

Public Document Pack



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Fire and Rescue Authority.

Bedford Borough Councillors: C Atkins, M Headley and J Mingay

Central Bedfordshire Councillors: P Downing, D McVicar, F Chapman, J Chatterley and P Duckett

Luton Borough Councillors: T Khan, D Franks, Y Waheed and R Saleem

A meeting of **Fire and Rescue Authority** will be held at **Lecture Theatre, Dunstable Community Fire Station, Brewers Hill Road, Dunstable LU6 1AA** on **Thursday, 26 April 2018** starting at **10.00 am**.

John Atkinson
Secretary/Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies	Secretary/ Monitoring Officer	
2.	Declarations of Disclosable Pecuniary and Other Interests	Chair	Members are requested to disclose the existence and nature of any disclosable pecuniary interest and any other interests as required by the Fire Authority's Code of Conduct.
3.	Communications		
4.	Minutes	Chair	To confirm the Minutes of the meeting held on 8 February 2018 (Pages 5 - 16)
5.	Public Participation	Chair	To receive any questions put to the Authority under the Public Participation Scheme
6.	Corporate Services Policy and Challenge Group 12 March 2018	Chair	To consider a report (Pages 17 - 126)

Item	Subject	Lead	Purpose of Discussion
7.	Service Delivery Policy and Challenge Group 15 March 2018	Chair	To consider a report (Pages 127 - 136)
8.	Audit and Standards Committee 28 March 2018	Chair	To consider a report (Pages 137 - 160)
9.	Human Resources Policy and Challenge Group 29 March 2018	Chair	To consider a report (Pages 161 - 168)
10.	Draft Community Risk Management Plan (CRMP)	ACFO	Report to follow
11.	Disposal of Assets under the Scheme of Delegated Authority	CFO	To consider a report (Pages 169 - 174)
12.	Fire Pensions Administration	ACO	To consider a report (Pages 175 - 178)
13.	Blue Light Collaboration	ACFO	To consider a report (Pages 179 - 184)
14.	Information Bulletin	CFO	To consider a report (Pages 185 - 190)

Local Government Act 1972: Schedule 12A (as amended) - Exclusion of the Public Chair

To consider whether to pass a resolution under Section 100(A) of the Local Government Act 1972 to exclude the public from the remainder of the meeting on the grounds that consideration of the following items of business is likely to involve the disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Act as amended.

15.	Future Mobilising System Recommendation	CFO	To consider a report (Pages 191 - 218)
	Next Meeting		2.30 pm on 31 May 2018 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR

DECLARATIONS OF INTEREST

From 1 July 2012 new regulations were introduced on Disclosable Pecuniary Interests (DPIs). The interests are set out in the Schedule to the Code of Conduct adopted by the Fire Authority on 28 June 2012. Members are statutorily required to notify the Monitoring Officer (MO) of any such interest which they, or a spouse or civil partner or a person they live with as such, have where they know of the interest.

A Member must make a verbal declaration of the existence and nature of any Disclosable Pecuniary Interest and any other interest as defined in paragraph 7 of the Fire Authority's Code of Conduct at any meeting of the Fire Authority, a Committee (or Sub-Committee) at which the Member is present and, in the case of a DPI, withdraw from participating in the meeting where an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.

MINUTES OF FIRE AND RESCUE AUTHORITY MEETING HELD ON 8 FEBRUARY 2018

Present: Councillors C Atkins (Chair), F Chapman, J Chatterley, P Duckett, D Franks, M Headley, T Khan, D McVicar, J Mingay, R Saleem and Y Waheed

Ms Justine Currell, Deputy Police and Crime Commissioner,
CFO P Fuller, ACO Z Evans, SOC A Peckham, AC D Cook, Mr J Atkinson and Mr G Chambers

17-18/FRA/57 Apologies

Apologies for absence were received from Councillor Downing and the Police and Crime Commissioner for Bedfordshire, Kathryn Holloway.

17-18/FRA/58 Declarations of Disclosable Pecuniary and Other Interests

Councillor Chapman disclosed a local interest in the Statement of Assurance (Minute 17-18/fa/061 Audit and Standards Committee 6 December 2017 refers) as a trustee of Hazard Alley, a safety centre located in Milton Keynes.

17-18/FRA/59 Communications

The Chair informed the FRA that she had agreed to add a late urgent item to the agenda. The item concerned options for the future provision of an emergency call handling and mobilisation system. It was important for a decision to be taken on a short-list at this meeting so that a detailed appraisal of the options could be completed in time for a preferred option with supporting business case to be recommended to the FRA by the end of March 2018.

17-18/FRA/60 Minutes

RESOLVED:

That the Minutes of the meeting held on 14 December 2017 be confirmed and signed as a true record.

17-18/FRA/61 Public Participation

Members noted that no questions had been received in accordance with the public participation scheme approved at the meeting of the Fire and Rescue Authority held on 5 April 2000 (Minute 99/fa/94 refers).

17-18/FRA/62 Audit and Standards Committee 6 December 2017

Councillor Chapman submitted the draft Minutes of the meeting of the Audit and Standards Committee held on 6 December 2017, along with the Authority's Statement of Assurance.

Area Commander D Cook highlighted the updates to the Statement of Assurance and reminded Members of the requirement for English fire and rescue authorities to produce and publish an annual Statement of Assurance.

The Statement sets out the Authority's financial, governance and operational assurance arrangements as well as providing an overview of the services provided throughout the year. The number of incidents attended by the Service had increased during the year as a result of the extension of collaborative working with other blue light services. The benefit of protection and prevention work was demonstrated by the reduction in injuries arising from accidental dwelling fires.

In relation to the firefighters' pension changes dispute, Assistant Chief Officer Evans advised that this was ongoing and that consideration of the question of whether disproportionate impact was related to age had been referred back to the Employment Tribunal. More information would be provided to Members on the progress of this issue as and when it was available.

RESOLVED:

1. That the Statement of Assurance 2016/17 be approved.
2. That the submitted draft Minutes of the meeting held on 6 December 2017 be received.

17-18/FRA/63 Human Resources Policy and Challenge Group 11 January 2018

Councillor Waheed submitted the draft Minutes of the meeting of the Human Resources Policy and Challenge Group held on 11 January 2018 and highlighted the following:

- The Service had demonstrated strong performance against indicator EQ1a (percentage of new entrants to the retained duty system to be women), with more female recruits attending a training course in Quarter 3.
- All the health and safety indicators had met or exceeded target levels.
- The Public Sector Equality Duty Report had been approved. This document set out information on the local population, the Service's practices, workforce and the equality objectives for 2016 to 2020.
- A questionnaire capturing equality data had been developed for distribution at Open Days. This had been trialled at 6 stations in 2017 and was being rolled out across all stations during 2018.
- The Positive Action Report consisted of 15 actions and set out the expected outcomes, Management Lead and timescale for completion.
- The Service had recently recruited an individual with Police experience to its HR team and was working with Bedfordshire Police on its recruitment campaign as it sought to recruit more candidates from Black, Asian and Minority Ethnic backgrounds to become more representative of the communities that it served.
- The Service had conducted an employee opinion survey. 62.8% of employees had completed the survey and a number of positives, as well as areas for development, had been identified. An action plan had been created to address the areas of development.
- Following a request from Members at the previous meeting, a report on the Service's appraisal process, including redacted samples of appraisal documents, was submitted to the Policy and Challenge Group.
- Members were also advised of amendments to firefighter pension legislation.

RESOLVED:

That the submitted draft Minutes of the meeting of the Human Resources Policy and Challenge Group held on 11 January 2018 be received.

17-18/FRA/64 Revenue Budget and Capital Programme Monitoring

Mr G Chambers, the Head of Finance and Treasurer, presented his report on the forecast year end budget monitoring position as at 31 December 2017.

He reported that the forecast non-salary underspend was £206,500 and the forecast salary underspend was £265,000, resulting in a total forecast underspend of £471,500.

In response to questions on the revenue budget forecast outturn, the Head of Finance and Treasurer advised that he would provide additional information to Members about the variances not included in the report and detailing the proposed spend for Quarter 4 in the strategic management budget via email.

Members were asked to approve an addition to the Capital Programme of £75,000 to extend car parking at Fire and Rescue Headquarters on Southfields Road. Approximately 35 on-street car parking spaces for Service employees would be lost when double yellow lines were installed along the length of the road opposite headquarters. The proposals related to works to the existing main car park to create 21 additional spaces and the installation of a grass grid base near the Training Centre car park to create 12 car parking spaces.

Members considered this addition in the context of the possible development of a joint Police and Fire Headquarters. It was recognised that there was a need to alleviate the current parking issues that would result from the planned works to Southfields Road, whilst taking into consideration the uncertainty of the future of the current Headquarters site.

The Head of Finance and Treasurer advised that the tender had been constructed so that the two parts of the project could be progressed individually, with no added cost to the Service.

RESOLVED:

1. That the forecast outturn for revenue and capital be acknowledged.
2. That the addition of a capital project to expand car parking at Fire and Rescue Headquarters to the value of £75,000 be approved, subject to the works to the main car park being undertaken first, with a review of the car parking situation being undertaken before the work on the additional grass grid spaces at the Training Centre car park is progressed.

17-18/FRA/65 The 2018/19 Revenue Budget and Capital Programme

Mr G Chambers, the Head of Finance and Treasurer, submitted his report on the Revenue Budget, Capital Programme and Council Tax for 2018/19. The Authority was being asked to approve a draft revenue budget requirement of £29.437 million with a Council Tax increase of 2.99%.

The Head of Finance and Treasurer reported that there had been a slight variation to the figures previously discussed at the Members' Budget Workshop of £21,000 per annum. There had also been an increase to Line 54 of the Medium Term Revenue Plan to £195,000. With these changes, the forecast net balance of the Transformational Earmarked Reserve in 2021/22 had increased from £1.019 million to approximately £1.5 million which could result in the reserve being used to balance the budget in 2022/23, subject to the outcome of national pay bargaining negotiations.

In relation to the assumptions underpinning the development of the budget, it was noted that the firefighter pay award could be a significant budget pressure. A 4% provision had been

made for the firefighters pay award; however, the Scottish Fire and Rescue Services had recently been awarded a 20% increase over a four year period. This was subject to Scottish firefighters accepting the broadening of the traditional role of a firefighter. Pay negotiations in England remained ongoing and could present a much larger cost than that currently forecast.

The Service currently held £2.6 million in general reserves, approximately 9% of its budget, which was the average for Combined Fire Authorities.

The original budget proposals, prior to the change in the Council Tax Referendum cap, had been subject to public consultation, with 78% of respondents supporting a Council Tax increase of between £2.50- £5 per Band D property. The current proposals resulted in a £2.78 increase per annum per Band D property.

The Chief Fire Officer highlighted the proactive use of the transformational earmarked reserve to provide an enhanced service to the public in the context of sustained funding reductions, as illustrated in a graph detailing the Revenue Support Grant reductions set out in the Medium Term Financial Strategy. Officers deliberately generated an underspend to ensure that funds were rolled forwards to support the budget setting process in future years. It was important that this information was captured and shared with others.

The recommendations relating to the revenue budget requirement of £29.437 million, with a corresponding precept of £19.972 million and a 2.99% Council Tax increase were put to the meeting and the votes recorded thereon were as follows:

For the Councillors Atkins, Chapman, Chatterley, Duckett, Franks, Headley,
Recommendations Khan, McVicar, Mingay, Saleem and Waheed
(11)

RESOLVED:

1. That it be determined for 2018/19 that:
 - (a) A Revenue Budget requirement is set at £29.437m, met as indicated in paragraph 3.8 of the report.
 - (b) In meeting this budget requirement, the Authority's Precept be set at £19.972m and that as a consequences, a Council Tax increase of 2.99% up to £95.59 per Band D equivalent property, calculated as shown in Paragraph 3.8 of this report.
 - (c) In order to meet the Precept requirement, the Head of Finance/Treasurer be authorised to issue Precepts in the necessary form to each of the Unitary Councils and for the amounts indicated in Paragraph 3.11 of this report.
2. That the Medium Term Revenue Plan attached at Appendix 1 to the report and the 2018/19 savings and efficiencies detailed at Appendix 2 to the report be approved.
3. That the 2017/18 in-year underspend is allocated to the Transformation Reserve.
4. That the Medium Term Capital Programme attached at Appendix 3 to the report be approved.
5. That the Medium Term Financial Strategy attached at Appendix 4 to the report, which also contains the reserves strategy, be approved.
6. That in considering the above recommendations, the Treasurer's statement on the robustness of estimates included in the budget and the adequacy of reserves for which the budget provides, attached at Appendix 5 to this report, be noted.
7. That any budget amendments, following receipt of the final settlement figures, be delegated to the Treasurer and Chief Fire Officer.

17-18/FRA/66 Localism Act 2011 - Pay Policy Statement 2018

The Assistant Chief Officer submitted the annual pay policy statement and its constituent parts for the financial year 2018/19. She referred Members to the changes from the previous annual pay statement including information on nationally negotiated pay increases for Green, Grey and Gold Book staff and updates to the responsibility and scale of the Service and the pay multiples.

In response to questions, the Assistant Chief Officer confirmed that the Service was subject to national pay bargaining agreements and could not negotiate at a local level and that the pay multiple was based on the unabated salary of the Chief Fire Officer.

RESOLVED:

That the proposed pay policy statement for 2018/19 be approved.

17-18/FRA/67 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Consultation

Strategic Operational Commander Peckham presented his report on the public consultation for the Fire and Rescue inspection programme and framework presented by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services. The consultation period ran from 19 December 2017-19 February 2018.

The inspection would assess the operational service, efficiency of the service and organisational effectiveness of the service. Following the piloting of the inspection process in Staffordshire, West Yorkshire and Suffolk Fire and Rescue Services, the inspection process would be undertaken in three tranches during an 18 month period in 2018/19, with Bedfordshire Fire and Rescue Service in the first tranche. Judgements would range from outstanding to inadequate. A good judgement would be awarded based on policy, practice or performance that met relevant national operational guidance or standards.

The Authority was advised that Service Officers were working closely with HMICFRS and that HMICFRS was engaging with the sector. Examples of this were that 50 members of the sector had been seconded to support the process and the sector was represented on the Technical Advisory Group which was working on data collection.

Members were referred to the inspection methodology which set out 11 diagnostics relating to the three inspection areas and discussed the proposed Service considerations to the Government consultation set out in Appendix B.

Concern was expressed about the level of resource that would be required to support the inspection, as it was noted that the process would take a number of weeks, noting that Senior Officer support for the process had already been allocated.

It was noted that the inspection process coincided with the introduction of the revised National Framework and that there may be a shift towards national standards as a result of the introduction of the inspection regime.

RESOLVED:

1. That the Service considerations for a response to the public consultation be received.
2. That a joint response to the consultation document, as set out as in Appendix B to the report, be submitted from both the Service and the Authority.

17-18/FRA/68 Home Office Fire & Rescue National Framework for England Government Consultation

Area Commander Cook introduced a report which informed the Fire and Rescue Authority of the Government's consultation on the Fire and Rescue National Framework for England. Changes from the 2012 Framework and the 2014 addendum were detailed in the report. The consultation on the Framework ended on 14 February 2018.

Key differences included the identification of new priorities and objectives for Fire and Rescue Authorities, references to the new inspection regime and to the publication of a Medium Term Financial Strategy, changes resulting from the Police and Crime Act 2017 and the statutory duty of Fire and Rescue Authorities, Police and Ambulance Services to collaborate for efficiencies and effectiveness and responsibility for maintaining the national resilience capability.

The new Framework would come into effect from 1 April 2018.

In response to questions, Area Commander Cook confirmed that the Service had no specific comments it wished to raise through the consultation process, but that it would be producing a response to the consultation.

RESOLVED:

1. That the draft National Framework document and the changes from the 2012 version and the 2014 addendum be acknowledged.
2. That a response to the Government consultation of the Fire and Rescue National Framework for England document, if deemed necessary, be delegated to the Chair of the Authority to meet the required timescales.

17-18/FRA/69 Collaboration Working Group

Assistant Chief Fire Officer Evans provided an update on the collaborative work being undertaken by the Service.

He made the following comments:

- A feasibility study relating to the development of a joint Police and Fire Headquarters was being progressed and was being funded through a loan from One Public Estate. Governance arrangements for the project were currently being developed, and the Service's Head of Finance had been appointed as the lead for the project.
- Co-location had been successful. There had been some issues around the facilities requirements at Leighton Buzzard and these were being addressed.
- Members were invited to two launch events relating to Leighton Buzzard and the hub in Luton.
- The pilots of missing vulnerable persons' searches and effecting entry were being evaluated and would be discussed at the next Project Board. It was anticipated that approval to include these duties as business as usual would be requested.
- The purchase of a drone had been delayed as the costs had been higher than that specified in the tender. Further collaboration on drone provision across Bedfordshire, Hertfordshire and Cambridgeshire was being explored.
- Control staff had been granted access to the Police STORM Incident reporting system.

Members recognised the significant amount of collaborative work being undertaken.

RESOLVED:

That the contents of the report be acknowledged.

17-18/FRA/70 Information Bulletin

Members received the information bulletin for the period 1 October – 31 December 2017.

In response to a question, Assistant Chief Fire Officer Evans reported that one fatality during the period had been referred to the coroner and may be attributed to a fire at the property.

The Chief Fire Officer advised that the Service supported vulnerable elderly people through the provision of Safe and Well visits. Assisted living facilities were not generally deemed to be high-risk unless a structural issue had been identified.

The Assistant Chief Fire Officer added that the Service analysed historical and demographic data, including the Exeter data set, to identify individuals at risk. This included the over 65s. That data was used to inform the programme of Safe and Well visits. A number of referrals were also received from Age Concern. Those most at risk generally did not reside in supported living communities, but in private homes where smoke alarms had not been fitted.

RESOLVED:

That the information bulletin be received.

17-18/FRA/71 Local Government Act 1972, Schedule 12A Paragraphs 3 and 4 of Part 1:
Exclusion of the Public (Mobilising System Options Short List)

RESOLVED:

That, pursuant to Sections 100A(2) and 100A(4) of the Local Government Act 1972, the public be excluded from the discussion of the following item on the grounds that the matters to be discussed involve the likely disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act (as amended):

Mobilising System Options Short List (paragraph 3)

17-18/FRA/72 Local Government Act 1972, Schedule 12A, paragraphs 3 and 4 of part 1:
Exclusion of the Public (Change in Benefit in Kind Calculation on Emergency Vehicles)

RESOLVED:

That, pursuant to Sections 100A(2) and 100A(4) of the Local Government Act 1972, the public be excluded from the discussion of the following item on the grounds that the matters to be discussed involve the likely disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act (as amended):

Change in Benefit in Kind Calculation on Emergency Vehicles (paragraphs 3 and 4)

The meeting ended at 1.07 pm

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By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 6**

REPORT AUTHOR: COUNCILLOR M HEADLEY

SUBJECT: CORPORATE SERVICES POLICY AND CHALLENGE GROUP

For further information on this Report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To report on the informal meeting (inquorate) of the Corporate Services Policy and Challenge Group held on 12 March 2018.

RECOMMENDATIONS:

That the submitted notes of the meeting held on 12 March 2018 be received and the officer recommendations that, have been forwarded to the FRA for a decision, be considered.

1. Introduction
 - 1.1 The draft notes of the meeting of the Corporate Services Policy and Challenge Group held on 12 March 2019 are appended for Members' consideration.
 - 1.2 The following officer recommendations have been forwarded to the FRA for a decision:

17-18/CS/050 Treasury Management Strategy and Practices

That the updated documents be referred to the Fire and Rescue Authority for adoption, subject to references to approval being removed from the Group's section of the Treasury Management Scheme of Delegation in Appendix 6 of the Strategy:

- i. Treasury Management Strategy Statement
- ii. Minimum Revenue Provision Policy and Annual Investment Strategy
- iii. Treasury Management Practices

17-18/CS/051 Asset Management Strategy for 2018/19

1. That the Asset Management Strategy be forwarded to the Fire and Rescue Authority for approval, with the inclusion of the Police and Crime Act 2017 in section 3 and the update to section 4(d) to clarify that post implementation review was undertaken by the Group during its consideration of the individual Asset Management Plan.
2. That the Strategy is reviewed every three years and the individual Asset Management Plans annually.

COUNCILLOR M HEADLEY

CHAIR OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP

NOTES OF AN INFORMAL CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 12 MARCH 2018

Present: Councillors Headley (Chair) and McVicar

CFO P Fuller, ACO Z Evans, SOC C Ball, AC D Cook, Mr J Atkinson, Mr G Chambers and Mr A Dosanjh

17-18/CS/042 Apologies

- 42.1 An apology for absence was received from Councillor Chapman.
- 42.2 The absence of three members of the Group meant that the meeting was not quorate and the Secretary/Monitoring Officer advised that in those circumstances the Group could not make any decisions, including submitting recommendations to the FRA. However, it was possible for the items on the agenda to be discussed informally and for any matters requiring a decision to be forwarded to the FRA for decision.

17-18/CS/043 Declarations of Disclosable Pecuniary and Other Interests

- 43.1 There were no declarations of interest.

17-18/CS/044 Communications

- 44.1 There were no communications.

17-18/CS/045 Minutes

Deferred to the Group's next meeting.

17-18/CS/046 Corporate Services Performance 2017/18 Quarter 3 and Programmes to Date

- 46.1 ACO Evans submitted the Corporate Services programme, projects to date and performance against Corporate Services performance indicators and associated targets for the third quarter of 2017/18.
- 46.2 The Asset Tracking System was currently deferred pending a further report to the Service's Corporate Management Team.
- 46.3 The Website Procurement and Development project was making good progress and Members would shortly be sent a link to participate in user testing. The work undertaken by AC D Cook and his team on this project was recognised.
- 46.4 The Protection Replacement Management Information System remained on Amber as there were still ICT training issues to resolve. The Prevention part of the Information System project was rated as green.

- 46.5 The non-sickness absence synchronisation module of iTrent was rated red as issues had arisen due to a lack of capacity and the complexity of the integration. This would continue to be monitored. The people/person synchronisation was also rated red but would be completed by the end of the week.
- 46.6 The unified communications project was rated as amber as there had been some slippage arising from configuration issues. The provider had offered an on-site resource to drive through the changes required and the rate of progress had increased as a result.
- 46.7 The community defibrillator project was complete and would be closed down as a reportable project, as would the Desktop Refresh (VDI). A small group of users had not yet been migrated across but this would take place under the new VDI Upgrade project which would continue to be reported to the Group.
- 46.8 It was requested that a link to iTrent be recirculated to Members to enable them to access their P60s.
- 46.9 ACO Evans then reported on the performance indicators as at the end of the third quarter of 2017/18. All ICT and Fleet and Workshops indicators were reporting as green, with the exception of WS1a (Grade A defect response time (within 1 hour)), which had not recovered from poor first quarter performance caused by a vacancy in the workshop. The post had now been successfully recruited to and performance was meeting target levels for the quarter, but as performance was cumulative, it was still reporting as amber and was likely to do so at year end.
- 46.10 Mr G Chambers, the Head of Finance and Treasurer, reported on the indicators, two of which had not achieved target levels. FNP5 (percentage of uncontested invoices paid within 30 days) had missed its target by 1%. The Finance Team regularly liaised with departments to resolve issues with the late authorisation of invoices and/or raising of purchase orders which delayed payment of invoices.
- 46.11 FNP6 (percentage of outstanding debt over 90 days old) was red as a result of underperformance in quarter 1 arising from a vacancy. A table should have been included in the exception report to illustrate that performance against the indicator continued to improve, with performance of 18.6% in quarter 1, 0.73% in quarter 2 and 1.49% in quarter 3. Changes were being proposed to the way this indicator was reported to give a more accurate reflection of quarterly performance.
- 46.12 Members asked that a link be sent to them to enable to access their P60s via iTrent.

17-18/CS/047 Proposed Corporate Services Indicators and Targets for 2018/19

- 47.1 ACO Evans introduced the proposed suite of Corporate Services performance indicators and associated targets for 2018/19 for incorporation into the Service's performance management framework.
- 47.2 She advised that, no significant changes were being proposed to the targets for the ICT performance indicators for 2018/19 to enable continued benchmarking of performance.
- 47.3 The property performance indicators would be based on historical and 2017/18 actual usage data for water, electricity and gas. As such, they would be reported to a future meeting of the Group, after year end.
- 47.4 In relation to the finance indicators, it was proposed that FNP2 (accuracy of net budget forecast) be subdivided into two measures reported at different times during the year, with both reported at year end and that FNP6 (percentage of outstanding debt over 90 days old) be revised to report the outstanding debt over 90 days old at the end of each quarter from the total debt raised in that quarter.
- 47.5 In response to a comment on collaboration, it was noted that the Service Delivery Policy and Challenge Group was the Group which had oversight of the majority of collaborative work the Service undertook with other emergency services.
- 47.6 The Chair requested that the amounts, rather than the percentages, be reported to Members under FNP6, with the target a figure based on the two year average.

17-18/CS/048 New Internal Audit Reports

- 48.1 ACO Evans introduced the internal audit report of Key Financial Controls which had been completed in January 2018.
- 48.2 The auditors had issued an opinion of substantial assurance. The controls upon which the Service relied on to manage the identified areas were suitably designed, consistently applied and operating effectively.
- 48.3 The Head of Finance and Treasurer reported that the three recommendations in the report had already been completed.

17-18/CS/049 Audit and Governance Action Plan Monitoring Report

- 49.1 ACO Evans introduced her report on progress made to date against current action plans arising from internal and external audit reports. No extensions had been requested and all the actions from previous audits had been completed awaiting follow up audits.

17-18/CS/050 Treasury Management Strategy and Practices

- 50.1 Mr G Chambers, the Head of Finance and Treasurer, submitted his report on the Treasury Management Strategy and Practices and referred to information on ethical investments that had been circulated to Members electronically with the agenda for the meeting.
- 50.2 It was noted that the Service's treasury management advisors, Link Asset Services, were not aware of any local authority that has invested in Ethical Investments.
- 50.3 The Treasury Management Strategy Statement had been updated in accordance with updates to the Code primarily relating to the commercial approach increasingly being taken by local authorities who were investing in property outside of their own areas. Inter-authority lending had also been included as an option following the discussion of this by Members at a previous meeting.
- 50.4 There had been no significant material changes to the Treasury Management Practices.
- 50.5 Changes in the presentation of the prudential indicators had also been made following consultation with the Chair and Link Asset Services.
- 50.6 The Chair requested that if any changes were made, following a meeting referred to between Officers and Link Asset Services, on the Capital Financing Requirement and the under/over borrowed position going forward, that these be reported back to the Group at its next available meeting.
- 50.7 The Chair confirmed that Members would wish to receive treasury management training on an annual basis and commented that the Treasury Management Scheme of Delegation as set out in Appendix 6 would need to be revised as it currently referred to powers of approval which the Group did not have.

The following officer recommendation was forwarded to the FRA for decision:

That the updated documents be referred to the Fire and Rescue Authority for adoption, subject to references to approval being removed from the Group's section of the Treasury Management Scheme of Delegation in Appendix 6 of the Strategy:

- i. Treasury Management Strategy Statement
- ii. Minimum Revenue Provision Policy and Annual Investment Strategy
- iii. Treasury Management Practices

17-18/CS/051 Asset Management Strategy for 2018/19

- 51.1 The Head of Finance and Treasurer introduced the proposed Asset Management Strategy and advised that no significant changes had been made to the Strategy.
- 51.2 In response to a question from the Chair, the Head of Finance and Treasurer confirmed that the Police and Crime Act 2017 would be referred to in section 3 of the Strategy which listed the legislation under which the Service had statutory obligations to meet.
- 51.3 It was also requested that reference to the post implementation review of all capital projects that were undertaken in section 4(d) of the Strategy be updated to detail that these were reported back to Members in the Asset Management Plans that were submitted to the Group for consideration on an annual basis.

The following officer recommendations were forwarded to the FRA for decision:

1. That the Asset Management Strategy be forwarded to the Fire and Rescue Authority for approval, with the inclusion of the Police and Crime Act 2017 in section 3 and the update to section 4(d) to clarify that post implementation review was undertaken by the Group during its consideration of the individual Asset Management Plans.
2. That the Strategy is reviewed every three years and the individual Asset Management Plans annually.

17-18/CS/052 Corporate Risk Register

- 52.1 AC D Cook submitted an update on the Corporate Risk Register. There were no changes to individual risk ratings. There had been updates to the following risks:
- 52.2 CRR29 (If we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work that we do and potentially impact upon our ability to deliver a full range of services): the new website frames for both mobile and online versions of the website had been shared with Management at a briefing day and the Service continued to work closely with Zengenti over the content.
- 52.3 CRR04 (If there is a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected): the adverse weather plan had been reviewed and the recent snow had not impacted on service delivery.
- 52.4 CRR05 (If we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a

lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation): as reported earlier in the meeting, the asset management tracking project had been deferred but market research into cloud-based solutions continued with Officers recently visiting Durham and Darlington Fire and Rescue Service to view its asset management system

- 52.5 CRR15 (If we do not properly manage the work issues that can potentially be caused by collaboration or shared services including: 1. Redundancy 2. Relocation 3. Cost of work for the convergence of procedures 4. Use of inexperienced staff familiar with FRS operations 5. Increase in staff numbers and associated cost then there will be a negative cultural impact upon the service and the projects may fail): the project closure document had been drafted for an anticipated closure of 31 March 2018. Work would continue under this work stream and would be handed over to the Head of Service Delivery as a service delivery function.
- 52.6 The Chair requested that the full Corporate Risk Register, and not an extract of just those risks which had changed or been updated, be submitted to the Group at a future meeting.

17-18/CS/053 Review of Work Programme 2017/18

- 53.1 Members considered the Work Programme for 2017/18.
- 53.2 It was noted that the three Asset Management Plans would not be considered at the same meeting in 2018/19 as they had in previous years.
- 53.3 CFO Fuller referred to the Officer resource involved in supporting the current structure of the Authority and the present number of Member meetings.
- 53.4 ACO Evans suggested that RSM be asked to consider the structure of Member meetings during the audit of Governance.

The meeting finished at 10.53am.

Bedfordshire Fire and Rescue Service



Fire and Rescue Service

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2018/19

1. Introduction

1.1 Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

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

CIPFA defines treasury management as:

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

1.2 Statutory Requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Authority to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraph 9 of this report); this sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.3 CIPFA Requirements

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2017) was adopted by this Authority on 1 April 2004.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities.

2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.
3. Receipt by the Fire and Rescue Authority (FRA) of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority the FRA has delegated this to the Corporate Services Policy and Challenge Group.

1.4 Treasury Management Strategy for 2018/19

The strategy for 2018/19 covers two main areas:

Capital issues

- The capital plans and the prudential indicators
- The minimum revenue provision (MRP) policy.

Treasury Management issues

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

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

1.5 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been undertaken by members, delivered by our Treasury Advisors Link Asset Services, on 4 July 2017 as part of the Members Training Day.

The training needs of treasury management officers are periodically reviewed.

1.6 Treasury Management Consultants

The Authority uses Link Asset Services, Treasury solutions as its external treasury management advisors.

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

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

2. The Capital Prudential Indicators for 2018/19 – 2021/22

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously and those forming part of this budget cycle.

Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £000's	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Total	1,790	1,278	1,253	1,455	1,213

Other long-term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £000's	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Capital receipts	0	48	134	100	40
Capital grants	29	0	0	0	0
Capital reserves	1,761	0	0	300	0
Revenue	0	1,230	1,119	1,055	1,173
Net financing need for the year	0	0	0	0	0

2.2 The Authority's borrowing need (the Capital Financing Requirement)

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduced the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £70k of such schemes with the CFR.

The Authority is asked to approve the CFR projections below:

£m	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Total CFR	9,386	8,892	8,401	7,974	7,552
Movement in CFR	-514	-494	-491	-427	-421

Movement in CFR represented by;					
Net financing need for the year (above)	0	0	0	0	0
Less MRP/VRP and other financing movements	-514	-494	-491	-427	-421
Movement in CFR	-514	-494	-491	-427	-421

3. Borrowing

The capital expenditure plans set out in Section 3 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

The Authority's treasury portfolio position at 31 March 2017 with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement (CFR), highlighting any over or under borrowing.

£m	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
External Debt					
Debt at 1 April	9,987	9,987	9,987	9,987	9,987
Expected change in Debt	0	0	0	0	0
Other long-term liabilities (OLTL)	132	70	6	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	10,119	10,057	9,993	9,987	9,987
The Capital Financing Requirement	9,386	8,892	8,401	7,974	7,552
Under/(over) borrowing	(733)	(1,165)	(1,592)	(2,013)	(2,435)

3.2 Treasury Indicators: limits to borrowing activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £M	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Debt	9,987	9,987	9,987	9,987
Other long term liabilities	70	6	0	0
Overdraft	0	0	0	0
Total	10,057	9,993	9,987	9,987

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

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

Authorised Limit £M	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Debt	9,987	9,987	9,987	9,987
Other long term liabilities	70	6	0	0
Overdraft	0	0	0	0
Worst Case Scenario Payroll	1,900	1,900	1,900	1,900
Total	11,957	11,893	11,887	11,887

4. Prospects for Interest Rates

The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following table gives our central view.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the

Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed. has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.

- Germany is still without an effective government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
- The result of the October 2017 Austrian general election has now resulted in a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

Investment and borrowing rates

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.

- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Since then, borrowing rates have eased back again somewhat. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

5. **Borrowing Strategy**

5.1 **Borrowing Rates**

The Authority is currently maintaining an over-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has been exceeded by loan debt and leasing liabilities. The strategy for the CFR and the under/over borrowed position going forward will be discussed at the next meeting with our Treasury advisors.

Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Head of Finance and Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

Sensitivity of the forecast – In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. The Authority officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *If it were felt that there was a significant risk of a sharp FALL in long and short term rates, eg due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *If it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*

5.2 Policy on Borrowing in Advance of Need

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

In determining whether borrowing will be undertaken in advance of need the Authority will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

5.3. Debt Rescheduling

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

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the strategy outlined in paragraph 7 above;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

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

All rescheduling will be reported to the FRA at the earliest meeting following its action.

6. **Annual Investment Strategy**

6.1 **Investment Policy**

The Authority's investment policy has regard to the CLG's Guidance on Local Government Investments ('the Guidance') and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ('the CIPFA TM Code'). The Authority's investment priorities will be security first, portfolio liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Authority applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

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

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

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

Investment instruments identified for use in the financial year are listed in Appendix 5 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Authority's Treasury Management Practices – Schedules.

Money Market Funds for short-term investments will be considered.

6.2 Creditworthiness Policy

This Authority applies the creditworthiness service provided by 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 watches and credit outlooks from credit rating agencies;
- CDS (Credit Default Swap) spreads to give early warning of likely changes in credit ratings;
- 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 to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour not to be used for Investments

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it 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 F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. 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 quarterly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link Asset 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 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 government support.

Nat West Bank (part of the RBS group) does not currently meet our "fixed term investment" criteria as it has a rating of F2 (Fitch ratings), however the Authority will continue to use it for cash flow management purposes for "day to day" banking needs but will not place any fixed term investments until it meets the criteria set out in the Authority's Treasury Management Policies and Practises.

6.3 Country Limits

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide) or UK banks who meet the Link Asset Services credit criteria. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.

6.4 Investment Strategy

In-house funds:

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). The Authority will fix some of its investments in the longer term to ensure sufficient return on investments but will keep some of its investments short term in order to take advantage of any potential interest rates rises within the year.

Investment returns expectations: Bank Rate is forecast to stay flat at 0.50% until quarter 4 2018 and not to rise above 1.25% by quarter 1 2021. Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.50%
- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.25%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2017/18	0.40%
2018/19	0.60%
2019/20	0.90%
2020/21	1.25%
2021/22	1.50%
2022/23	1.75%
2023/24	2.00%
Later years	2.75%

The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.

6.5 End of Year Investment Report

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

6.6 Policy on the Use of External Service Providers

The Authority uses Link Asset as its external treasury management advisers.

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

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

6.7 Scheme of Delegation

Please see Appendix 6.

6.8 Role of the Section 151 Officer

Please see Appendix 7.

Appendices

1. Prudential and treasury indicators and MRP Statement
2. Interest Rate Forecasts
3. Economic Background
4. Treasury management Practice
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The Treasury Management Role of the Section 151 Officer

MINIMUM REVENUE PROVISION POLICY STATEMENT 2018/19

The Authority implemented the new Minimum Revenue Provision (MRP) guidance in 2009/10 and will assess their MRP for 2018/19 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2018/19 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Certain expenditure reflected within the debt liability at 31 March 2011 will under delegated powers be subject to MRP under option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method). For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Authority. However, the Authority reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority’s finances. The Authority is asked to approve the following indicators:

a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Ratios	2.57%	2.66%	2.65%	2.61%	2.54%

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

Treasury indicators for debt

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

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

The FRA is asked to approve the following treasury limits:

Maturity structure of fixed rate borrowing during 2018/19		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
5 years to 10 years	0%	25%
10 years and above	0%	100%

INTEREST RATE FORECASTS

1. Individual Forecasts

Link Asset Services

Interest rate forecast – February 2018

	Mar 18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%
10yr PWLB rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%
25yr PWLB rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%

Capital Economics

Interest rate forecast – January 2018

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate	0.50%	0.75%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%
5yr PWLB rate	1.70%	1.90%	2.10%	2.40%	2.40%	2.40%	2.40%	2.40%
10yr PWLB rate	2.20%	2.40%	2.60%	2.80%	2.80%	2.80%	2.80%	2.80%
25yr PWLB rate	2.60%	2.90%	3.10%	3.30%	3.30%	3.30%	3.35%	3.35%
50yr PWLB rate	2.50%	2.70%	2.90%	2.90%	2.90%	3.05%	3.05%	3.15%

ECONOMIC BACKGROUND

GLOBAL OUTLOOK. World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high

h). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield

and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

UK. After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the

cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.1% in November so that may prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic

growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

EZ. Economic growth in the Eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and +0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in November inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.2%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and four increases since December 2016; the latest rise was in December 2017 and lifted the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN. GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: initial two-year negotiation period on the terms of exit. In her Florence speech in September 2017, the Prime Minister proposed a two year transitional period after March 2019.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy will leave the single market and tariff free trade at different times during the two year transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

SPECIFIED AND NON-SPECIFIED INVESTMENTS**SPECIFIED INVESTMENTS:**

These are sterling investments that do not exceed 365 days and are with:

- an organisation that has a high credit rating;
- other local authority or,
- Central Government.

Strategy for specified Investments:

The Authority expects to have a net surplus of funds throughout 2018/19 and will invest those funds through the money market with those organisations included on its approved lending list (attached as Annex A).

The Authority's approved lending list includes the following organisations which are thus deemed to have a high credit rating:

- UK and Foreign Banks with a short-term rating of F1 or F1+ and a long-term rating of A- or higher.
- UK Building Societies with a short-term rating of F1 or F1+ and a long-term rating of A- or higher.

Ratings are those given by Fitch, the credit rating agency. In compiling the lending list, other factors such as legal rating and individual rating, which Fitch also provide, have been taken into consideration. The lending list is regularly reviewed to ensure that the organisations included maintain their credit ratings at the required level.

Investments will be made for terms of up to 365 days. The Authority will consider its cash flow requirements, prevailing market conditions and advice from its Treasury Advisers when determining exact terms for each investment, in order to ensure that it is both favourable and prudent. At the time of writing, interest rates are at a low point.

Non-Specified Investments:

These are any other investments that do not meet the criteria above for Specified Investments.

The Authority has no investments other than the short-term investment of surplus cash through the money market. Under previous regulations the investment of surplus cash was restricted to periods not exceeding 365 days. Under the new regulations that restriction is removed, however investments that do exceed 365 days are classified as non-specified investments because of the greater degree of risk they carry.

The Authority’s cash flow profile makes it unlikely that investments in excess of 365 days would be considered and consequently no non-specified investments are anticipated.

SPECIFIED INVESTMENTS: (All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies **	Green	In-house

Approved countries for investments

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A

AA+

- Finland
- Hong Kong

AA

- United Arab Emirates
- France
- U.K.

AA-

- Belgium
- Qatar

Term deposits with nationalised banks and banks and building societies

	Minimum Credit Criteria	Use	Max % Limit	Max Maturity Period
UK banks	Orange	In-house	25%	1 year
UK banks and Building Societies	Red	In-house	25%	6 months
UK banks and Building Societies	Green	In-house	25%	100 days
UK banks and Building Societies	No Colour	In-house	Not to be used	
UK part nationalised banks	Blue	In-house	90%	1 year
DMADF	AAA	In-house	Unlimited	6 months
Local Authorities	n/a	In-house	25%	5 years
Money Market Funds	MMF rating	In-house and Fund Managers		1 year
Enhanced Money Market Funds with a credit score of 1.25	MMF / bond fund rating	In-house and Fund Managers		1 year
Enhanced Money Market Funds with a credit score of 1.5	MMF / bond fund rating	In-house and Fund Managers		1 year
Non-UK Banks	Orange	In-house and Fund Managers	50%	1 year

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Authority. To ensure that the Authority is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

TREASURY MANAGEMENT SCHEME OF DELEGATION**i. FRA**

- Receiving and approving reports on treasury management policies, practices and activities (via the Corporate Services Policy and Challenge Group);
- approval of annual strategy, following CSP&CG review;
- budget consideration and approval;

ii. Corporate Services Policy and Challenge Group

- recommending FRA approval (post any amendments) of the organisation's treasury management policy statement and treasury management practices;
- budget consideration and recommendation for FRA approval;
- review and recommend for FRA approval the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- reviewing a selection of external Treasury service providers and agreeing terms of appointment.;
- the review and challenge function of Treasury Management as delegated by the FRA.

iii. Head of Finance and Treasurer

- reviewing the treasury management strategy, policy and procedures and making recommendations to the responsible body.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (Responsible) Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

The above list of specific responsibilities of the S151 officer in the 2017 Treasury Management Code has not changed. However, implicit in the changes in both codes, is a major extension of the functions of this role, especially in respect of non-financial investments, (which CIPFA has defined as being part of treasury management): -

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees – our Authority doesn't have these.

- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
 - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Weekly Credit List: 16/02/2018											
Institution Benchmark: iTraxx Senior Financials Index 53.02 (50.99)											
Institution Benchmark: Monitoring Boundary: 100											
:											
Organisation	Fitch Ratings				Moody's Ratings			S & P Ratings		Suggested Duration (CDS Adjusted with manual override)	
	Long Term	Short Term	Viability	Support	Long Term	Short Term	FSR	Long Term	Short Term		
U.K	AA	-	-	-	Aa2	-	-	AA	-		
Abbey National Treasury Services PLC	A	F1		1	Aa3	P-1	-			O - 12 mths	
Bank of Scotland PLC	A+	F1	a	5	Aa3	P-1	-	A	A-1	O - 12 mths	
Barclays Bank PLC	A	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths	
Close Brothers Ltd	A	F1	a	5	Aa3	P-1	-			R - 6 mths	
Goldman Sachs International Bank ~	A	F1			A1	P-1	-	A+	A-1	R - 6 mths	
HSBC Bank plc	AA-	F1+	a+	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths	
Lloyds Bank Plc	A+	F1	a	5	Aa3	P-1	-	A	A-1	O - 12 mths	
Santander UK plc	A	F1	a	2	Aa3	P-1	-	A	A-1	R - 6 mths	
Standard Chartered Bank	A+	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths	
Sumitomo Mitsui Banking Corporation Europe Ltd ~	A	F1		1	A1	P-1	-	A	A-1	R - 6 mths	
UBS Ltd ~	AA-	F1+		1	A1	P-1	-	A+	A-1	O - 12 mths	
Coventry BS	A	F1	a	5	A2	P-1	-			R - 6 mths	
Leeds BS	A-	F1	a-	5	A3	P-2	-			G - 100 days	
Nationwide BS	A+	F1	a	5	Aa3	P-1	-	A	A-1	R - 6 mths	
Skipton BS	A-	F1	a-	5	Baa1	P-2	-	-	-	G - 100 days	
Yorkshire BS	A-	F1	a-	5	A3	P-2	-	-	-	G - 100 days	
AAA rated and Government backed securities	-	-	-	-	-	-	-	-	-	-	
Collateralised LA Deposit*	AA	-	-	-	Aa1	-	-	AA	-	No Data Available	
Debt Management Office	AA	-	-	-	Aa1	-	-	AA	-	No Data Available	
Suprationals	AAA	-	-	-	Aaa	-	-	AAA	-	No Data Available	
UK Gilts	AA	-	-	-	Aa1	-	-	AA	-	No Data Available	
National Westminster Bank Plc	BBB+	F2	bbb+	5	A2	P-1	-	BBB+	A-2		

Weekly Credit List: 16/02/2018											
Institution Benchmark: iTraxx Senior Financials Index 53.02 (50.99)											
Institution Benchmark: Monitoring Boundary: 100											
:											
Organisation	Fitch Ratings				Moody's Ratings			S & P Ratings		Suggested Duration (CDS Adjusted with manual override)	
	Long Term	Short Term	Viability	Support	Long Term	Short Term	FSR	Long Term	Short Term		
Foreign Banks											
United States											
Bank of America N.A.	A+	F1	a	5	Aa3	P-1	-	A+	A-1	O - 12 mths	
Bank of New York Mellon, The	AA	F1+	aa-	5	Aa1	P-1	-	AA-	A-1+	P - 24 mths	
Citibank N.A.	A+	F1	a	5	A1	P-1	-	A+	A-1	O - 12 mths	
JPMorgan Chase Bank N.A.	AA-	F1+	a+	5	Aa2	P-1	-	A+	A-1	O - 12 mths	
Wells Fargo Bank, NA	AA-	F1+	a+	5	Aa1	P-1	-	A+	A-1	O - 12 mths	
Australia											
	AAA				Aaa			AAA			

Australia and New Zealand Banking Group Ltd.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Commonwealth Bank of Australia	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Macquarie Bank Ltd.	A	F1	a	3	A2	P-1	-	A	A-1	R - 6 mths
National Australia Bank Ltd.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Westpac Banking Corp.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Belgium	AA-				Aa3			AA		
BNP Paribas Fortis	A+	F1	a	1	A1	P-1	-	A	A-1	
KBC Bank N.V.	A	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths
Canada	AAA				Aaa			AAA		R - 6 mths
Bank of Montreal	AA-	F1+	aa-	2	A1	P-1	-	A+	A-1	O - 12 mths
Bank of Nova Scotia	AA-	F1+	aa-	2	A1	P-1	-	A+	A-1	O - 12 mths
Canadian Imperial Bank of Commerce	AA-	F1+	aa-	2	A1	P-1	-	A+	A-1	O - 12 mths
National Bank of Canada	A+	F1	a+	2	A1	P-1	-	A	A-1	R - 6 mths
Royal Bank of Canada	AA	F1+	aa	2	A1	P-1	-	AA-	A-1+	O - 12 mths
Toronto-Dominion Bank	AA-	F1+	aa-	2	Aa2	P-1	-	AA-	A-1+	O - 12 mths
Denmark	AAA				Aaa			AAA		
Danske A/S	A	F1	a	5	A1	P-1	-	A	A-1	O - 12 mths
Finland	AA+				Aa1			AA+		
France	AA				Aa2			AA		
BNP Paribas	A+	F1	a+	5	Aa3	P-1	-	A	A-1	R - 6 mths
Credit Agricole Corporate and Investment Bank	A+	F1	WD	WD	A1	P-1	-	A	A-1	R - 6 mths
Credit Agricole S.A.	A+	F1	a+	5	A1	P-1	-	A	A-1	R - 6 mths
Credit Industriel et Commercial	A+	F1	a+	5	Aa3	P-1	-	A	A-1	R - 6 mths
Societe Generale	A	F1	a	5	A2	P-1	-	A	A-1	R - 6 mths
Germany	AAA				Aaa			AAA		
BayernLB	A-	F1	bbb	1	Aa3	P-1	-	NR	NR	R - 6 mths
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	AA-	F1+		WD	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Landesbank Baden-Wuerttemberg	A-	F1	bbb+	1	Aa3	P-1	-	NR	NR	R - 6 mths
Landesbank Berlin AG					Aa2	P-1	-			O - 12 mths
Landesbank Hessen-Thuringen Girozentrale	A+	F1+		WD	Aa3	P-1	-	A	A-1	O - 12 mths
Landwirtschaftliche Rentenbank	AAA	F1+		1	Aaa	P-1	-	AAA	A-1+	P - 24 mths
Norddeutsche Landesbank Girozentrale	A-	F1	bb	1	Baa2	P-2	-	NR	NR	
NRW.BANK	AAA	F1+		1	Aa1	P-1	-	AA-	A-1+	
Netherlands	AAA				Aaa			AAA		
ABN AMRO Bank N.V.	A+	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths
Bank Nederlandse Gemeenten N.V.	AA+	F1+		1	Aaa	P-1	-	AAA	A-1+	P - 24 mths
Cooperatieve Rabobank U.A.	AA-	F1+	a+	5	Aa2	P-1	-	A+	A-1	O - 12 mths
ING Bank N.V.	A+	F1	a+	5	Aa3	P-1	-	A+	A-1	O - 12 mths
Nederlandse Waterschapsbank N.V.					Aaa	P-1	-	AAA	A-1+	P - 24 mths
Qatar	AA-				Aa3			AA-		
Qatar National Bank	A+	F1	bbb+	1	Aa3	P-1	-	A	A-1	G - 100 days
Singapore	AAA				Aaa			AAA		
DBS Bank Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Oversea-Chinese Banking Corp. Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
United Overseas Bank Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Sweden	AAA				Aaa			AAA		
Nordea Bank AB	AA-	F1+	aa-	5	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Skandinaviska Enskilda Banken AB	AA-	F1+	aa-	5	Aa3	P-1	-	A+	A-1	O - 12 mths
Svenska Handelsbanken AB	AA	F1+	aa	5	Aa2	P-1	-	AA-	A-1+	O - 12 mths
Swedbank AB	AA-	F1+	aa-	5	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Switzerland	AAA				Aaa			AAA		
Credit Suisse AG	A	F1	a-	5	A1	P-1	-	A	A-1	R - 6 mths
UBS AG	AA-	F1+	a+	5	Aa3	P-1	-	A+	A-1	O - 12 mths
United Arab Emirates	AA				Aa2			AA		
First Abu Dhabi Bank PJSC	AA-	F1+	a-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths

Bedfordshire and Fire and Rescue Service



Fire and Rescue Service

TREASURY MANAGEMENT
PRACTICES

2018/19

TREASURY MANAGEMENT PRACTICES

The Treasury Management Practices (TMPs) set out the manner in which this Authority will seek to achieve its treasury management policies and objectives and how it will arrange and control these activities.

The following Treasury Management Practices are in accordance with the requirements of the CIPFA Code on Treasury Management in the Public Services:

		Page
TMP 1	Treasury Risk Management	15-19
TMP 2	Performance Measurement	20-22
TMP 3	Decision-making and analysis	23-24
TMP 4	Approved instruments, methods and techniques	25-26
TMP 5	Organisation, clarity and segregation of responsibilities, and dealing arrangements	27-32
TMP 6	Reporting requirements and management information arrangements	33-36
TMP 7	Budgeting, accounting and audit arrangements	37-38
TMP 8	Cash and cash flow management	39
TMP 9	Money Laundering	40-46
TMP 10	Training and Qualifications	47-49
TMP 11	Use of external service providers	50-52
TMP 12	Corporate Governance	53

TMP1 RISK MANAGEMENT

The Head of Finance and Treasurer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6, Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set below.

1. Credit and Counterparty Risk Management

This 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 whom 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 as 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.

1.1. Policy on the Use of Credit Risk Analysis Techniques

1. The Authority will use credit criteria in order to select creditworthy counterparties for placing investments with.
2. Credit ratings will be used as supplied from all three rating agencies - Fitch, Moodys and Standard and Poors.
3. Treasury management consultants will provide regular updates of changes to all ratings relevant to the Authority.
4. The responsible officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

Minimum Ratings 1	Fitch	Moodys	Standard & Poors
Short-term	F1+	P1	A1+
Long-term	AA-	Aa3	AA-
Individual*	C	C	n/a
Support	3	n/a	n/a

* Moodys Financial Strength Rating

Maturity limits will vary from three to twelve months. The maximum limit being twelve months and guidance will be taken from Link Asset Services creditworthiness service based on using colour, as shown below:

- 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 for Investments
5. Credit ratings for individual counterparties can change at any time. The Head of Finance and Treasurer is responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury Management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.
 6. This organisation will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will therefore use other sources of information including:
 - The quality financial press
 - Market data
 - Information on government support for banks and
 - The credit ratings of Banks/Building Societies that government support
 7. Maximum maturity periods and amounts to be placed in different types of investment instrument are as follows:
 - UK and Foreign Banks with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.
 - UK Building Societies with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.
 8. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following:
 - Maximum amount to be placed with any one institution - £5m.
 - Group limits where a number of institutions are under one ownership – maximum of £7m.
 - Link limits.

- Country limits – a minimum sovereign rating of AA- is required for an institution to be placed on our approved lending list.
9. Investments will not be made with counterparties that do not have a credit rating in their own right.
 10. Full individual listings of counterparties and counterparty limits as at 16th February 2018 is attached at Annex A.

2. **Liquidity Risk Management**

This Authority will ensure it 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.

This 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.

The Treasury Management Section shall seek to minimise the balance held in the Authority's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim. At the end of each financial day any unexpected surplus funds are transferred to the SIBA (Special Interest Bearing Account) account which is available from the Authority's main bank. The balance on this account is instantly accessible if the group bank account becomes overdrawn. Should this balance exceed the Group Limit then excess funds will be transferred to the Authority's Barclays account. The balance on the Barclays account is also instantly accessible.

- All payments over £50,000 have to be authorised by the Head of Finance and Treasurer.
- There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

3. **Interest Rate Risk Management**

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

It will achieve this by the prudent use of its 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.

The details of the Authority's views on interest rates are laid out for the coming financial year in the Treasury Management Strategy Report in the prior year to the activity.

The Treasury Management Strategy Report to the Authority each year approves the following limits:

- Authorised limit for external debt
- Operational boundary for external debt
- Upper limit on fixed interest rate exposures
- Upper limit on variable interest rate exposures
- Upper and lower limits for the maturity structure of borrowing
- Total principal sums invested for periods over 365 days

The indicator for the authorised limit for external debt is the maximum the Authority will allow itself to borrow in each financial year. It includes long-term debt, overdrafts, other long-term liabilities and short-term borrowing (to cover temporary cash shortages).

The operational boundary is the day-to-day or 'normal' limit for borrowing. It includes all long-term debt plus the normal overdraft limit.

4. **Exchange Rate Risk Management**

This Authority will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

The Authority will, as far as possible, limit its exposure to exchange rate fluctuations by ensuring as many transactions as possible are carried out in sterling.

5. **Refinancing Risk Management**

This 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 organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It 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.

The 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 maturity profile of the Authority's debt will be reviewed regularly in association with the Authority's Treasury Management Advisers where necessary. Such reviews will seek to determine whether or not market conditions are suitable for refinancing any of the Authority's debt to allow more advantageous borrowing terms. The revenue consequences of refinancing will be evaluated prior to the transaction being completed. The effect on the maturity profile prudential indicator will be analysed to ensure that any changes to the profile are within limits. Any rescheduling would only be undertaken after consultations between the Head of Finance and Treasurer.

Rescheduling will be reported to the FRA (Fire and Rescue Authority) at the meeting immediately following it's action/in the annual review report.

5.1 Projected Capital Investment Requirements

The responsible officer will prepare a four year plan for capital expenditure for the Authority. The capital plan will be used to prepare a four 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.

In considering the affordability of its capital plans, the Authority will consider all the resources currently available/estimated for the future together with the total 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.

The Authority budgeted for revenue contributions for capital expenditure in the 2017/18 budget and continues to do so in the 2018/19 revenue budget.

The 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), other long term liabilities (73).

6. **Legal and Regulatory Risk Management**

This Authority will ensure that all of its 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 its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Authority recognises that future legislative or regulatory changes may impact on its 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 organisation.

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

- 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
- Local Government Act 2003
- SI 2003 No 3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03

- SI 2004 No 533 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- SI 2003 No 3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- SI 2004 No 534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- 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
- SI 2007 No 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- SI 2008 No 414 f(Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- SI 2009 No 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- SI 2009 No 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- SI 2009 No 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- SI 2010 No 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Revised Guidance on Investments CLG 1.4.2010
- PWLB circulars on Lending Policy
- Financial Services Authority’s Code of Market Conduct
- The Authority’s Standing Orders relating to Contracts
- The Authority’s Financial Regulations
- The Authority’s Scheme of Delegated Functions

6.1 Procedures for Evidencing the Authority’s Powers to Counterparties

The 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, it will make available on request the following:

- a. the Scheme of Delegation of Treasury Management activities which is contained in the Annual Investment Strategy, Appendix 6, which states which officers carry out these duties;
- b. the document which sets which Officers are the authorised signatories.

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

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

The Monitoring Officer is currently Mr J Atkinson. The duty of this officer is to ensure that the treasury management activities of the Authority are lawful.

The Chief Financial Officer is the Head of Finance and Treasurer, with the CA (Chief Accountant) who is the deputy S151 Officer; the duty of this officer is to ensure that the financial affairs of the Authority are conducted in a prudent manner and to make a report to the Authority if he has concerns as to the financial prudence of its actions or its expected financial position.

7. **Fraud, Error and Corruption, and Contingency Management**

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.

The Authority will, therefore:

- 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 its treasury management activities so that there can be no possible confusion as to what proper procedures are;

- c. staff 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.

7.1. **Systems and Procedures, Including Internet Services**

7.1.1 **Authority**

The Scheme of Delegation to Officers is that overall responsibility for Treasury Management is delegated to the Head of Finance and Treasurer. Delegation of other officers is set out in TMP 5 below.

All loans and investments, including PWLB (Public Works Loan Board), are negotiated by the responsible officer or authorised persons.

7.1.2 **Procedures**

The Treasury Team check and monitor the bank accounts daily by using the on-line service. This is password controlled and only delegated officers have access and are issued with 'Smartcards' to carry out transactions. The Team ensure that all necessary daily transactions are carried out to achieve the maximum interest possible on available funds.

These transactions are authorised and checked by at least three members of the Treasury Team.

CHAPS (Clearing House Automated Payment System) payments are now available on-line too. These are same-day payments. However, any CHAPS payments have to be authorised by the Head of Finance and Treasurer. These are very rarely used, normally for investments only.

7.1.3 **Investment and Borrowing Transactions**

A detailed spreadsheet register of all loans and investments is maintained by the Treasury Management Team.

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 Head of Finance and Treasurer 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 Head of Finance and Treasurer for resolution.

7.1.4 Regularity and Security

Lending is only made to institutions on the approved list of counterparties.

The delegated officer has a record of all investments maturity dates and loan repayment dates.

All loans raised and repayments made go directly to and from the bank account of approved counterparties.

Brokers have a list of named officials authorised to agree deals.

7.1.5 Checks

- The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- A debt charge/investment income listing is produced every six months when a review is undertaken against the budget for interest earnings and debt costs
- The Authority will ensure that the external funds we invest in, are accounted for in accordance with proper accounting practices.
- The Authority will treat our external fund(s) as our own investments and will separate the assets into their component parts. As a result, the Authority will only take realised gains and losses and interest (accrued and received) to the Income and Expenditure Account.

7.1.6 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 delegated Treasury Officer.

The spreadsheet automatically calculates periodic interest payments of PWLB and other long-term loans. This is used to check the amount paid to lenders.

Average weighted capital loans fund interest rates and debt management expenses are calculated monthly using information from the spreadsheet and a monthly report from our Treasury consultants.

These interest and expense rates are then used to calculate the principal, interest and debt management expense charges to the Loans Fund.

7.2 **Emergency and Contingency Planning Arrangements**

Arrangements are in place within the Finance Department's Business Continuity Plan for Treasury Management.

In the event of the failure of the Internet Banking System then all information required to carry out the daily procedures can be obtained by phone from the Authority's bank. BACS/CHAPS payments may be made by using paper forms and faxing to the bank, after all relevant authorising signatories are obtained.

It is possible for the delegated member of the Treasury Team to access the on-line banking from home, should the need arise.

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.

7.3 **Protection Policy/Insurance**

The Authority's current protection policy is with the Fire and Rescue Indemnity Company (FRIC). This is for Motor, Property, Public Liability, Employees/Employers Liability, personal accident, business interruption and computers.

For business travel the Service is insured by Zurich Municipal. ZM also carry out the service engineering (equipment) inspection.

8. **Market Risk Management**

This 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.

The Authority has no intention of making investments where the principal value can fluctuate (Gilts, CDs, Etc).

TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

These are sterling investments that do not exceed 365 days and are with:

- an organisation that has a high credit rating;
- other local authority or,
- Central Government.

Strategy for specified Investments:

The Authority expects to have a net surplus of funds throughout 2018/19 and will invest those funds through the money market with those organisations included on its approved lending list (attached as Annex A).

The Authority's approved lending list includes the following organisations which are thus deemed to have a high credit rating:

- UK and Foreign Banks with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.
- UK Building Societies with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.

Ratings are those given by Fitch, the credit rating agency. In compiling the lending list, other factors such as legal rating and individual rating, which Fitch also provide, have been taken into consideration. The lending list is regularly reviewed to ensure that the organisations included maintain their credit ratings at the required level.

Investments will be made for terms of up to 365 days. The Authority will consider its cash flow requirements, prevailing market conditions and advice from its Treasury Advisers when determining exact terms for each investment, in order to ensure that it is both favourable and prudent. At the time of writing, interest rates are at a low point.

Non-Specified Investments:

These are any other investments that do not meet the criteria above for Specified Investments.

The Authority has no investments other than the short-term investment of surplus cash through the money market. Under previous regulations the investment of surplus cash was restricted to periods not exceeding 365 days. Under the new regulations that

restriction is removed, however investments that do exceed 365 days are classified as non-specified investments because of the greater degree of risk they carry.

The Authority's cash flow profile makes it unlikely that investments in excess of 365 days would be considered and consequently no non-specified investments are anticipated.

SPECIFIED INVESTMENTS: (All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable.)

	* Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies **	Green	In-house

**** Countries included on Lending List:**

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A

AA+

- Finland
- Hong Kong

AA

- United Arab Emirates
- France
- U.K.

AA-

- Belgium
- Qatar

Term deposits with nationalised banks and banks and building societies

	Minimum Credit Criteria	Use	Max % Limit	Max Maturity Period
UK banks	Orange	In-house	25%	1 year
UK banks and Building Societies	Red	In-house	25%	6 months
UK banks and Building Societies	Green	In-house	25%	100 days
UK banks and Building Societies	No Colour	In-house	Not to be used	
UK part nationalised banks	Blue	In-house	90%	1 year
DMADF	AAA	In-house	Unlimited	6 months
Local Authorities	n/a	In-house	25%	5 years
Money Market Funds	MMF rating	In-house and Fund Managers		1 year
Enhanced Money Market Funds with a credit score of 1.25	MMF / bond fund rating	In-house and Fund Managers		1 year
Enhanced Money Market Funds with a credit score of 1.5	MMF / bond fund rating	In-house and Fund Managers		1 year
Non-UK Banks	Orange	In-house and Fund Managers	50%	1 year

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Authority. To ensure that the Authority is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS

No non-specified investments will be made.

TMP 2 PERFORMANCE MEASUREMENT

1. Evaluation and Review of Treasury Management Decisions

The Authority has a number of approaches to evaluating treasury management decisions:

- a. quarterly reviews carried out by the Treasury Management Team,
- b. reviews with our treasury management consultants,
- c. annual review after the end of the year as reported to full FRA,
- d. half yearly/quarterly/other monitoring reports to Corporate Services Policy and Challenge Group and FRA,
- e. comparative reviews,
- f. strategic, scrutiny and efficiency value for money reviews.

2. Periodic Reviews during the Financial Year

The Head of Finance and Treasurer holds a treasury management review meeting with the Treasury Management Team 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.

3. Reviews with Our Treasury Management Consultants

The Treasury Management Team holds reviews with our consultants every six months to review the performance of the investment and debt portfolios. Our consultants also provide a monthly Investment portfolio.

4. Annual Review after the End of the Financial Year

An Annual Treasury Report is submitted to the Corporate Services Policy and Challenge Group prior to the Fire and Rescue Authority each year after the close of the financial year. The report details 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,
- h. compliance with Prudential and Treasury Indicators,
- i. other.

5. **Comparative Reviews**

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.
- Reviews from Treasury Advisers (Link).

6. **Benchmarks and Calculation Methodology**

6.1 **Debt Management**

- Average rate on all external debt.
- Average period to maturity of external debt.
- Average period to maturity of new loans in previous year.

6.2 **Investment**

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

7 day LIBID un compounded

7. **Consultants'/Advisers' Services**

This Authority's policy is to appoint full-time professional treasury management consultants and separate leasing advisory consultants.

8. **Policy on External Managers (Other Than Relating to Superannuation Funds)**

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

TMP 3 DECISION-MAKING AND ANALYSIS

1. Funding, Borrowing, Lending, and New Instruments/Techniques

1.1 Records to Be Kept

The Treasury Section has a paper treasury management system backed up by electronic records 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:

Daily cash balance forecasts

Money market rates obtained by email from brokers/banks

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.

1.2 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 (eg monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns etc.)

1.3 Issues to Be Addressed

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

- a. above all be clear about the nature and extent of the risks to which the 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 Authority's objectives and protect the Authority's interests, and to deliver good housekeeping;
- d. ensure that third parties are judged satisfactory in the context of the 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.

1.3.2 *In respect of borrowing and other funding decisions, the Authority will:*

- a. consider the ongoing 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.

1.3.3 *In respect of investment decisions, the 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 Authority to changes in the value of its capital.

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

1. 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 Authority's capital financing and surplus funds activities

Managing cash flow

Banking activities

Leasing

2. Approved Instruments for Investments

The Authority must approve an Annual Investment Strategy in compliance with Government Guidance on Local Government Investments issued under Section 15 (1) (a) of the Local Government Act 2003. This sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

3. Approved Techniques

The strategy deals with the credit ratings defined for each category of investments ensuring security and liquidity of investments.

4. 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 Authority has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
Internal (capital receipts and revenue balances)	●	●

Leasing (not operating leases)



Other Methods of Financing

Government and EC Capital Grants

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.

5. **Investment Limits**

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

Nat West Bank (part of the RBS group) does not currently meet our “fixed term investment” criteria as it has a rating of F2 (Fitch ratings), however the Authority will continue to use it for cash flow management purposes for “day to day” banking needs but will not place any fixed term investments until it meets the criteria set out in the Authority’s Treasury Management Policies and Practises.

6. **Borrowing Limits**

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

TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS

1. Allocation of Responsibilities

1.1 Corporate Services Policy and Challenge Group

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Recommending approval of annual strategy.
- Recommending to the FRA, commenting as appropriate.

1.2 Fire and Rescue Authority

- 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 (via Corporate Services Policy and Challenge Group).
- Approving the selection of external service providers and agreeing terms of appointment.

1.3 Head of Finance and Treasurer

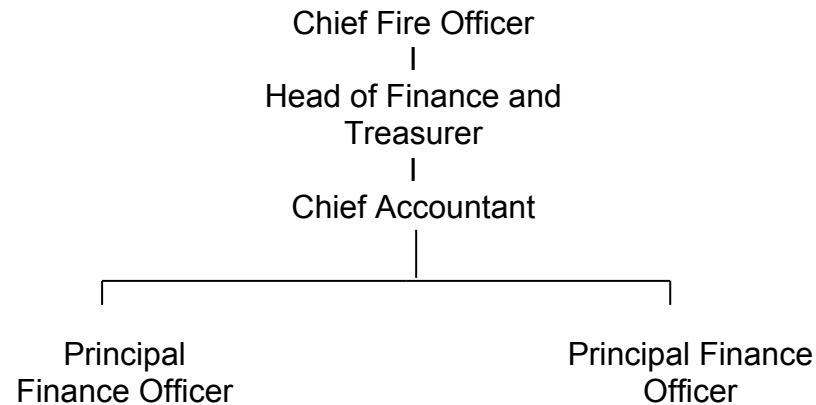
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

2. 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 brokers confirmation note against loans diary. Reconciliation of cash control account. Bank reconciliation.
Accounting Entry	Production of transfer note. Processing of accounting entry.
Authorisation/Payment of Deal	Entry onto system. Approval and payment.

3. Treasury Management Organisation Chart



4. Statement of the Treasury Management Duties/Responsibilities of each Treasury Post

4.1 **The Responsible Officer (The Head of Finance and Asset Management/Treasurer)**

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Authority is the Treasurer.

This person will carry out the following duties:

- 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 his power to borrow and invest to members of his staff. The Chief Accountant and the Treasury Management Team 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;
- k. 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;
- l. 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 Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Financial Regulations;
- m. it is also the responsibility of the responsible officer to ensure that the Authority complies with the requirements of The Non-Investment Products Code (formerly known as the London Code of Conduct) for principals and broking firms in the wholesale markets.

4.2 The Chief Accountant

The responsibilities of this post will be:

- a. adherence to agreed policies and practices on a day-to-day basis,
- b. supervising Treasury Management staff,
- c. monitoring performance on a day-to-day basis,
- d. submitting management information reports to the responsible officer,
- e. identifying and recommending, opportunities for improved practices.

4.3 The Chief Fire Officer

The responsibilities of this post will be:

- a. Ensuring that the system is specified and implemented.
- b. Ensuring that the responsible officer reports regularly to the Corporate Services Policy and Challenge Group on treasury policy, activity and performance.

4.4 The Principal Finance Officers

The responsibilities of this post will be:

- a. Monitoring the daily cashflow and day-to-day transactions.
- b. Execution of transactions.
- c. Maintaining relationships with counterparties and external service providers.
- d. Monitoring investments and loans with regards to maturing and repayment dates.
- e. Monthly bank reconciliations.
- f. Ensuring all paperwork for raising loans and investments is recorded correctly and is in accordance with the Treasury Management Strategy.

4.5 Internal Audit

The responsibilities of Internal Audit will be:

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

4.6 **Absence Cover Arrangements**

Both Principal Finance Officers have access, passwords and smartcards to enable them to use the on-line banking service for all day-to-day transactions.

4.7 **Dealing Limits**

There are no dealing limits for individual posts.

4.8 **Settlement Transmission Procedures**

A formal form/letter signed by two agreed cheque signatories setting out each transaction is completed where preliminary instructions have been given by telephone. For payments a transfer will be made through the Banks on-line system to be completed by 2.00 pm on the same day.

4.9 **Documentation Requirements**

For each deal undertaken a record is prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker (if one used).

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

1. Annual Programme of Reporting

- a. Annual reporting requirements before the start of the year:
 - i. review of the organisation'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. Mid-year review.
- c. Annual review report after the end of the year.

2. Annual Treasury Management Strategy Statement

- 2.1 The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Corporate Services Policy and Challenge Group for review and scrutiny prior to the FRA for approval before the commencement of each financial year.
- 2.2 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 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.
- 2.3 The Treasury Management Strategy Statement is concerned with the following elements:
 - a. Prudential and Treasury Indicators
 - b. current Treasury portfolio position
 - c. borrowing requirement
 - d. prospects for interest rates
 - e. borrowing strategy
 - f. policy on borrowing in advance of need
 - g. debt rescheduling
 - h. investment strategy

- i. creditworthiness policy
- j. policy on the use of external service providers
- k. any extraordinary treasury issue
- l. the MRP strategy

2.4 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.

3. **The Annual Investment Strategy Statement**

At the same time as the Members receive the Treasury Management Strategy Statement they will also receive a report on the Annual Investment Strategy which will set out the following:

- a. The Authority's risk appetite in respect of security, liquidity and optimum performance.
- 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 Authority will use.
- d. Whether they will be used by the in house team, external managers or both (if applicable).
- e. The 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 Authority will use.
- g. How the 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. Policy on the use of external service providers.

4. **The Annual Minimum Revenue Provision**

This statement will set out how the 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.

5. **Policy on Prudential and Treasury Indicators**

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

6. **Mid-Year Review**

The Authority will review its treasury management activities and strategy on a six monthly 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.

7. **Annual Review Report on Treasury Management Activity**

An annual report will be presented to the Corporate Services Policy and Challenge Group and the FRA 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

8. **Management Information Reports**

Management information reports will be prepared at least twice a year by the Head of Finance and Treasurer and will be presented to the Corporate Services Policy and Challenge Group and the FRA.

These reports will contain the following information:

- a. a summary of transactions executed (may want to add 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.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

1. 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 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 Authority's treasury management activities.

2. Accounting Practices and Standards

Due regard is given to the Statements of Recommended Practice and Accounting Standards (SORP's) as they apply to Local Authorities in Great Britain.

3. Sample Budgets/Accounts/Prudential and Treasury Indicators

The Finance and Treasurer will prepare a four year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Head of Finance and Treasurer 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.

4. 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.

- Calculation of interest on working balances.
- Interest accrual calculation.
- Principal and interest charges records.
- Analysis of any deferred charges.
- Calculation of loans fund creditors.
- 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.
- Treasury Management consultants valuations including investment.
- Income schedules and movement in capital values.

5. **Monthly Budget Monitoring Report**

Monthly electronic Budget Monitoring reports are produced for the CMT and go out monthly. Whilst a written budget monitoring report goes to CMT monthly. The report is intended to highlight any variances between budgets and spend in order that the Authority can assess its financial position. Details of treasury management activities are included within this report.

TMP 8 CASH AND CASHFLOW MANAGEMENT

1. 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.

2. Bank Statements Procedures

The Authority receives weekly bank statements and a daily download of data from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc.

A formal bank reconciliation is undertaken on a monthly basis by a Principal Finance Officer (PFO).

3. 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.

4. Arrangements for Monitoring Debtors/Creditors Levels

The Head of Finance and Treasurer is responsible for monitoring the levels of debtors and creditors. A monthly Debtors and Creditors reconciliation is carried out monthly by a PFO.

5. Procedures for Banking of Funds

All money received by an officer on behalf of the Authority will without unreasonable delay be passed to the Finance Admin Assistants (FAA), to deposit in the Authority's banking accounts. The FAA will notify a PFO each week of cash and cheques being banked the next day so that the figures can be taken into account in the daily cash flow.

TMP 9 MONEY LAUNDERING

This 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 are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed below:

1. Background Legislation

There are several Acts of Parliament and the FSA (Financial Services and Markets Act 2000) has also made provisions relating to money laundering, with the main legislation being contained in the Criminal Act 1993 (which contains the provision to implement the EU Money Laundering Directive).

Detailed money laundering regulations came into effect on 1 March 2004 under SI 2003 No 3075, and this Statutory Instrument, along with the Acts listed below, cover the main compliance requirements.

The key requirements of this legislation cover an area wider than the fairly narrow Treasury Management function, including possessing, or in any way dealing with, or concealing, the proceeds of crime.

Whilst the Authority is not directly required to implement the requirements of the Money Laundering Regulations 2003 (except through this TMP), the implications of the Terrorism Act 2000, the Anti-Terrorism, Crime and Security Act 2001 and The Proceeds of Crime Act 2002 place an onus of responsibility on individuals associated with treasury process to consider its implications.

2. Outline of the Requirements of the Regulations and Statutes

Every Officer should in the course of Authority business implement:

2.1 Identification Procedures

(SI 2003/3075 Money Laundering Regulations, 4 & 5). This regulation applies if:

- a. You are forming a business relationship; or

- b. considering undertaking a one-off transaction; and
 - i. suspect a transaction involves money laundering,
 - ii. a payment is to be made for Euro 15,000 or more (approximately £10,000).
- c. In respect of two or more one-off transactions that the transactions are linked and involve Euro 15,000 or more.

2.2 In these instances you should:

- a. Set up and maintain identification procedures to ensure the counterparty produces satisfactory evidence of his identity.
- b. Follow the procedures to ensure the counterparty provides satisfactory evidence.

2.3 These procedures should reflect:

- a. The greater potential for money laundering if the counterparty is not physically present when being identified.
- b. If satisfactory evidence is not obtained the relationship or transaction does not proceed.
- c. If the counterparty acts, or appears to act, for another person, reasonable measures must be taken for the purpose of identifying that person.

2.4 The primary exception to this requirement is if the counterparty carries on FSA regulated business in the UK (or comparable or by overseas regulatory authority) it is not required that you obtain evidence. In this case most treasury transactions will be undertaken with or via relevant businesses, although there may be isolated exceptions such as the Post Office.

2.5 Record Keeping Procedures (Money Laundering Regulation 6)

The Authority should maintain procedures covering the retention of records. To ensure compliance, records are required to be kept for 5 years after the end of the transaction or relationship.

2.6 Internal Reporting Procedures (Money Laundering Regulation 7)

The Authority maintains internal reporting procedures which document:

- a. the “nominated officer”, the Head of Finance and Treasurer is the Money Laundering Reporting Officer (MLRO) who will receive nominations under this regulation;

- b. any other person in the organisation to whom information may arise which may result in them knowing or suspecting reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime;
- c. if the MLRO receives a disclosure they should consider, in the light of all information, whether it gives rise to such knowledge or suspicion; and
- d. if the MLRO determines that the information or matters should be disclosed they should do so to the National Criminal Intelligence Service (see 8. below).

2.7 Other Procedures (Money Laundering Regulation 3(b))

The Authority should establish other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering.

2.8 Training (Money Laundering Regulation 3(c))

The Authority should take appropriate measures to ensure that relevant employees are:

- a. Made aware of the provisions of these regulations, Part 7 of the Proceeds of Crime Act 2002, Section 117 of the Anti-Terrorism, Crime and Security Act 2001 and sections 18 and 21A of the Terrorism Act 2000 (these deal with the offences and are available from www.legislation.hmsso.gov.uk)
- b. Given training in how to recognise and deal with transactions which may be related to money laundering.
- c. National Crime Intelligence Service – In the event of an offence or a possible offence you should contact: NCIS Law enforcement personnel: Contact NCIS initially through 020 7238 8000.

2.9 In order to address these requirements the Authority has set up the following procedures:

2.9.1 *For Treasury Management Purposes:*

1. **Training** – Through this document and specific training, Treasury staff will be kept aware of developments in money laundering regulations. The Head of Finance and Treasurer will keep abreast of money laundering issues through publications and internet. The Head of Finance and Treasurer will, if required, arrange appropriate training for Treasury Management staff to ensure that they are kept up-to-date with treasury management issues including money laundering.
2. **Material and regular deposits or borrowing** – For all investment or borrowing counterparties, the HFAM and Treasury Officer will ensure that the counterparty has been suitably identified. This will take the form of:

- 2.9.2 *Investment Counterparties* - All investment counterparties which are maintained on the Authority's lending list will be a deposit taker authorised by a regulatory body such as the FSA. Those counterparties not authorised as a deposit taker though the FSA are institutions such as the Bank of England or Post Office and are not required to be the subject of stringent identification procedures, but Treasury staff will review these on a case by case basis.
- 2.9.3 *Borrowing Counterparties* – All borrowing counterparties are dealt with through either the following routes:
- i. **Via Money brokers** – In this instance Money Laundering Regulations 5(2) applies in as much as the combination of the use of brokers and reasonable grounds that the counterparty carried on authorised business in the UK.
 - ii. **Direct dealing** – In this instance the Authority uses only recognised names, ones with credit ratings and to which the Authority has reasonable grounds to expect that the counterparty carries on regulated business in the UK. For a few notable exceptions such as Bank of England or Post Office, the nature of their business does not require stringent identification procedures, but the Authority will undertake procedures to 'know the counterparty'.
- 2.9.4 If any Treasury investment counterparties are not known to the Authority the Treasury Officer will ensure identification of the counterparty by checking the credit rating of the organisation via the Authority's treasury advisers, Sector. This would normally be undertaken during the compilation of the counterparty list. If the counterparty is neither credit rated, nor known to be carrying on regulated business (eg FSA), the Authority will not deal with that organisation.
- 2.9.5 *Small or Irregular Treasury Deposits* – The Authority does not accept deposits from local institutions of individuals.
- 2.10 **Non-Treasury Management Transactions**
- 2.10.1 **Regular cash and other receipts** – The Authority will in the normal operation of its services accept cash payments from individuals or organisations in relation to rents, sundry debtors etc. However the de minimus limit of Euro 15,000 applied in the regulations will mean that the requirements of the regulations do not apply to the majority of the Authority's customers, unless the Authority employee would have reasonable grounds to suspect money laundering activities of crime or is simply suspicious.
- 2.10.2 Significant cash receipts should be properly evaluated, evidence gathered and if not supported, refused. Any bank payments from unknown or overseas banks should be subject to similar scrutiny.
- 2.10.3 **Occasional receipts from infrequent customers** – The main receipts accepted by the Authority will be related to capital receipts from the sale of assets, although any other receipts in excess of Euro 15,000 will be reviewed.

2.10.4. **Payments** – The majority of the payments by the Authority will be via the payroll directly to bank accounts. Similarly the majority of creditor payments will be paid via BACS directly to domestic bank accounts or by crossed cheques and so the same controls will apply. In these cases the relevant bank will be required to comply with the money laundering regulations for their clients.

2.10.5 **Cash Payments** – The Authority does not make cash payments.

2.10.6 **Refunds** – A significant overpayment which results in a repayment will be properly investigated and authorised before payment.

2.10.7 **Fraud** – The Authority will regularly review risk areas, materiality and probability of loss.

2.11 Reporting

The Money Laundering Reporting Officer for this Authority is the Head of Finance and Treasurer. Any concern of a transaction possibly being linked to either money laundering of the proceeds of crime must be referred to the MLRO for consideration and if the concerns are validated the NCIS must be notified.

2.12 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.

2.13 **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.

2.14 **The Money Laundering Regulations 2007**

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 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

2.15 **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 Regulations 2007. 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 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 Head of Finance and Treasurer.

2.16 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 affected by following the procedures below:

The 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.

When repaying loans, the procedures in 2.17 will be followed to check the bank details of the recipient.

2.17 Methodologies for Identifying Deposit Takers

In the course of its Treasury activities, the 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 BACS/CHAPS for making deposits or repaying loans.

TMP 10 TRAINING AND QUALIFICATIONS

The Authority recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals:

- a. Treasury management staff employed by the Authority,
- b. Members charged with governance of the Treasury Management function.

All Treasury Management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Authority uses the Consultancy services of Link Asset Services Ltd to provide training for individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Head of Finance and Treasurer to ensure that all staff under his/her authority receive the level of training appropriate to their duties. This will also apply to those staff who from time to time cover for absences from the Treasury Management Team.

1. Details of Approved Training Courses

Treasury Management staff and Members will go on courses provided by our treasury management consultants, Link Asset Services Ltd, or on approved treasury management courses by providers such as CIPFA.

2. Records of Training Received by Treasury Staff

The Head of Finance and Treasurer will maintain records on all staff and the training they receive.

3. Approved Qualifications for Treasury Staff

Chief Financial Officer

Title: Head of Finance and Treasurer
Professional Qualifications: CPFA

Officer responsible for TM under HFT

Title: Chief Accountant

Professional Qualifications: CGMA

Treasury Manager on a daily basis

Title: Principal Finance Officer
Professional Qualification: AAT

Other TM Team Members

Titles: Principal Finance Officers
Professional Qualifications: AAT

4. Record of Secondment of Senior Management

Records will be kept of senior management who are seconded into the Treasury Management Section in order to gain first hand experience of treasury management operations.

5. Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of Consultative Committee of Accounting Bodies (CCAB) must also comply with the SOPP.

6. Member Training Records

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

7. **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.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

1. Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers

This Authority will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in-house Treasury Management Team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury Management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press.
- Market data.
- Information on Government support for banks.
- The credit ratings of that Government support.

2. Banking Services

Nat West

- a. Name of supplier of service is the Nat West Bank.
- b. Regulatory status – banking institution authorised to undertake banking activities by the FSA.
- c. The branch address is:
High Street, Bedford
Corporate Service Team Tel No: 0845 308 8969
- d. Cost of service is variable depending on schedule of tariffs and volumes.
- e. Payments due monthly.
- f. Annual review with the Bank to discuss, agree and sign the Advice of Borrowing Terms and Conditions.

Barclays

- a. Name of second supplier of service is the Barclays Bank.
- b. Regulatory status – banking institution authorised to undertake banking activities by the FSA.
- c. The branch address is:
16/18 St. Peters Street, St. Albans AL3 4DZ
Corporate Service Team Tel No: 0845 878 7052
- d. Cost of service is variable depending on schedule of tariffs and volumes.
- e. Payments due monthly.
- f. Annual review with the Bank to discuss, agree and sign the Advice of Borrowing Terms and Conditions.

3. Consultants'/Advisers' Services

3.1 Treasury Consultancy Services

The 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 Head of Finance and Treasurer every 6 months to check whether performance has met expectations.

Name and address of supplier of service is:

Link Asset Services (formerly Capita)

6th Floor

65 Gresham Street

London

EC2V 7NQ

Tel: 0871 664 6800

- a. Regulatory status: investment adviser authorised by the FSA.
- b. Contract commenced 1 June 2015 and runs for three years to 31 May 2018.

- c. Cost of service is £5,625 + VAT (increasing by 2.1% each year).
- d. Payments due on 30 June 2015, 30 June 2016 and 30 June 2017.

This contract is due to be renewed or replaced in May 2018.

3.2 **Credit Rating Agency**

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

TMP 12 CORPORATE GOVERNANCE

List of Documents to be Made Available for Public Inspection

The Authority is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

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.

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 (eg half yearly, quarterly)

Annual Accounts and Financial Instruments Disclosure Notes

Annual Budget

Four Year Capital Programme

Minutes of Committee Meetings

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BEDFORDSHIRE FIRE AND RESCUE SERVICE

ASSET MANAGEMENT STRATEGY**1 Introduction**

Bedfordshire Fire and Rescue Service (the Authority) own and / or use a significant range of assets which include:

- Property (land and buildings)
- Fleet/Transport
- Equipment (fire and rescue emergency response equipment)
- ICT Hardware and Software Systems

The value of the Authority's tangible fixed assets can be found in the latest published Statement of Accounts and summarised in the Balance Sheet section.

This strategy sets out the Fire and Rescue Authority's objectives for, and approach to, the management of these corporate assets. Asset management forms a key component of the Fire Authority's corporate and financial governance arrangements.

The strategy aims to achieve good practice by following the recommendations of 'Building On Strong Foundations – A Framework For Local Authority Asset Management', published by the Department for Communities and Local Government in February 2008 and more recent publications too.

This strategy details the Authority's overall approach to the management of these assets and includes:

- A definition of the term asset management.
- The principles and benefits of asset management
- The Authority's asset management objectives.

- The Authority's approach to asset management planning, including production of Asset Management Plans and their relationship with other corporate plans.
- Asset management arrangements and responsibilities.

2 Definition of Asset Management

Asset management can be defined as an “activity that seeks to align the asset base with the organisation’s corporate goals and objectives ... [and which] ...ensures that the ... asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.”¹

3 Principles and Benefits of Asset Management

The core principles of the Authority’s approach to asset management are as follows:

- To contribute to the long-term aims and objectives of the Authority.
- To tactically support the needs of individual asset users.
- To ensure assets are managed in an efficient and effective manner to deliver Best Value.
- To assist the Authority in meeting its statutory obligations under the Fire and Rescue Services Act 2004 and Civil Contingencies Act 2004. Also supporting the 2017 Police and Crime Act and the duty to collaborate.
- To integrate asset management with the Authority’s other management processes (including compliance, financial, risk management, human resource management).

This Asset Management Strategy therefore reflects the strategic context supporting the procurement, provision, development, maintenance and disposal of the Fire and Rescue Authority’s assets.

There are many benefits for the Authority, both financial and non-financial, of good asset management. The following list sets out some of the benefits, although it is worth recognising that at times these benefits may conflict with each other. Good asset management can:

¹ Royal Institution of Chartered Surveyors (RICS) Public Sector Asset Management Guidelines 2008

- Deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment on need.
- Ensure appropriate, effective IT and Communications equipment and solutions are provided.
- Secure high quality and cost effective accommodation, which will be sufficiently flexible to adapt to the Authority's long-term requirements and ensure that assets are correctly maintained.
- Secure high quality and cost effective vehicles and other equipment which will allow the Authority to effectively meet its statutory obligations under the Fire and Rescue Services Act 2004.
- Generate efficiency gains, capital receipts, or an income stream which will assist in the delivery of a cost effective and responsive service, which supports operational needs.
- Help to strategically plan accommodation for the future.
- Contribute to the Authority's community safety initiatives through the design of fire stations.
- Contribute to the Authority's community safety initiatives through the provision of appropriate vehicles and equipment which meet operational need.
- Support the Authority's corporate risk management in relation to legislative and compliance obligations including improving the accessibility of services and ensure compliance with Equality and Dignity requirements.
- Reduce carbon emissions and improve environmental sustainability.
- Increase co-location, partnership working and sharing of knowledge.

4 Asset Management Objectives

Based upon the above principles and benefits, together with the Authority's own context, the Authority has identified the following corporate asset management objectives and key areas of focus:

- a. To ensure that the Community Risk Management Plan (CRMP) is fully supported by the Authority's asset base.

Key areas of focus:

- Reviewing assets through the CRMP process to identify opportunities to improve community safety.
- Effective management of the asset base.
- Effective management of the procurement of assets.
- Ensuring assets are suitable, accessible and maintained to required Standards.
- Ensuring that new assets are sustainable and affordable for the whole life of the asset.

- b. To procure, manage and dispose of assets in an efficient manner.

Key areas of focus:

- Challenging the need for ownership/retention of under achieving assets.
- Ensuring asset related efficiency savings are maximised.
- Minimising the costs via efficient processes, partnership approaches and economies of scale.
- Reducing annual running costs.
- Ensuring robust project planning processes are in place.

- c. To realise maximum value from assets in contributing to the Authority's objectives.

Key areas of focus:

- Reviewing assets through the CRMP process to identify opportunities to improve community safety.
- Seeking opportunities to engage with partners in shared facilities.

d. To raise awareness of assets and provide a clear decision making process.

Key areas of focus:

- Setting standards for design, care and use of assets.
- Monitoring compliance with statutory, legal and other obligations.
- Periodically review corporate management arrangements for capital asset planning to ensure they are fit for purpose.
- Conduct post implementation review of all capital projects that are undertaken.
- Engage with other organisations and share learning to drive a process of continuous improvement.

e. To ensure the Authority effectively manages its asset base.

Key areas of focus:

- Up-to-date Capital Strategy linked to CRMP and Medium-Term Financial Strategy.
- Up-to-date Asset Management Plans with existing asset management arrangements and outcomes, assessment of backlog maintenance; plans to improve corporate asset use.
- Up-to-date asset register.
- Designated corporate property officer.
- Reporting arrangements allow Members to fulfill strategic responsibilities.
- Annual planned maintenance programme based on rolling surveys.
- Priority given to capital projects based on formal, objective approval process.

5 Asset Management Planning

The Authority's approach to asset management planning in respect of its main asset groups will be through the development and maintenance of three detailed Asset Management Plans, as follows:

- Land and Buildings
- Fleet and Transport
- Information and Communications Technology

The Asset Management Plans will set out the Authority's plans for managing and developing its asset base over the medium-term and will cover a three to four year period (aligned with the Authority's Community Risk Management and Medium Term Financial Planning processes). The relevant functional head is responsible for production of draft plans by the end of March each year in respect of the following financial year (or later where data is required, such as utility information). The development of these draft plans will take place in parallel with the CRMP and budget setting processes. Following finalisation of the service budgets, CRMP and previous year's performance, the final plans will then be presented to the Corporate Services Policy and Challenge Group for review and approval as schedule in the meeting work programme.

The individual Asset Management Plans will clearly identify the way in which the management of the Authority's assets supports the core provision of a fire and rescue service to the public and will reference key information, policies, procedures and performance information for the asset groups.

The overall shared aims of the Asset Management Plans will be to:

- Support the effective provision of service delivery, in particular emergency response cover, based on the current and future requirements which are driven by travel distances and response times.
- Define in broad terms, the user requirements.
- Define the standard of provision with appropriate Key Performance Indicators for performance management purposes.
- Provide a framework for improving and maintaining assets.
- Inform the strategic and financial planning of the Fire and Rescue Authority over the medium-term.
- Take account of whole life costs, sustainability issues and affordability.

It is a fundamental principle of effective asset management that it must be undertaken on a 'whole life' basis and the Asset Management Plans will therefore reflect the following stages:

- **Identification** of need.
- **Procurement**, including ongoing maintenance and development to suit continuing needs.
- **Operation** by the asset user.
- Regular **review** of fitness for purpose and performance.
- **Disposal** when the need no longer exists or it is no longer appropriate or financially advantageous for the asset to be retained.

Performance measurement and target setting drives service improvement. For that reason, each Asset Management Plan will incorporate Key Performance Indicators related to its asset group which will:

- Reflect appropriate national Performance Indicators and facilitate benchmarking
- Lead to establishment of challenging targets.
- Be used for robust reporting of performance at Authority and Service level.

The Asset Management Plans will inform and be informed by the Authority's other corporate planning processes, including:

- Community Risk Management Plan, which sets out how the Authority's vision and strategy priorities and how the Authority will deploy resources in the most efficient/effective way to improve public safety.
- Medium-Term Financial Plan, which sets out forecast expenditure and available resources over a four year period.
- Partnership Plans

Major investment in the asset base is funded by the Capital Programme. The Capital Programme is built up from bids for capital resources submitted to the officer led Capital Strategy Team who will:

- Assess the availability of financial resources.
- Explore and assess alternative ways of delivering strategic objectives.
- Assess affordability and determine priorities.
- Formulate, manage, monitor and evaluate capital schemes.

The Capital Programme is then submitted to Members of the Fire and Rescue Authority (FRA) for their consideration and approval.

The Capital Programme:

- Links capital investment in the Authority's asset base to the Community Risk Management Plan and the Medium-Term Financial Strategy.
- Covers all aspects of capital expenditure within the Authority.
- Informs the Revenue budget.
- Ensures assets are fully considered in the Authority's plans.
- The Capital Programme includes all known requirements over a four year period and is reviewed and reported to each FRA meeting.

6 Asset Management Roles and Responsibilities

In summary, the following officers have the responsibility of protecting, safeguarding and maintaining assets within their control. This includes ensuring that there are proper asset registers/records held for the assets they manage, the assets are secure and security marked as necessary and that where maintenance is required a robust system is in place to ensure this is actioned, monitored and recorded appropriately.

The lead officers are:

The Head of ICT – Information Technology and Communications Assets

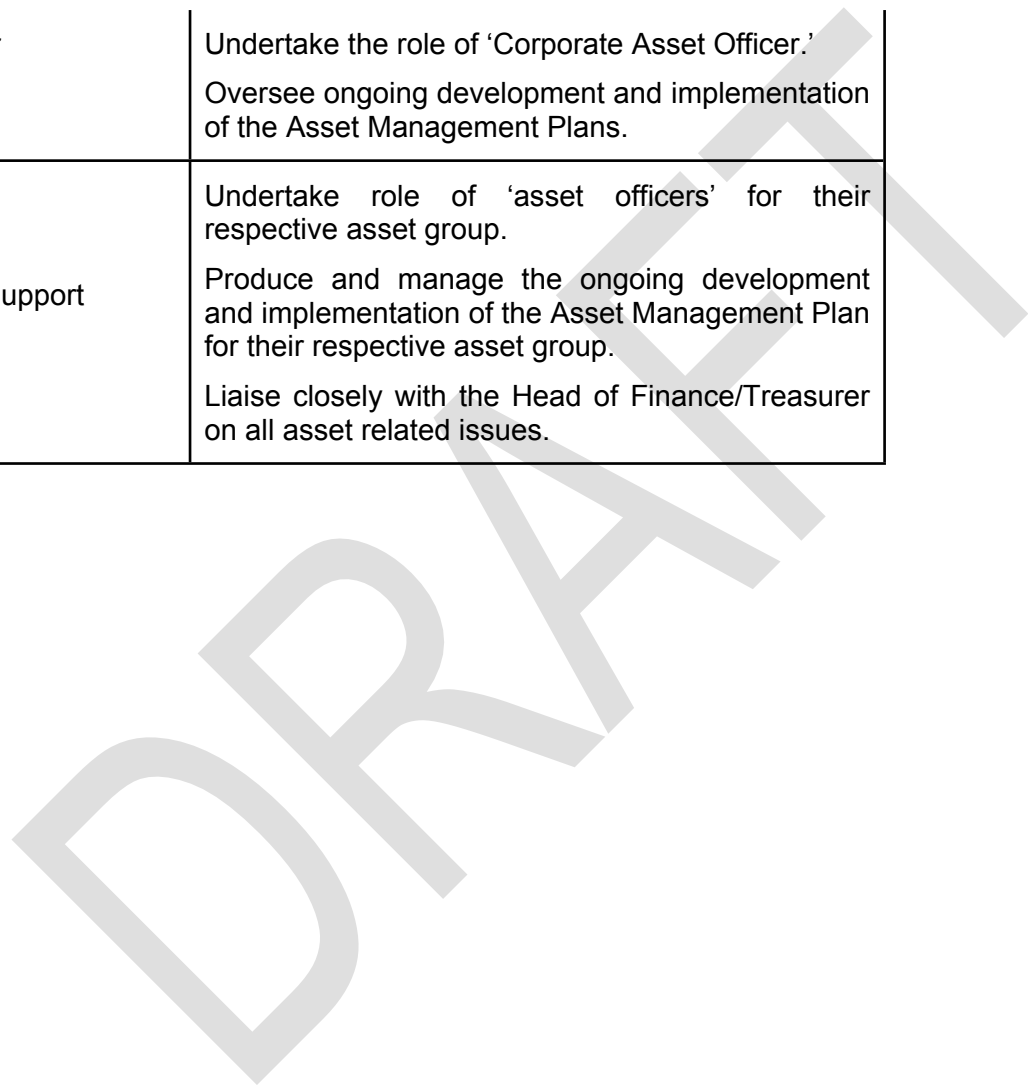
The Head of Finance/Treasurer – Property Assets

The Head of Service Delivery Support – Fleet and Equipment

The following undertake key roles in the asset management process:

Individual/Group Role	
Corporate Services Policy & Challenge Group	Review and approve the Asset Management Strategy every three years. Annually review and approve the three Asset Management Plans.
Corporate Services Policy & Challenge Group	Regularly monitor asset management performance against the Key Performance Indicators within each Asset Management Plan and scrutinise the effectiveness of the asset management process.
Capital Strategy Team	<p>The Chief Fire Officer is the chair of the Capital Strategy Team</p> <p>Develop and monitor the Capital Programme.</p> <p>Prioritise capital investment bids.</p> <p>Assign and consider post-implementation reviews of capital projects.</p>
Chief Fire Officer	<p>Lead Principal Officer support to Corporate Services Policy and Challenge Group</p> <p>Develop corporate asset management strategy</p>

<p>Head of Finance/Treasurer</p>	<p>Undertake the role of 'Corporate Asset Officer.' Oversee ongoing development and implementation of the Asset Management Plans.</p>
<p>Head of ICT Head of Service Delivery Support Property Manager</p>	<p>Undertake role of 'asset officers' for their respective asset group. Produce and manage the ongoing development and implementation of the Asset Management Plan for their respective asset group. Liaise closely with the Head of Finance/Treasurer on all asset related issues.</p>



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For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 7**

REPORT AUTHOR: COUNCILLOR J MINGAY
SUBJECT: SERVICE DELIVERY POLICY AND CHALLENGE GROUP

For further information on this Report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To report on the meeting of the Service Delivery Policy and Challenge Group held on 15 March 2018

RECOMMENDATION:

That the submitted draft Minutes of the meeting of the Service Delivery Policy and Challenge Group held on 15 March 2018 be received.

1. Introduction

- 1.1 The draft Minutes of the meeting of the Service Delivery Policy and Challenge Group held on 15 March 2018 are appended for Members' consideration.
- 1.1 The Service Delivery Policy and Challenge Group made no recommendations to the Fire Authority.

COUNCILLOR J MINGAY
CHAIR OF SERVICE DELIVERY POLICY AND CHALLENGE GROUP

**MINUTES OF SERVICE DELIVERY POLICY AND CHALLENGE GROUP
MEETING HELD ON 15 MARCH 2018**

Present: Councillors J Mingay (Chair), C Atkins, J Chatterley, P Downing (Vice-Chair), P Duckett

ACFO I Evans, SOC G Jeffery, SOC C Ball, SOC A Peckham and
AC D Cook

16-17/SD/41 Apologies

41.1 Apologies for absence were received from Councillors D Franks and D McVicar.

16-17/SD/42 Declarations of Disclosable Pecuniary and Other Interests

42.1 There were no declarations of interest.

16-17/SD/43 Communications

43.1 There were no communications.

16-17/SD/44 Minutes

RESOLVED:

That the Minutes of the meeting held on 30 November 2017 be confirmed and signed as a true record.

16-17/SD/45 Service Delivery Performance Monitoring Report Q3 and Programmes to Date

- 45.1 The Group received the performance report for the third quarter of 2017/18 and an update on the progress and status of the Service Delivery projects.
- 45.2 ACFO Evans reported that three new projects had been added to the programme report: Replacement Mobilising System 2018, Intelligence Led Response and Personal Protective Equipment (PPE).
- 45.3 SOC C Ball advised that the Service was part of a national collaborative project with 27 other Fire and Rescue Services, the South Eastern PPE Consortium, to procure replacement PPE. The contract to supply new PPE had been awarded to Bristol. The new PPE would be delivered in Spring 2019. "Show and tell" sessions were being arranged with firefighters. The new PPE was lighter, safer and came in a wider variety of shapes and sizes, with PPE specifically tailored to the female shape.
- 45.4 In response to a question, SOC C Ball advised that Bristol would be providing a fully managed service and, as a result of the procurement process, this was significantly less expensive than the Service's current PPE contract.
- 45.5 ACFO Evans advised that the co-responding project was rated red as the current trials remained on hold as the result of national negotiations on pay and conditions. It was noted that this situation was outside of the control of the Service.

- 45.6 SOC A Peckham reported on the Collaborative Working project which was rated green. The effecting entry for the Ambulance Service pilot would be discussed under a separate agenda item but had proven to be very successful. The Control Room had gained access to STORM and the Service continued to assist with vulnerable person searches, with a project evaluation taking place at the next Collaboration Board which would lead to a revised Memorandum of Understanding. This would identify how Fire and Rescue Service resources could be best directed to make a positive impact on a search.
- 45.7 ACFO Evans advised that, further to the previous update given to Members, the procurement of a drone by BFRS would now progress quicker, due to Police Joint Protective Services decision to immediately procure drones for operational reasons.
- 45.8 It was noted that the internal audit of Collaboration had identified a number of issues relating to the control framework.
- 45.9 Councillor Downing reported that he would be attending a meeting at Central Bedfordshire Council at which the Community Safety Strategy would be discussed and advised that he would be questioning why arson was not identified as one of the priorities.
- 45.10 ACFO Evans advised that the Emergency Services Mobile Communications Programme (ESMCP) was amber as it was subject to national delays and slippages which were outside of the Service's control.
- 45.11 In response to a comment, ACFO Evans confirmed that he had initiated the intelligence led response project to review the profile of the current response in relation to the resources allocated to incidents and to assess risk to determine if the Service would benefit from a more tailored and risk-oriented approach.
- 45.12 SOC C Ball reported that the 4i mobilising system project was now business as usual, and whilst a small number of glitches awaited resolution, a closure document was being prepared.
- 45.13 In relation to the new Replacement Mobilising System Project, the consultants engaged to assist in the options appraisal had now produced a short list of three options for more detailed analysis, including indicative costs, and the report would be presented to the meeting of the Fire and Rescue Authority on 26 April 2018. Members were assured that the consultants had fully engaged with the Service during this process.
- 45.14 SOC G Jeffery provided an update on the Retained Duty System Improvement Project (RDSIP). Significant progress had been made with the new system providing additional flexibility. The next stage of the process was to fully integrate the pay system with the iTrent HR system and the payroll module had recently gone live.
- 45.15 The Wholetime Duty Management System project had been initiated to better manage whole time crew availability and improve integration with iTrent.
- 45.16 ACFO Evans then reported on the performance indicators for Quarter 3, a number of which were the subject of exception reports.

- 45.17 PI01 (primary fires) had missed its target by 15%, although this was largely as the result of a spike in Quarter 1 when the indicator had been reporting as 32% over target. This had been linked to deliberate fires and, in particular, the national trend of an increase in vehicle fires relating to criminal activity. Fire prevention work continued, with anti-arson campaigns being run across Bedfordshire. Arson would continue to be raised as an issue at Collaboration Board meetings.
- 45.18 PI02 (primary fire fatalities) had also missed target as 4 fire fatalities had occurred in 2017/18 to date. It was noted that one of these was a late call of fire, and two were suicides. Although it was recognised that the Service had limited ability to prevent certain fire deaths, this was a national indicator that was reported on by all Fire and Rescue Services.
- 45.19 PI03 (primary fire injuries) had missed its target as there had been 22 injuries as at the end of Quarter 3, 13 of which had occurred in Quarter 1. All had been minor injuries.
- 45.20 PI04 (deliberate fires) had missed its target by 36%, although there had been a significant improvement in performance in Quarter 3, performance was still being adversely affected by a large spike in Quarter 1 as discussed above.
- 45.21 PI05 (rate of accidental dwelling fires) was rated amber as it had missed its target by 7%. There had been a number of electrical fires in the quarter attributed to human error. Performance against this indicator would continue to be monitored and the avoidance of these fires would remain a focus during Safe and Well visits.
- 45.22 ACFO Evans highlighted strong performance against PI06 (deliberate building fires), which was reporting as 37% better than target, and the indicators measuring crewing levels, all of which had met or exceeded target levels. Good performance had also been achieved in relation to mobilisation to false alarms and hoax calls.
- 45.23 ACFO Evans advised that performance information on the response times was not available as there had been issues arising with the introduction of the mobile data terminals, which had created 'ghost data' affecting the reliability of the performance indicator. The issue had been raised with Essex Fire and Rescue Service and the system supplier. It was considered that performance was likely to be consistent with the 5 year average.
- 45.24 PI26 (the percentage of fire safety audits carried out on high and very high risk premises) had missed its target by 14% as the inspection programme had been re-prioritised following the Grenfell Tower tragedy as the inspection work had been directed towards the inspection and audit of all high-rise residential premises. The Group received assurances that the full audit programme would be completed by year-end.
- 45.25 PI27 (fires in non-domestic buildings) was on track to exceed its target, and performance had improved dramatically against PI28 (automatic fire detector fire alarms in non-domestic properties) following the implementation of the new call handling and mobilising policy. The number of calls to these incidents had decreased by 41% from the previous year and the number of calls not mobilised to had tripled. There had been no adverse impact from the introduction of the new mobilising policy.

45.26 The next steps were to more actively manage the small number of properties that continued to generate a high number of calls. There was also an increase in calls received from remote call centres.

45.27 ACFO Evans reported that the number of Road Traffic Collisions attended by the Service continued to increase. A large percentage of the incidents attended required the Service to either rescue individuals or make the area safe.

RESOLVED:

That the progress made on the Service Delivery Programme and Performance be acknowledged.

16-17/SD/46 Proposed Service Delivery Indicators and Targets 2018/19

- 46.1 ACFO Evans introduced his report on the proposed suite of indicators and associated targets for 2018/19 for approval by Members. Additional information to inform the target setting process was appended to the report and included the scope of performance indicators relating to response times and the graphical representation of performance trends to illustrate the Service's performance against its 'family group'. The majority of the indicators had been set at levels based on the three or five year average.
- 46.2 It was proposed to amend the performance indicators measuring response times so that these were in line with those published by Government. It was recognised that this would facilitate comparison with performance of other Fire and Rescue Services and would assist in the preparation for the inspection by the HMICFRS.
- 46.3 No changes were proposed to the performance indicators related to PI03 (fire fatalities), PI07 (the percentage of occasions global crewing enabled a total of nine riders on two pumps) and PI15 (percentage of Building Regulations consultations completed within the prescribed timescale).
- 46.4 The targets for PI01 (primary fires) and PI05 (accidental dwelling fires), had been set based on the five year average.
- 46.5 A 5% reduction on the five year average was being proposed for PI03 (primary fire fatalities).
- 46.6 A target based on the 3 year average was being proposed for PI04 (deliberate building fires), with a 10% reduction on the 3 year average being proposed for PI06 (number of deliberate building fires).
- 46.7 Average response times would be based upon the attendance standard set in the Community Risk Management Plan (CRMP).
- 46.8 In response to a question, the Group was advised that there was no national non-emergency number that members of the public could call to reach the Fire and Rescue Service, although some members of the public called reception at Headquarters. The Service does not receive the high volume of non-emergency calls experienced by other blue light services.
- 46.9 It was proposed that a reduction of 20% on the five year average was set in relation to PI12 (number of 'false alarm malicious' and hoax calls mobilised to) and PI14

(number of 'false alarm good intent' calls mobilised to), with a target of 56% set for PI13 (percentage of 'false alarm malicious' and hoax calls not attended).

- 46.10 The target for PI16 (number of fire safety audits/inspections completed) had been reduced by 100 compared to the current performance year to enable to Service to focus on business safety advocacy.
- 46.11 A 15% reduction on the 2017/18 target was proposed for PI19 (automatic fire detector false alarms in non-domestic properties) based on current levels of performance.
- 46.12 It was recognised that targets had to be set at a level that was challenging but achievable in order to motivate staff. Consultation had taken place at Service Delivery Leadership Team level, which was then fed down through the organisation.

RESOLVED:

That the proposed Service Delivery Performance Indicators and Targets and Information Measures for 2018/19 be endorsed as set out in Appendix A to the report.

16-17/SD/47 New Audit Reports to date

- 47.1 ACFO Evans presented the audit report of Collaboration that had been completed on 9 November 2017.
- 47.2 The internal auditors had made a number of recommendations, largely relating to governance and structure. These were all being progressed, including increasing engagement with operational staff.
- 47.3 In response to a question, ACFO Evans confirmed that the Ambulance Service was more engaged.

RESOLVED:

That the internal audit report on collaboration be considered and the associated management comments/actions be endorsed for inclusion in the Audit and Governance Action Plan Monitoring Report.

16-17/SD/48 Audit and Governance Action Plan Monitoring Report

- 48.1 ACFO Evans submitted the report on progress made to date against current action plans arising from internal and external audit reports and confirmed that there were no outstanding actions.

RESOLVED:

That progress made against current action plans be acknowledged.

16-17/SD/49 Mobilising System Update

- 49.1 SOC C Ball reported that he had nothing further to add to his update given under the project and performance report.

RESOLVED:

That the update on the mobilising system be received.

16-17/SD/50 Community Risk Management Plan Update

- 50.1 SOC G Jeffery provided an update on the Community Risk Management Plan (CRMP). It had been agreed that a new CRMP was required and this was currently in draft. It was proposed that the draft CRMP be presented to the next full Authority meeting for approval.
- 50.2 SOC A Peckham advised that the Service had received formal correspondence confirming a start date of 30 July 2018 for the HMICFRS inspection. As preparatory work for the inspection may commence 12 weeks prior to that date, the process may commence as early as 3 April 2018.

RESOLVED:

That the update on the Community Risk Management Plan be received.

16-17/SD/51 Strategic Road Safety Partnership Update

- 51.1 ACFO Evans provided an update on the progress of the Strategic Road Safety Partnership, as requested by Members at the Group's previous meeting.
- 51.2 The former Bedfordshire and Luton Casualty Reduction Partnership had been rebranded under the leadership of Deputy Chief Constable Gary Forsyth to refocus partnership work and to be consistent with Boards established in Cambridgeshire and Hertfordshire. Funding to support the work of the group may be available through the Police and Crime Commissioner's Road Safety Fund.
- 51.3 The second meeting of the Partnership had been held on 14 January 2018. The Joint Protective Services' (JPS) draft Road Safety and Casualty Reduction Strategy 2017-22 was presented at the meeting and set out the Police strategy focused around four strands: education, engagement, enforcement and engineering.
- 51.4 The Police had advised that a full-time data analyst was being employed from 1 April 2018 by the JPS which would improve the quality of data to enable the JPS to focus resources on the greatest areas of risk.
- 51.5 ACFO Evans reported that Highways England had advised that it was reviewing the A421 with a view to developing a route strategy to reduce casualties and deaths. It had also advised that it was developing a regional suicide prevention strategy.
- 51.6 In response to a question, ACFO Evans confirmed that he was satisfied with the membership of the Partnership and that members had sufficient expertise and seniority within their organisations on road safety to contribute meaningfully to the Partnership's work.
- 51.7 It was recognised that social media provided an ideal platform to promote road safety messages and to engage with younger people.

RESOLVED:

That the report be acknowledged.

16-17/SD/52 Evaluation of Effecting Entry Pilot

- 52.1 SOC Jeffery introduced a report setting out the findings of the review of the pilot for providing assistance to gain entry to premises in the case of medical emergencies. This had previously been provided by the Police. The pilot had commenced on 1 July 2016 to improve service delivery by: reducing attendance time in support of East of England Ambulance Service Trust (EEAST), removing demand on Police resources and providing a more effective service with a reduced level of property damage.
- 52.2 During the pilot period, the Service had been called for assistance 527 times resulting in 375 attendances. On 82 occasions the Service was the first on the scene. Service crews had provided or assisted with the provision of medical care in 79 cases.
- 52.3 Although there had been some issues, including concerns regarding Service resources being detained at premises waiting to be made secure, the value of this work had been recognised and the cost to the Service of providing this support was outweighed by the contribution made to the safety of the general public and the benefits to partner organisations.
- 52.4 ACFO Evans reported that the pilot had been supported by staff as there was recognition that this was saving lives and suggested that this be incorporated into business as usual at an appropriate time. This additional capability was acknowledged as a positive addition and that its continuation should be supported.
- 52.5 The Group discussed pressures to consider transport of medically ill patients in instances where the Ambulance Service was delayed. It was noted that the Service did not currently have suitable vehicles to transport patients and that this could be considered as part of the Intelligence Led Response project.
- 52.6 In response to a question, ACFO Evans confirmed that the Service had a Mass Casualty Decontamination Unit that could be deployed to incidents of chemical attack, such as had recently occurred in Salisbury. ACFO Evans advised that AC Cook had recently undertaken an assurance review of its capability to respond to chemical attacks which confirmed effective arrangements are in place. The Service is also called to all acid attack incidents to provide emergency decontamination.

RESOLVED:

That the report be acknowledged.

16-17/SD/53 Customer Satisfaction Report

- 53.1 SOC G Jeffery presented the results of customer satisfaction surveys conducted from 1 October -30 December 2017. During this period, 100% of respondents were very or fairly satisfied with the Service.
- 53.2 The rate of response was 53%. Surveys were conducted at the end of Safe and Well visits wherever possible.
- 53.3 SOC G Jeffery drew the Group's attention to the table illustrating the variety of safety issues for which advice had been given during the visits. This demonstrated the value of the visits, which were targeted at the most vulnerable residents as identified

through Exeter and MOSAIC data. This vulnerability information was also submitted to the Corporate Equalities Group and was reported in the Public Sector Equality Duty report.

- 53.4 The Service continued to receive a number of compliments from members of the public. 11 had been received during Quarter 3.
- 53.5 The Service also received 3 complaints during the quarter, all of which had been resolved.
- 53.6 Members congratulated Officers for the continuing high levels of satisfaction with the Service.

RESOLVED:

That the continuing high levels of customer satisfaction be acknowledged.

16-17/SD/54 Annual Review of Partnerships

- 54.1 SOC G Jeffery reported that a piece of work had been undertaken to review the Service's involvement in partnerships. A report was being submitted to the Corporate Management Team with a number of proposals and would be submitted to the Group in due course.

RESOLVED:

That the update be received.

16-17/SD/55 Hazard Alley, Milton Keynes

- 55.1 SOC G Jeffery provided an overview of the Hazard Alley Safety Centre and an outline comparison of the Service's core delivery and position on advocacy, promotion and use of the Hazard Alley facility.
- 55.2 He expressed the view that, whilst the Hazard Alley facility was an effective resource, the Service provided a number of safety education interventions delivered to school children in Bedfordshire and ran a Safety Centre at Luton Fire Station covering similar topics to Hazard Alley.
- 55.3 ACFO Evans reiterated that Hazard Alley was an excellent facility; however, there were costs for both admission and transport that had to be considered. The Service would continue to support Hazard Alley and promote it wherever possible, including through a link in the Service's new website.

RESOLVED:

That the report be received.

16-17/SD/56 Operational Decision Making Procedures - Exception Report

- 56.1 There were no exceptions to report.

16-17/SD/57 Corporate Risk Register

- 57.1 AC Cook presented the review of the Corporate Risk Register. There had been no changes to risk ratings in the Service Delivery Risk Register. There had been updates to three risks in the register as follows:
- 57.2 CRR02 (if we cannot fully recruit or retain adequate numbers of part time fire fighters, particularly in relation to day cover, then we will not be able to fully crew our fire appliances and thus have a detrimental impact on our service delivery due to the unavailability of our fire appliances): as reported earlier in the meeting, a number of areas such as contracts and leave were being investigated to implement a more effective and efficient recruitment and retention process for the Retained Duty System, increasing flexibility and availability.
- 57.3 CRR22 (If we have inadequate or incomplete operational pre planning policies, procedures or information available to us then we can potentially risk injury or even death to our fire fighters and staff): the National Operational Guidance Programme had issued training specifications in 9 areas. One of these was Breathing Apparatus and the Service was waiting for gap analysis toolkits to be developed to enable an analysis to be completed.
- 57.4 CRR44 (if the Service does not have a reliable accurate system for continuously monitoring and updating the availability and skills of Retained Duty System (RDS) operational personnel and RDS appliances, then there could be delays in mobilising the nearest available appliance to emergency incidents. This could significantly impact upon the effectiveness and mobilising of our emergency response, increase risks to fire fighters and the community, reduce our ability to monitor performance, undermine RDS employees confidence in the Service and could result in negative media coverage): the Service was in contact with Essex Fire and Rescue Service to understand the requirements for integration of Gartan with 4i. Information on the Application Process Interface had been requested to enable both systems to be developed to undertake the task of automatic updates on crewing availability.

RESOLVED:

That the review by the Service of the Corporate Risk Register in relation to Service Delivery be approved.

16-17/SD/58 Review of the Work Programme 2017/18

- 58.1 The Group received its updated work programme for information.
- 58.2 A request was made to add the results of the HMICFRS Inspection to the work programme when it was available.
- 58.3 Councillor Chatterley thanked SOC G Jeffery for organising a visit to Luton Fire Station for a group of Looked-After Children during the half-term break.

RESOLVED:

That the work programme be received.

The meeting ended at 12.25 pm

For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 8**

REPORT AUTHOR: COUNCILLOR F CHAPMAN

SUBJECT: AUDIT AND STANDARDS COMMITTEE

For further information on this Report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To report on the meeting of the Audit and Standards Committee held on 28 March 2018.

RECOMMENDATION:

That the submitted Minutes of the meeting held on 28 March 2018 be received and the recommendations of the meeting, as noted below, be considered.

1. Introduction

1.1 The draft Minutes of the meeting of the Audit and Standards Committee held on 28 March 2018 are appended for Members' consideration.

1.2 The Audit and Standards Committee made the following recommendations to the Fire Authority.

17-18/ASC/52 Review of Code of Conduct

That the revised Code of Conduct be recommended to the Authority for approval, subject to the outlined minor amendments.

17-18/AS/053 Annual Review of the Fire Authority's Effectiveness

That the 2017/18 Review of Effectiveness and associated action plan be received and be approved, including its incorporation into the Annual Governance Statement.

**COUNCILLOR F CHAPMAN
CHAIR OF AUDIT AND STANDARDS COMMITTEE**

**MINUTES OF THE AUDIT AND STANDARDS COMMITTEE
MEETING HELD ON 28 MARCH 2018 AT 10.00am**

Present: Councillors Chapman (in the Chair), Chatterley, Duckett, Franks, Headley, Saleem and Waheed

Mr J Atkinson, ACO Z Evans, AC D Cook, and Mr G Chambers

Ms K Storey, Ernst & Young

Ms L Davis, RSM

17-18/AS/043 Apologies

43.1 Apologies were received from Councillor Chapman for arriving late to the meeting. Councillor Headley chaired the meeting for Items 1 to 5 only.

17-18/AS/044 Declarations of Disclosable Pecuniary and Other Interests

44.1 There were no disclosures of pecuniary or other interests.

17-18/AS/045 Communications

45.1 The Assistant Chief Officer provided a communications update report, and outlined various sections of the report that were useful for Members to note. In particular the Assistant Chief Officer guided Members of the Committee to page 10 of the report which provided a progress update in regards to the revised Fire and Rescue National Framework for England, as well as the HMICFRS consultation on fire and rescue services inspection. She advised that the Service were to be inspected in July 2018, and that a lot of work had been done in preparation for this. Furthermore, page 11 had offered information in regards to the re-engagement of senior fire officers after their retirement. With regards to GDPR, RSM had been appointed to assess the current position and to provide a plan prioritising actions going forward. This will be reported back to Corporate Services when it had been completed.

45.2 In response to questions from Members of the Committee, the following information was provided:

- No political balance clarity had yet been provided in regards to enabling Police and Crime Commissioners to sit and vote on Combined Fire and Rescue Authorities. The Secretary and Monitoring Officer had written to the Home Office regarding this matter; however, a response was still outstanding;
- A report on the implementation of the new General Data Protection Regulation (GDPR), which was due to come into effect from 25 May 2018, was to go to a future Corporate Services meeting; and

- The faster closure for the accounts was on track and was proving to be successful. The accounts were to be passed to the Auditors in April 2018 and the timetable was being adhered to.

RESOLVED:

That the communications be received.

17-18/AS/046 Minutes

RESOLVED:

That the Minutes of the meeting held on 6 December 2017 be confirmed and signed as a true record.

17-18/AS/047 External Progress Report 2017/18

- 47.1 Ms K Storey of Ernst & Young reported on the work Ernst & Young had undertaken since their appointment as external auditor to the year ending 31 March 2018. She reported that good progress had been made and that there were no matters arising. Furthermore, there was considered to be no significant risk in regards to the value for money conclusion.
- 47.2 In response to a question from a Member of the Committee in regards to payroll starters and leavers, Ms K Storey of Ernst & Young advised that interim work was being conducted and that they were working hard to obtain the relevant information. This included uploading documentation onto the audit file system.

RESOLVED:

That the External Audit Progress Report for 2017/18 be noted.

17-18/AS/048 External Audit Plan 2017/18

- 48.1 Ms K Storey of Ernst & Young provided the 2017/2018 External Audit Plan produced by Ernst & Young, and advised that this was a report that came to the Committee every year. She reported that the areas of risk/focus ascertained had included risk of management override (considered to be a significant risk/fraud), property, plant and equipment valuations (considered to be an 'other risk' due to the size and numbers upon valuation of land/buildings), and pension valuation and disclosures (considered to be a high inherent risk due to large numbers). The Plan further highlighted 'Materiality' which had been set at £0.583 million, with 'Performance Materiality' having been set at £0.437 million (representing 75% of the Authorities planning materiality). The Performance Materiality was being shared with audit clients as it had shown lower, risks which may have needed to be considered. In addition, she confirmed that the Materiality Firefighters' Pension and Fund account was at lower levels than Materiality.
- 48.2 Ms K Storey further advised that the Plan had outlined value for money and that this was not considered to be a significant risk due to reserves that were

in place, as well as the audit timeline. The audit timeline had the possibility of increasing staff pressures; however, members of staff were working hard to keep to the outlined timeframes, but she advised that if the accounts were not produced in time the timeline may need to be adjusted.

48.3 In response to questions from Members of the Committee, the following information was provided:

- The high Materiality figures were usual and anything over £20,000 had to be reported;
- It was anticipated that the timeline was achievable; and
- There had been an increase in the scale fee as additional work had been undertaken by Ernst & Young. A breakdown of this had been obtained and it was considered to be reasonable due to the increased workload.

RESOLVED:

That the report be received.

17-18/AS/049 Internal Audit Progress Report

49.1 Ms L Davis of RSM reported on the progress made against the Internal Audit Plan for 2017/18. She reported that two further reports had been finalised and that two reports had been drafted. Ms L Davis of RSM believed that a positive opinion was to be obtained and that she did not expect any additional matters to arise.

RESOLVED:

That the report be received.

17-18/AS/050 Internal Audit Strategy 2018/19 to 2020/21

50.1 Ms L Davis of RSM provided a report by RSM on the approach to developing the Fire and Rescue Authority's Internal Audit Strategy for 2018/19 to 2020/21. A plan for 2018/19 was appended to the report and approval was being sought for this financial year. She reported that the Plan had been developed in conjunction with the Management Team and that page 93 of the appended report had outlined the strategy specifically for 2018/19.

50.2 In response to questions from Members of the Committee, the Assistant Chief Officer and Ms L Davis of RSM jointly provided the following information:

- The Internal Audit Strategy was to be continuously reviewed so that priorities could be ascertained as and when they arose. Furthermore, discussions were to take place next year to identify what was to be included in the Plan for 2019/20, as well as ensure any knock on affects from the previous year were incorporated. It was recognised that the Plan was quite heavy; however it was felt that it was important not to lose sight of any of the focus areas;

- At the time of this Committee meeting Members were to consider the set plan for year 2018/19. The three year plan was to offer more flexibility so that risks could be adjusted where necessary; and
- The GDPR had already been addressed in the Strategy in 2017/18 (page 97 of the appended reported referred).

50.3 Although the majority of the Committee voted to approve the Internal Audit Strategy for 2018/19, one Member expressed their unease voting for the three year plan and voted against the decision to approve this.

RESOLVED:

That the Internal Audit Strategy for 2018/19 be approved.

17-18/AS/051 Audit and Governance Action Plan Monitoring – Exception Report and Summary Analysis

51.1 The Assistant Chief Officer provided a summary statistical analysis of actions that had arisen from internal audit reports over the last three financial years, as well as from the Fire and Rescue Authority’s current Annual Governance Statement; together with an exception report on those actions that were in progress. She referred Members of the Committee to the appended reports and advised that four actions were being progressed, all of which were of a low status. She stated that there was nothing to flag at the time of this meeting.

RESOLVED:

That the report be received.

17-18/AS/052 Review of the Code of Conduct

52.1 The Secretary and Monitoring Officer presented a report proposing some changes to the Fire and Rescue Authority’s Code of Conduct. At its last meeting, the Committee had asked him to undertake a review of the Code of Conduct, with particular attention to be paid to the section on interests, and to ascertain if there were any areas of the Code that could be amalgamated so that a more streamlined document could be produced, as well as to include paragraphs in the illustrative text that had been produced by the Government. The Secretary and Monitoring Officer directed Members of the Committee to paragraphs 4.2, 4.3, 4.9, 4.15 and 7.2 (including 7.2.1 and 7.2.2) of the revised Code, as these outlined the specific amendments that were recommended.

52.2 Members agreed that the proposed amendments were an improvement to the previous version of the Code of Conduct; however, the word ‘improperly’ was to be added to paragraph 4.2 and was to read “..., or *act improperly to gain financial or other material benefits for themselves, their family, a friend or close associate.*” As well as to paragraph 4.3, which was to read “...*that might seek to influence them improperly in the performance of their official duties.*”

RESOLVED:

That the revised Code of Conduct be recommended to the Authority for approval, subject to the minor amendments outlined above.

17-18/AS/053 Annual Review of the Fire Authority's Effectiveness

- 53.1 The Assistant Chief Officer provided a report in regards to the outcome of the 2017/18 Review of the Fire and Rescue Authority's Effectiveness, which had included any identified areas for improvement and agreed actions for the coming year, together with a record of Members' attendance at meetings. She reported that the Fire and Rescue Authority's three Policy and Challenge Groups, and this Committee had each conducted a review of their own effectiveness against their Terms of Reference (TOR) and that three overarching questions were considered and included:
- i. Did the Group consider that they had been effective and discharged their responsibility in regard to the Group's TOR.
 - ii. Having taken into consideration the Group's TOR were there any areas that had not been considered and should have been addressed.
 - iii. Did the Group consider any training and development which would have assisted them with the areas of work of the Group.
- 53.2 She referred Members of the Committee to points 2.2.1 to 2.2.4 of the report which outlined discussions that had taken place by the Groups, and reported that where recommendations were put forward these had been incorporated into the action plan.
- 53.3 In regards to Members' attendance to meetings, the Assistant Chief Officer stated that the station visit due to take place in Woburn had been scheduled for 10 April 2018. A Member of the Committee raised concerns with regards to the late notification of the Woburn Station visit and inquired as to why this had occurred. The Assistant Chief Officer advised that she was not aware of why this visit had not been set and was to find out why late notice had been given to Members as plenty of time was usually given. She further stated that a lot of work was conducted by Democratic Services to ascertain dates for visits and to provide notification of these visits working alongside diary commitments for neighbouring Authorities. However, she recognised that there could be occurrences when dates would need to be rescheduled.
- 53.4 In addition, at the bottom of page 140 of the Record of Member Attendance for Station Visits 2017/18 report it stated that "*Confirmation of attendance at Harrold and Biggleswade Station visits was not received by Democratic Services, therefore it has been assumed Members attended unless apologies were received prior to the visit*". Members of the Committee felt that this note should be removed as it potentially provided misleading information. It was believed that if attendance was not known the relevant section was to be left

blank. The Assistant Chief Officer was to look into this matter further to ascertain why attendance could not be identified.

RESOLVED:

1. That the 2017/18 Review of Effectiveness and associated action plan be received and be approved, including its incorporation into the Annual Governance Statement.
2. That the Assistant Chief Officer be requested to look into why Members were notified about the Woburn Station visit at a late stage, as well as put in place procedures to ensure Members of this Committee were notified of forthcoming visits within a timely manner.
3. That the Assistant Chief Officer be requested to establish why Member attendance to the Harrold and Biggleswade Station visits could not be wholly identified.

17-18/AS/054 Review of the Work Programme

RESOLVED:

That the Committee's Work Programme for 2017/18 be received.

17-18/AS/055 Local Government Act 1972 – Exclusion of the Public

RESOLVED:

That, pursuant to Sections 100A (2) and 100A (4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting on the grounds that consideration of the following items of business is likely to involve the disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Act (as amended):

Item

Review of BFRS Corporate Risk Register

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
28 March 2018
Item No. 11

REPORT AUTHOR: ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

SUBJECT: 2017/18 ANNUAL REVIEW OF THE FIRE AND RESCUE AUTHORITY'S EFFECTIVENESS

For further information on this Report contact: Z Evans
Assistant Chief Officer (Human Resources and Organisational Development)
Tel No: 01234 845019

Background Papers: Annual Governance Statement 2016
Audit and Standards Committee Paper 6 December 2017
(Review of the Fire and Rescue Authority's Effectiveness 2016/17)

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To consider the outcome of the 2017/18 Review of the Fire and Rescue Authority's Effectiveness, including any identified areas for improvement and agreed actions for the coming year, together with a record of Members' attendance at meetings.

RECOMMENDATION:

That Members agree the 2017/18 Review of Effectiveness and associated action plan for approval by the Fire and Rescue Authority on 26 April 2018, and for incorporation into the Annual Governance Statement.

1 Introduction

- 1.1 At their meeting on 9 September 2010 the Fire and Rescue Authority (FRA) agreed a recommendation of the former Audit Committee that it publishes an Annual Review of the FRA's Effectiveness and Record of Member Attendance from 2010/11.
- 1.2 On 18 January 2018, Members of the FRA held a facilitated discussion on the review of the FRA's effectiveness in 2017/18. Previously it was based upon a revised questionnaire following a review agreed by the Audit and Standards Committee on 7 September 2016. However, for 2017/18 it was agreed that the questionnaire was no longer required. At the meeting it was agreed to a review of Governance and for station visits to be structured. These points have been captured in the action plan.

2. 2017/18 Review of the Fire Authority's Effectiveness

- 2.1 The FRA's three Policy and Challenge Groups, and the Audit and Standards Committee, each conducted a review of their own effectiveness against their Terms of Reference.

They were asked to consider three overarching questions:

- i. Does the Group consider they have been effective and discharged their responsibility in regard to the Group's terms of reference?
- ii. Considering the Group's terms of reference are there any area that have not been considered and should be addressed?
- iii. Does the Group consider any training and development would assist them with the areas of work of the Group?

The following was found during consideration of the above questions:

2.2.1 *Service Delivery Policy and Challenge Group – 30 November 2017*

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual Service Delivery Performance Indicators and Targets for the next financial year
 - Customer Satisfaction
 - Operational Decision Making Procedures – Exception Report
 - New Internal Audit Reports
 - Evaluation of Effecting Entry Pilot
 - Demonstration of Forced Entry Equipment

- Strategic Road Safety Partnership update
 - Community Risk Management Plan
 - Mobilising System update
 - Police and Ambulance Collaboration
 - Annual Review of Partnerships
 - Review of the Fire Authority's Effectiveness
- b. Other points highlighted were:
- Members agreed that it was well supported by Officers and that the Groups' consideration of issues had been wide-ranging, informative and useful for Members.
 - A comment was made on the frequency of meetings. It was noted that, if the need arose, the Chair would be able to convene an additional meeting of the Group.
 - There were no requests for further training or development

2.2.2 Corporate Services Policy and Challenge Group – 29 November 2017

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual Corporate Services Performance Indicators and Targets for the next financial year
 - New Internal Audits including Key Financial Controls
 - Revenue Budget and Capital Programme Monitoring 2018/19
 - 2019/20 Revenue Budget and Capital Programme (Planning Arrangements)
 - Efficiency Plan
 - Treasury Management Annual Report
 - Treasury Management Mid-Year Review Report
 - Asset Management Plans – ICT, Property and Fleet
 - Asset Management Strategy for 2018/19
 - Annual Review of the Operations of ICT Shared Service Agreement
 - Review of the Fire Authority's Effectiveness
- b. Other points highlighted were:
- The Service Efficiency Plan was identified as an area that would benefit from greater Member scrutiny.
 - Members' agreed the Group should continue to focus on commissioning and overseeing reviews into specified areas of work

on a more frequent basis and select items to consider in greater depth.

- Members supported the continuation of training on the Statement of Accounts and treasury management and agreed that it would be useful for members to receive training on understanding the Service's assets, including IT, fleet and property. In this respect, it was suggested that Members may benefit from a property tour or greater access to the assets of the Service. This could be accommodated during some of the scheduled station visits, particularly in stations where specialist equipment and/or teams were located.

2.2.3 *Audit and Standards Committee – 6 December 2017*

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Review of Terms of Reference
 - External Audit Plan for 2017/18
 - Annual Audit Fees
 - External Audit Progress Reports
 - Audit Results Report
 - Annual Audit Letter
 - 2016/17 Annual Governance Statement and action plan
 - Draft Summary of Statement of Accounts
 - Statement of Accounts and Letter of Representation
 - New Internal Audit Reports
 - Internal Audit Progress
 - Internal Audit Annual Report 2017/18
 - Internal Audit Strategy 2018/19 to 2020/21
 - Audit and Governance Action Monitoring
 - Corporate Risk Register (each meeting)
 - Annual Review of the Fire Authority's Effectiveness
 - Annual Review of Monitored Policies
 - Review of the entire Risk Register
 - Registration of Interests and Gifts/Hospitality
 - Statement of Assurance
 - Revision of Standing Order 21
 - Report on Standards

- b. Other points highlighted were:
- The Committee agreed that it had effectively discharged its duties in regard to its terms of reference and that there were no areas of the terms of reference, as they currently stood, that had not been addressed.
 - Members commented on the audit training received and agreed that this should be provided on an annual basis. Members will be offered training on effective governance from RSM in November 2018.
 - Training on effective governance was provided for all Members of the Authority at the Member Development Day on 1 November 2017. As a result of this training, a report on the review of the entire Corporate Risk Register would be submitted to the March 2018 meeting of the Committee.
 - Members discussed the Committee could do more to explain its work to both internal and external stakeholders. Although this was not set out in the Committee's Terms of Reference, it was an important area as it was recognised that the Committee performed a different role from the Policy and Challenge Groups and was a decision making body. Members requested that a review be undertaken on how the work of the Committee is currently recorded and published and that the outcomes of this be reported to the Committee for further consideration.

2.2.4 Human Resources Policy and Challenge Group – 11 January 2018

- a. The Group was satisfied with their Terms of Reference and considered that, over the past year, they had reviewed and monitored:
- Terms of Reference
 - Performance Monitoring and Programmes
 - Audit and Governance Action Monitoring
 - Corporate Risk Register
 - Annual HR Performance Indicators and Targets for the next financial year
 - Corporate Health and Safety Objectives to date and proposed for 2018/19
 - New Internal Audits
 - Absence Year End report including Occupational Health Support
 - Occupational Accidents Year End Report
 - Annual Provision of External Training
 - Equality Duty Report
 - Public Sector Equality Scheme Review
 - Appraisal Report
 - Fitness Guidance
 - Health and Safety Annual Report

- Positive Action Report
- Review of the Fire Authority's Effectiveness

b. Other points highlighted were:

- Members agreed that the Group had been effective in discharging its responsibility in regard to its Terms of Reference and that there were no areas within the Terms of Reference that had not been considered.
- The view was expressed that the Group was well briefed on current issues and that Members were confident in providing challenge when required.
- Members were reminded that a visit to the Fire Services College was being arranged for a future Member Development Day to observe firefighters on the Foundations Training Course.

3. Member Attendance at Meetings 2017/18

3.1 A record of Members attendance for year 2017/18 is appended to this report for information at Appendix A.

5. Action Plan for 2017/18

		Owner(s)	Timescale
1	At their first meeting each FRA group/Committee to review their Terms of Reference and look forward to the year ahead to agree an annual work programme. In addition to the current practice of requesting additional reports this to include consideration of a major topic with a longer timescale for implementation as done by the Corporate Services Policy and Challenge Group.	Chief Fire Officer (CFO) Deputy Chief Fire Officer (DCFO) Assistant Chief Officer (ACO)	First Policy and Challenge Group of financial year – June 2017 - Completed
2	Continue pre-meetings with relevant Chairs of Groups and Committees.	CFO, DCFO and ACO	Ongoing – Completed 2017/18
3	Request that post AGM, training needs of Members are re-visited to feed into the two programmed events.	Head of Projects, Safety and Business Support	Post Annual Meeting – 25 May 2017 - Completed
4	Continue to review Induction material, re-circulate updated content to Members by email or make accessible on line as a reminder and easy access. Provide 1 to 1's for Members that change as a one off.	Head of Projects, Safety and Business Support	Ongoing – Completed 2017/18
5	Continue to include training/awareness on operational matters.	Head of Operations and Head of Training and Development	Ongoing Completed 2017/18
6	Continue Station Visits.	Head of Projects, Safety and Business Support	Ongoing Completed 2017/18
7	Continue with the distribution of daily incident logs.	Head of Operations	Ongoing Completed 2017/18
8	Members should continue to discuss plans to meet the projected budget gap and further strengthen the Authority's financial plans into the future.	Chief Fire Officer	On-going and Budget Workshops on 21 November 2017 and 18 January 2018 Completed 2017/18

		Owner(s)	Timescale
9	Continue Budget workshops - 21 November 2017 and 18 January 2018.	Head of Finance and Treasurer	Booked Completed 2017/18
10	Continue Treasury Management training and development.	Head of Finance and Treasurer	July 2017 (Bi-annual) Completed 2017/18
11	Provide training and development on the Statement of Accounts and governance particularly in relation to the role of an Audit Committee.	Head of Finance and Treasurer	Member Development Days – 4 July or 1 November 2017 Completed 2017/18
12	Relevant benchmarking data if known is made available when performance targets are being set.	Owner of each target setting paper to Policy and Challenge Groups	Target setting by Policy and Challenge meetings during March 2018 Completed 2017/18
13	Review presentation of performance reports to provide previous quarter's information indicating direction of travel when reviewing current period.	Service Assurance Manager	Members' Development Day 31.10.18
14	Advance the use of electronic media and continue to explore the possibility of extending paperless meetings for other FRA Meetings (CSPCG is now established as a paperless meeting)	Head of Projects, Safety and Business Support	31 March 2018
15	To support paperless meetings, and provide one to one training as required.	Head of Projects, Safety and Business Support	Ongoing
16	Review Committee Structures of other Fire and Rescue Authorities	Head of Projects, Safety and Business Support	31 March 2018 – Review by RSM 2018/19 Q1

5. Action Plan for 2018/19

5.1 In light of the review undertaken by Members on 18 January 2018 Members may wish to consider including the following in an Action Plan for 2018/19:

		Owner(s)	Timescale
1	At their first meeting each FRA group/Committee to review their Terms of Reference and look forward to the year ahead to agree an annual work programme. In addition to the current practice of requesting additional reports this to include consideration of a major topic with a longer timescale for implementation as done by the Corporate Services Policy and Challenge Group.	Chief Fire Officer (CFO) Deputy Chief Fire Officer (DCFO) Assistant Chief Officer (ACO)	First Policy and Challenge Group of financial year – June 2018
2	Continue pre-meetings with relevant Chairs of Groups and Committees.	CFO, DCFO and ACO	Ongoing
3	Request that post AGM, training needs of Members are re-visited to feed into the two programmed events.	Head of Organisational Assurance	Post Annual Meeting – 31 May 2018
4	Continue to review Induction material, re-circulate updated content to Members by email or make accessible on line as a reminder and easy access. Provide 1 to 1's for Members that change as a one off.	Head of Organisational Assurance	Ongoing
5	Continue to include training/awareness on operational matters.	Head of Operations and Head of Operational Support	Ongoing
6	Continue Station Visits.	Head of Organisational Assurance	Ongoing

		Owner(s)	Timescale
7	Written briefings forwarded to FRA members and crews prior to Station Visits.	Head of Organisational Assurance	April 2018 - Ongoing
8	Members to receive training on understanding the Service's assets, including IT, fleet and property. This can be incorporated in scheduled Station Visits, particularly in stations where specialist equipment and/or teams were located.	Head of Organisational Assurance	Ongoing
9	A review be undertaken on how the work of the Audit and Standards Committee is currently recorded and published and that the outcomes be reported to the Committee for further consideration.	Head of Organisational Assurance	June 2018
10	Members to visit to the Fire Services College to observe firefighters on the Foundations Training Course.	Head of Organisational Assurance	Member Development Day – 20 June 2018
11	Continue with the distribution of daily incident logs.	Head of Operations	Ongoing
12	Members should continue to discuss plans to meet the projected budget gap and further strengthen the Authority's financial plans into the future.	Chief Fire Officer	On-going and Budget Workshops on 15 November 2018 and 17 January 2019
13	Continue Budget workshops - 15 November 2018 and 17 January 2019.	Head of Finance and Treasurer	Booked
14	Continue Treasury Management and Statement of Accounts training and development.	Head of Finance and Treasurer	Oct/Nov 2018

		Owner(s)	Timescale
15	Members will be offered training on effective governance from RSM in November 2018.	Head of Organisational Assurance	November 2018
16	Relevant benchmarking data if known is made available when performance targets are being set.	Owner of each target setting paper to Policy and Challenge Groups	Target setting by Policy and Challenge meetings during March 2019
17	Advance the use of electronic media and continue to explore the possibility of extending paperless meetings for other FRA Meetings (CSPCG is now established as a paperless meeting)	Head of Organisational Assurance	Ongoing
18	To support paperless meetings, and provide one to one training as required.	Head of Organisational Assurance	Ongoing
19	RSM to conduct a Governance audit to review the Committee Structure of Bedfordshire Fire and Rescue Authority in relation to other Fire and Rescue Authorities	Head of Organisational Assurance	31 August 2019

ZOE EVANS
ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

RECORD OF MEMBER ATTENDANCE AT MEETINGS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
FIRE AND RESCUE AUTHORITY													
May (Annual Meeting)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
July	✓	✓	✓	✓	✓	✓	✓	N	N	✓	✓	✓	10/12
October	✓	✓	N	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/12
December	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12
February	✓	✓	✓	N	✓	✓	✓	✓	✓	✓	✓	✓	11/12
April													
BUDGET WORKSHOPS													
November	✓	✓	N-C	N	✓	N	✓	UN	✓	✓	✓	✓	8/12
January	✓	✓	✓	✓	✓	✓	✓	UN	✓	✓	✓	✓	11/12
AUDIT AND STANDARDS CTT													
June		✓	✓		✓	N	✓				✓	UN	5/7
September		✓	✓			N	✓				✓	N	4/7
December		✓	✓			UN	✓				✓	✓	6/7
March													
CORPORATE SERVICES P&C GROUP													
June		✓			N		✓		N			✓	3/5
September		✓			✓		✓		✓			✓	5/5
November		✓			✓		✓		✓			✓	5/5
March		N			UN		✓		✓			N-C	2/5

RECORD OF MEMBER ATTENDANCE AT MEETINGS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
SERVICE DELIVERY P&C GROUP													
June	✓		✓	✓	✓	N		✓	✓	✓			7/8
September	✓		✓	N	✓	✓		N	N	✓			5/8
November	✓		N-C	N	N-C	✓		✓	N-C	✓			4/8
March													
HUMAN RESOURCES P&C GROUP													
June	✓			✓				N		✓	N	✓	4/6
September	✓			N				✓		✓	✓	✓	5/6
January	N			✓				UN		✓	✓	✓	4/6
March													
Corporate Equality Group													
May												✓	
October												✓	
January												✓	
DEVELOPMENT DAYS													
July	✓	✓	N	✓	✓	N	✓	N	N	✓	✓	✓	8/12
November	✓	✓	✓	✓	UN	✓	✓	UN	✓	✓	✓	✓	10/12
Total Attendance													

Key:
 N-C – Notified Constituent Auth Mtg / Commitments
 UN – Un notified
 N - Notified

RECORD OF MEMBER ATTENDANCE FOR STATION VISITS 2017/18

COUNCILLOR	Atkins	Chapman	Chatterley	Downing	Duckett	Franks	Headley	Khan	McVicar	Mingay	Saleem	Waheed	TOTAL BY MEETING
Dunstable 19 July 2017 (following FRA Meeting)	✓	✓	✓	✓	✓	✓	✓	N	N	✓	✓	✓	10/12
Harrold 19 July 2017 (evening)	✓	✓	✓	✓	✓	N	✓	?	✓	✓	?	N	8/12
Biggleswade 7 September 2017 (evening)	✓	✓	✓	✓	N	N	✓	?	N	✓	?	N	6/12
Woburn April 2018 (TBC)	✓	✓	N	✓	N	N	N	N	✓	N	N	N	4/12

For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 9**

REPORT AUTHOR: COUNCILLOR Y WAHEED

SUBJECT: HUMAN RESOURCES POLICY AND CHALLENGE GROUP

For further information on this Report contact: Nicky Upton
Democratic and Regulatory Services Supervisor
Tel No: 01234 845149

Background Papers: None

Implications (tick ✓):

LEGAL			FINANCIAL	
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To report on the meeting of the Human Resources Policy and Challenge Group held on 29 March 2018.

RECOMMENDATION:

That the submitted draft Minutes of the meeting held on 29 March 2018 be received.

1. Introduction
 - 1.1 The draft Minutes of the meeting of the Human Resources Policy and Challenge Group held on 29 March 2018 are appended for Members' consideration.
 - 1.2 The Human Resources Policy and Challenge Group made no recommendations to the Fire Authority.

**COUNCILLOR Y WAHEED
CHAIR OF HUMAN RESOURCES POLICY AND CHALLENGE GROUP**

**MINUTES OF HUMAN RESOURCES POLICY AND CHALLENGE GROUP
MEETING HELD ON 29 MARCH 2018**

Present: Councillors Y Waheed (Chair), C Atkins, P Downing, T Khan and R Saleem

ACO Z Evans, SOC A Peckham, Ms D Clarke, Mr A Pixley and Mr I Hammett

17-18/HR/40 Apologies

40.1 An apology for absence was received from Councillor Mingay.

17-18/HR/41 Declarations of Disclosable Pecuniary and Other Interests

41.1 There were no declarations of interests.

17-18/HR/42 Communications

42.1 ACO Evans informed the Group that, following an intensive 2-day selection process with 4 candidates, Andrew Hopkinson of Durham and Darlington Fire and Rescue had been offered the role of Deputy Chief Fire Officer.

17-18/HR/43 Minutes

RESOLVED:

That the Minutes of the meeting held on 11 January 2018 be confirmed and signed as a true record.

17-18/HR/44 Human Resources Programme and Performance Monitoring 2017/18 Quarter 3 and Programmes to date

44.1 In presenting her report ACO Evans highlighted Appendix A. The status of the HR/Payroll System and Services was Amber and this was due to 2 workstream items which had Red indicators relating to synchronisation of data. The payroll system was otherwise fully operational and the status was being kept at Amber to ensure the workstream items were monitored.

44.2 Phase 2 of the ITrent project was on track and marked Green.

44.3 On Appendix B, item EQ1a for new entrants was performing well. EQ1b was at the same status as the previous quarter as there had been no new recruitment. An exception report for item EQ2 could be found on page 5.4 of the report. In the year to the end of Q3, 66 individuals had joined the Service of which 3 had declared themselves to be of BAME. Within Q3 there had been 21 joiners. 5 had declared their ethnicity as white-British and 16 had not made a declaration. None of the 21 joiners had declared themselves to be of BAME.

Members were informed that investigation was ongoing to ascertain the reduction in disclosure to be reported back to the next meeting.

- 44.4 Ms Clarke HRR commented that all indicators related to HR were currently Green which included sickness absence, an important organisational indicator.
- 44.5 SOC Peckham commented that staff development and training had shown good performance in the quarter. Of those indicators which were Amber:
- T3 had achieved 97%, slightly missing the target of 98%.
 - T5 was a challenging target and a small number of individuals could make a significant difference to performance.
 - T6 had missed the target by 1% but was an improvement on previous performance.
 - T8b was 2% below target and was an area requiring continued focus.
- 44.6 He added that T7 was still performing at 100% with a five-year average of 100%, an achievement which few FRAs could match. The measure related to a small number of individuals so even a single loss would have a significant effect on performance.
- 44.7 In response to a question in relation to paragraph 1.2 on page 2 of the report, ACO Evans commented that capacity in the Business Support team was being resolved. She further commented that all HR target indicators were now green.

RESOLVED:

That the progress made on Human Resources Programmes and Performance issues be noted.

17-18/HR/45 Proposed Human Resources Indicators and Targets for 2018/19

- 45.1 ACO Evans introduced the new performance indicators for 18/19. There was not significant change to the content of the indicators themselves although the targeting setting rationale had been updated as contained within the appendix. SOC Peckham commented that the targets for training remained unchanged while some had been set to be more demanding.
- 45.2 HHR provided information regarding the OH indicators. In particular explanation was provided as to why the 17/18 results would be carried over to 18/19. The national guidelines on Fitness Training had been revised in 2017 and this had required the development of a new policy in association with the FBU to reflect the introduction of drill ground assessments (DGA) (Minute 17-19/HR/049 below also refers). The length of this process which involved meaningful engagement had had a direct impact on indicators OH1 and OH2. There would be no performance figures for 2017/18 and instead fitness testing would now be conducted during April/May 2018. Consequently the service would not be reporting on 2017/18 performance but instead would carry forward the targets to 2018/19. ACO Evans reassured Members that it remained an ongoing requirement for operational personnel to maintain their

fitness levels at all times and performance in this area had risen from 88% to 98%. This was a practical way of realigning the fitness assessments rather than operational employees having to take 2 assessments in quick succession.

RESOLVED:

That the proposed suite of Human Resources performance indicators and targets for 2018/19 be endorsed.

17-18/HR/46 New Internal Audit Reports completed to date

- 46.1 ACO Evans commented that the requirement for the FRA to have a Pensions Board was a new requirement. This had required a whole new framework and for staff to learn significant new skills. It was positive that the audit had resulted in substantial assurance. ACO asked for thanks to be minuted to all those involved in the Pension Board development and implementation.
- 46.2 ACO Evans confirmed that it was not possible for Elected Members to sit on the Pensions Board due to the potential conflict of interests, that pension decision makers cannot be a Board Member.

RESOLVED:

- 1) That the internal audit report be received.
- 2) That the associated management comments and actions associated with the internal audit report, and which are to be added to the Audit and Governance Action Plan Monitoring report, be endorsed.

17-18/HR/47 Audit and Governance Action Plans Monitoring Report

- 47.1 ACO Evans and SOC Peckham highlighted Appendix A which showed that only one item was due for review in March 2018 and this related to Retained Recruitment. No further action was required on any other targets in this section.

RESOLVED:

That progress made to date against the action plans and issues arising be noted.

17-18/HR/48 2017/18 Corporate Health and Safety Objectives progress and proposed 2018/19 Corporate Health and Safety Objectives

- 48.1 In presenting his report Mr Pixley commented that it set out the annual Health and Safety (H&S) objectives for the past year and for the forthcoming year.
- 48.2 Pages 9.2 to 9.3 of his report showed performance against the eight 2017/18 objectives:
1. This had been completed and benchmarked results were available on the intranet.

2. A psychometric test for driver risk assessment had been developed in association with Cranfield University however, when used on an actual driver assessment course the test did not deliver usable results and would need to be re-designed.
3. An IOSH course on Leading Safety had been completed by 11 individuals.
4. Four indicators for Leading Safety had been developed and were ready to be implemented.
5. Three quarterly meetings of the Accident Investigation Team had now taken place and had proven to be useful.
6. The IOSH 'No time to lose' campaign pledge in relation to carcinogens at work had been made. National guidelines were also in development.
7. The collaboration working group on Personal Protective Equipment (PPE) had made good progress and this objective would be carried forward to 2018/19 for completion.
8. This objective had been on-going for three years and was now complete.

48.3 Pages 9.3 to 9.5 set out the eight proposed objectives for 2018/19 which were to:

1. Discuss the findings of the Safety Climate Survey.
2. Carry out a RoSPA audit of the safety management system – recommended every 4 years and last carried out in 2014 when a level 4 was achieved (5 being the highest).
3. Deliver a safety event information campaign.
4. Produce quarterly road risk information to drivers.
5. Communicate the IOSH 'No time to lose' carcinogenic exposure campaign.
6. Continue to enhance firefighter safety through the PPE collaborative working group.
7. Review Regional Product Pack documents and adopt guidance.
8. Review the Service's Breathing Apparatus training.

48.4 In response to a question Mr Pixley added that an action plan relating to Mental Health was also under development by HR.

RESOLVED:

- 1) That the progress made in relation to the Health and Safety objectives set and approved for 2017/18 be noted.
- 2) That the eight proposed Health and Safety Objectives for 2018/19 be endorsed.

17-18/HR/49 Functional Fitness Testing in BRFS, introducing the Drill Ground Assessment

49.1 Mr Hammett gave a presentation on fitness standards and Functional Fitness Testing in BRFS in which he commented that:

- A new system of Functional Fitness Testing had been released with the full support of the FBU and in conjunction with FireFit, the University of Bath, and the CFOA.

- A new Drill Ground Assessment (DGA) was designed to replicate the tasks expected of an operational firefighter and included tasks such as Equipment Carry, Casualty Evacuation and Hose Running.
- The level of fitness required of a firefighter was higher than that required of a Police officer, other than certain specialist Police roles such as Firearms officers.
- The DGA was both gender and age neutral, setting out the requirements for anyone to be able to carry out operational work while avoiding risk to self or others.
- It was recognised that operational fitness was affected by the aging process, by lack of activity and by some medical conditions such as arthritis.
- Where an officer fell below the required fitness standard, support and training would be provided to assist in bringing the individual back up to the required level of fitness. Where necessary sanctions could be, and had been, imposed but the sanction of dismissal had never been required.
- As an indicator of fitness the DGA should be completed within 11.11 minutes, with a 27 second variation. Operational staff should aim for a time of under 10.44 minutes in Full Fire Kit and without exhaustion.
- The existing treadmill test of aerobic fitness would remain the standard test with the DGA being used upon return to work from serious illness or upon failing the treadmill test.
- Treadmill test results fell into 3 categories, Green, Amber and Red based on the aerobic score.
 - If Green the Officer would remain on operational duty.
 - If Amber they would remain on operational duty while receiving support and would be tested using the DGA within 2 weeks.
 - If Red or if they failed the DGA they would be removed from operational duty pending further training and support.
- The DGA would be implemented with effect from 1 April 2018 but had already been used to test officers returning to work.
- There might be potential to demonstrate the DGA to the public at a Positive Action Day depending on the space available.

RESOLVED:

That the presentation on Functional Fitness Testing in BFRS be received.

17-18/HR/50 Corporate Risk Register

50.1 Two risks had been identified that fell within the remit of this group and they were detailed in paragraph 2.3 of the report.

- Retirement of a large number of operational officers over a short period of time and the resultant loss of significant experience.
- A failure of staff to meet minimum levels of competence.

RESOLVED:

That the Service review of the Corporate Risk Register in relation to Human Resources Policy and Challenge Group be approved.

17-18/HR/51 Review of Work Programme 2017/18

51.1 There were no additional items to be added to the Work Programme other than the inclusion of the expected report on the RoSPA audit at the end of the year (Minute 17-18/HR/048 and proposed objective no. 2 refers).

RESOLVED:

That the work programme for 2017/18 and 'cyclical' Agenda Items for each meeting in 2018/19 be noted.

The meeting ended at 11.49 am

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For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 11**

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: DISPOSAL OF ASSETS UNDER THE SCHEME OF DELEGATED AUTHORITY

For further information On this Report contact: Strategic Operational Commander Christopher Ball
Head of Service Delivery Support
Tel No: 01234 845089

Background Papers: None

Implications (tick ✓):

LEGAL	✓	FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL	✓	POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To provide Members with an update on the disposal of obsolete vehicles and equipment assets.

RECOMMENDATION:

That Members of the Fire and Rescue Authority acknowledge the content of the report.

That Members authorise the disposal of the 12 assets detailed in the report which individually have the potential to achieve income over the £10,000 threshold under the scheme of delegated authority.

1. Introduction

1.1 This paper provides an update on the assets disposed of over the financial year 2017/18, and assets that may be disposed of over the next 12 months, under the scheme of delegated authority. The assets referred to here are obsolete equipment and vehicles.

1.2 There are assets with a value in excess of £10,000 for disposal. There were six vehicle assets disposed of with a value below £10,000. In addition there were four vehicles above £10,000. The total income generated from the sale of these assets is £81,000 which has been used to support the Capital Budget for the replacement of future asset(s).

1.3 At table 1A there are numerous items of equipment that had no value to the Service and in reality would have been disposed of through waste disposal. In general those items of equipment are either obsolete or have a lifespan which has been exceeded, rendering those items unusable within BFRS.

2. Disposed Assets

2.1 Table 1 and 1A shows those assets disposed of, and their realised value. During 2017/18, four of the vehicles that potentially could have been sold were donated. This is due to the vehicle condition reports that are carried out by the Transport and Engineering Manager, demonstrating that a vast majority of the vehicles that could have been disposed of based on time or their age were still in a condition that allows them to be used in some capacity within an alternative Service to BFRS.

Table 2 and 2a shows those assets that may be disposed of in the next 12 months; this list of assets will be subject to the same condition reports and as such is indicative only.

Table 1: Vehicle Assets That Were Disposed of in 2017/18

Date of Disposal	Fleet No	Type	Chassis Type	Registration Number	Realised Income £
17/18	6	SRU	Merc	R625PKX	12,000
17/18	94	Rescue Pump	Volvo	V509LJH	Shuttleworth
17/18	50	Car	Vauxhall	KV12CYF	4,000
17/18	51	Car	Vauxhall	KV12CZM	4,000
17/18	114	Car	Skoda	KX06FMJ	1,000
17/18	119	Car	Audi	KP12EUD	14,000
17/18	138	Car	Skoda	KX07PZF	1,000
17/18	139	Car	Skoda	KX07UJT	1,000
17/18	60	Rescue Pump	Volvo	W857PPC	6,000
17/18	61	Rescue Pump	Volvo	W858PPC	Kenya
17/18	62	Rescue Pump	Volvo	W859PPC	Kenya
17/18	76	Rescue Pump	Scania	KX55HWZ	18,000
17/18	66	Rescue Pump	Scania	KU52UVJ	19,000
17/18	68	Rescue Pump	Scania	KU52UVH	Millbrook

Table 1A: Equipment Assets Disposed

Date of disposal	Equipment Type/Name	Receiver of Goods/Charity	Income Value £
18/04/2017	60 x Motorola DP4400 digital radio speaker mikes	Withams Disposal	600
18/04/2017	14 x Makita Hammer drills	Withams Disposal	1,400
18/04/2017	14 x Makita Circular Saws	Withams Disposal	840
18/04/2017	14 x Makita Reciprocating Saws	Withams Disposal	840
18/04/2017	26 x Makita 240v chargers	Withams Disposal	520
18/04/2017	4 x Delta branches	Withams Disposal	120
18/04/2017	5 x 110v 25m Extension reels	Withams Disposal	50
18/04/2017	1x Argus control unit	Withams Disposal	150
18/04/2017	1 x Daisy lifter	Withams Disposal	75
18/04/2017	1 x Dragon lamp	Withams Disposal	25
18/04/2017	9 x Wading poles	Withams Disposal	45
18/04/2017	10 x Wolfliite chargers	Withams Disposal	100
18/04/2017	13 x Wolfrites	Withams Disposal	130
18/04/2017	2 x 20m Throw lines	Withams Disposal	20
18/04/2017	1 x MK1 DSX	Withams Disposal	10
18/04/2017	3 X Argus 3 Thermal Imaging Cameras	Withams Disposal	450

Table 2: Vehicle Assets That May Be Disposed of in 2018/19

Date of Disposal	Fleet No	Type	Chassis Type	Registration Number	Potential Income Value £
TBC	101	Hydrant Van	Ford	KX58DHC	1,200
TBC	111	Hydrant Van	Vauxhall	KR59DXT	2,400
TBC	110	Hydrant Van	Vauxhall	KR59DXM	2,400
TBC	126	Pool Car	Land Rover	KN16FBD	20,000
TBC	127	Pool Car	Land Rover	KN16FBO	20,000
TBC	104	Property Van	Vauxhall	KR57UOC	2,200
TBC	103	Mini Bus	Ford	KX57LRV	2,700
TBC	120	Station Van	Vauxhall	KM58HVE	1,800
TBC	121	Station Van	Vauxhall	KM58HVF	1,800
TBC	116	Station Van	Vauxhall	KE57EMF	1,500
TBC	107	Station Van	Vauxhall	KM58HVVH	1,500
TBC	131	Station Van	Vauxhall	AE07EKN	1,500
TBC	130	Station Van	Vauxhall	AE07EKB	1,500
TBC	92	Rescue Pump	Volvo	V508LJH	Kenya
TBC	67	Rescue Pump	Scania	KR02DHJ	14,000-16,000
TBC	69	Rescue Pump	Scania	KU52KMG	14,000-16,000
TBC	70	Rescue Pump	Scania	KU52KMJ	14,000-16,000
TBC	72	Rescue Pump	Scania	KX53FHZ	14,000-16,000
TBC	73	Rescue Pump	Scania	KN03NHZ	14,000-16,000
TBC	64	Rescue Pump	Scania	KN54XLV	14,000-16,000
TBC	81	Rescue Pump	Scania	KN54XLT	14,000-16,000
TBC	82	Rescue Pump	Scania	KN54XLW	14,000-16,000
TBC	83	Rescue Pump	Scania	KN54XLU	14,000-16,000
TBC	3	Operational Support Unit	Ford Iveco	KV03XVS	500-1,000
TBC	99	Incident Response Unit & Moffit Forklift	MAN	DG53FWO	16,000

Table 2A: Equipment Assets Due for Disposal in 2018/19

Date of disposal	Equipment Type/Name	Receiver of Goods/Charity	Potential Income * £
18/19	Foam Concentrate	Withams Disposal	1,000
18/19	Sthil petrol disc cutter	Withams Disposal	250
18/19	Space heaters x 2	Withams Disposal	300
18/19	Limited Life Gas Tight Suits x 10	Withams Disposal	500
18/19	Wolf lamps x 20	Withams Disposal	200
18/19	Tek-lite scene lighting x 20	Withams Disposal	1,000
18/19	Small tools	Withams Disposal	1,000
18/19	Tool boxes x 22	Withams Disposal	264

* **Note: items are being auctioned this is a guide price.**

3 Assets that may be disposed of in 2018/19

3.1 The vehicle assets in Table 2 may be disposed of in 2018/19. The Service Delivery Asset Group will continue to decide on the life of an asset following a Vehicle Condition Report prepared by the Transport and Engineering Manager. The table is therefore indicative.

Table 2 does highlight 12 vehicles that have the potential to be sold for more than the £10,000 threshold. (Highlighted in green). With that in mind this paper also requests that the Members authorise the sale of those assets at an appropriate time during 2018/19.

4 Implications

- 4.1 Financial: The disposal of obsolete operational Service assets may support future Capital Budget for the replacement of asset(s), dependant on whether those assets are sold or donated to a third party.
- 4.2 Environmental: The Service has a duty to dispose of assets in a manner that does not impact on the environment and complies with any current legislation.
- 4.3 Legal: When disposing of any obsolete operational assets the Service will be cognisant of, and comply with any legal requirements that relate to those assets.

- 5 This paper supports the Fire and Rescue Authority's previous strategy for the disposal of obsolete operational assets.

**PAUL M FULLER CBE QFSM DL
CHIEF FIRE OFFICER**

For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 12**

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: FIREFIGHTER PENSIONS ADMINISTRATION

For further information Denise Clarke
On this Report contact: Head of Human Resources
Tel No: 01234 845048

Background Papers: None

Implications (tick ✓):

LEGAL	✓	FINANCIAL	
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	✓
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To seek the FRA approval to continue with existing firefighter pension administration services but through a discharge agreement.

RECOMMENATION:

That the FRA:

1. Agrees to the discharge of its firefighter pension administration functions to Lancashire County Council (LCC) under section 101 of the Local Government Act 1972.
2. Authorises the Head of Human Resources to enter into any necessary agreements to effect this change and for the Authority's seal to be affixed to any documents required to give effect to this decision.

1. Background

- 1.1. In March 2014, BFRS transferred its firefighter pension administration from Bedford Borough Council (BBC) to London Pensions Fund Authority (LPFA). A 4 year contract was awarded (expiry 31st May 2018). The primary reason for the transfer was the significant experience within LPFA who have administered London Fire Brigade pensions for many years.

- 1.2. Following the transfer, members will recall that numerous errors were identified in respect of pensions in payment. Whilst most have now been corrected, there are many matters ongoing, including discussions with BBC.
- 1.3 Day to day scheme management responsibilities for the fire pension schemes are delegated to the Chief Fire Officer and carried out by officers authorised by the CFO.

2. The Local Pensions Partnership (LPP)

- 2.1. During 2016 LPFA merged with Lancashire County Council bringing together the executive functions of their pension funds within a joint venture structure. This provides greater investment opportunities and resilience.
- 2.2. The LPP was created by the joint venture and is owned equally by the two founding funds. It is a not for profit pensions services organisation; any surpluses are reinvested or returned to customers through a rebate mechanism. One of the primary purposes of the new organisation is to make it easier for public sector bodies to award work directly to LPP. It carries out work for a number of Local Authorities and Fire & Rescue Services. LPP employees are based in Preston and London.
- 2.3 The majority of employees at LPFA, including those responsible for BFRS pension administration transferred to the new LPP organisation in 2017. The contract between BFRS and LPFA was amended to allow the sub-contracting to LPP. Thus the administration service continued in a seamless way.

3. New proposed arrangement (Discharge Agreement)

- 3.1 Ordinarily, contracts for services are tendered in line with the Procurement Policy. However, during 2017 LPP submitted a proposal to BFRS to enable the services to be continued under a different type of arrangement on expiry of the existing contract. Rather than a conventional contract, the services are instead provided via a discharge agreement. This form of 'shared service' is delivered through LCC which exercises the powers delegated to it by BFRS through LPP. This type of arrangement negates the need for lengthy, complex and costly procurement exercises and is becoming more common as collaboration between public services increases.

4. Recommendation

- 4.1 It is recommended that BFRS enters into the discharge agreement. On a practical level, the exact same team of experienced staff will be administering BFRS fire pension schemes. It is essential that this continuity is maintained given the complex issues currently being dealt with. An additional benefit is that the new organisation provides BFRS with resilience as it has access to experienced fire pensions experts based in Preston.

5. Legal implications

- 5.1 This arrangement is permissible under Section 101 of the Local Government Act 1972.
- 5.2 Extensive legal advice has been received from LGSS law in developing the agreement.

6. Procurement Policy

- 6.1 The Procurement Manager has been fully involved. The Head of Finance has also been consulted; both are fully supportive of this approach.

**PAUL M FULLER CBE QFSM DL
CHIEF FIRE OFFICER**

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For Publication

**Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 13**

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: BLUE LIGHT COLLABORATION

For further information on this Report contact: Strategic Operational Commander A Peckham
Head of Special Projects
Tel No: 01234 84 5129

Background Papers: Blue Light Workstream update Document

Implications (tick ✓):

LEGAL	✓	FINANCIAL	
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	✓
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE

The purpose of this report is to inform the Fire and Rescue Authority (FRA) of the current status of 'Blue Light' collaboration workstreams.

RECOMMENDATION

That the FRA acknowledges the content of the report.

1. Background

- 1.1 The Policing and Crime Act 2017 provides a mandate for Blue Light services to achieve closer working, collaboration and integration where appropriate in the interests of greater transparency, efficiency gains and provide improved value to the community. This report provides an update on the workstreams currently in progress and being delivered jointly and primarily between Bedfordshire Fire and Rescue Service (BFRS) and Bedfordshire Police (BP). East of England Ambulance Service NHS Trust (EEAST) is also a partner in one of the operational initiatives and in estate co-location.

- 1.2 The Project is managed through a Project Board which benefits from joint Chair arrangements between the Assistant Chief Fire Officer and Deputy Chief Constable and delivery is supported locally by the Partnership Development Manager.
- 1.3 As reported in the previous update to FRA, the management of Blue Light Collaboration work has transitioned from a Project Board to being a Programme Board overseeing a range of individual Projects.

2. **Programme Management**

- 2.1 The Programme Management Group continues to meet and is chaired jointly by ACFO Ian Evans and DCC Garry Forsyth. The meetings alternate between respective Headquarters and take place at two month intervals. The host organisation chairs the meeting.
- 2.2 The Programme governance arrangements were strengthened following the recommendations of the RSM audit on Blue Light Collaboration in July 2017. The final report was submitted in November 2017.
- 2.3 The outcomes identified by the RSM audit are either completed or being progressed within the collaboration against their target dates.
- 2.4 The work of the Programme Board is to be supplemented and supported by cross-service meetings of middle managers whose role it will be to seek out and explore collaborative possibilities under the five headings of Estates, Operations, Response, Resource Sharing and Support Services.

3. **Estates**

3.1 **Joint Headquarters:**

- The nominated Senior Responsible Officer for the Project is Assistant Chief Constable Philip Wells.
- The Consultant undertaking the feasibility study completed four meetings with FRA members and BFRS Staff on 16 March 2018.
- Forming part of his data collection process, this was to identify the needs of the various departments and where any space sharing by the two organisations may be possible.
- We are now awaiting the outcome from the study which is expected in early summer 2018.

3.2 **Co-Location Sites:**

- Amptill Community Fire Station is operational with three Police staff and one volunteer being based there. An evaluation of the working arrangements will be undertaken in April 2018.

- Bedford Community Fire Station, Barkers Lane, is fully operational with six Police staff based there and the shared office operating as a 'drop-in' for members of other community policing teams. A joint evaluation process has been completed and will inform future co-location initiatives.
- Shefford Community Fire Station opportunity is being reviewed by Police.
- Leighton Buzzard Community Fire Station is fully operational. Exploratory work is being undertaken to consider improving the number of female toilet units on site as the existing provision may not support the current gender profile of staff now that Police requirements are known.
- Luton Community Fire Station has been removed from the list of potential co-locations for the time being as there is no current business requirement. The accommodation which was intended for this is being considered for other current relationship support.
- Use of Dunstable Community Fire Station has been explored by East of England Ambulance Service Trust (EEAST) as a possible base for two vehicles and three staff, however EEAST have decided not to go ahead at this time and so an alternative but collaborative use of the space is being sought with voluntary sector.
- Harrold Community Fire Station is now being used as a 'drop-in' venue by front line Police response vehicles.
- Bury Park Community Centre office is now available for collaborative use by Police and BFRS. The official launch was on 5 April 2018 and attended by PCC, FRA and members of the local community. A Centre user guide has been produced and is provided on the Service Intranet. All FRS departments have been encouraged to utilise the facility to increase local presence and engagement.

4. **Response**

4.1 **Missing Vulnerable Person Searches:**

- The current arrangements for BFRS being mobilised to support Police in searches for vulnerable persons has been evaluated and a recommendation made that we continue with the support to BP.
- The Memorandum of Understanding (MoU) has been rewritten. The revised MoU takes account of the learning from the evaluation.
- The evaluation for the first year of operation was reported on at The Blue Light Collaboration Programme Board on 27 March 2018.

4.2 **Effecting Entry:**

- An evaluation report on the first 15 months of operation has been produced and submitted for consideration of the issues and recommendations raised.
- The report has also been presented and acknowledged at The Blue Light Collaboration Programme Board on 27 March 2018.
- Both EEAST and BP have provided opinion for the evaluation that,

although it cannot be proven, it is certain that BFRS in supporting them in this initiative is saving lives and reducing levels of damage to property.

- The evaluation concludes that BFRS is achieving increased public safety through provision of a faster response time than can be achieved by EEAST or BP. This is particularly so in those “Risk to Life” situations reported at time of call.
- Work is in progress to identify alternative contractor arrangements for making premises secure following forced entry.

4.3 **Co-Responding:**

- Currently on hold due to on-going national negotiations linked to pay and conditions.

5. **Operations**

5.1 **Body Worn Cameras:**

- It is intended to amalgamate the policies for all video data capture equipment including building mounted cameras, vehicle mounted cameras, Unmanned Aerial Vehicles (UAV, or Drone) and those body worn cameras to be trialled this year.

5.2 **Vulnerable People:**

- BFRS is working in Partnership with Police in taking forward ‘Herbert Protocol’ referrals.
- A three-way data-share agreement is in development between partners.

5.3 **Drone (UAV):**

- The initial intent for BP and BFRS to have a two-way agreement is now superseded by an alternative collaboration option for Police and FRS across the Bedfordshire, Cambridgeshire, and Hertfordshire areas. A regional response network is now being explored.
- The initial intention is to align BFRS Drone procurement and training with Herts FRS to achieve inter-operability and mutual support.

5.4 **Fire Service Control:**

- Station Commander (Control) has been security cleared and trained to access Police STORM system for ‘real time’ incident monitoring and risk management when circumstances required it. In addition other local inter-control room processes have been agreed which will offer improved communications when serious incidents occur.
- Given the 24/7/365 access to BFRS stations extended to BP, work is in progress to explore the viability of Control assuming the responsibility for the Services’ security job management system and staff security pass issue. This is seen as reducing a potential security risk. There have been

preliminary discussions with FBU on this proposal however there are some practical process considerations to consider before more detailed consultation occurs.

5.5 Motorcycle Deployment and Training:

- A scoping exercise has commenced to explore opportunities for deployment of BFRS motorcycles for transporting Blood and Organs.
- A further element of the scoping exercise is development of a training provision to other Blue Light services. The first “Train the trainer” course will be in April 2018. This will then allow an exploration of training courses provision to external Blue Light organisations on a full cost recovery basis. This is in direct support of The Policing and Crime Act 2017 which aims to achieve resource sharing and efficiency gains.

6. Resource Sharing

6.1 Joint Chaplaincy

DCC Garry Forsyth will contact the Bishop to explore the opportunity for joint chaplaincy.

6.2 General Data Protection Regulation (GDPR)

Discussions with Police Tri-Force Information Governance team has identified that there is a national policy impetus for cross service Governance arrangements to be agreed between the services and further meetings in April 2018 are scheduled to explore this further.

6.3 Datashare Agreements and Information Sharing

BFRS has met with BP Information Governance team and agreed the way forward to produce an overarching cross service datashare agreement which will apply to any and all initiatives where data sharing is an essential component.

- 6.4 BFRS have agreed with BP how BFRS Community Safety team personal risk and operational efficiency might be improved through process enhancements which enable BP held risk flags on premises to be shared. Additionally, the frequency of arson reporting by BP to BFRS is to be increased to enable a more expedient approach by BFRS in undertaking fire investigations.

**PAUL M FULLER CBE QFSM DL
CHIEF FIRE OFFICER**

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For Publication

Bedfordshire Fire and Rescue Authority
26 April 2018
Item No. 14



Bedfordshire Fire and Rescue Service

Information Bulletin

Personnel

Statistics Covering Period 1 January – 31 March 2018

Wholetime Uniformed Staff:

Strength as at 31 March 2018 305

Firefighters on the Retained Duty System:

Strength
(includes wholetime retained) 138

Appointments:

Wholetime Duty System	6
Retained Duty System	1
Support Staff	9

Leavers:

Wholetime	3
Retained	5
Support Staff	3

Appointments:

Whole time:

Firefighters (transferees) D Robert,
S Exton-Woodford, A Ford, A Iles,
G Jackson with effect from
8 January 2018

Firefighter A Ford (Dunstable Green) with
effect from 2 February 2018

Retained:

Firefighter M Brace (Harrold) with effect
from 29 January 2018.

Support:

S Gardner-Potter (Area Fire Safety
Officer, South) with effect from 5 February
2018

J Ormerod (Assessment and Selection
Co-ordinator) with effect from 8 January
2018.

L Child (Human Resources Administrator) with effect from 27 March 2018.

L Horner (Personal Assistant to the Principal Officers) with effect from 14 March 2018.

E Nikolaou (Procurement Manager) with effect from 1 March 2018.

S Kightley (Property Manager) with effect from 12 March 2018.

K Pedder (Quality Support and Training Administrator) with effect from 19 February 2018.

D Johnson (Secretary Corporate Management Team) with effect from 5 February 2018.

S Scott (Site Assistant) with effect from 16 January 2018.

Retirements:

Wholetime:

Firefighter A Howey (Stopsley) after 27 years and 10 months service.

Retained:

Watch Commander (Biggleswade)
E Wing after 41 years and 11 months.

Support Staff:

Fire Safety Inspecting Officer (South)
J Hollamby after 29 years.

Secretary Corporate Management Team
S Stewart after 25 years and 5 months.

Leavers:

Wholetime:

Firefighter (Bedford Extra) N Damian after 10 years.

Firefighter (Dunstable) A Ford after 3 years and 9 months

Retained:

Firefighter M Dear (Biggleswade) left on 25 January 2018 after 5 years and

4 months service.

Firefighter P Wright (Leighton Buzzard) left on 31 January 2018 after 10 years and 2 months service.

Firefighter P Brown (Toddington) left on 31 January 2018 after 25 years and 7 months service.

Crew Commander R Hutchinson (Potton) left on 27 February 2018 after 31 years and 7 months service.

Support Staff:

D Wilmot (Service Control Manager – seconded 1256OPR) left on 28 February after 33 years and 11 months service.

Operations

Statistics for the Period 1 January to 31 March 2018

Incident Statistics	2017/18 Q4
Total Incidents attended (Fires, Special Services and Fire Alarms)	1273
Total Fires Attended*	337
Primary Fires	210
Accidental Dwelling Fires	82
Non Domestic Property Fires	27
Chimney Fires	10
Fire Fatalities	0
Fire Injuries	6
Total Special Service Attended	408
Road Traffic Incidents	116
Road Traffic Accident – Number of Extractions	14
Total Fire Alarms Attended	494
Malicious False Alarm	22
False Alarm Good Intent	136
Alarm caused by Apparatus	336
OTB Mobilised To	21

*Note: Total fires attended is not a total of the sub fire categories listed.

(Contact Mr A Turner, Service Performance Officer, Headquarters, Tel 01234 845022)

Incidents of Note

FIRES

Fire Building

Woburn Safari Park, Woburn Park, Woburn

2 January 2018 - 0240 hours

Rescue Pumps from Dunstable and Woburn, with the Water Carrier from Toddington attended an outdoor building used to house monkeys, 3 x 8 m which was 90% damaged by fire. Thirteen Patas monkeys were confirmed as fatalities.

(Contact Station Commander D Evans, Dunstable and Woburn Fire Stations, Tel 01582 661223)

House Fire

Finch Crescent, Linslade

18 January 2018 - 0847 hours

Rescue Pumps from Leighton Buzzard and Dunstable attended a fire in the downstairs living room of a terraced property. Adjoining property affected by smoke and naturally ventilated by the Fire Service. Two persons were treated for smoke inhalation by the Fire Service.

(Contact Station Commander S Auger, Stopsley and Leighton Buzzard Fire Stations, Tel 01582 459177)

Building Fire Roof

Arundel Road, Luton

1 February 2018 - 1651 hours

Rescue Pumps from Luton, Dunstable, Stopsley and Ampthill and the Incident Command Unit from Leighton Buzzard attended a fire involving a single storey building of traditional construction. Three cars, a propane cylinder, a paint booth and asbestos roof sheeting were involved in the fire.

(Contact Station Commander S Brereton, Luton and Toddington Fire Stations, Tel 01582 825218)

Vehicle Fire

Vision Modular System, Wolseley Road, Kempston

18 February 2018 - 0535 hours

Rescue Pumps from Kempston and Bedford attended four articulated lorry rigs involved in a fire. A fire investigation was carried out.

(Contact Station Commander D Hobbs, Kempston and Ampthill Fire Stations, Tel 01234 845024)

ROAD TRAFFIC COLLISIONS

RTC Persons Trapped

A6 Silsoe to Barton By-pass

4 January 2018 – 1525 hours

Two Rescue Pumps from Stopsley attended a RTC involving two cars and one van. One person was trapped and released by rapid extraction. There were three wounded from two other vehicles.

(Contact Station Commander S Auger, Stopsley and Leighton Buzzard Fire Stations, Tel 01582 459177)

RTC Persons Trapped

GKN Aerospace Transparency Systems

Ltd, Percival Way, Luton

8 January 2018 - 0739 hours

Rescue Pumps and the Response Support Unit from Stopsley attended a 25 tonne de-icing lorry which had gone off the road. One male casualty was conveyed to hospital with a broken leg by medical professionals.

(Contact Station Commander S Auger, Stopsley and Leighton Buzzard Fire Stations, Tel 01582 459177)

RTC Persons Trapped

Barford Road, Wilden

19 January 2018 - 0809 hours

Rescue Pumps from Kempston and Bedford attended a RTC involving one car in a ditch. Hydraulic rescue equipment and small tools were used to extricate an unconscious male casualty.

(Contact Station Commander D Hobbs, Kempston and Ampthill Fire Stations, Tel 01234 845024)

RTC Persons Trapped

M1 Southbound, Junction 12 to 11a

25 February 2018 - 1519 hours

Rescue Pumps from Toddington, Dunstable, Ampthill and Stopsley attended a RTC involving two cars and one van. A space was created for one male adult injured prior to extraction. One female adult and one female child were released prior to the arrival of the Fire Service

(Contact Station Commander S Brereton, Luton and Toddington Fire Stations, Tel 01582 825218)

RTC Persons Trapped

Hatters Way, Luton

25 March 2018 – 0203 hours

Rescue pumps from Luton and Stopsley attended a RTC involving three cars and one commercial vehicle. One male extracted and taken to hospital. Three males treated and one male fatality confirmed at the scene.

(Contact Station Commander S Brereton, Luton and Toddington Fire Stations, Tel 01582 825218)

CHEMICAL SPILLAGE

Hazardous Substance Chemical Leak/Spill

Fed Ex Uk Ltd, 6 Badgers Rise, Brogborough

22 February 2018 - 0153 hours

Rescue Pumps from Stopsley and Woburn, with the Hazardous Material Unit from Stopsley attended an incident where a drum containing copper sulphate formaldehyde had leaked its contents into a shipping container on the site. Further clean up was completed by a chemical company.

(Contact Station Commander S Auger, Stopsley and Leighton Buzzard Fire Stations, Tel 01582 459177)

Letters of Appreciation or Complaint

Complaint:

No complaints (past Stage I) have been received for this period.

Appreciation:

We continue to receive letters of appreciation from members of the public, schools and organisations that we visit and/or assist with charitable events.

The following is a selection:

Thanks from **The Bedford Hospitals Charity:**

.....'On behalf of the Christmas Tree Festival Committee we would like to thank you most sincerely for your help in setting up and dismantling the Christmas Tree Festival, in particular to James, Graham and Rodney. Thank you to Bedfordshire Fire and Rescue for your part in making this now Bedford tradition such a success'.

Thank you from **Ivel Valley School, Biggleswade:**

....'Thank you for coming to our school and telling us all about fires and keeping safe and letting us sit in the fire engine.'

Thank you from **a member of the public:**

.....I am writing to express my appreciation to the Toddington Fire Crew who were so helpful to me.

'My next door neighbour is overseas for 5 weeks and I have a key to their house. At 11pm I noticed water coming from the roof area. I went inside the house to discover water pouring through the upstairs ceiling and then through to the downstairs. I could not find the stopcock, or the mains electricity switch, got no response from Anglian Water so in desperation I called the Fire Service, what a relief when they arrived.

Their response was so helpful, professional, calm and considerate and I am writing to let you know how much I valued their help and support and ask you to pass on my thanks to a fine group of men who are a great credit to your organisation.'.....

Thank you letters from **Ridgeway School, Kempston:**

.....'Thank you for showing me the fire engine. It was interesting. I enjoyed climbing into the fire engine, seeing the breathing apparatus and masks. When you pressed the horn it made me jump, it was very loud. The hose was powerful; it was tricky to reach the bus. I liked using the hose, it was fun. It was a wonderful day and I learnt so much about the fire engine. Thank you for being helpful'.

'I really enjoyed our trip to the Fire Station. It was very interesting looking at the things inside the fire engine. Thank you for talking to us'.

'Thank you for showing us around your fire station. I love dressing up as a Fire Fighter. I also loved putting the sirens on.'.....

Forthcoming Events

- *21 May 2018, 11.00am*
Fire Commission, Local Government Association
- *24 May 2018, 2.00pm*
FRA Briefing, Fire and Rescue Service Headquarters
- *31 May 2018, 10.00am*
FRA Annual Meeting, Fire and Rescue Service Headquarters

(Contact Mrs N Upton, Democratic and Regulatory Services Supervisor, Headquarters, Tel 01234 845149)

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