrolled. MH asked CW to send any communications he had regarding the eligibility to join and he would look into it.</p> <p>TC enquired whether the apprentices were offered a pension scheme by Encompass and if yes if any payments could be transferred into the FF's pension when they become fulltime FF's. FM confirmed that a pension scheme had been offered. HS agreed to see if it would be transferable to the FF pension scheme.</p>	CW/MH HS
13	<p>Date of Next Meeting</p> <p>Tuesday 15th January 2019 – 2:00pm – 4:00pm Meeting Room 1</p>	

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Risk Register for: Local Pensions Board

Completed by: Faye Mansfield
Date completed: Sep-18
Reviewed by: Local Pension Board
Date reviewed: 12-Sep-18
Next review date:

Risk No.	Risk Description	IMPACT Description	LIKELIHOOD Description	Gross Risk Rating			Opportunities	Mitigating actions and timeframes	Net Risk Rating			Responsible Person(s)
				IMPACT	LIKELIHOOD	RISK Rating			IMPACT	LIKELIHOOD	RISK Rating	
1	Operational Disaster (e.g. Flood, Fire, Cyber Crime)	Serious - Loss of Pension Data, Loss of Pension contribution information	Unlikely, whilst this event is unlikely business continuity procedures need to be in place	4	1	4	Demonstrate adequate BCP arrangements are in place	Up to date business continuity and disaster recovery arrangements are in place at Buckinghamshire Fire and Rescue Service (Scheme Manager) and West Yorkshire Pension Fund (Scheme Administrator)	4	1	4	Scheme Manager
2	Pension Payroll and data not being transferred to the Scheme Administrator accurately or in a timely manner. Risk of delay in pension payroll, risk of incorrect pension calculations	Serious - if the pension payroll is delayed or data not transferred correctly for Scheme members	Likely: if data is not transferred by Payroll to WYPF in an accurate and timely manner	4	3	12	Resilience for pension services and administration has been improved with the transfer to WYPF and the move to a more robust provider in April 2016	West Yorkshire have pension advisors with excellent knowledge and skills	4	2	8	Scheme Manager, Director of People & Organisational Development
3	Member Data incomplete or inaccurate	Serious - incorrect data will result in incorrect pension calculations and Annual Benefit Statements and incorrect reporting to Home Office and The Pension Regulator	Likely: without clear checks and audits performed on a regular basis, or pension administration documentation unclear or out of date	4	3	12	Demonstrate effective management and administrations of the Fire Pensions Schemes	Scheme membership data checking exercise being undertaken. Internal Audits annually undertaken. Monthly payroll reporting from iTrent being established	4	2	8	Scheme Manager, Scheme Administrator
4	Administration process failure/maladministration	Serious - pension administration not undertaken to the required standard	Likely: if loss of key staff or inexperienced staff employed to work on pensions	4	3	12	Demonstrate that the Fire Pension Schemes are professional administered by competent and qualified staff	Pension SLA in place at WYPF, these need to be established within the Service, Scheme of delegation in place, regular communication with Scheme Administrator. WYPF have significant experience of administering for a number of Fire Authorities, and has resilience in numbers of experienced staff	4	2	8	Scheme Manager, Director of People & Organisational Development, Scheme Administrator
6	Annual Benefit Statement (ABS) not produced in time	Serious - pension administration not delivered the Annual Benefit Statements in line with required timescales by TPR / need to report the event (breach) to The Pensions Regulator	Likely: if errors are found within pension data or system errors are evident within statements produced or system can not produce statements	4	3	12	Demonstrate effective administration by production of ABS in line with requirements	System development in 2017 resulted in a delay in issuing ABS. For 2018 ABS were issued on time	4	2	8	Scheme Administrator
7	Officers acting outside of delegated responsibility	Serious - Any approval or agreement that is outside of delegated responsibility could lead to additional financial implications for the pension schemes	Likely: without clear procedures, delegations and discretions in place	4	3	12	Ensure procedures and policies are in place and adequate	Approved Scheme of Delegation in Place. Pension discretions approved by the Scheme Manager. FPS 1992 and 2006 need discretions reviewed and transferred into updated format	4	3	12	Director of People & Organisational Development
8	Employer fails to deduct correct pension contributions from Scheme members	Serious - incorrect pension contribution being recorded and collected	Likely: without necessary check and reconciliations being in place	4	3	12	Ensure procedures are in place and adequate	Deduction and rules checked with payroll provider; reconciliation of deduction carried out by Finance on a monthly basis; internal audit review deductions as part of audit scope	4	2	8	Director of People & Organisational Development
9	Failure to interpret rules or legislation correctly	Serious - resulting in incorrect pension calculations and estimates	Likely: without continued professional development, training and keeping up to date with changes to pension legislation	4	3	12	Ensure procedures are in place and adequate training provided. Effective communication between all parties	Regular attendance at pension training and update events. Regular monitoring of key sources of information e.g. through Fire Pensions Forum and LGA	4	2	8	Scheme Manager, Scheme Administrator, People & Organisational Development
10	Annual Statutory Accounts criticised by external auditors / The Pension Regulator	Serious: this would mean that major issues exist with the Management and Administration, and/or accounting for the Firefighter Pension Schemes	Likely: if Scheme not administered correctly or financial reconciliation not kept up to date	4	3	12	Ensure pension data is maintained, administered and accounted for correctly	Trained, experienced officers produce the accounts to a detailed timescale. Pension data for the accounts is provided by the Governments Actuary Departments (GAD)	4	1	4	Director of Finance & Assets

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Buckinghamshire & Milton Keynes Fire Authority



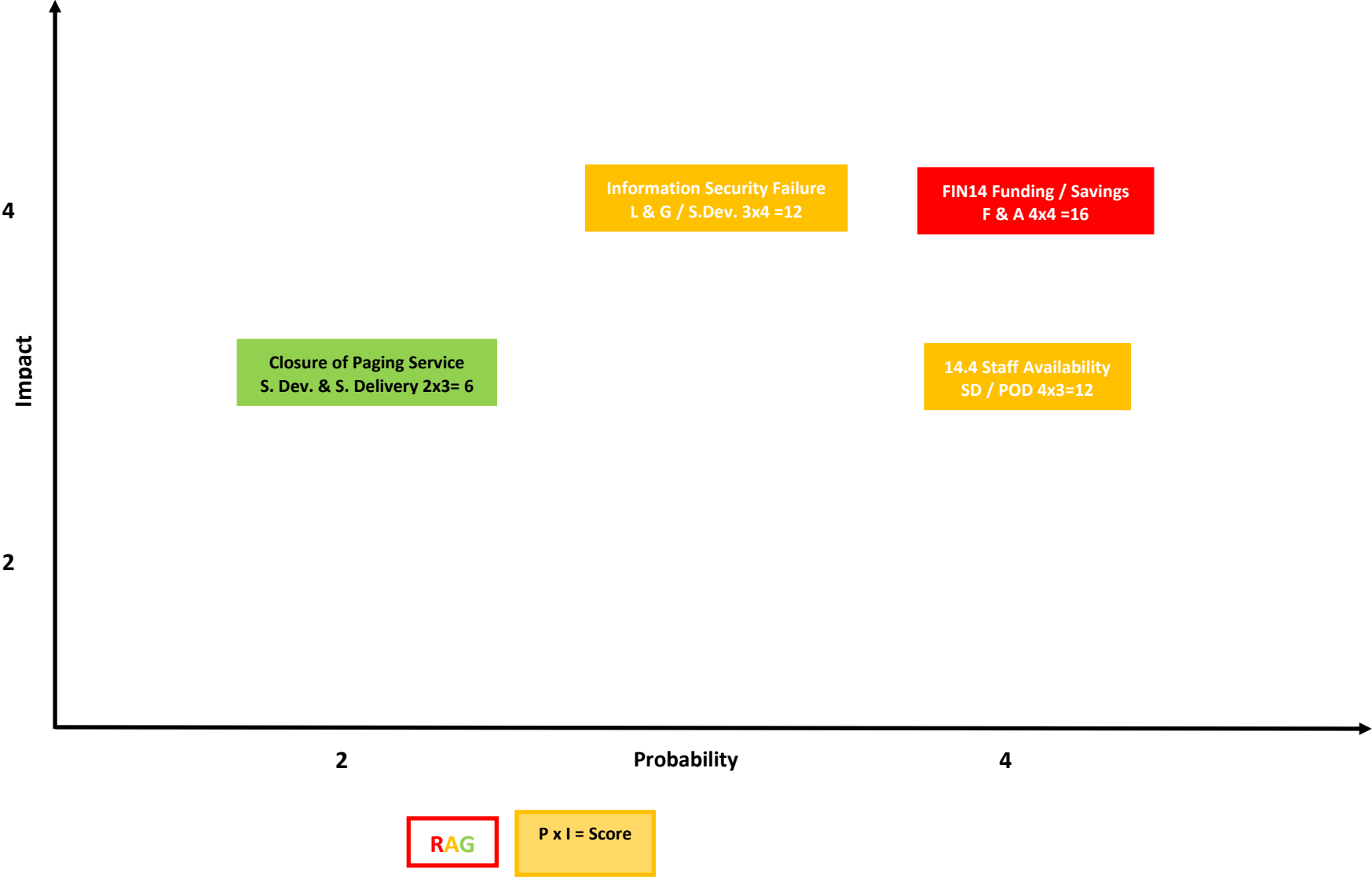
MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Netta Glover
SUBJECT OF THE REPORT	Corporate Risk Management
EXECUTIVE SUMMARY	<p>This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB) because of their magnitude, proximity or because the treatments and controls require significant development.</p> <p>Since the last Overview and Audit Committee Meeting in July, the Corporate Risk Register has been reviewed at SMB's 14 August and 18 September meetings.</p> <p>At the 14 August meeting the following was agreed:</p> <ul style="list-style-type: none"> • The probability score for the information security risk was reduced from 4 to 3 resulting in an overall score of 12 (amber RAG status); • In light of progress towards implementation of a permanent solution for the Pager risk, and satisfactory performance of the interim arrangements, a reduction in the probability risk score for this was also agreed resulting in an overall score of 6 (Green RAG status). <p>At the 18 September SMB meeting the potential risks associated with the UK's planned withdrawal from the European Union ('Brexit') were considered, following an initial evaluation, and whether, at this time, there is anything in relation to these that should be considered for inclusion in the Corporate Risk Register. It was agreed that it would not be appropriate to include these in the Corporate Risk Register at this time for the following reasons:</p> <ul style="list-style-type: none"> • The main risks to UK FRS are likely to be similar to those affecting UK public services as a whole and will probably arise from the fiscal effect of Brexit (i.e. the effect on the amount of money available to fund public services and the government's future priorities in relation to the

	<p>distribution of this). These are scenario dependent, as yet unknown, would require complex multivariate analysis to identify with a probability of a high margin of error and cannot therefore be reliably quantified;</p> <ul style="list-style-type: none"> • The risks particular to FRS are, again, scenario dependent but likely to relate to matters such as the procurement of equipment from EU sources (e.g. potential disruption to supply chains and / or adverse effects on prices) and the possibility of travel delays to UK FRS personnel travelling to and from the EU on business or for personal reasons. In the longer term, and again depending on the precise terms of exit, there is also potential for UK legislation and regulation currently affecting UK FRS to diverge from that pertaining across the EU which could potentially generate opportunities as well as risks. <p>At the 23 October SMB meeting, the Director of Finance & Assets provided an update in relation to the funding and savings risk regarding the potential impact of changes to employer contributions to the firefighter pension scheme which could increase costs by as much as £1.6 million a year from the 2020/21 financial year if further support is not provided by the Treasury. In light of this it was agreed that the risk should remain at Red RAG status.</p> <p>SMB also discussed the impact of a data breach at a third party supplier of employee benefits (Sodexo) to the Authority and a recent premises security incident at a Fire Station. However, these were not considered to be at a level that would require an immediate change to the information security risk assessment but that this would be reviewed again in light of any further findings and recommendations as to any further steps needed to reduce the risk of similar incidents in the future.</p> <p>A review of Directorate Risk Registers was undertaken at the 10 October PMB meeting. This did not identify any items requiring escalation to SMB for potential inclusion in the Corporate Risk Register.</p> <p>The current distribution of corporate risks relative to probability and potential impact is shown at Annex A.</p> <p>Changes to the corporate risk ratings over the last year are shown at Annex B.</p> <p>Detailed assessments of identified corporate risks are shown in the Corporate Risk Register at Annex C.</p>
<p>ACTION</p>	<p>Decision.</p>

RECOMMENDATIONS	It is recommended: 1. that the status report on identified corporate risks at Annex C be reviewed and approved; 2. that comments to officers for consideration and attention in future updates/reports be provided.
RISK MANAGEMENT	The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.
FINANCIAL IMPLICATIONS	No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.
LEGAL IMPLICATIONS	None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Annex C.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	The potential to share corporate risk intelligence with neighbouring FRS and other relevant agencies will be considered. BMKFA already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.
HEALTH AND SAFETY	Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified then this may present Health and Safety risks.
EQUALITY AND DIVERSITY	No direct implications from the presentation of this report. However risks to achieving the Authority's equality, diversity and inclusion objectives or compliance with relevant statutes or regulations are identified assessed and managed via this process and are currently monitored within the People and Organisational Development Risk Register.
USE OF RESOURCES	The development of the risk management framework complements the governance framework and business processes as a critical cog in the system of internal control and makes better use of our people resources by giving them clearly defined areas of responsibility. Senior managers and principal officers are key stakeholders in the development of the framework and

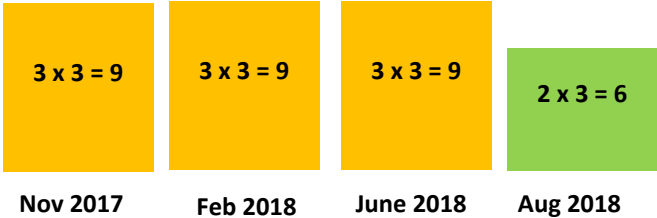
	<p>have an active role in its development at every stage. The lead Member will also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.</p> <p>As with all policy frameworks, all employees will be informed of the changes in the process and will receive any training necessary to support their role in the process.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>A formal policy for the management of Corporate Risk was approved by the Authority in August 2006 and implemented with effect from 31 January 2007 (OC57: Corporate Risk Management Policy).</p> <p>Further development of this policy and framework was reported to members at the 15 September 2010 CFA meeting (see Annex A and item 8 of 15 September CFA Papers:</p> <p>http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF</p> <p>An updated Corporate Risk Management Policy was approved at the 18th March 2015 Executive Committee:</p> <p>http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf</p> <p>CFA Members were last updated on the status of the Authority's Corporate Risks at the 18 July 2018 Overview & Audit Committee:</p> <p>https://bucksfire.gov.uk/files/2815/3112/5913/OVERVIEW_AND_AUDIT_COMMITTEE_180718_AGENDA_AND_REPORTS.compressed.pdf</p>
<p>APPENDICES</p>	<ol style="list-style-type: none"> 1. Annex A: Distribution of Corporate Risks at 23 October 2018 SMB meeting. 2. Annex B: 12 Month View of Changes to Corporate Risks 3. Annex C: Corporate Risk Register Report
<p>TIME REQUIRED</p>	<p>10 Minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock, Corporate Planning Manager</p> <p>sgowanlock@bucksfire.gov.uk</p> <p>01296 744435</p>

Annex A: Corporate Risk Map – As at 23 October 2018 SMB

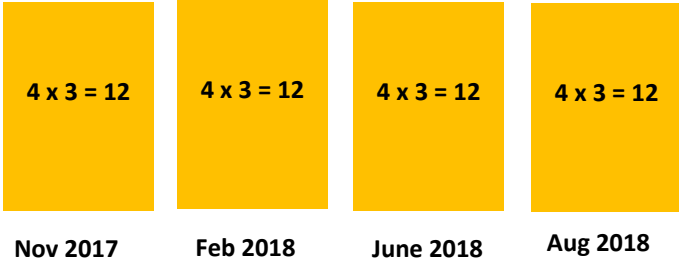


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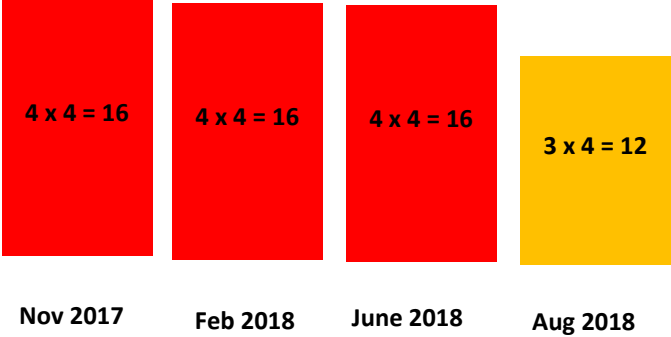
Closure of Paging Service



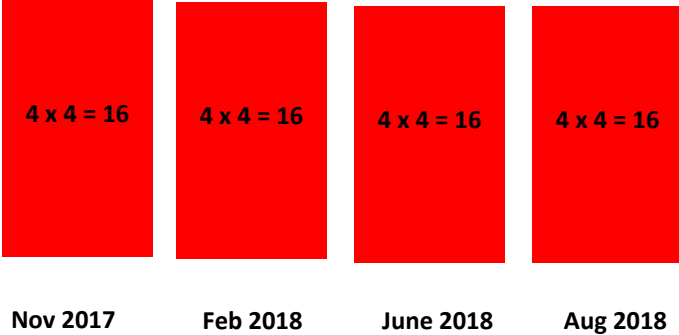
Staff Availability



Information Security Failure



Risk to Funding



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Annex C - Corporate Risk Register – as at 23 October 2018 SMB

Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ	HML			
CRR 014.4 Staff Availability Emerging risks of 1/ industrial action due to pension change or pay dispute; 2/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc. 3/Impact of transformation at pace on attraction of new staff, retention and overall workforce stability.	COO / POD Dir.	Potential detrimental effects on service delivery to the community and our reputation.	(2)	(5)	(10)	(M)	<ul style="list-style-type: none"> • Full business continuity plans in place & uploaded to Resilience Direct. • Peer review of the business continuity arrangements • Bank System • Flexi-Duty System Pilot • Staff Transfer Procedure • Employee assistance and welfare support • Training Needs Assessment process • Monitoring of staff 'stability ratio' relative to best practice and sector norms • Review of Resourcing and Retention strategies • Wider range of contracts offering more flexible ways of working • A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options • Workforce planning data is regularly reviewed with Service delivery, HR and Finance. • Project on Strategic Review of Operational Resourcing is underway with a number of work-streams, including On-Call and Geographic station reviews • Growth bids to be considered to support future resourcing demands. 	A	<p><u>19 September 2017 SMB</u> The risk has eased in the short term following take on of transferees and a new batch of apprentices. However, risk score to remain unchanged due to imminent London Fire Brigade recruitment campaign which is aiming to recruit 400 firefighters.</p> <p><u>14 November 2017 SMB</u> Due to neighbouring services advertising for transferees at different levels there is an increased risk of operational staff transferring with only a month's notice. In particular LFB have advertised for Station Commanders and several staff have applied. The border services have less stringent promotion standards without the need for IFE, so staff are attracted by the future potential opportunities.</p> <p><u>13 February 2018 SMB</u> A review of the extant Career Development procedure, is currently being undertaken. Whilst it is anticipated some amendments will be necessary, these will not in any way be detrimental in continuing to raise standards.</p> <p><u>21 June 2018 PMB</u> A coordinated programme of apprenticeships recruitment, replenishment of promotional development pools for Crew through to Group Commander level, with the accompanying mandatory training requirements and progressing a small number of transferees in to balance experience is on track.</p>
			(5)	(5)	(25)	(H)			
			(3)	(5)	(15)	(H)			
		(4)	(5)	(20)	(H)				
		(3)	(5)	(15)	(H)				
		(5)	(4)	(20)	(H)				
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
		(3)	(3)	(9)	(M)				
4	3	12	M						

Annex C - Corporate Risk Register – as at 23 October 2018 SMB

							<ul style="list-style-type: none"> • Head of Service delivery is working with SC's to review reward options • HR are reviewing the future promotion and career development options • Competent temporary SC's substantiated without full IFE (December 2017) and a review of impact on Watch and Crew will be taking place December 2107. • Full suite of appointments planned for 2018 		<p>the risk of losing operational staff at different levels continues, particularly with LFB who offer London weighting allowance. The position is being closely monitored and modelled into medium term workforce plans</p> <p>23 October 2018 SMB</p> <p>The recruitment plan for 2019 to refresh the workforce during a period of predicted peak retirements. Is approved. A fourth tranche of Fire Fighter Apprentices are planned for Q1 2019 20 , supplemented by a small number of experienced transfers as required. The transferees numbers can flex depending on any LFB recruitment impacts and/or unplanned leavers.</p>
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Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	Σ				
Fin 14 – Funding and Savings Requirement	Director Finance & Assets	The funding settlement now assumes that a council tax increase is required each year in line with the prevailing capping limit, currently 3% for the Fire Authority, and that local growth meets expectations. If either or both did not come to fruition there is a risk the Authority will not meet its commitment to the PSP 2015-20 and that a fundamental re-think of	(4)	(4)	(16)	H	Proactive management of the MTFP is in force and is very closely aligned to workforce planning.	R	13 February 2018 SMB The Council Tax referendum threshold was raised from 2% to 3% in the provisional settlement, but growth in the base for 2018-19 was only 1.4% (compared to a forecast of 2%). The final settlement has not yet been announced. The USAR grant has been confirmed for 2018-19 but will be paid upfront in 2017-18, which raises further concerns about its long term viability. Outcomes of national Firefighter pay negotiations are still unknown and present a significant risk to our budgetary position. 5 June 2018 SMB The Authority has not received any reassurance regarding the long-term viability of USAR grant funding. There is also no clarity as to the level of any pay-award, and whether or not amounts above
			(3)	(4)	(12)	M			
			(3)	(4)	(12)	M	For the present, USAR (S31) grant funding is assumed to continue, though notification now seems to be year on year and often after budget setting. If removed, the Authority will need to cope with a circa £800k cut in funding.		
			4	4	16	H	The Authority has responded to consultations and lobbied MPs to increase the referendum threshold for fire authorities to £12.		

Annex C - Corporate Risk Register – as at 23 October 2018 SMB

		<p>service provision would be required.</p>						<p>1% will be funded centrally or not. Concerns around levels of funding and current uncertainty were raised with the Home Office during a conference call discussing 'Fire Risk and Demand'. There is currently a forecast budget deficit of £440k for 2019-20. If the level of Council Tax surpluses seen in previous years is forthcoming, and if the local business rates pool continues for a further year, the Authority could conceivably set a balanced budget for 2019-20 by restricting non-pay inflationary rises and not approving any other budget increases. Any other non-budgeted increases or overspends could be covered by reserves for one-year (although this would impact on future investment).</p> <p>After 2019-20 the Authority should have a better indication of future funding, as the outcomes of the upcoming Comprehensive Spending Review and Fair Funding Review will be published. Until then, the risk is to remain as 'Red'.</p> <p><u>18 September 2018 SMB</u></p> <p>In addition to the risks noted at 5 June 2018 SMB, further information has been received in relation to employers' contributions to the firefighter's pension scheme (a risk originally anticipated following the Budget in 2016). In a written statement to the House of Commons (on 6 September 2018) it was noted that 'early indications are that the amount employers pay towards the [unfunded pension] schemes will need to increase'. The Budget 2016 set out a reduction in the anticipated discount rate used to calculate employer contributions, but the latest statement indicates the reduction in the rate will be even</p>
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Annex C - Corporate Risk Register – as at 23 October 2018 SMB

									<p>greater, which would lead to even higher employer contributions. The Authority was expecting an increase, but until full valuation results are published, it is not known whether the amount allowed for in the MTFP will be sufficient.</p> <p><u>23 October 2018 SMB</u></p> <p>Initial valuation reports indicate that the average employer contribution rate for the firefighter’s pension scheme will increase from 17.6% to 30.2% from 1 April 2019. The estimated additional cost to the Authority is £1.6m per year. For 2019-20 the Treasury will fund the majority of this amount, leaving a net increase of approximately £150k for the year. An amount greater than this had already been set aside following the announcement in the Budget 2016. No additional funding has been confirmed for 2020-21 and this will need to form part of the sector’s bid within the Comprehensive Spending Review process.</p> <p>The Home Office have commenced an engagement with NFCC on the future of USAR from 2024, when the current USAR assets reach the end of their expected operational life. Four proposed options range from no change through to a reduction in the total number of teams/ units by up to 36%. The effect of this could range from a total loss of Section 31 grant funding for the BFRS USAR capability, through the reduced funding for a scaled-back provision. This Service is engaged with the NFCC working group and will be sighted early on development. As the risk develops a range of responses will be raised and considered.</p>
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Annex C - Corporate Risk Register – as at 23 October 2018 SMB

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Paging:- closure of Vodafone's Vodapage service & transfer of service to Page One (Capita Service)	ICT Manager	The only alternative paging system (Page One) does not have the coverage in Buckinghamshire that Vodaphone has. Inability to contact / call out key staff for incidents / support.	(3) 2	(3) 3	(9) 6	(M) L		<p>5 April 2018 Plan B is now live and has replaced the Vodafone paging system from 1st April. The system is functioning well. One or two unforeseeable glitches have been found and have been fixed or fixes identified. It will serve adequately until we are able to go live with the App based mobilising system. We continue to liaise with RBFRS in the completion of the CoCo application for revising our Annex A certification. As this is an interim solution the risk remains at amber.</p> <p>13 February 2018 SMB: Maintain at amber RAG status pending resolution of Code of Connection issue.</p> <p>5 June 2018 SMB We still await the confirmation of the code of compliance permissions from the Home Office which will allow integration with the mobilising system at TVFCS. In the interim the opportunity to further develop the App with the provider has been taken. The SMS solution provided as a plan B is functioning well but has caused some restrictions in our ability to provide 2nd and 3rd line availability of appliances. This is due to configurations within TVFCS which would cause issues for our partner services.</p> <p>14 August SMB Good progress is being made towards implementation of a permanent solution is being made and the interim arrangement continues to function satisfactorily. It is therefore proposed that the score in relation to the probability of the risk crystallising is reduced to 2 resulting in an overall risk score of 6 (Green RAG status). Change to risk score agreed.</p>	

Annex C - Corporate Risk Register – as at 23 October 2018 SMB

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<p>Information security failure to -</p> <p>a) comply with statutory or regulatory requirements</p> <p>b) manage technology</p> <p>c) manage organisational resources</p> <p>Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data</p>	Senior Information Risk Owner (SIRO) Director Legal & Governance	<ul style="list-style-type: none"> Inability to access/use our e-information systems. Severe financial penalties from the Information Commissioner Lawsuits from the public whose sensitive personal information is accessed causing damage and distress. 	(4) 3	(4) 4	16 12	(H) M		A	<p>24 Oct 17 SMB</p> <p>Updates to treatments and comments noted. However, it was agreed that the risk score should remain at its present level for the time being but kept under active review.</p> <p>1 February PMB Update</p> <p>The business impact of cyber-attacks is increasing. As organisations implement new technologies they face disruption from an ever-changing threat landscape. Many organisations don't know how many attacks they've suffered or how these occurred. Breaching an organisation by targeting its employees continues to be the most common cause of attack. Although the average total financial cost of incidents decreased this year to £857,000, the impact of breaches was felt more widely with an average of 19 hours of down-time following an attack¹.</p> <p>¹ PWC UK conducted its "Global State of Information Security® Survey 2018" based on interviews with 9,500 business and technology executives from 122 countries, including 560 UK respondents.</p> <p>13 February 18 SMB</p> <p>Maintain RAG status at Red.</p> <p>21 June PMB Update</p> <p>The National Cyber Security Centre (a part of GCHQ) has stated that cyber-attacks have resulted in financial losses to business. The costs arise from the attack itself, the remediation and repairing reputational damage by regaining public trust. Attacks have also triggered declines in share prices and the sacking of senior and technical staff held to account for massive data breaches. The enforcement of the General Data Protection Regulation (GDPR) in May 2018 could, under certain</p>

Annex C - Corporate Risk Register – as at 23 October 2018 SMB

						<ul style="list-style-type: none"> - disincentives to unauthorised access e.g. disciplinary action <p>4. Premises security:</p> <ul style="list-style-type: none"> - Preventative maintenance schedule - Frequent audits at Stations and inventory aligned to asset management system. - Reduction in the number of CCTV requests following improved education and guidance in relation to the use of the same; - Premises Security Group re-established to meet on a three monthly basis aligned to the PMB meeting schedule. 	<p>circumstances, lead to severe fines for organisations which fail to prevent data breaches, which result in a risk to the rights and freedoms of individuals. The increase in availability of Distribute Denial of Services (DDoS)-for-hire services has led to an increase in Distribute Denial of Services attack attempts. There was a 91% increase between July and September 2017 compared to the first quarter of 2017".</p> <p>With no decline in the threats from external sources and adjustment issues to meet the requirements of GDPR information security continues to be very high risk.</p> <p><u>14 August 18 SMB</u></p> <p>Following a review of the adequacy of the controls and mitigations in respect of this risk it was agreed that the probability score could be reduced to 3 resulting in an overall score of 12 and a reduction in the RAG status from red to amber.</p> <p><u>23 October 18 SMB</u></p> <p>SMB discussed a recent data breach that had occurred at Sodexo who provide an online employee benefits facility for Authority employees resulting in employees who have joined the scheme being targeted with spam emails. Also, a report of a recent break-in at a fire station was received. SMB noted the steps being taken to investigate these incidents and identify any additional measures that can be taken to avoid similar in the future. It was agreed that neither incident was at a level that would require an immediate change to the risk score at this point but that this would be reviewed again in light of any further findings.</p> <p>Earlier this year a breach of one of our servers not connected to the network, was swiftly eradicated and a report was made to "Action Fraud" (part of the National Cyber Crime Unit). To mitigate further attempts on any of our systems we have been</p>
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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services – Preparation Update
EXECUTIVE SUMMARY	<p>On 14 February 2018, Officers presented to the Fire Authority their preparation plans for the launch of the new Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection process, alongside their response to the consultation relating to the inspection methodology. The purpose of this paper is to update the Committee on progress with the Service's preparations for, and engagement with, the inspection process.</p> <p>Tranche One inspections, comprising 14 FRS, are now complete with reports of their findings scheduled to be published by HMICFRS in early December 2018.</p> <p>The Tranche Two inspection process, comprising 16 FRS (including Oxfordshire and Royal Berkshire FRSs), is now well underway. The Tranche Two inspection timetable is shown at Appendix 1.</p> <p>Buckinghamshire FRS (BFRS) is to be inspected in Tranche Three. This is currently planned to commence in the Spring of 2019 though the precise timings of the individual FRS inspections are yet to be confirmed. However, BFRS has already engaged with the process via response to a number of performance information requests. To date these have been fulfilled on time and to the required specifications.</p> <p>Currently the Service's preparations are proceeding to plan. Overall progress with preparations at milestone level, together with key risks and associated mitigations, are shown in the project Highlight Report at Appendix 2</p>
ACTION	Noting.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. the content of the progress report be noted; and 2. a copy of this report be submitted to the 12 December 2018 Fire Authority meeting for their information, updated to reflect the latest position at

	<p>that time.</p> <p>The Authority be recommended to agree that:</p> <ol style="list-style-type: none"> 3. the Overview and Audit Committee continue to receive progress reports on preparations for the HMICFRS inspection; 4. a summary of the overall findings from each inspection tranche be received by the Authority when available; 5. the HMICFRS' full inspection report relating to Buckinghamshire Fire and Rescue Service be received by the Authority following publication; and 6. following publication of the HMICFRS inspection report, the Overview and Audit Committee monitor progress with plans to address any recommendations made by HMICFRS.
RISK MANAGEMENT	<p>There are reputational corporate risks to the organisation should we be graded as inadequate. The Service has already taken steps to mitigate this through having extensive internal and external audits of a number of areas of the Service. Notably, our operations have been subject to external independent assurance. Our Health, Safety and Wellbeing function has been independently audited by the Royal Society for the Prevention of Accidents and received a Gold Award.</p>
FINANCIAL IMPLICATIONS	<p>FRS are not funded for burden and preparation resource implications of HMICFRS visit, nor is the Service charged. This round of inspections is funded by the Home Office. The Police are top sliced from their government grants to fund the HMICFRS inspections of constabulary. There has been no mention yet that this might be a future funding model for the inspection of FRS.</p>
LEGAL IMPLICATIONS	<p>The powers of inspection of FRS are established by the Policing and Crime Act 2017. There is no contractual relationship between BFRS or HMICFRS. There are no specific legal functions or liabilities anticipated at this time.</p>
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	<p>Though this is something each Service has to plan and deliver individually, officers have been working on our approach in consultation with our Thames Valley FRS partners and 'peer' support from Thames Valley and Gloucestershire Police Forces.</p>
HEALTH AND SAFETY	<p>There are no Health, Safety or Wellbeing implications anticipated. This area is subject to inspectorate scrutiny.</p>
EQUALITY AND	<p>There are no Equality and Diversity implications expected as part of the preparation process. However,</p>

DIVERSITY	assessment of performance in this area is subject to inspectorate scrutiny.
USE OF RESOURCES	<p>A preparation plan was devised for the Service and presented to the Fire Authority on 14 February 2018. The preparations for HMICFRS is being led by the Head of Service Development.</p> <p>Communication with stakeholders; A Stakeholder engagement exercise has been carried out and points of communication with Members and staff has been programmed into the preparation plan.</p> <p>The system of internal control; Specific areas identified for service improvement have been identified through a number of workshops. These are being captured in relevant departmental plans and the Operational Assurance Plan. These will be reported on in the usual way and ultimately to the Executive Committee.</p> <p>The medium term financial strategy; No implications for the strategy are identified at this time. There may be future implications depending on the long-term funding model for HMICFRS.</p> <p>The balance between spending and resources; No new human resources have been identified as being required to prepare for inspection. The Corporate Planning Manager is overseeing preparation of evidence gathering with support from the Service's Business Continuity and Resilience Manager. The Viper system has been designed to capture evidence on an ongoing basis. This allows managers to provide evidence as part of their usual reporting process. Further scrutiny of the progress against the delivery of the corporate plan is provided by the Performance Management Board.</p> <p>The ethos of the Service will be to continue to deliver the Service's vision and strategic aims and gather the relevant evidence for the HMICFRS as business as usual rather than an extra burden.</p> <p>While we develop an understanding of the inspection process and monitor the experience and effect on other Services we will revisit the resourcing needs.</p> <p>We have identified that preparations for aspects of the new Public Safety Plan (PSP) due in 2020 need to be closely aligned with preparations for the HMICFRS. This is reflected in the plan.</p>
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Chapter four of the Policing and Crime Act 2017 established the legal framework for the inspection of English fire and rescue services. Wales and Scotland have their own mechanisms for assuring services. The Home Office subsequently awarded a contract to Her</p>

	<p>Majesty’s Inspectorate of Constabulary and consequently they changed their name to Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services.</p> <p>Our preparation plans together with our response to HMICFRS’ consultation on the inspection methodology was presented to, and considered at, the 14 February 2018 Fire Authority meeting (see pages 131 – 162):</p> <p>https://bucksfire.gov.uk/files/9615/1782/8239/FIRE_AUTHORITY_AGENDA_AND_REPORTS_140218-min.pdf</p>
<p>APPENDICES</p>	<ol style="list-style-type: none"> 1. Tranche Two inspection timetable 2. HMICFRS Project Highlight Report
<p>TIME REQUIRED</p>	<p>15 Minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock – Corporate Planning Manager</p> <p>sgowanlock@bucksfire.gov.uk</p>

APPENDIX 1: FRS tranche 2 – key inspection activity dates

FRS	Discovery	Strategic briefing (proposed)	Fieldwork	Hot debrief
Oxfordshire (OXF)	w/c 24 Sept	Fri 19 Oct	w/c 29 Oct	w/c 5 Nov
Northumberland (NBF)	w/c 24 Sept	Mon 15 Oct	w/c 29 Oct	w/c 5 Nov
Humberside (HUF)	w/c 24 Sept	Wed 17 Oct	w/c 5 Nov	w/c 19 Nov
Shropshire (SHF)	w/c 1 Oct	Thu 25 Oct	w/c 12 Nov	w/c 19 Nov
Dorset and Wiltshire (DWF)	w/c 8 Oct	Thu 8 Nov	w/c 19 Nov	w/c 26 Nov
Northamptonshire (NPF)	w/c 15 Oct	Wed 7 Nov	w/c 19 Nov	w/c 26 Nov
West Sussex (WSF)	w/c 15 Oct	tbc – w/c 12/11	w/c 26 Nov	w/c 10 Dec
Leicestershire (LEF)	w/c 15 Oct	Thu 22 Nov	w/c 3 Dec	w/c 10 Dec
Merseyside (MEF)	w/c 22 Oct	Thu 22 Nov	w/c 3 Dec	w/c 10 Dec
Greater Manchester (GMF)	w/c 19 Nov	Mon 7 Jan	w/c 14 Jan (two weeks)	w/c 4 Feb
Kent (KEF)	w/c 26 Nov	Mon 7 Jan	w/c 14 Jan	w/c 21 Jan
West Midlands (WMF)	w/c 3 Dec	Thu 17 Jan	w/c 28 Jan (two weeks)	w/c 11 Feb
Royal Berkshire (BRF)	w/c 10 Dec	Wed 16 Jan	w/c 28 Jan	w/c 4 Feb
Tyne and Wear (TWF)	w/c 10 Dec	Wed 23 Jan	w/c 4 Feb	w/c 11 Feb
Norfolk (NKF)	w/c 10 Dec	Thu 24 Jan	w/c 4 Feb	w/c 11 Feb
Nottinghamshire (NTF)	w/c 7 Jan	Thu 31 Jan	w/c 11 Feb	w/c 18 Feb

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Lead Member: Lead Officer: Project Manager: Business Sponsors:	Cllr Roger Reed AC Julian Parsons Stuart Gowanlock CFO Jason Thelwell	Project Objectives: Detailed at pages 2 – 3 of PID	Overall RAG
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Finance		Plan		Risks & Issues		Scope		Resources	
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Summary – Period dated: June – September 2018

- Key Activities**
- National
- Tranche 1 inspections now complete.
 - Tranche 1 response rate to staff survey appears low (c. 700 from 14 FRS).
- Thames Valley
- Thames Valley HMICFRS Group established. Meetings held on 11 May & 13 July.
 - OFRS Discovery week (24-28 September) complete.
- Local
- Detailed project plan and risk register approved at 21 June PMB.
 - All HMICFRS data requests fulfilled to specification and deadlines.
 - Initial audit and gap analysis of HMICFRS documentation requirements complete.
 - Draft Self Assessment document prepared and circulated internally for input and comment.
 - Hosted day long visit from Gloucestershire Police in-house HMICFRS liaison officers.

Change Request Log:		
<i>Enter the date and details of any change requests</i>	<i>Enter the reason for change</i>	<i>Indicate current status of change</i>
N/A - None requested		

Priorities for Next Period: October – December 2018

- National
- Tranche 2 inspections now underway (timetable attached at Appendix 1).
 - Next data request expected early October (submission deadline to be confirmed).
 - Development of Corporate Governance inspection methodology underway.
- Thames Valley
- RBFRS Discovery week scheduled for week commencing 10 December
 - OFRS inspection week scheduled for 29 October.
- Local
- Respond to next HMICFRS Data Request
 - Progress self-assessment (review with Leadership Group scheduled for 29 October Forum)
 - Conduct peer 'reality testing' of protection and people diagnostics with support from Gloucestershire Police (scheduled for 31 October / 1 November).

Key Milestones	Forecast/ Actual	RAG
Initial data submission	03:05:18 – 01:06:18	C
Second data submission	18:07:18 – 13:08:18	C
Initial Self Assessment	01:05:18 – 14:09:18	G
Third data Submission	October TBC	G
Communications Planning	14:06:18 – 22:06:18	C
Gap analysis and improvement planning	29:05:18 – 31:01:19	G

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
1	A	Loss of key project personnel e.g. SLO, Data SPOC.	Head of Service Development is acting as SMB lead and could cover SLO role if needed. Data Intelligence Manager is Data SPOC SM Business Continuity has covered this role during initial data submission so could do so again.	HMICFRS SLL has been replaced following resignation of original SLL.
3	G	Failure to engage and inform key stakeholder groups in relation to the HMICFRS requirements and / or the inspection process	Comprehensive communication plan prepared to identify all stakeholder groups affected by the scope of the inspection process and their needs / requirements	
4	A	Competition for project resources from other projects or initiatives	Project performance to be scrutinised by PMB with the SMB Lead taking an active role to ensure that the project is accorded a sufficient priority to maintain required level of resourcing	
5	G	Major business continuity event disrupts ability or capacity of project and / or wider organisation to meet HMICFRS requirements.	Dependency on business continuity planning and management process.	

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor David Carroll
SUBJECT OF THE REPORT	Operational Assurance Improvement Plan
EXECUTIVE SUMMARY	<p>The purpose of this report is to provide an update on current progress towards the delivery of the Service's approved Operational Assurance Improvement Plan (OAIP).</p> <p>Content of the OAIP was initially derived from the recommendations arising from the 'Review of Operational Assurance Arrangements' undertaken by Operational Assurance Limited (OAL) in October 2016.</p> <p>A further independent review designed to evaluate the progress made against the previously identified improvement recommendations, during the preceding 12 months, was again undertaken by OAL in November 2017. The outcomes of that review, detailed within the 'Checkpoint' report were subsequently incorporated into a revised OAIP.</p> <p>The continued development of both the Operational Assurance Group (OAG) and Operational Assurance Team (OAT) have from a business as usual perspective, enhanced our ability to capture, scrutinise and respond to operational learning originating from events such as our own operational debriefs, assurance visits and external reviews, like the Kerslake Report. A report published, following the independent review of the events and aftermath of the Manchester Area Terrorist Attack in May 2017.</p> <p>Consequently, the OAIP has essentially become a dynamic document that is continually edited and updated. This will help us provide the best service to the public and improve the safety of Firefighters by:</p> <ul style="list-style-type: none"> • Improving our performance at incidents; • Cope with future changes in the operational environment; • Drive development and innovation.
ACTION	Noting.

RECOMMENDATIONS	That the progress made against each improvement recommendation detailed within the updated OAIP be noted.
RISK MANAGEMENT	<p>Delivery of the OAIP will contribute toward ensuring the Service's operational safe systems of work are continuously improved to conform to the latest safety standards and are efficient, effective and responsive to significant changes in the external or internal environments.</p> <p>Failure to deliver the OAIP could expose:</p> <ul style="list-style-type: none"> • the Service, its personnel and the public to operational, health and safety risks; • Buckinghamshire & Milton Keynes Fire Authority (BMKFA) to reputational and / or financial risks. <p>The OAIP will inform the ongoing development of our workforce plan particularly in relation to areas such as maintenance of operational skills, acquisition training and assessment.</p> <p>Equally, the OAIP does not appear to raise any immediate privacy issues.</p>
FINANCIAL IMPLICATIONS	Whilst there are no negative, financial implications associated with this report. It is nevertheless important to highlight the £50,000 per annum growth bid recently approved to support a three year programme of assurance visits, intended to better prepare the Authority for the upcoming programme of inspections that will be undertaken by the HMICFRS.
LEGAL IMPLICATIONS	There are no negative legal implications associated with this report.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	Although the Authority has committed to a default position of collaboration with Thames Valley Fire and Rescue Authorities (FRAs), the OAIP relates specifically to BFRS, however any opportunity to collaborate will be explored.
HEALTH AND SAFETY	There are no negative implications on health and safety associated with this report. The delivery of the OAIP will continue to promote and enhance the existing health and safety culture within the Service.
EQUALITY AND DIVERSITY	No immediate issues identified in relation to the OAIP, however, IIAs will be completed for any changes that result from subsequent activities, where there is potential for equality and / or diversity issues to arise.
USE OF RESOURCES	<p>Communication with stakeholders</p> <p>Learning from operational activity or recommendations, following assurance visits are routinely published and communicated to all staff,</p>

	<p>utilising either the I:Drive or Operational Assurance newsletter. This approach is intended to ensure there is a clear understanding and appreciation of the collective responsibility there is toward continuous improvement.</p> <p>The system of internal control</p> <p>From a monitoring and reporting perspective, the Head of Service Development leads on the improvement plan and chair of the OAG.</p> <p>Head of Operational Training and Assurance has responsibility for delivering the Operational Improvement Plan in conjunction with the OAT.</p> <p>The medium term financial strategy</p> <p>It is intended that the achievement of the OAIP can be met within the existing budget.</p> <p>The balance between spending and resources</p> <p>No immediate funding requirements have been identified. The recommended monitoring system is the e-safety application that has already been procured and purchased for other purposes.</p> <p>The management of the asset base</p> <p>There are currently no identified impacts on the asset base.</p> <p>The arrangements to promote and ensure probity and propriety</p> <p>Delivery of the OAIP is expected to have a positive impact against these criteria by creating a more vigorous and transparent operational assurance environment within the Service.</p> <p>Environmental</p> <p>Delivery of the OAIP will enhance the Service's ability to identify and manage potential environmental hazards in both the internal and external environments.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>Review of Operational Assurance Arrangements, OAL, October 2016</p> <p>Review of Operational Assurance Arrangements Progress Checkpoint</p> <p>JESIP Assurance Visit Executive Summary Report</p>
<p>APPENDICES</p>	<p>Appendix A: Operational Assurance Improvement Plan</p>
<p>TIME REQUIRED</p>	<p>10 minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Steve Wells, Head of Operational Training and Assurance</p>

Operational Assurance Improvement Plan

	swells@bucksfire.gov.uk 01296 744426
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Ref	Ref	Recommendation	Action	Priority	Officer	Delivery Date	RAG	Progress & Issues Report	Status
				H/M/L	Resp.		Status		
2	P.2	In support of recommendation 1, BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff.	The H&S e-Safety system will provide the active monitoring system which can follow the suggested Ops Assurance model and provide a robust audit trail from inception to completion. The system will be accessible to all staff through a web based portal. Building of appropriate question sets to commence in January 2017. The development process to be supported by Ops Assurance representative viewing the Greater Manchester FRS system, this may well be made available to us at no cost if required.	M	SG	01\11\2018		BFRS has developed a new Internal Assurance Model. This model began its introduction into the Service prior to the visit by OAL. OAL found that the model was starting to be used and has the potential to deliver excellent assurance benefits. The development of e-Safety will compliment this new model and the delivery of its aspirations. 27.3.17. Adam Burch has been identified as the appropriate person to have administration rights to eSafety and has been in discussions with Amanda to arrange access through Warwick International. A basic questionnaire has been built which will be refined once information is added. (AC) 28/3/2017- A visit to GMFRS to be arranged following period of leave during April, likely to be May/ June due to station visit commitments (KC) 9/6/17- Visit to GMC delayed due to recent events in Manchester, opportunity to team up with the BASI team to visit explored but not viable- potential dates of week commencing 26/6/17 being followed up. (KC) 28/6/17- Update, contact with GMFRS has been established and a visit agreed, (dates to be confirmed to suit both parties). (KC) 18/10/17- WC McIntosh and CC Burch visited GMFRS in late July and were provided with an overview of the system in use. The information gathered will provide a platform from which the creation of the e- safety system can commence. Delay in progress has been due to difficulty in gaining access to appropriate staff from software provider combined with extended annual leave of CC Burch who is the department lead on this project. This is a priority task for when CC Burch returns. 2/1/2018 – Training dates have been sent to Warwick but they will not book them until they have received the PO. This is now with Keith to approve. 12/1/2018 - Dates have been booked for the 28th Feb-1st March 2018 for Adam Burch and Elias Williams to attend for initial training on the e-safety system. (KC)	In Progress
5.4		Key Findings: Policy and Guidance							
	5.4.1	It is recommended that the Operational Assurance model is clearly published and communicated, that roles and responsibilities are clearly identified and finally, that understanding is confirmed.	The intention is to write a new Operational Assurance procedure, which, once published a range of established methods will be considered to determine how best to ensure the content of the document has been understood by staff. Options available include creating a 'HEAT' package or face to face input conducted locally and captured within training records.	M	SW	01\11\2018		28/3/17- An initial piece of work has been commenced in relation to drafting a new procedure note that defines the agreed assurance model. (SW) 12/6/2017 – Content of new procedure note continues to be formulated, prior to it being circulated for wider consultation. (SW) 16/01/2018- Model reviewed and agreed, this to be communicated to staff through station screens, monthly bulletin and station visits. Guidance note incorporating all elements of Operational Assurance currently being developed. (SW) 14\5\2018 – A draft procedure has been prepared by SC Stuart Grosse, a copy will in the coming days be forwarded to SW, so can be reviewed. A request has been made to ICT for the Operational Assurance model to be displayed on all BFRS computer screens, this will coincide with publication of a corresponding article within the next bi-monthly newsletter. (SW) 7\6\2018 – Draft Operational Assurance procedure was sent to SW during the middle of last month. This is currently being reviewed, before being circulated for wider consultation. Displaying the revised OA model on all BFRS computer screens is technically unachievable, therefore one option being explored is to display the model on the larger screen within ICT. This will as previously stated will coincide with a corresponding article being published within the next bi-monthly newsletter. (SW) 20\7\2018 – Comments provided in respect to the content of the draft Operational Assurance procedure. Once the relevant changes and formatting has been completed, the procedure will then be circulated for wider consultation at the earliest opportunity. The timeframe in which this will occur is dependent upon completion of the preliminary Debrief procedure, as both are very much connected. (SW) 19\9\2018 – The 'Exercise' procedure has been approved, having gone through	In Progress
6.4		External Assurance Model: Issue Resolution							

	6.4.1	BMKFRS should review its Procedure Note: 'Operational Assurance; Incident Monitoring and Improvement' at the earliest opportunity to ensure it aligns more closely with the service's new ways of working. Any revised guidance issued should clearly set out the Monitoring Officer role and re-establish the 'Thematic Reviews' process.	The intention is to write a new Operational Assurance procedure, which, once published a range of established methods will be considered to determine how best to ensure the content of the document has been understood by staff. Options available include creating a 'HEAT' package or face to face input conducted locally and captured within training records.	M	SG	01\11\2018		16/1/2018 - Guidance note consolidating all elements of Operational Assurance, currently in the process of being developed, which in turn will then progress through the various stages of governance, before being published. 14\5\2018 – A draft procedure has been prepared by SC Stuart Grosse, a copy will in the coming days be forwarded to SW, so can be reviewed. Once the content of the procedure has been finalised, it will then be subject to the normal governance processes, before being published. (SW) 7\6\2018 – Draft procedure is currently under review, was content agreed will be circulated for wider consultation. Revised completion date 1\9\2018 (SW) 20\7\2018 – See comments in relation to 5.4.1. (SW) 19\09\2018 – See comments in relation to 5.4.1. (SW)	In Progress
	6.4.3	BMKFRS should ensure the process of OA is adequately supported by an effective, user-friendly Information Technology (IT) system that incorporates an intelligent and auditable database.	eSafety will, in the first instance, be piloted in order to determine its appropriateness. It has the ability to be managed locally (H&S staff can administer the system in order to improve the functionality following feedback once the system is trialled). As a system, it has resilience as it is 'hosted' by the manufacturing company with a full support system available to users.	H	AC\KC	01\11\2018 Refer to P.2		28/3/2017- Adam Burch has been identified as the appropriate person to have administration rights to eSafety and has been in discussions with Amanda to arrange access through Warwick International. A basic questionnaire has been built which will be refined once information is added. (AC) 7/7/2017 – Licence to use eSafety has been utilised for Adam and administration rights granted, however he is not going to be able to use the system until he has received training from Warwick International. They can provide 1 day training course at their head office in Derbyshire in a relatively short time frame at a cost of £500 per day. 18/9/2017 – Following the visit to Greater Manchester discussions have taken place with Warwick to identify suitable dates for the training to take place. As it has been the holiday season there has been no availability but this should improve towards the end of this month beginning of next. (AC) 18/10/17- The content of the training provision requires further clarification prior to commencement. CC Burch is liaising with Amanda Bamford of H and S to progress this. 2/1/2018 – Training dates have been sent to Warwick but they will not book them until they have received the PO. This is now with Keith to approve. 12/1/2018- Dates have been booked for the 28th Feb-1st March 2018 for Adam Burch and Elias Williams to attend for initial training on the e-safety system. (KC) Active Monitoring System (AMS) ready for live trial 1st June 2018. Expected ready for FDO training and go live August 2018. Further discussion required with esafety on software development-maybe cost implication. Active Monitoring System-Adam Burch to receive more training on E-Safety to enable the system to produce reports-cost £950. Active Monitoring System update training provisionally booked for 9th August 2018 for Adam Burch. This is to enable the system to produce better reports(SG	In Progress
6.5		External Assurance Model: Debriefing Activities							

6.5.1	<p>BMKFRS should review and re-energise its debriefing process. This should be promoted to the operational staff as a key element of continuous service improvement. Any review undertaken should consider:</p> <p>(i) Addressing current poor practises to ensure the onus for initiating a timely debrief sits firmly with incident commander.</p> <p>(ii) Continuing efforts to simplify the existing processes.</p> <p>(iii) Producing regular outcome reports to inform staff, promote inclusion and demonstrate the value of the process.</p> <p>(iv) Ensuring non-compliance is identified and valued contribution recognised and rewarded.</p>	<p>Debrief training to be provided to Operational Assurance team members - this will be captured in the department training needs analysis</p>	M	SG	31\10\2018	<p>BFRS have only has one person trained in the operational debrief process, so this would need to be rectified in due course.</p> <p>28/3/2017- Further research to be undertaken by OAT to inform the best format for the e-safety system (likely visit to GMFRS May/June) (KC)</p> <p>Debrief training captured in department TNA, research underway to identify provider. (KC)</p> <p>9/6/2017- Debrief training provider no longer operating, JP indicated that he would contact former colleagues at Dorset & Wilts FRS to see who their supplier is and whether they might provide a suitable alternative. (KC)</p> <p>28/6/2017- Update, JP provided contact details and initial communication has been established. Contact is currently out of the country and KC is awaiting response. (KC)</p> <p>12/7/2017- Update- Further communication scheduled for 14th July upon return to country of contact. (KC)</p> <p>26/7/2017- Further communication generated by KC, Jon Wort agreed to scope a bespoke course for four OAT members, details to be provided by mid-August, likely cost £3-500 per person.</p> <p>15/9/17- A proposed 2 day training programme for debrief training has been forwarded to BFRS by Jon Wort. The course can accommodate 16 candidates and is priced at £3000. This proposal to be heard at the TSG meeting and suitable candidates beyond the OAT members to be identified.</p> <p>18/10/17- Following a more detailed response and suggested programme content by Jon Wort, an amended proposal for a two day course was offered capable of accommodating 16 candidates at a cost of approx. £3500. This was subsequently debated and authorised for progress at the September TSG meeting. Subject to suitable candidates being identified and agreed upon, the course is to be scheduled for Jan/ Feb 2018.</p>	In Progress
6.7	External Assurance Model: Maintenance of Operational Skills						
6.7.1	<p>BMKFRS should seek to place greater emphasis on the individuals' responsibility for completion and maintenance of their own skill-set.</p>	<p>There is a collective responsibility amongst all operational staff to ensure their professional competencies are effectively maintained. Therefore this subject is to be a matter of discussion during an individual's appraisal, which is then documented and subsequently monitored by their respective line manager.</p>	M	SW	30\11\2018	<p>ISSUE: It has generally been customary for a supervisory manager to be responsible for recording the maintenance of skills for a number of staff on their watch. However, due to the increasingly flexible approach to working within BFRS, individuals undertaking competency training are not always aligned to their own watch. Therefore, whilst having one person responsible for data input can be time effective, it nonetheless distances an individual from their own training records and recognising their own development needs. Timely access to computers, in order to complete these records has previously been cited as a barrier.</p> <p>28/3/2017- An evaluation into how maintenance of competence is being captured within the Core Training Records (CTR) has been commenced. Draft CTR structures are in the process of being reviewed by Area Trainers and other SME's to ensure they reflect current training. One option being considered is the introduction of 'competency statements' to support each performance criteria, in order to reinforce to staff how they achieve competence. (SW)</p> <p>12/6/2017 – This piece of work continues to be progressed, with regular discussions\meetings taking place between both Operational Training and the Training Design team. The maintenance of competence requirements are being aligned to the eight core operational skills detailed within the Fire Professional Framework (FPF). (SW)</p> <p>16/1/2018 - Performance and knowledge criteria continue to be devised that are aligned to the operational competencies detailed within both the National Operational Guidance (NOG) programme and Fire Professional Framework (FPF). For each performance criteria there will be a unit amplification created, these are intended to assist the user in planning, delivering and evaluating the local training being undertaken more effectively. (SW)</p> <p>14\5\2018 – The refined competency framework for operational front-line staff that has been incorporated within HEAT, as new Core Training Records (CTR) went</p>	In Progress

	6.7.2	BMKFRS should consider incentivising the process through making the completion of Maintenance of Skills (i.e. competence), a prerequisite for being able to access the bank working system.	To be reviewed by both Service Delivery and Operational Resourcing. Outcome to be captured within a revised procedure note for the Bank system.	M	PS	31\12\2018		<p>Interaction with the competency framework within HEAT continues to be monitored, with minor adaptations being made in respect to functionality, following staff feedback. (SW)</p> <p>20/10/2017. Paul Scanes is in the process of completing the report as a result of the service wide engagement project. This will further inform and evidence if we have significant issues in this area. The target date has been revised to January 2018. This is to allow full consideration of the outcomes of this report and changes to policy.</p> <p>16/1/2018 - This piece of work now forms part of the Strategic Operational Resourcing review being led by GC P Scanes. (JP)</p> <p>10/5/18 – Development of Operational Resourcing programme has now been approved through BTB. This involves 4 key areas of focus (KoF)</p> <p>KoF 1- Improving standards on immediate response appliances</p> <p>This element of the programme involves:</p> <ul style="list-style-type: none"> • Review of existing skills and competencies required for immediate response personnel. • Analysis to identify existing skills and knowledge of personnel currently undertaking additional crewing opportunities. • Identify costs to implement and submit budget growth bid (July 2018) if necessary. • Develop bespoke training modules. • Develop training plan and identify resources to deliver training • Deliver training to ensure all staff undertaking additional crewing opportunities prove competency. • Continually review process to ensure competency is continually maintained, evidenced through the core training records. <p>Bank system procedure under review and will be subsumed into the Operation</p>	In Progress
7.1		Acquisition Training and Assessment							
	7.1.1	BMKFRS should give consideration to making the qualification acquisition process more attractive to its prospective candidates.	Service Delivery and Operational Resourcing to review application of the 'Bank' system, so to ensure this doesn't become a determining factor toward discouraging staff to obtain professional qualifications in the future.	L	JP/KM/POD	31\12\2018		<p>22/5/2017 - This issue is currently being monitored. The outcome of future appointment boards will provide a strong indication as to how much of an issue this is and what might be required by way of remedy. (JP)</p> <p>20/10/2017. It is acknowledge that the qualification acquisition process is causing a 'choke point' with Station Commander development. However, the recent round of examinations were attended by around 37 candidates taking 50 papers. The new Aspiring Leaders Programme assessed 65 candidates. This is a cultural change for the organisation and is gaining momentum. While it is still causing some issues with individuals who are in positions but without the qualifications this situation is easing and it is foreseeable that an expectation that our managers will have professional standards and technical qualifications will be the norm. (JP)</p> <p>16/1/2018 - Career development procedure currently under review. A particular pinch point has been identified in respect of the progression from Watch to Station Commander. (JP)</p> <p>10/5/2018- The outcomes of the review have not yet been published. However, applications for promotion are not currently a concern. (JP)</p> <p>7/6/2018. The promotion and appointments process is still underway. The IFE exams requirement is temporarily suspended.</p> <p>17/7/2018 . As above. The application rate for examinations and promotions has been on the increase so this doesn't seem to have developed into the issue we first thought it may have been. The IFE are currently looking at the format, syllabus and structure and this will take some time. (JP)</p> <p>7.1 to remain live on the OAIP until the impact of any new qualification and promotion process can be fully assessed (OAG 26/07/2018)</p>	In-Progress
7.4		Management of FSC Outcome Reports							

	7.4.1	BMKFRS should review its processes for monitoring staff during their development phase. In particular the service should consider strengthening its feedback process to include organisational awareness of an individual's performance through to completion of any related development needs and/or associated development plans.	Further investigation required, however initial indications are this is most likely relevant to On Call staff, who perhaps experience the greatest difficulty in both creating and completing development plans. To re-issue development plan forms to managers, as well as set up monitoring system to record when plans are issued and completed.	M	SC	1\11\2018		<p>28/3/2017- E-mail sent to SC's detailing all the individuals in Service with outstanding development plans for either ICS or BA (30/1/17) e-mail included detailed guidance on action required, timescales and relevant templates. Initial discussions undertaken on how to best re-introduce formal debriefs following validation. Should we continue to bring staff down per station or watch then this could be facilitated through joint working between Training and Ops Assurance teams, should we move towards more random groups attending the view is this would not be feasible.</p> <p>Validation Training Procedure Note to be drafted once new contract is signed which will contain detailed guidance on development plans etc.</p> <p>28/3/2017- Lack of responses in terms of closed development plans prior to 31/3/2017 deadline. AP to produce a summary and pass to SW for further action within Service Delivery.</p> <p>12/6/2017 – Whilst some progress has been with regard to the completion of development plans, a number still remain outstanding. AP will be requested to provide a current update, this information will then be presented at the TSG meeting being held on the 14 July 2017. (SW)</p> <p>16/01/2018 – Returns of development plans has improved due to continued work by Emma Wren who collates returns. All BA and ICS reports showing either Pass with development needs or Fail will now have explicit instruction included regarding development plans and timescales for staff and managers to follow. The new Core Training Record Maintenance of Competence system and procedure note gives guidance on the implementation and monitoring of development plans – go live of MOC 11/05/2018 (SG). All area trainers have been given objective of, to support supervisory managers in the development and completion of development plans, in particular to BA after validation.(SC)</p> <p>Operational Training Department instructional staff meeting booked for</p>	In Progress
7.8							QA of Station Based Training		
	7.8.1	BMKFRS should review (and potentially reduce) the quota of 288 QA assessments (summative sampling) per year to a more achievable figure.	Target of QA for 2018/19 is 80. A review of the current number of Quality Assurance audits to be undertaken, to make certain the figure for the training year 2017\18 is more realistic, in terms of what can be reasonably attained, without undermining performance standards.	M	KB	31\3\2019		<p>28/3/2017- To have a target of 80 QA audits per training year. This is based on the training and assurance visits that each On-Call and Wholetime watch will receive during the training year in collaboration with the OAT.</p> <p>This target will be a 53% increase on the total QA observed in the 2016/17 training year but should be achievable with the Area Trainers spending more time in service and the potential to use Associate Trainers to QA targeted areas.</p> <p>12/6/2017- Quarterly meetings booked with H&S Department to review training and incident safety events, look for trends and decide if follow up QA/training is appropriate. (SG)</p> <p>12/6/2017 - QA process currently on track to hit the set target of 80 QA visits in the 2017/18 training year. Currently Area Trainers are quality assuring the delivery of training by both Whole time and On-Call staff. (SG)</p> <p>10/7/2017-To be on track to hit our target the Operational Training Team needed to complete 20 QA audits in the first quarter. The actual number achieved in the first quarter is 34.</p> <p>18/01/2018-QA target has fallen behind schedule, the current figure is now at 42. 42 was the final QA result for 2016/17 training year, so we will exceed that total. The lack of completed QA reports can be partially put down to the Fire Fighter Development Programme (FFDP) and On-Call BA course and the Instructor Schedule at the Fire Service college. The Operational Training Department administrator has been tasked with booking QA visits for the Area Trainers. (SG)</p> <p>QA results as at 14/05/2018 for 2018/19 training year = 0</p> <p>QA Results as of 11/06/2018 for 2018/19 training year = 3</p> <p>FFDP ends in July so numbers should increase from there.(KB 11/06/2018)</p> <p>QA is now up to 4. FFDP finished on the 14/07/2018 and instructors are now taking back accrued time and leave. QA isn't expected to start until September after annual leave is taken in August. (KB 18/07/2018)</p>	In Progress

	7.8.2	It is recommended that BMKFRS consider extending the QA role in line with the service's 'blended approach'. This may include offering the Vocational Assessor qualification to Wholetime and On-Call personnel and allowing them to undertake lower tier QA processes (interim sampling).	Further investigation/ consideration required. The intention is to explore the option of selecting appropriately skilled, qualified and quality assured Associate Instructors who in turn would QA principally On Call station instructors in support of the Area Trainers.	L	KB	31\3\2019		<p>28/3/2017- E-mail sent 28/2/2017 to selected Associate Instructors to scope interest in their taking part in the Quality Assurance of Station Trainers. E-mail explained the training and the role they could fill where a trend has been identified and a number of QA audits need to be completed in a targeted and timely fashion.</p> <p>9/6/2017- SG to provide update on Progress and Issues Report. SW to raise connections to TNA / appraisal process at next TSG meeting. (KC)</p> <p>12/6/2017 - When the Validation training and exercise programme and FFDP start, a review will be conducted to determine the effect of this additional workload on the Operational Training departments, to establish whether progress toward achieving the QA target remains or if Associate Trainers need to be selected for QA visits. (SG)</p> <p>18/01/2018-Arrange discussion with Head of Operational Training and Assurance options increase the number of QA audits- use of Associate trainers or OAT. (SG)</p> <p>Early in training year, no plans as yet to use Associate Trainers</p> <p>Priority at the moment is to get the current new Area Trainers up to speed with the QA process then look at the potential of utilising operational personnel. (KB 11/06/2018)</p> <p>No further update(KB 18/07/2918)</p> <p>Area trainers are still learning the QA process but progress is being made towards target. A review at the end of the training year will take place to see whether pushing it out to assessors on station will assist in hitting targets. (22/09/2018)</p>	In Progress
8.1		Operational Exercising: Obtaining Evidence							
	8.1.2	The re-establishment of the operational exercising programme at local/ station level	A programme to be devised and documentation/ guidance to be provided to support the planning and recording of operational exercising	M	SG	01\02\2019		<p>24/7/2017- Gap analysis complete, provisional documentation commenced.</p> <p>18/10/2017- WC Robinson has constructed a proposed exercise programme which will schedule 12 exercises per year across the service. He has provided a framework in order to assist with planning and responsibilities. He has also designed a comprehensive electronic form which is scalable for exercises of all levels. He is currently writing a procedure note to support the programme. This will be subject to appropriate scrutiny and consultation prior to roll out.</p> <p>12/01/2018 – WC Robinson has further developed the electronic "Exercise Planning and Notification" form following field trials at various levels within the organisation. He has designed a suite of supporting documents and templates to support this planning process. These include:-</p> <ul style="list-style-type: none"> Permission Letter (requesting site owner's permission to use premises) Permission Reply form Notification form to TVFCS and RMT Email Template (De-Brief Invitations) These are all available through hyperlinks on the form together with further links to other important documents: Liability Insurance Documents FB1.7m Risk Assessment form Links to Incident Monitoring and Improvement Document <p>He is nearing the completion of a Guidance Note which will assist both experienced and less experienced supervisory managers to plan, execute and report effective operational/non-operational exercises. Should the proposed exercise programme be deemed viable following scrutiny and consultation it will be included in this Guidance Note.</p> <p>Exercise programme to be presented to OAG, JCF and PSG prior to Watch training and lead time to first exercises Jan 2019</p> <p>Exercise programme presented to OAG, procedure and guidance note to go to</p>	In-progress
10.1		Active Monitoring: Locating Key Documents							

	10.1.1	BMKFRS should develop the use of an active monitoring system to act as a smart, service-wide tool. This system should incorporate a user-friendly database that is capable of providing auditable records and is easily accessible to all staff. It should allow the rapid location and filtering of key information for any user. This issue is further covered in Section 12: 'Internal Communications' – REFER to P2.	eSafety will provide the auditable records which can be accessed by all staff. Users will be able to extract such information and includes a 'search' filter and 'report' facility. Part of the support package provides 25 hours of report writing per year by the manufacturer which can be utilised for more complex requirements.	M	SG	01\09\2018		<p>28/3/2017- Adam Burch has been identified as the appropriate person to have administration rights to eSafety and has been in discussions with Amanda to arrange access through Warwick International. A basic questionnaire has been built which will be refined once information is added. (AC)</p> <p>9/6/17 – Warwick International have been emailed a request to provide administration rights to Adam and access has been given. (KC)</p> <p>7/7/2017 – Licence to use eSafety has been utilised for Adam and administration rights granted, however he is not going to be able to use the system until he has received training from Warwick International. They can provide 1 day training course at their head office in Derbyshire in a relatively short time frame at a cost of £500 per day.</p> <p>18/9/1207 – Following the visit to Greater Manchester discussions have taken place with Warwick to identify suitable dates for the training to take place. As it has been the holiday season there has been no availability but this should improve towards the end of this month beginning of next. (AC)</p> <p>20/10/17 – Adam will receive training from Warwick International on how to build and manage the Ops Ass area of the system which will include how to search, filter and extract reports.</p> <p>2/1/2018 – Training dates have been sent to Warwick but they will not book them until they have received the PO. This is now with Keith to approve.</p> <p>12/1/2018- Dates have been booked for the 28th Feb-1st March 2018 for Adam Burch and Elias Williams to attend for initial training on the e-safety system. (KC)</p> <p>Active Monitoring System (AMS) ready for live trial 1st June 2018. Expected ready for FDO training and go live August 2018. Further discussion required with esafety on software development-maybe cost implication.</p> <p>06/06/2018-Active Monitoring System-Adam Burch to receive more training on E-Safety to enable the system to produce reports-cost £950 (SG-11/06/2018)</p>	In progress
10.2		Active Monitoring: Allocation of Action Plans							
	10.2.1	That any system used for this purpose should operate independently of any individual in the service and each issue should remain 'live' on the system until resolved or accepted on the risk register.	It is anticipated that e-Safety will meet these requirements. An identified issue will remain 'live' in the system until such time all actions have been completed. It is at this point when it can be closed off, although will remain accessible within the system for information and evidential purposes.	M	SG	31\12\2018		<p>28/3/2017 - Work in respect of determining the suitability of the e-Safety system remains ongoing (SW)</p> <p>12/6/2017 – Discussions remain on-going to determine the suitability of the eSafety system as an appropriate information sharing and storage platform. (SW)</p> <p>16/1/18- Progress will be dependent upon the introduction of a refined Maintenance of Competence recording system and the OA E-safety platform. (KC)</p> <p>MOC live 11/05/2018. Active Monitoring System (AMS) ready for live trial 1st June 2018. Expected ready for FDO training and go live August 2018.</p> <p>Active Monitoring System-Adam Burch to receive more training on E-Safety to enable the system to produce reports-cost £950 (SG-11/06/2018)</p> <p>Active Monitoring System update training provisionally booked for 9th August 2018 for Adam Burch. This is to enable the system to produce better reports. System trials by OAT to commence after this training.(SG 17/07/2019)</p> <p>Active monitoring trial due to start 24th of September. Trial to start with OAT and selected L2 FDO's. AMS to include the provision for recording handover forms and to be developed to record other information such as development plans (SG 18/09/2018)</p>	In progress
10.3		Active Monitoring: Reporting by Exception							

	10.3.1	It is recommended that BMKFRS extend this form of monitoring to include training events; with the consequent benefits to organisational learning and that these reports are included for staff review (commensurate to suitable anonymity measures).		M	KB	31\3\2019		28/3/2017 - Inclusion of L2 & L3 assessments has been catered for within the proposed training contract and will allow SC's to take part in validation training in a monitoring / handover capacity. Will enable standardisation of monitoring process and standards. Discussion as to whether SC's should be mandated to attend validation training once every year / 2 years for CPD purposes. Plan to raise at FDO to get a view on relevance and impact on other work activities. Passed to KB for a decision about new officer training / continuation training 14/05/2018 Refresher training and new to role FDO training to be captured in the August 2018 FDO training covering the role of the monitoring officer and looking forward to incorporate FDO's into Validation at the fire service college (KB-11/06/2018) On-going (KB 18/07/2018) This is on-going through FDO training days (22/09/2018)	In Progress
10.4		Active Monitoring: Staff Access							
	10.4.1	include a provision within the AMS to provide feedback on concluded issues and in particular to the source of the initially identified issue.	eSafety has the facility to allow all staff to access the system via a web based portal. It enables feedback to be 'attached' to the original issue, even after the issue is concluded.	M	AC\SG	01\09\2019		27/3/2017 - All staff have been given access to the portal as part of the safety event reporting and investigation project. When the Ops Assurance part of the system is up and running access to those staff that need it can be 'switched on'. (AC) 9/6/2017 – There are still some staff who are to set up their account in the portal though many have done this through the need to report and/or investigate a safety event. As with any new system there are teething issues and people are not confident in the use of it yet. Once Adam has visited Manchester FRS and is happy that e-Safety can deliver what is required he will undertake the training by Warwick. He will then build the questionnaire and enter the required information for crews to access using their portal sign in. (KC) 18/9/2017 – Following the meeting at Greater Manchester Adam and Adele have been working together to build the questionnaire. (AC) 20/1/2017 – Users are becoming more familiar with the system now and several 'tweaks' have been made to simplify the process. Access to the system via the portal is generic regardless of area they are wishing to access. Adam will have the technical knowledge following his training to assist personnel wishing to access the Ops Ass part of the system. (AC) 2/1/2018 – no further update at present. Active Monitoring System (AMS) ready for live trial 1st June 2018. Expected ready for FDO training and go live August 2018. Further discussion required with esafety on software development-maybe cost implication (SG) 11/05/18 – Now that Adam and Elias have been trained in the eSafety system and are building their questionnaires, they will be able to, at some point, train staff in how to access their area (AC) Active Monitoring System-Adam Burch to receive more training on E-Safety to enable the system to produce reports-cost £950(SG-11/06/2018)	In progress
10.5		Active Monitoring: Role of the Monitoring Officer							
	10.5.1	Provide formal training and/or guidance for Monitoring Officers to ensure a uniform approach to monitoring and to clarify the operational standards required from all staff.	How do new to role FDO's acquire this skill/knowledge	M	KB	31\3\2019		An established process needs to be development in order to ensure those staff new to the FDS rota are given sufficient opportunity to both acquire and consolidate the skills of a monitoring officer. 28/3/2017- Arrangements made to refresh the role of Monitoring Officer at FDO training days during June 2017. Discussion has taken place to consider the method of delivering the acquisition of skills in house, potential for focused workshops on an 'as required' basis (KC) 9/6/2017- Delivery of presentation rescheduled to September 2017, in order to allow for exploration of a collaborative approach with Thames Valley partners. (KC) 28/6/2017- see 5.7.1 comments. (KC) Passed to KB (14/05/2018) The role of monitoring officer to be included into the FDO training days (KB 11/06/2017) On-going (KB 18/07/2018) This is on-going through FDO training days (22/09/2018)	In-progress

	10.5.2	Moving forward, the new active monitoring form should directly correspond with the WM7 NOS.		M	SG	30\11\2018		28/3/2017- The form is in a provisional format, this will be discussed and proposed as a pilot form during the Monitoring Officer refresh. A supporting checklist form has also been identified for consideration. (KC) 28/6/2017- Update, This form is being trialled at the FSC by the FSC assessors from the 28/6/17 in order to identify ease of use and suitability. It will also be trialled during the planned exercises for the 10th and 11th July by BFRS FDO's in order to gain feedback to refine prior to roll out in September. (KC) Monitoring form used at Validation, not yet available to FDO's, this will happen when AMS comes on-line-expected August 2018 (06/06/2018 SG) The use of AMS as a tool for monitoring officers has been delayed to allow for more training on the AMS system. Following trials by the OAT this will come on line for Monitoring Officers-late September (SG 17/07/2018) Active monitoring trial due to start 24th of September (awaiting confirmation from e-Safety that the system is ready). Trial to start with OAT and selected L2 FDO's (SG 18/09/2018)	In Progress
12		Internal Communications							
	12.1.1	Review the functionality 'I Drive' as it appears the system does not meet with service expectations with regard to ease of use.	Agree: The longer term solution in respect of the overall document management strategy will be reviewed independently and therefore will no longer form part of this particular improvement plan.	H	JP	01\04\2019		Project plan, team and PID agreed with target completion date of April 1st 2018. Project now has standalone risk register. Public Safety Group governance arrangements have been refocussed to improve mechanism for, and audit of Service Delivery decisions and documents. Departments across the Service have been tasked by the project team to review Standard Forms ahead of migration from N:Drive to I:Drive. (Quick win) SMB have agreed corporate image for branding of internal and external documents and document template has been approved at July PSG. Operational Procedure template may still differ to the standard Service template to support drive for TV ops alignment and NOG. Need to review and rationalise all operational templates in use. Disposal and retention schedules are being developed, Privacy statements are agreed. Project will include development of Document Management Procedure, this will involve consultation and stakeholder engagement, and will establish arrangements for assurance process. Project team are currently consolidating documents in preparation for relaunch on I:Drive. Team have so far identified: - 874 documents on the EDMS I:Drive - 115 Response Bulletins - 123 Standard Forms - 228 Procedure notes on the N:Drive - More documents have been located on Heat - More will be elsewhere on I:Drive departmental pages and other areas ALL in need of review Once documents are reviewed and migrated to one central location, building the	In Progress
	12.1.2	Review the content of the service's Intranet to ensure key information is easily accessible by staff, which should include a more logical hyperlink process.	See above comments.	H	JP	01\04\2019		16/1/2018- Significant progress has been made. There is enough evidence that we have satisfied the key findings of the original report however, we feel that we can deliver more than the original aspiration. With extended finish date of April 2019 to allow a comprehensive revision of our complete document library. (JP)	In Progress
	12.1.3	Review the methods employed for communicating and validating the passage of important messages to operational staff at fire stations. Any review should also consider the communication of key information between Wholetime and On-Call staff.	See above comments	H	JP	01\04\2019		See 12.1.1	In Progress

OAL checkpoint report									
7.4.1		As per 7.4.1 of the OAL report	see 7.4.1 of OAL report	M	SC	31\3\2019		Is the Service progressing a Validation procedure note?	In Progress
JESIP Assurance Report									
4	4.1	Request JESIP principles included in operational assurance template. This would support the capture of how front line staff and partner agencies are applying JESIP principles in multi-agency environments.	JDM to be written into debrief procedure. Jesip principles to be included into OAT procedure note	M	SG	31\3\2019		WC McIntosh briefed to include JDM in Debrief procedure. JESIP added to draft OAT procedure Debrief procedure in rough draft (Steve McIntosh 05/06/2018) First draft of debrief procedure seen, some more work required to get this finished ASAP. (SG 21/07/2018) Draft debrief procedure delayed, however it is anticipated that it will start governance process in October (SG 18/09/2019)	In Progress
6	6.1	A more user friendly Intranet to support operational staff accessing current JESIP information would support embedding across all staff. Consider using this to further promote JESIP principles and also evaluating what more could be done on the force intranet site to make it easier for staff to find out about JESIP.	Consider embedding JESIP into intranet	M	JP	31\3\2019		Should form part of the on-going work to provide a more user friendly intranet service (see 12.1.1) As above. Document Control Procedure includes process for adopting externally produced guidance intended for FRS use. As documents are approved for use e.g. JOPS, the link can be added to the EDMS to enhance access (ST 07/06/2018) The document control procedure was approved at BTB on August 2nd so will be published shortly (ST 11/09/2018)	In Progress
9		At the point of the visit, no JESIP command refresher training had taken place nor was there a plan in place for this. We would highlight this as the biggest risk for the service.	Discussion required with SC Operational Training	H	SW	31\03\2019		7\6\2018 – Despite some operational commanders participating in the four larger scale exercises at the FSC, this is understandably a key focus in terms of on-going training delivery. The intention is for discussions to take place amongst managers within Operational Training and Assurance, in order to explore the feasibility of different options that will then be used to inform an agreed plan. (SW) 20\7\2018 – Incorporating JESIP principles within the larger scale exercises, will continue, with preparations already underway for the next two exercises to take place during October 2018. Specific dates for JESIP training will be incorporated into the 2019\20 training planner for Level 1 commanders. JESIP will be a subject delivered at the upcoming FDO training days, in order to capture all other Levels of commander. The intention is to invite both TVP and SCAS to these training events.(SW) 19\9\2018 – No further updates at this time, what is required to address this particular recommendation have already been identified and will be progressed. (SW)	In Progress
10		We would suggest using the revised JESIP command product to deliver training to those identified as needing JESIP command training alongside those on promotion or requiring refresher training.	Consider using for ICL1 training and adding to HEAT IC page?	M	SW/KB/SC	31\3\2019		7\6\2018 – A reasonable option would be to utilise the available JESIP training material and incorporate within the ICL1 foundation course for aspiring supervisory managers. Furthermore, once an agreed way forward has been determined with regard to JESIP refresher training, it would again make sense to use readily available material to support learning. (SW) 20\7\2018 – No progress made at this time. (SW) 19\09\2018 – See latest comments in relation to JESIP Assurance Report recommendation 9. (SW)	In Progress
12		We would advise Bucks FRS to ensure this training commitment is included in the service Learning and Development plan. We would suggest conducting the training over a 3-year rolling programme with partner agencies,	Develop a 3 year training plan	M	SW	31\3\2019		19\9\2018 – See comments in relation to 5.4.1 with regard to the Debrief procedure. A lesson identified, resulting from a multi-agency debrief has recently been submitted on JOL. (SW)	In Progress

15		Joint Organisational Learning (JOL) / Debriefing: capturing and recording of JOL requires improvement, however action is being undertaken to resolve this process. Additionally, a more formal process to engage with partner agencies around agreement to input JOL under the national database would improve current practices.		M	SW	31\3\2019		7\6\2018 - A draft 'Debrief' procedure is currently being developed, the intention being to include content that better defines and formalises how the learning outcomes from multi-agency debriefs are shared through JOL. Whilst JOL submissions have been made, the process has been somewhat ad-hoc. (SW) 20\7\2018 – As previously stated this will be incorporated within the 'Debrief' procedure, which is currently being drafted. Expectations are for a copy to be provided within the next few weeks. (SW) 19\9\2018 – See comments in relation to 5.4.1 with regard to the Debrief procedure. A lesson identified, resulting from a multi-agency debrief has recently been submitted on JOL. (SW)	In Progress
17	17.1	We would suggest that where forms are developed through the ops assurance team, to capture lessons that JESIP / JOL be an integral part of this process i.e. a JESIP debriefing template.	JESIP & JOL to be included in the debrief process and procedure note	M	SG	31\10\2018		Debrief procedure in rough draft (Steve McIntosh 05/06/2018) to include JOL and JESIP. 21/07/2018-JESIP and Multi-agency to be included in the active monitoring system to ensure learning is captured from incidents that have a monitoring officer or OAT present (SG). Debrief procedure delayed but expected to start to go through document governance process in October. AMS which includes JESIP to go live for trial 24/09/2108 (SG 19/09/2018)	In Progress
18	18.1	Standard Airwave Test: Staff appeared unaware that it's carried out since the control room moved to Thames Valley. Control rooms may still do it, but they don't engage with Bucks officers. This should be resolved as soon as possible.	AC Powell RBFRS project lead for this	M	SW	30\10\2018		A.Burnell (OAT) to contact AC Powell for update (06/06/2018) Airwave interoperability tests discussed by TVFRS JESIP leads in late June. TVFCS Group Manager Control awaiting strategic leads to provide an appropriate contact from TVP and then TVFCS will progress the tests (SG 21/07/2018) Airwave interoperability tests to go live on the 1st of October, briefing note to be produced by TVFCS (Simon Harris TVFCS 17/09/2018) Airwave Tac Ad course bought for 2 participants from RMT to run at the end of the year. (PS 19/09/2018)	In Progress
19	19.1	We would suggest a review of the original Standard Airwave Test provided by JESIP to help increase confidence around talk group use and changing channels. This requires co-ordination between the services and should include a method that allows commanders on duty to be included, not just control rooms. The test should also be recorded in terms of it taking place and if deemed appropriate shared with the LRF partners.	AC Powell RBFRS project lead for this	M	SW\TVFCS	31\10\2018		A.Burnell (OAT) to contact AC Powell for update (06/06/2018) Airwave interoperability tests discussed by TVFRS JESIP leads in late June. TVFCS Group Manager Control awaiting strategic leads to provide an appropriate contact from TVP and then TVFCS will progress the tests (SG 21/07/2018) Airwave interoperability tests to go live on the 1st of October, briefing note to be produced by TVFCS (Simon Harris TVFCS 17/09/2018) Airwave Tac Ad course bought for 2 participants from RMT to run at the end of the year. (PS 19/09/2018)	In Progress
Wavendon Thatch Fire									
WT4		Safe to ride (not BA qualified) staff are prohibited from servicing BA sets and should be swapped to an appropriate role on the incident ground."	OAT to ensure a Hazard report is submitted to H&S	M	SG	31\3\2019		Hazard Report done (06/06/2018) H&S to make it a "That's Safe' bulletin. K.Bamford asked to consider inclusion of this in Safe to Ride booklet Will be added to the Safe to Ride booklet before the next course. (KB 22/09/2018)	In Progress
Waddesdon Aircrash									
WA2		Awareness should be raised amongst Incident Commanders the need to consider air traffic, Helicopter Emergency Medical Service (HEMS) attendance can be compromised due to the use of DRONE's and media helicopters.	Drone training package for crews and IC's?	L	SG	31\3\2019		Training package requirement to be raised at next Drone user group meeting (SG 11/06/2018) No update (19/09/2018)	In Progress

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 November 2018
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Netta Glover
SUBJECT OF THE REPORT	Annual Performance Monitor 2017-18
EXECUTIVE SUMMARY	<p>This report provides an overview of annual progress in relation to the Authority's 2015-20 Corporate Plan objectives and covers the out-turn performance from 1 April 2017 to 31 March 2018.</p> <p>It addresses our key strategic aims and focuses on Prevention, Protection and Response.</p> <p>The report highlights the following notable performances:</p> <ul style="list-style-type: none"> • Non-domestic primary fires continued to reduce - 31% over five years; • BFRS attends 10% fewer incidents per 1000 population compared with the average of all other fire and rescue services; • The Authority continues to maintain the lowest Council Tax precept of any combined fire authority; • BFRS is one of the most cost effective services when it comes to cost per incident. The average is £4027 and BFRS is £3104; • BFRS has still managed to maintain its attendance times and they are the same as they were five years ago, whilst most Services are experiencing an increase; • Despite an increase in Accidental Dwelling Fires during 2017/2018, a positive overall trend continues; • Post incident surveys that were returned from non-domestic property incidents resulted in 100% of respondents being satisfied with the service provided by BFRS (94% were very satisfied & 6% fairly satisfied).
ACTION	Noting.

RECOMMENDATIONS	That the out-turn performance against the outcome measures specified in the Corporate Plan 2015-20 be noted.
RISK MANAGEMENT	Performance and risk information is designed and presented to assist the Authority with strategic decision-making through understanding the communities that we serve and, their associated risk profiles. Performance management information is a major contributor to service improvement and to the effective prioritisation of resources.
FINANCIAL IMPLICATIONS	None at present.
LEGAL IMPLICATIONS	None at present.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	This report references collaborative work-streams based upon the Authority's collaborative principles where this is deemed appropriate.
HEALTH AND SAFETY	No Issues identified from this report.
EQUALITY AND DIVERSITY	<p>Where applicable the limited resources we have are being targeted at the most vulnerable based upon collected demographic data and available intelligence. This demonstrates an equitable process based upon risk to all members of the community. Non-domestic and domestic properties are targeted according to their risk in terms of fire and health, thus identifying the most vulnerable in the community.</p> <p>Challenging outputs and outcomes will ensure that we obtain a clear understanding of the communities that may be impacted through under-performance.</p> <p>As a result of undertaking an Integrated Impact Assessment, it has been identified that further work can now be undertaken to assess the impact and effectiveness of our performance in relation to protected groups and others. This will then be used to inform the development of our risk management strategies.</p>
USE OF RESOURCES	<p>Performance monitoring Identifying the appropriate process that enables challenge against outputs and outcomes of the strategic aims and objectives that supports further understanding of our communities and their resource requirements.</p> <p>Communication with stakeholders Informative and structured performance information incorporating stakeholder contributions.</p>

<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background papers:</p> <ul style="list-style-type: none"> • Corporate Plan 2015-20 • Public Safety Plan 2015-20
<p>APPENDICES</p>	<p>ANNEX A presents a summary of performance with associated graphs.</p> <p>ANNEX B presents the balanced scorecard (Prevention, Protection, Response and Finance) that supplements the annual performance monitor.</p> <p>ANNEX C Full balance scorecard</p>
<p>TIME REQUIRED</p>	<p>10 minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Toni D'Souza, Manager – Data Intelligence Team tdsouza@bucksfire.gov.uk 01296 744444</p>

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Overview and Audit Committee

14th November 2018

2017-18 Annual Performance Monitor

Summary

To provide an overview of the out-turn performance for the year 2017-18.

Introduction

This is the end of year performance monitor for 2017-18, monitoring the Authority's activities and outcomes in delivering the Strategic Objectives we set in our 2015-20 Corporate Plan.

This monitor provides Members with a high-level presentation of performance information.

Performance Highlights

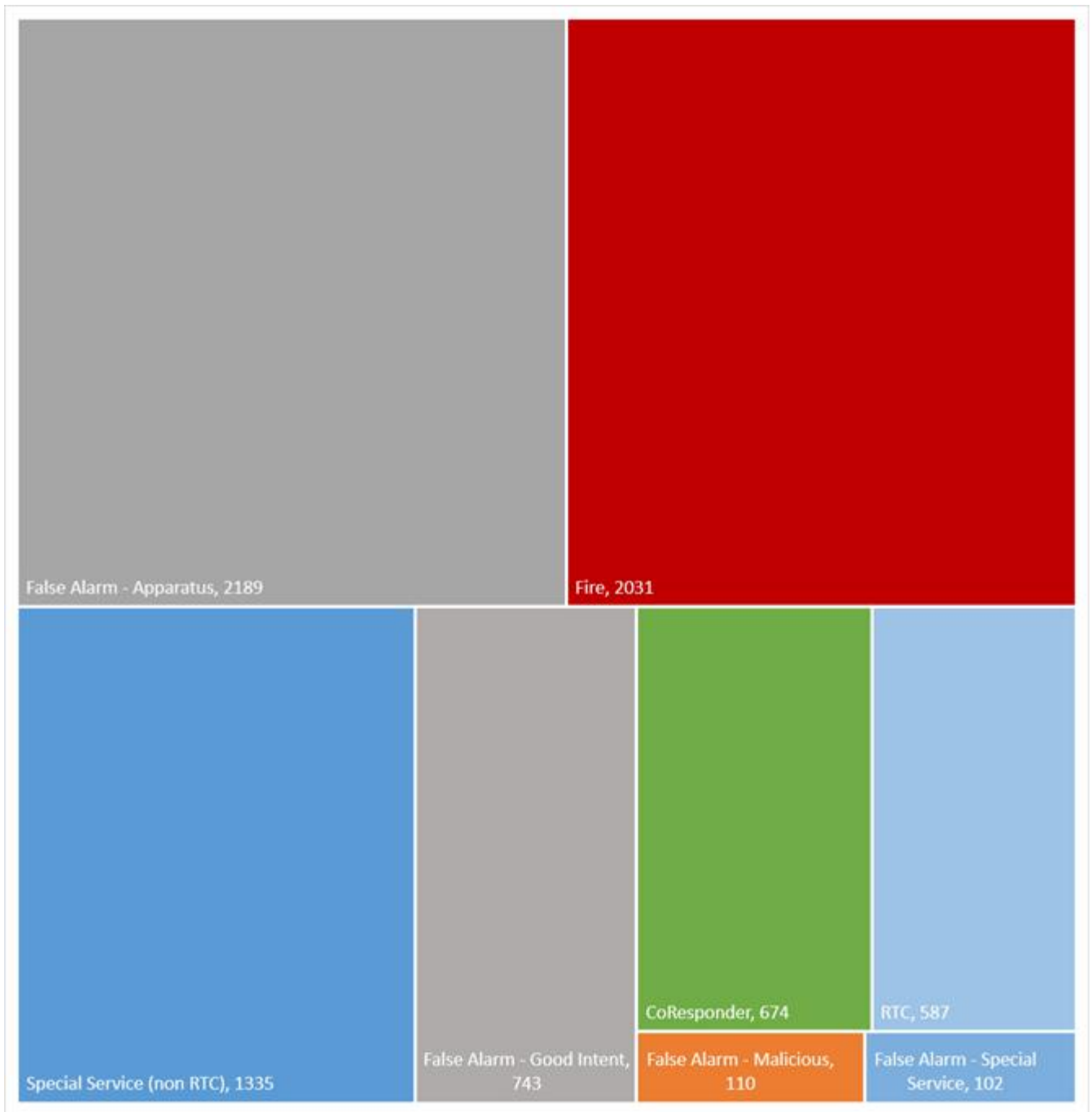
Buckinghamshire Fire & Rescue Service (BFRS) has a great many good news stories to tell whilst continuing to be a cost effective fire authority. This is indicative of our committed and innovative workforce and the changes we have made and those that we continue to explore to ensure we deliver a first class service to the communities we serve:

- Non-domestic primary fires continued to reduce - 31% over five years;
- BFRS attends 10% fewer incidents per 1000 population compared to the average of all other fire and rescue services;
- The Authority continues to maintain the lowest Council Tax precept of any combined fire authority;
- BFRS is one of the most cost effective services when it comes to cost per incident. The average is £4027 and BFRS is £3104;
- BFRS has still managed to maintain its attendance times which are the same as they were five years ago whilst most Services are experiencing an increase;
- Despite an increase in Accidental Dwelling Fires during 2017/2018, the positive overall trend continues;
- Post incident surveys that were returned from don-domestic property incidents resulted in 100% of respondents being satisfied with the service provided by BFRS (94% were very satisfied and 6% fairly satisfied).

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1. Number of Incidents



Indicator Description

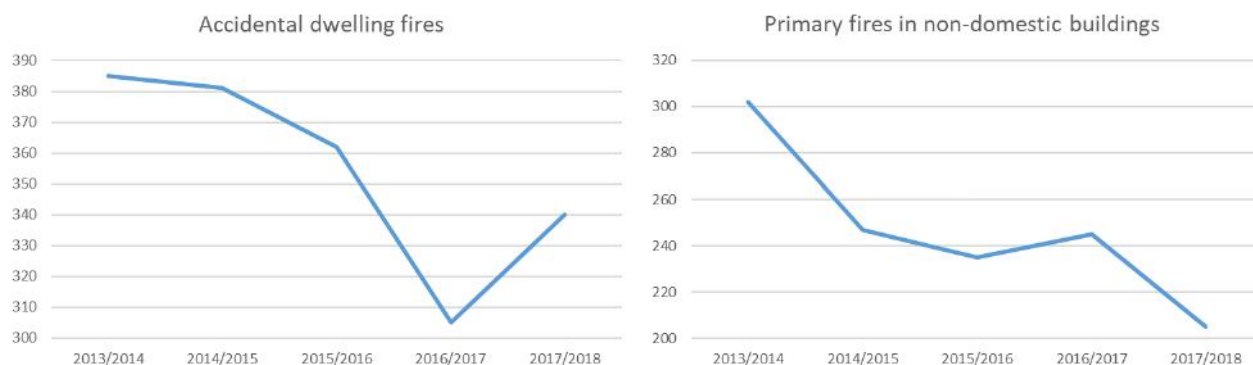
Number of incidents attended with Buckinghamshire and Milton Keynes that were reported to the Home Office via the Incident Recording System (IRS) during 2017-18.

Performance Activity

A total of 7,771 incidents were attended within Buckinghamshire and Milton Keynes between 1 April 2017 – 31 March 2018.

2. Primary Fires

Indicator Description



Source: BMS (Viper) 09/2018

Primary fires are generally more serious fires that occur in property and vehicles.

The largest single type of primary fire occurs in the home and the prevention of these is a key focus for the Service.

For reporting purposes, the Service measures the following categories:

- Accidental dwelling fires;
- Primary fires in non-domestic buildings.

In 2017-18, there were 324,767¹ domestic properties within Buckinghamshire and Milton Keynes and 22,378¹ non-domestic and a population of 803,439².

Injuries and fatalities caused as a consequence of fire are commented on later in this report.

Performance Activity

The number of accidental dwelling fires increased compared with 2016-17. However a positive trend continues, declining over a five year period, with (45) 12 per-cent fewer through 2017-18 when compared to 2013-14.

Primary fires in non-domestic buildings continued to report a notable positive trend over the five-year period 2013-14 to 2017-18. A 32% reduction (302 to 205) whilst property numbers have been steadily increasing is very encouraging.

BFRS continues to use a range of tools to promote community safety and extend the fire safety message through local and national fire safety campaigns.

Our targeted approach to community safety based upon trend analysis and historical data to predict future incidents, has assisted us in identifying the most vulnerable members of our communities. This has led us to move away from the traditional approach of identifying areas of deprivation and focus our resources on specific individuals where the data indicates they are at a higher level of risk from fire.

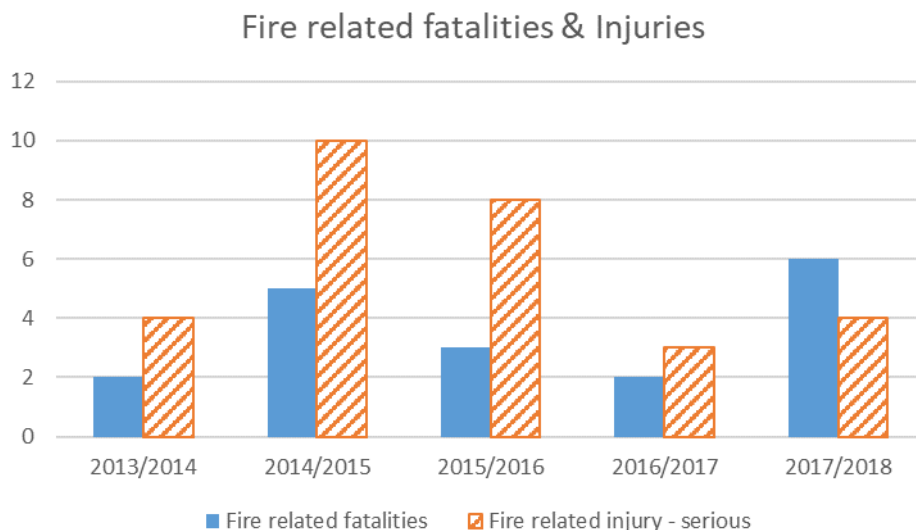
¹ CiPFA FIRE 2018 Provisional Statistics

² ONS mid-year population estimates 2017

BFRS have now aligned its data sets with RFRS and OFRS, supporting the collaborative work in risk targeting and resource management.

The national average for audits graded as unsatisfactory is 35%. In 2017, we achieved 65% unsatisfactory (Source CIPFA) demonstrating that we are inspecting premises which are non-compliant.

3. Fire Related Fatalities and Injuries



Indicator Description

This indicator counts those people where the cause of death has been identified as fire related even if they die sometime after the incident occurred.

There were six fire related deaths during 2017-18. Three deaths were the result of two accidental dwelling fires. Three were suicides where fire was involved.

A slight raise in accidental dwelling fires correlates with a slight rise in accidental dwelling fire related injuries. However, a positive trend remains over the five-year period albeit not as positive as the trend for number of accidental dwelling fires.

The total number of fire related injuries in non-domestic premises in 2017-18 was five. Non-domestic buildings cover a wide range of buildings and structures including offices, care homes, hospitals and buildings that are not subject to the Regulatory (Fire Safety) Reform Order.

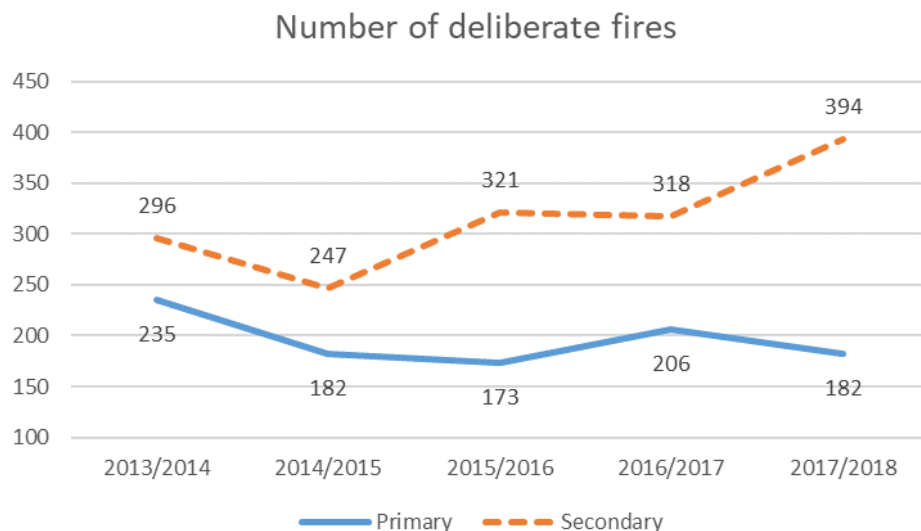
Performance Activity

Although the number of fire fatalities remains relatively low, the recent fire fatalities have enabled the Service to identify the main underlying causes. From this information the Service has evaluated how best it can further decrease the number of fire fatalities.

By working with partners such the NHS, who supply details of over-65s in the 'Exeter Database', this organisation is able to ensure prevention resources and activities are geared towards the most appropriate people.

To decrease fire injuries and fatalities further, BFRS is engaged with ongoing research into human behaviour to better understand how people react when confronted with a fire in their home. By gaining this insight, it will be possible to ensure prevention messages and training are aimed specifically at those most in need.

4. Deliberate Fires



Source: BMS (Viper) 09/2018

Indicator Description

Whilst the number of deliberate primary fires for Buckinghamshire and Milton Keynes continue to see a positive trend, the number of deliberate secondary fires increased for the fourth year running (an increase of 33% over the five years). Nationally there has been an increase in arson and criminal damage, which is reflected in the national crime statistics for England and Wales.

Performance Activity

Despite the increase in deliberate fires during 2017-18, Buckinghamshire remains one of the best performing areas in relation to deliberate fires compared to similar comparable locations (Family Group 2).

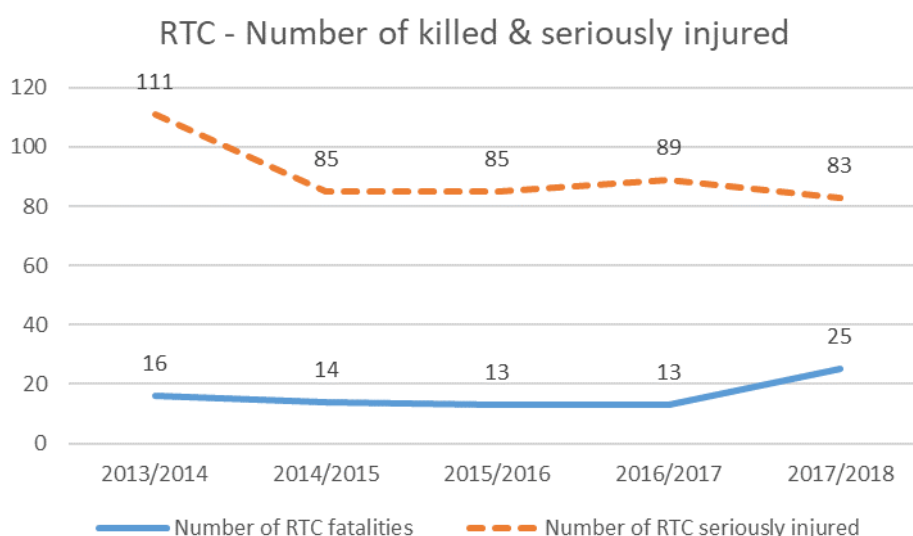
The Service is currently engaged in a combination of pro-active measures to reduce the number of deliberate fires:

- Intelligence within the Service, led to the identification of one individual responsible for a significant number of secondary deliberate fires.
- The education work targeting children at all key stages, combined with the Fire-Setters intervention programme.
- The Service subscribes to a Contract for Service with Thames Valley Police for an Arson Reduction Officer, a resource shared with Royal Berkshire Fire and Rescue Service. This has resulted in more effective and simplified lines of communication with Thames Valley Police and allowed for trends to be identified in a co-ordinated manner. The Arson Reduction Officer has also initiated a Memorandum of Understanding with the

local prisons to create a consistent approach to investigating incidents involving suspected arson and supporting the prison officers to prosecute offenders.

- Our Service is leading on a collaborative approach across the Thames Valley Fire and Rescue Services in the development of a demand and vulnerability model with Thames Valley Police. This system includes data from partner agencies such as trading standards, social services, South Central Ambulance Service and with the inclusion of FIRE data, we hope to achieve a blue light risk and demand profile for the entire Thames Valley area. This will further support a collaborative approach to public safety, enabling a joined up approach in the prevention and management of unwanted behaviour.

5. Road Traffic Collisions (RTC)



Source: BMS (Viper) 09/2018

Indicator Description

While the trend for the number of seriously injured at RTCs (attended by BFRS) continues on a positive trajectory, fatalities saw a rise compared to previous years.

Performance Activity

Even if the one incident accounting for nearly a third of the fatalities were omitted³, 2017-18 would still have seen an increase in the number of fatalities resulting from an RTC.

A number of pro-active prevention intervention schemes to support road safety are currently being engaged to reduce the number of RTCs and the fatalities/injuries resulting from RTCs.

There are more specific education talks for those in Key Stage 3 who are about to start driving; this is based upon the number of young drivers killed or seriously injured over recent years. The Service works closely with driving examiners and uses this

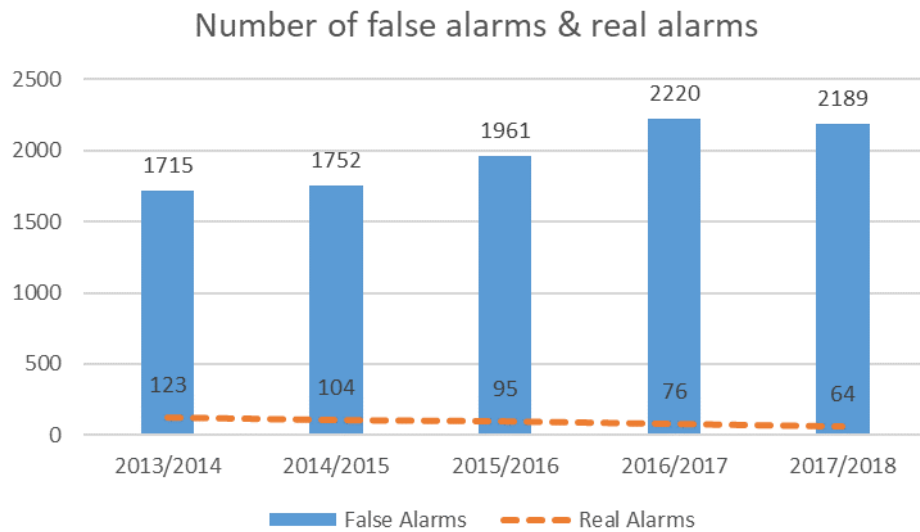
³ Significant Road Traffic Collision on the M1 motorway with the loss of eight lives caused by a drink driver.

ANNEX A

relationship to deliver road safety messages to newly qualified drivers who are at a high risk of being involved in a road traffic collision.

'Biker Down' is a popular prevention initiative aimed at motorcycle riders who pose a significant risk to themselves and other road users.

6. False Alarms and Real Alarms



Source: BMS (Viper) 09-2018

Indicator Description

Fire alarms and fire detection systems are fundamental in providing early warning from fire, giving people the chance to evacuate in a safe manner. To ensure they are effective they must be installed and maintained properly to avoid activation when there is no fire situation.

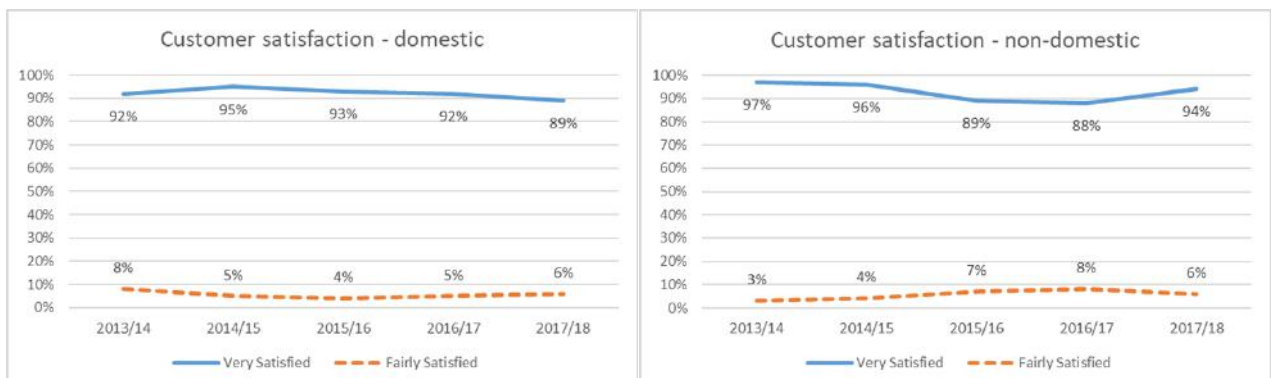
The trend in false alarms continues to increase year on year due to the increase in new building numbers in the Buckinghamshire and Milton Keynes area.

Performance Activity

This Service is almost unique in attending automatic fire alarms and uses the opportunity to positively engage with businesses to create safer systems of work whilst over time reducing the demands on the Fire Service. This approach aligns with the government’s desire for regulators to support commerce appropriately.

Whilst there continues to be a slight increase year on year in the number of attendances at automatic fire alarm incidents these are used as positive opportunities to engage with business which is evidenced with the continued decrease in primary fires and fire injuries in commercial premises.

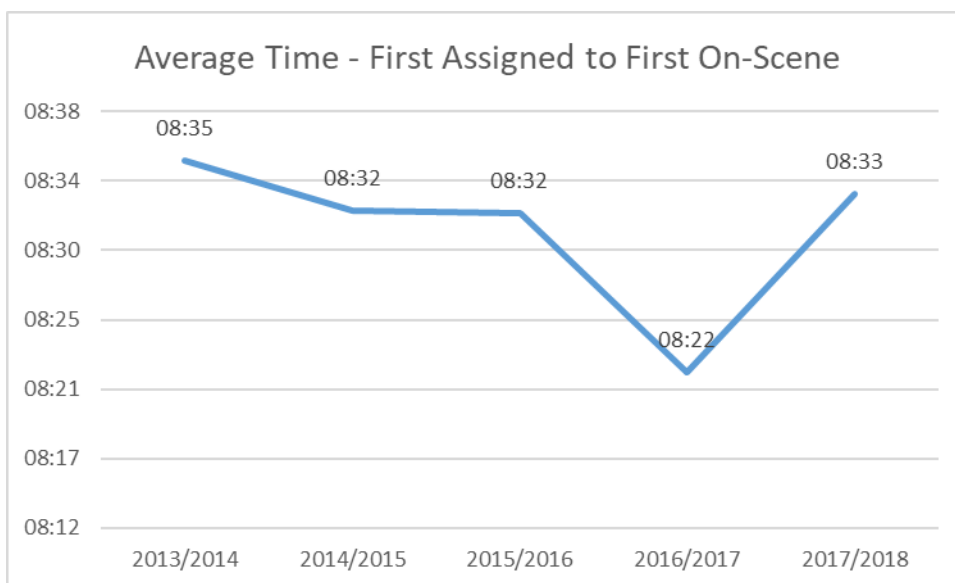
7. Customer Satisfaction



Indicator Description

After the Incident questionnaires are sent following incidents at domestic and non – domestic premises (except where serious injury/ fatality or significant damage has occurred). The questionnaires are returned to Opinion Research Services who analyse the returns and publish the results. BFRS continually remain in the 90+ per-cent brackets for customer satisfaction in incidents at domestic properties, where less than 1 per-cent are unsatisfied. However, non-domestic incidents saw a 100% satisfaction score for the first time in four years.

8. Response



Source: BMS (Viper) 09-2018

Indicator Description

This indicator measures the time it takes the first appliance to arrive at an incident – this is measured from the time the first appliance is assigned to the first appliance in attendance.

Although 2017-18 saw an increase in its average response time to incidents compared to the previous year, a positive trend remains and the average response time is still below that of five years ago.

Performance Activity

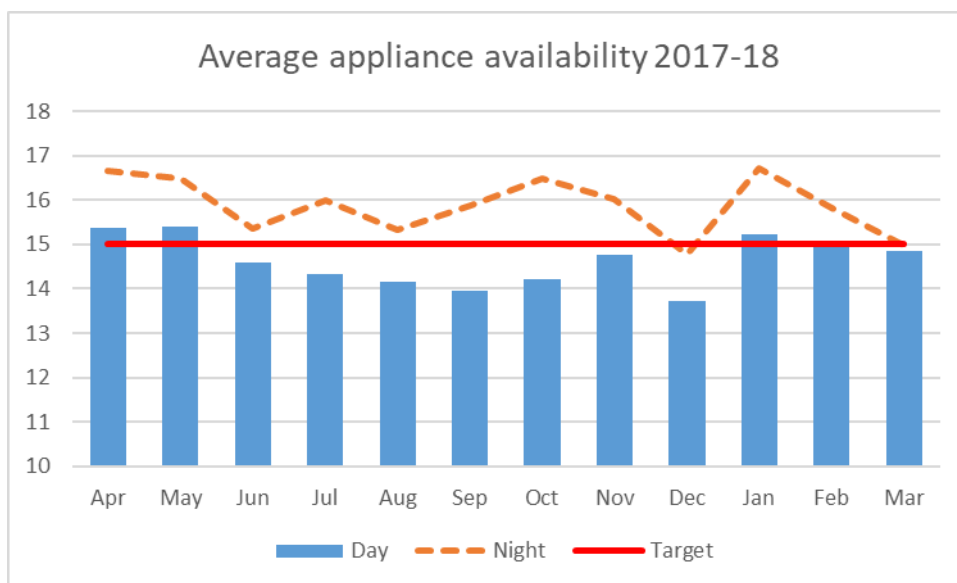
The move to the Thames Valley Fire Control Service has supported our aim in improving attendance times. The introduction of Automated Vehicle Locating System (AVLS) now ensures that the nearest appliance will attend the incident irrespective of traditional Service boundaries.

BFRS has placed display screens in fire stations which shows live data to crews about their performance. This data includes information about their turn out and attendance

times which has led to improvements. This also allows them to assist in improving data quality by spotting data errors that they can report to Thames Valley Fire Control.

We have changed the balanced scorecard to reflect the evolution of our resourcing and crewing strategy. We have found that simply focusing performance on our on-call availability or the number of incidents per main appliance does not provide the assurance or reflect the performance of this strategy.

Figure 1.1



Source: RMT 09-2018

Figure 1.1 reviews the total availability of all our appliances (fire engines) on a day-by-day, night-by-night basis.

As in previous years, availability during the night remains good due to on-call availability. However, availability during the day is still providing some challenges, especially during holiday periods.

At no point were BFRS unable to meet operational demands, this included scenarios such as the flooding in Milton Keynes that saw 26 pumps all in attendance at incidents across Milton Keynes alone.

During 2017-18, BFRS experienced a higher than normal loss of staff – mainly due to LFB recruitment drives.

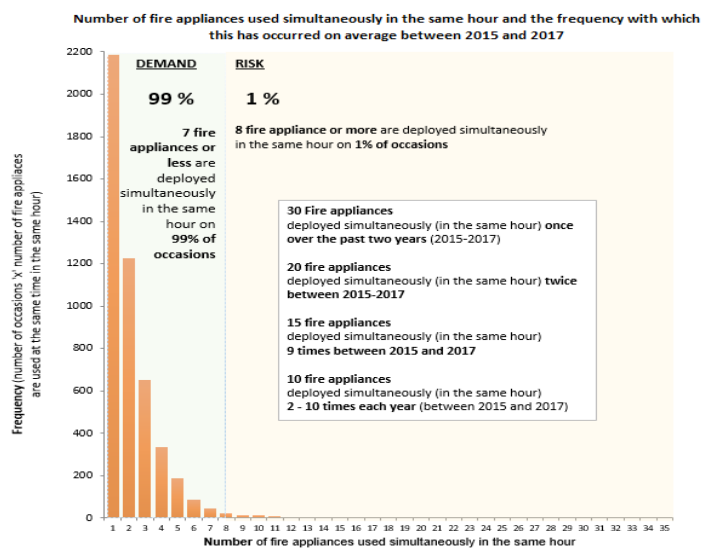
Development of operational resource is bringing in new contracts for on-call firefighters to improve the profile of availability.

BFRS are also looking to bring in its fourth cohort of apprentices in April 2019.

BFRS will be actively seeking to transfer fire fighters into the Service.

Since moving to the Thames Valley Fire Control Service (April 2015), we have looked again at our efficiencies in resourcing for day-to-day demand and in-frequent risk (See *Figure 1.2 overleaf*).

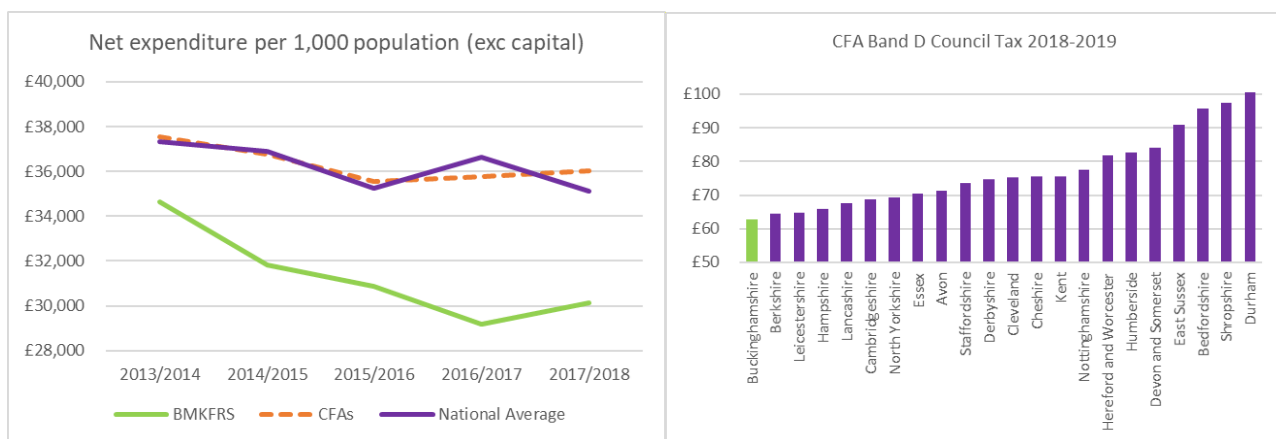
Figure 1.2



Source: Data Intelligence Team – IRS/Vision 07-2017

This analysis has enabled us to ascertain that 7 appliances or less were deployed simultaneously in the same hour on 99 per-cent of occasions between April 2015 and Mar 2017. The risk identified during this same period suggests that 8 appliances are likely to be deployed simultaneously in the same hour on 1 per-cent of occasions. It is this 'infrequent' risk that represents a challenge for the Service in terms of resourcing efficiently and we have been able to mitigate this through the flexibility and innovation of our workforce.

9. Finance



Indicator Description

We measure Buckinghamshire & Milton Keynes Fire Authority’s financial performance by comparing it with other fire and rescue services that share the same governance model (i.e. they are CFAs -Combined Fire Authorities) covering an area of two or more local authority areas). This provides an accurate comparison of both the funding model and the funding strategy for fire and rescue services.

To get a broader comparison of financial performance, we also measure it per head of the population of Buckinghamshire and Milton Keynes and compare this with the national average of all fire and rescue service, not just the ones that share the same governance model.

Performance Activity

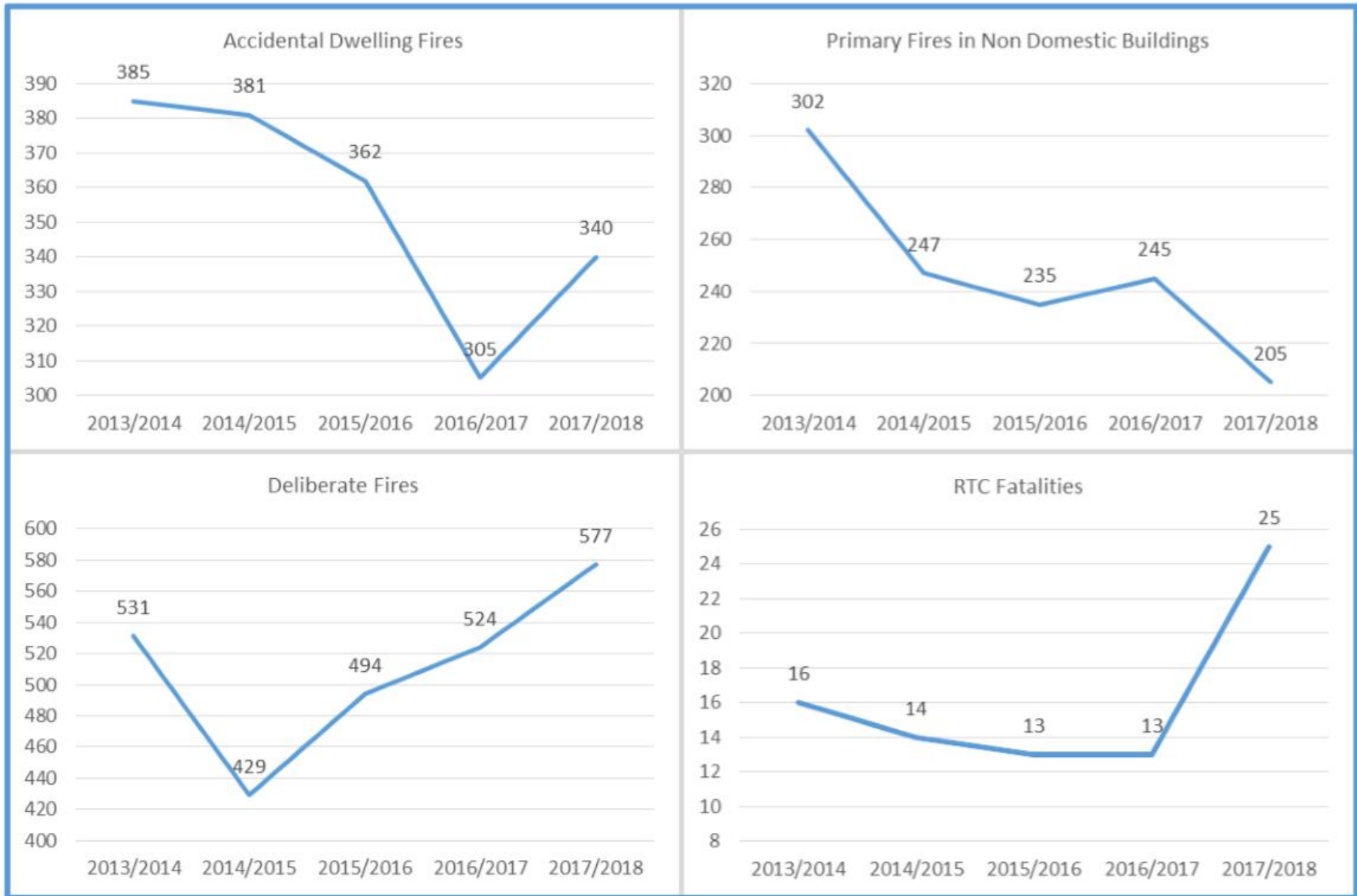
ANNEX A

Buckinghamshire and Milton Keynes Fire Authority continues to levy the lowest Council Tax precept of any Combined Fire Authority based on Band D Council Tax and has done for many years. In terms of all fire and rescue services, we are now the second lowest with only one major metropolitan Service charging less in terms of council tax.

In terms of overall expenditure per 1000 head of population, the Authority is substantially below both combined and all other fire and rescue services.

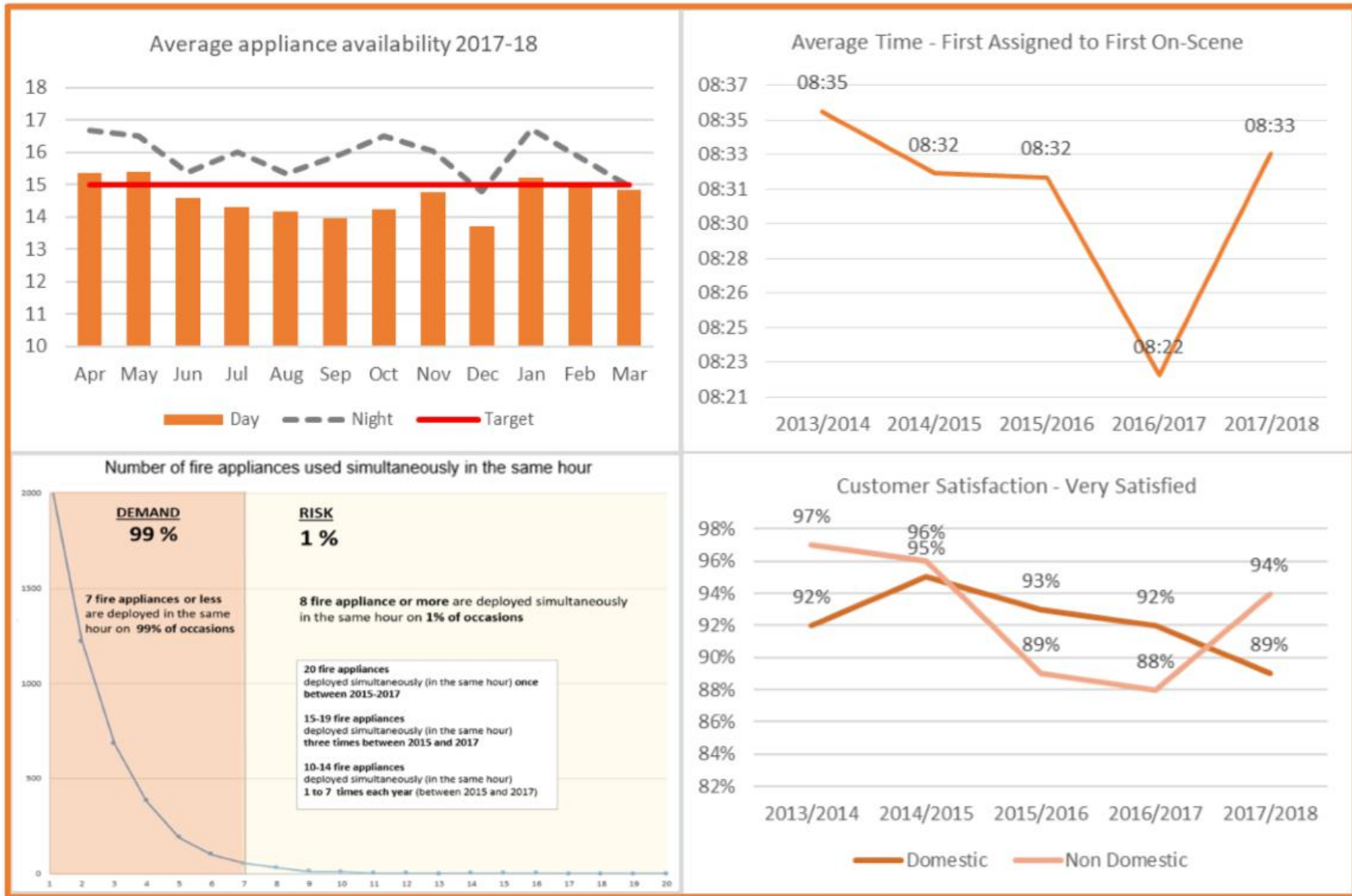
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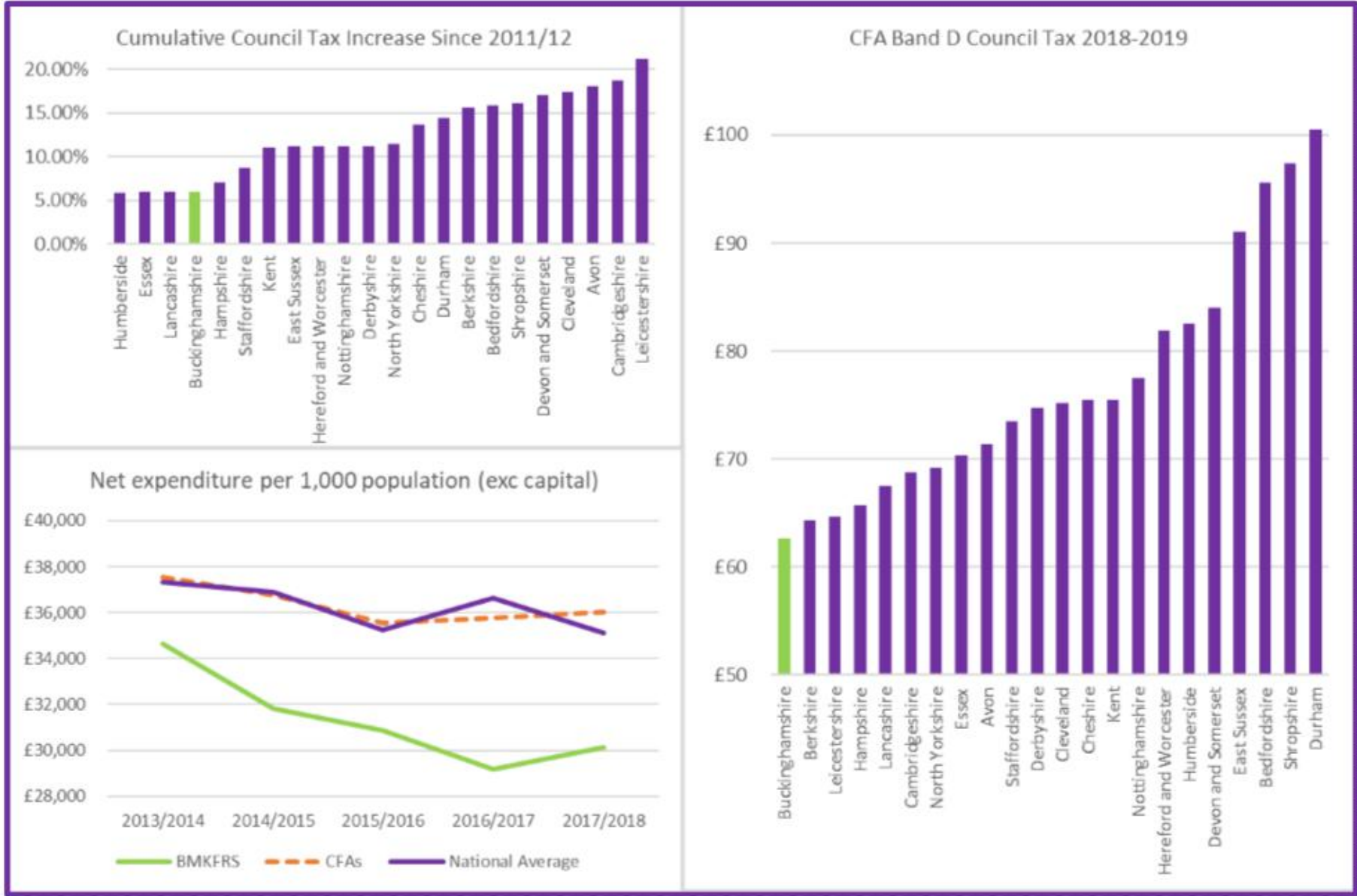
ANNEX B



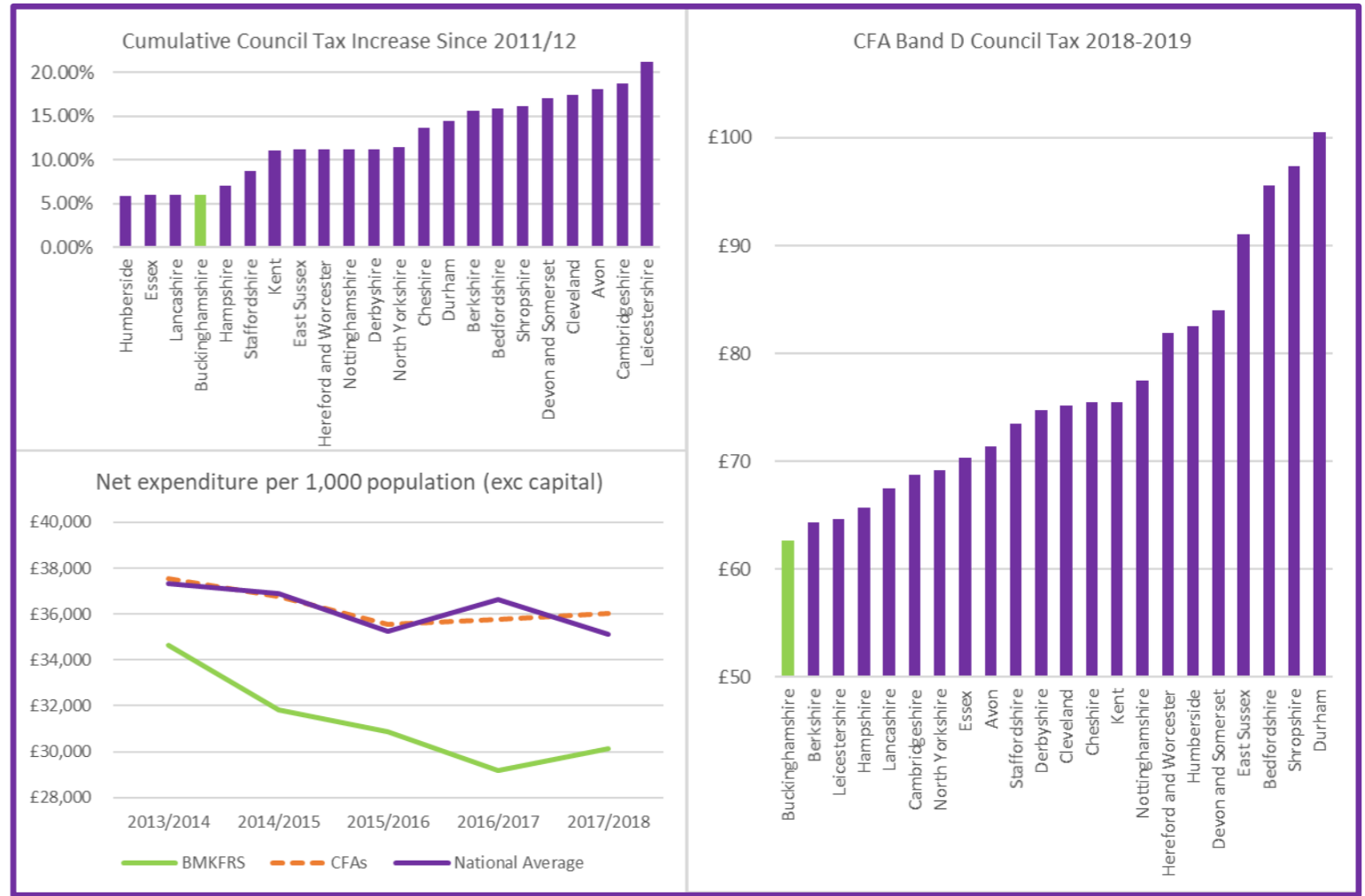
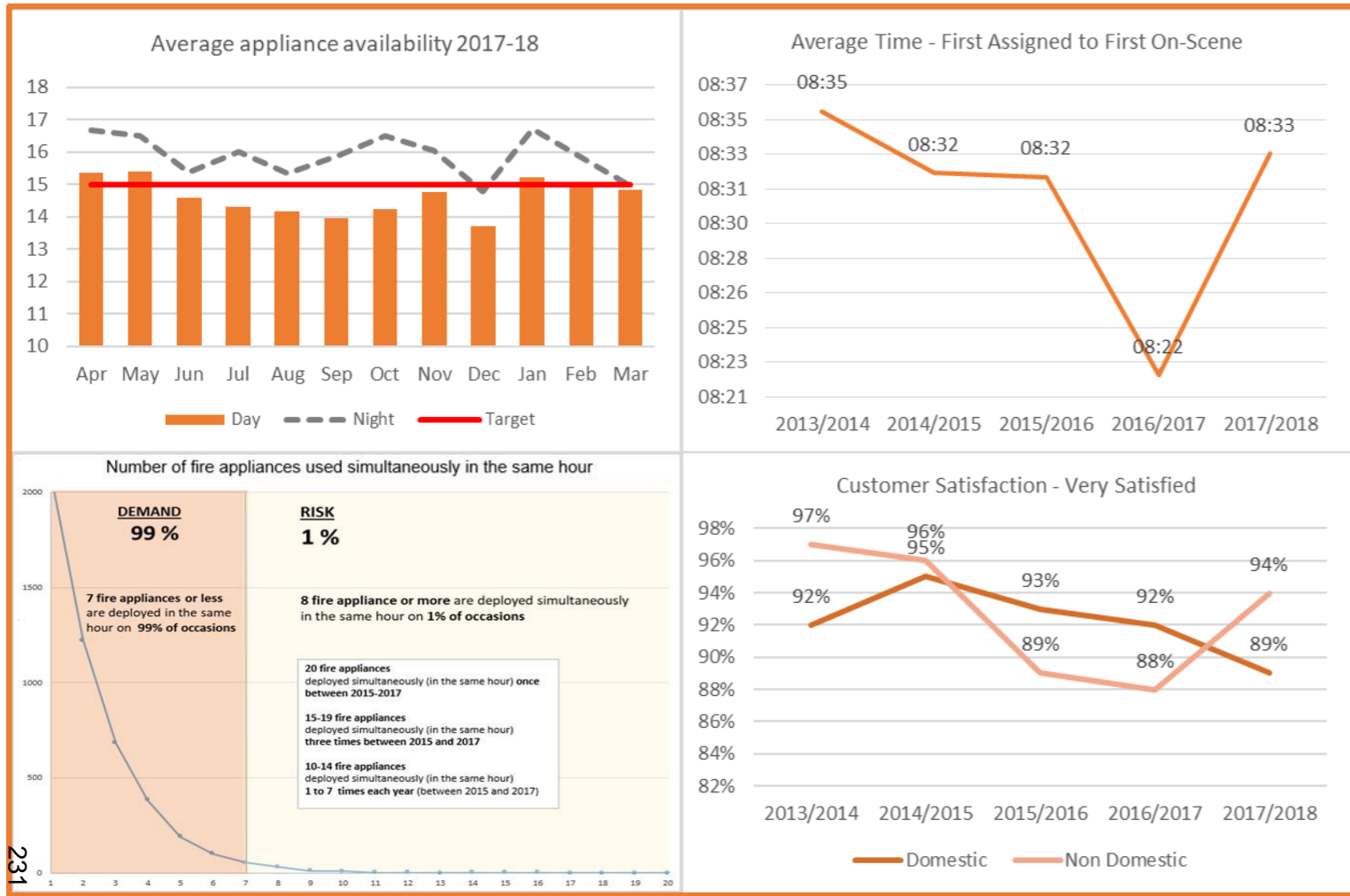
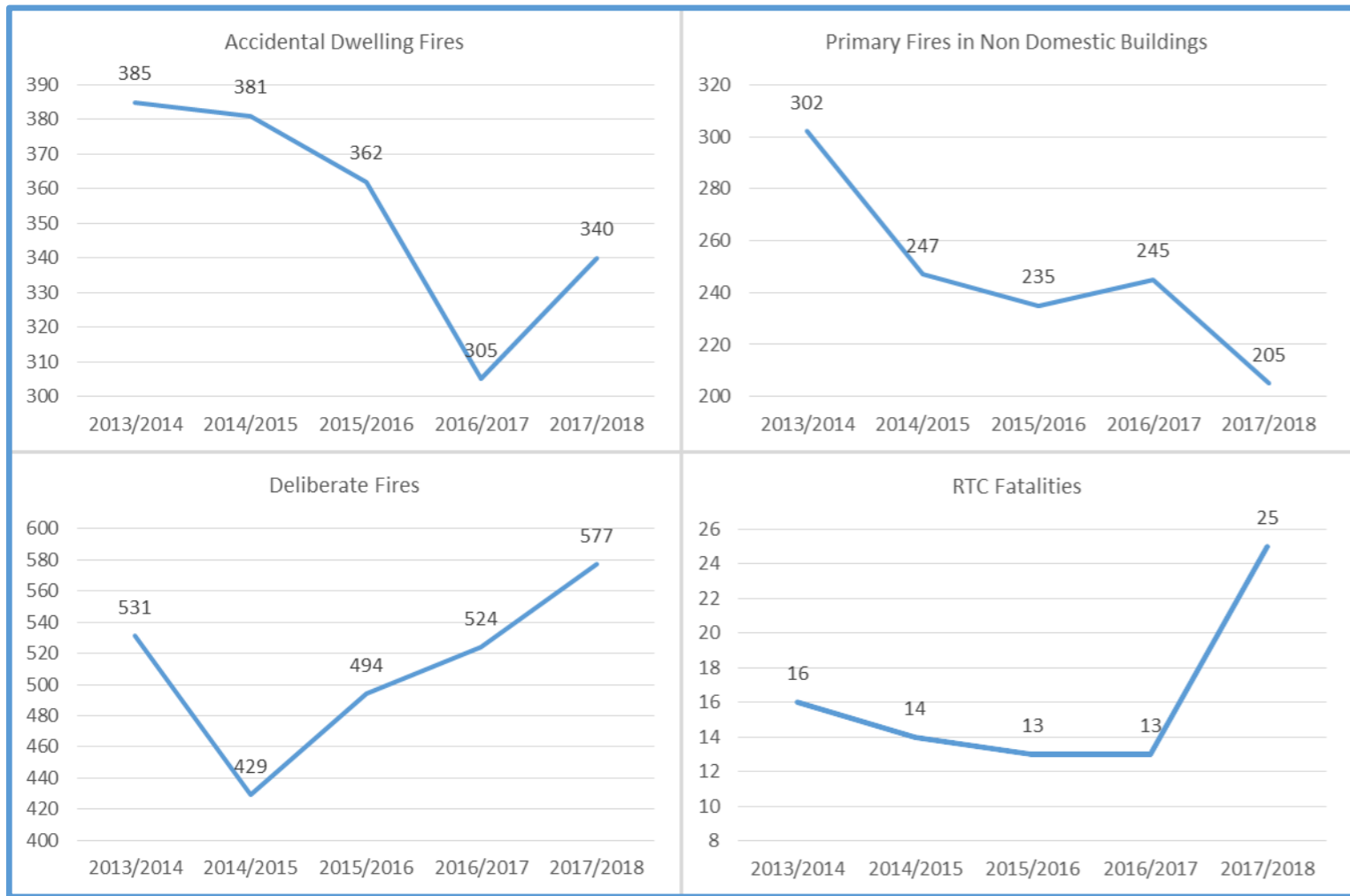
ANNEX B







2017/2018 BFRS Score-Card (ANNEX C)



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