



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Corporate Services Policy and Challenge Group.

Bedford Borough Councillors: M Headley

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

Luton Borough Councillors: Y Waheed

A meeting of **Corporate Services Policy and Challenge Group** will be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK41 7NR** on **Wednesday, 13 September 2017** starting at **10.00 am**.

John Atkinson
Secretary

Public Document Pack

AGENDA

Item	Subject	Lead	Purpose of Discussion
1.	Apologies		

Item	Subject	Lead	Purpose of Discussion
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 (including minutes of ICT Shared Service Governing Body) & (Discussion on Asset Management Programming)	Chair	
4.	Minutes	Chair	*To confirm the Minutes of the meeting held on 21 June 2017 (Pages 1 - 14)
5.	Revenue Budget and Capital Programme Monitoring 2017/18	HFT	*To consider a report (Pages 15 - 22)
6.	2018/19 Revenue Budget and Capital Programme (Planning Arrangements)	HFT	*To consider a report (Pages 23 - 30)
7.	Corporate Services Performance 2017/18 Quarter 1 Report and Programmes to date	ACO	*To consider a report (Pages 31 - 44)
8.	New Internal Audit Reports Completed to date	ACO	*To consider a report (Pages 45 - 62)
9.	Audit and Governance Action Plan Monitoring Report	ACO	*To consider a report (Pages 63 - 76)
10.	Third Annual Review 2016 to 2017 of the ICT Shared Services	HICT	*To consider a report (Pages 77 - 90)
11.	Investment in the Service's servers and other ICT infrastructure	HICT	*To receive a report (Pages 91 - 96)
12.	Corporate Risk Register	CFO	*To consider a report (Pages 97 - 102)
13.	Work Programme 2017/18	Chair	*To consider a report (Pages 103 - 108)

Item	Subject	Lead	Purpose of Discussion
Next Meeting		10.00 am on 29 November 2017 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK41 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.

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For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 4

MINUTES OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 21 JUNE 2017

Present: Councillors Chapman, Headley (Chair) and Waheed

CFO P Fuller, ACO Z Evans, GC D Cook, Mr J Atkinson and Mr G Chambers

17-18/CS/001 Apologies

Apologies for absence were received from Councillors Duckett and McVicar.

17-18/CS/002 Election of Vice Chair 2017/18

RESOLVED:

That Councillor Chapman be elected Vice Chair of the Policy and Challenge Group for 2017/18.

17-18/CS/003 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of interests.

17-18/CS/004 Communications

The Policy and Challenge Group received the Minutes of the ICT Shared Service Governance Board held on 23 March 2017 for information.

There were no other communications.

RESOLVED:

That the Minutes of the ICT Shared Service Governance Board held on 23 March 2017 be received.

17-18/CS/005 Minutes**RESOLVED:**

That the Minutes of the meeting held on 21 June 2017 be confirmed and signed as a true record.

17-18/CS/006 Terms of Reference

Members were requested to review the Policy and Challenge Group's terms of reference.

The Chair commented that there was no Corporate Services Directorate (as referred to in point 6) and all references to a Director in the Group's Terms of Reference should be replaced with reference to Corporate Services functions.

RESOLVED:

That the Fire and Rescue Authority be recommended to approve the following amendment to the Corporate Services Policy and Challenge Group's Terms of Reference: that all references to the Corporate Services Directorate be replaced with references to Corporate Services functions.

17-18/CS/007 Corporate Services Performance Monitoring Year End Report and Programmes to date

ACO Evans submitted the 2016/17 year-end report on the Corporate Services programme, projects to date and performance against Corporate Services performance indicators and associated targets.

The HR and Payroll System Project, iTrent, went live in February 2017. Systems integration with the previous system was still ongoing and Workbench was currently with HR staff for testing. The project had been RAG rated as Amber pending completion of a final budget analysis.

In relation to asset tracking, GC D Cook reported that the resource costs required to support the project needed to be redefined and a budgetary allocation bid submitted before this project was progressed further. The specification had been developed for a fully automated system that would allow equipment to be scanned in at the stations with all items monitored so that appropriate maintenance and testing could be undertaken. Eventually, the tracking system would also be rolled out across workshops and property.

ACO Evans drew Members' attention to the year-end performance report. All workshops indicators and all ICT indicators, with the exception of IM1 which had been discussed at the previous meeting, had achieved their target levels.

Mr G Chambers, the Head of Finance and Treasurer, reported on the finance indicators that were rated amber or red. He advised that FNP2a and FNP2b, relating to the accuracy of the net budget forecast, would not be available until the closure of the 2016/17 accounts and would be reported at the Group's next meeting.

FNP5 (percentage of uncontested invoices paid within 30 days) had missed its target by 1%. The Group had agreed to reduce the target for this indicator from 97% to 96% from 2017/18 in line with historical performance.

FNP6 (percentage of outstanding debt over 90 days old): the total of outstanding debt was £43,782.47 with just over £2,000 being over 90 days old. These related to special services rendered and the debts were being pursued through small claims courts.

FNP7 (percentage of planned efficiencies achieved) had missed its target as one of the identified efficiencies, income from Luton Borough Council to contribute to the cost of the Rogue Landlord Scheme, had not been achieved.

FNP8 (return on investment) had missed its target as a result of low interest rates. Whilst the percentage target was missed, the budgeted income had been exceeded.

The Head of Finance and Treasurer reported that all the measures of utility usage had come in under the benchmarked figures.

RESOLVED:

That the progress made on Corporate Services Programmes and Performance be acknowledged.

17-18/CS/008 New Internal Audit Reports Completed to date

ACO Evans introduced the audits of Governance, Transparency and Decision-Making, Risk Management and the Follow-Up Audit. The first two audits had been awarded audit opinions of reasonable assurance.

The result of the follow-up audit was that the Authority had demonstrated good progress in implementing the agreed management actions.

The majority of the recommendations identified in the audit of Governance, Transparency and Decision-Making had already been completed. The amount of work in complying with the requirements of transparency legislation and in ensuring that all the information published was up to date was acknowledged.

In response to a question about the suggestions identified within the audit report, ACO Evans advised that suggestions had no compliance status and that they had been noted but would not form part of the action plan arising from the audit.

The Chair suggested that a management response to the suggestions should be included in future audit reports for Members' benefit in relation to any audits that included suggestions, even if this simply stated that the suggestions had been acknowledged and would not be acted upon.

Four medium priority recommendations had arisen from the Risk Management audit and these would be completed by the due dates set out in the action plan.

RESOLVED:

That the internal audit report be received and the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report be endorsed.

17-18/CS/009 Audit and Governance Action Plans Monitoring Report

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.

The actions from the internal audits discussed earlier in the meeting would be added to the monitoring report from the Group's next meeting.

There were no outstanding actions arising from the Annual Governance Statement.

The view was expressed that this report gave Members reassurance that actions identified in audit reports were completed within the relevant timescales.

RESOLVED:

That progress made to date against the action plans be acknowledged.

17-18/CS/010 Revenue Budget and Capital Programme Monitoring 2017/18

The Head of Finance and Treasurer introduced the report on the revenue budget and capital programme monitoring and the forecast year-end budget monitoring position as at 30 April 2017.

There was currently a surplus of £11,000 under the Head of Community Safety arising from a payment from Luton Borough Council for the Rogue Landlord Scheme.

There was currently no forecast salary underspend or overspend and the Capital Programme items were rated as green.

The Policy and Challenge Group was advised that there was a large sum of money due to the Authority from the Home Office in relation to pensions and it was hoped that this would be received by the end of July/early August. Members would need to agree how to allocate this sum as part of the budget-setting process for 2018/19.

RESOLVED:

That the forecast outturn for revenue and capital be noted.

17-18/CS/011 Treasury Management Annual Report 2016/17

The Head of Finance and Treasurer presented the Treasury Management Annual Report for 2016/17.

The report set out the Authority's borrowing and investment strategy, as well as the range of investments held by the Authority during the year.

The Head of Finance and Treasurer advised that levels of investment fluctuated from £6.7 million at the start of 2016/17 to £11 million and then down to £8.5 million as at 31 March 2017.

The Authority's investments had generated £129,436 of income during the year against a target of £99,400.

No debt rescheduling had been undertaken during the year. The Authority had long-term borrowing of just under £10 million and there was a high penalty to reschedule this debt.

The prudential indicators were also set out in the report, as were the interest rate forecasts and a general review of the economy and interest rates from Capita. It was noted that Capita would be providing treasury management training to Members at the Development Day on 4 July 2017.

In response to a question, the Head of Finance and Treasurer advised that the maturity structure of borrowing was not a formal limit and that the information was only for Members to note. The word "limit" would be removed from the prudential indicator table. 99% of borrowing had been for a period of 10 years and above, with 1% relating to a loan that was repaid during the year. Therefore, at 31 March 2017, 100% of borrowing was for 10 years and above.

The Chair asked for additional information on the prudential indicators and, in particular, the borrowing limits, to be sent to Members of the Committee.

RESOLVED:

1. That the report be noted.
2. That the Members of the Committee be sent an update on the prudential indicators and borrowing limits.

17-18/CS/012 Asset Management Policy and Plans – ICT, Property and Fleet

The Chair suggested that, in future years, the asset management plans be phased across a number of the Group's meetings to allow Members sufficient time to consider the individual plans in detail. This could be considered for future years' work programmes.

He also expressed the view that Members should be given the opportunity to review the Asset Management Strategy itself.

The Head of Finance and Treasurer presented the covering report to the Asset Management Plans for 2017/18 to 2020/21 for Fleet & Transport, Information & Communications Technology and Land & Buildings. The total value of assets as at 31 March 2017 was £31,326,000: £5.7 million of vehicles, plant and equipment, £24 million of land and buildings and £1.6 million of assets under construction.

Further to queries raised at previous meetings of the Group, the Head of Finance and Treasurer reported that investigations had been undertaken into the water usage at Ampthill, Toddington and Shefford stations.

The result of this was that it had been determined that the Ampthill benchmark had been set too high as it was set on inaccurate measurements, the actual usage measured at Shefford was too high and had been revised down, and the benchmark for Toddington was low based on previous year averages and the actual usage was used to set the 2017/18 benchmark.

The Group then went on to consider the individual Asset Management Plans.

Fleet & Transport

GC D Cook introduced the updated Fleet & Transport Asset Management Plan. He highlighted the following changes that had been made to the Plan:

- The section on assets, locations and cost had been updated. The current fleet numbered 115 and there were currently no vehicles on lease.
- Capita was employed to provide advice on investments and borrowing and, in the current financial climate, it was more prudent to buy vehicles and other assets rather than lease.
- The age profile of the fleet had decreased from 8 years to 7 years. 10 new vehicles had been purchased in the year with 7 more planned for 2017/18.
- The carbon footprint of the fleet had increased slightly as the mileage travelled by the fleet had increased, as had the cost of fuel, although the Aerial Platforms were now fuelled with red diesel.
- The Service had been successful in recruiting to vacant workshop posts which had reduced the outsourcing budget.
- The projects for the next three year period had been updated.
- End of year performance indicators were included, all of which had met or exceeded targets.
- Achievements during the year were set out in the appendix to the Plan. These included the purchase of fire bikes, rescue pumps and the Special Response Unit.

In response to questions on the mileage of the fleet, which had increased significantly from 152,000 in 2015/16 to 192,000 in 2016/17, GC D Cook advised that this was the result of the additional collaboration work, such as co-responding and forced entry, taken on by the Service.

The view was expressed that if the collaboration work was at a cost to the Service, and in terms to the mileage travelled by the fleet it was, then this should be acknowledged and some form of cost recovery should be introduced.

ACO Evans confirmed that in other collaborative arrangements, such as the ICT Shared Service, costs were shared. Other blue-light services were also being charged for premises use. Co-responding was a national pilot and the actual model for delivery in the future had not yet been determined.

The Chair requested that, in reports to the FRA, this was highlighted as an issue as Members had not been aware of the increase in mileage previous to discussing this Plan.

In response to a question on forecasting the fleet maintenance revenue budget, GC Cook explained the difficulties that arose in forecasting maintenance costs, particularly for vehicles aged over 5 years. Even vehicles of the same age could have different faults.

It was acknowledged that, although the age profile of the fleet was decreasing, the Service operated a “long life” policy to extend the life of some equipment and this made it difficult to predict what future revenue costs would be.

The Head of Finance and Treasurer reassured Members that he scrutinised all budgets line by line with the relevant Principal Officer. There had not been a significant overspend or underspend in this area and the budget contained a high level of detail.

Members were advised that this budget could be considered during the budget-setting process.

Information and Communications Technology

ACO Evans referred Members to the summary of the ICT Asset Management Plan provided by the Head of ICT and advised that the annual review of the ICT Shared Service would take place at the Group’s next meeting.

ACO Evans highlighted the following points from the summary:

- The Asset Management Plan detailed the assets of the ICT Shared Service, including networks, hardware and software.
- Work was ongoing to replace the Pharos system with “best of breed” products. The first migration away from Pharos had been the new HR and payroll system, iTrent.
- Projects for the next four years were set out in the Plan. This included work on shared servers and disaster recovery. The procurement of a Wide Area Network, Eastnet, was being led by Cambridgeshire County Council. In the interim period, the life of the current arrangement was planned to be extended to December 2019.

- Security and resilience would also need to be enhanced.
- Server replacements were being planned for 2018. The desktop infrastructure replacement programme (VDI) was coming to an end, with VDI evolution commencing in 2018/19.
- An assessment of cloud-readiness had begun to ensure that the Service was able to utilise cloud technologies and infrastructure.
- The action plan had been updated and revised.

In response to a question, ACO Evans confirmed that iTrent was cloud-based.

Funding for the VDI evolution had not yet been approved to form part of the Capital Programme and would be considered as part of the budget setting process for 2018/19.

It was noted that this was required as the Citrix system currently used by the Service was being discontinued, therefore an upgrade was required.

Land & Buildings

The Head of Finance and Treasurer introduced the Asset Management Plan for Land & Buildings.

He drew Members' attention to the following points:

- A section on collaboration and the Policing and Crime Act had been included.
- The Service continued to share its stations with the Police, Ambulance Service and other organisations.
- One Public Estate funding had been made available for a feasibility study to be undertaken on a joint blue-light headquarters facility.
- It had now been recognised in the Plan that the unique reference number of properties should be included in the transparency information published by the Service.

- A summary of the Service's properties was set out in the Plan, including the age profile of the premises. The Service still owned 7 houses and 6 garages. A number of stations were built in the 1960s and 70s and had flat roofs. There was a plan to replace these.
- Re-roofing of the older stations was included in the planned programme of works from 2017/18 to 2020/21, as were the refurbishment of male and female toilets and showers at Luton Fire Station and car parks and drill yards.
- The total water usage for 2016/17 was 7,235 metres cubed against a target of 7,940. A baseline of 7,325 metres cubed had been set for 2017/18.
- The total electricity usage for 2016/17 was 1,146,000 kilowatts per hour against a benchmark of 1,131,000 kilowatts per hour.
- The total gas usage for 2016/17 was 161,000 metres cubed against a benchmark of 192,000 metres cubed.
- There was no gas supply at Bedford or Stopsley.
- Fluctuations in usage were investigated.
- Options for the monitoring of usage were being considered to determine whether this task should be kept in house or outsourced.

In response to a question, the Head of Finance and Treasurer confirmed that all fluctuations in utility usage were investigated. The water usage in Control was much higher in 2016/17 than during the previous year and this was most likely due to the refurbishment of the Control Room in 2015/16 which meant that the area was not fully staffed during that year.

RESOLVED:

1. That the updated Asset Management Plans for Fleet & Transport, Information & Communications Technology and Land & Buildings be approved.
2. That consideration be given at the next Chair's briefing to the scheduling of Asset Management Plans in future years.
3. That the Group receive the Asset Management Strategy at a future meeting.
4. That the Group be provided with an update on the investigations into the fluctuations of utility usage in stations/premises at a future meeting.

17-18/CS/013 Fire and Rescue Indemnity Company

The Head of Finance and Treasurer submitted his report setting out the Authority's current position regarding the Fire and Rescue Indemnity Company (FRIC).

The Authority had approved the establishment of a protection pool to replace conventional insurance arrangements in February 2014. The arrangements were finalised in the autumn of 2015 and FRIC began operating on 1 November 2015.

The Service was one of 9 Fire and Rescue Services in the pool. During the first year of operation, to 31 October 2016, a surplus of £471,000 had been generated. This was in addition to a £658,000 reserve for late claims. There had been no claims over £100,000 during the year.

Membership of FRIC and its risk management group provided a forum for Services to share best practice and to be encouraged to adopt more risk management measures, hopefully reducing the number of future claims.

CFO Fuller reported that the Service would be giving a presentation on FRIC to the CFA Conference in the autumn.

RESOLVED:

That the report and the positive achievement of the first year's operation be noted.

17-18/CS/014 Corporate Risk Register

GC D Cook presented his report on the Corporate Risk Register.

He reported that changes had been made to the risk ratings of CRR39 (if we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services) and CRR38 (If we suffer virus / hacking damage to business critical or vital computer systems then this will significantly affect our ability to deliver risk critical services such as emergency response). The inherent impact and likelihood had been increased as the result of the recent virus attacks on the NHS. Control measures were in place to manage these risks.

A number of risks on the Corporate Services Risk Register had been updated as follows:

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): the development of an asset tracking system was discussed earlier in the meeting. A bid for funding would be made following the completion of a full feasibility study, with a report presented to the Authority later on in the year.

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 Replacement Mobilising System went live for voice mobilisation in November 2016. Code of connection accreditation had recently been received from the Home Office and the mobile data terminals would be coming on stream in the near future.

CRR43 (If the Service suffers a terrorist attack then there is the potential for elements of the Critical National Infrastructure (CNI) to be compromised, our ability to respond to emergency incidents could be significantly affected, we would be unable to fulfil our duties under the Civil Contingencies Act and our reputation could be adversely affected): following the terrorist attack at Manchester Arena, the national threat level had been raised from severe to critical. Communication across the Service and with other blue-light services had been maintained with reminders to staff to remain vigilant and aware.

In response to a question on the risk rating for CRR43, GC D Cook explained that a number of control measures were in place and that, on review, the recent attacks had not increased the inherent or residual risk ratings.

RESOLVED:

That the development of the Service's Corporate Risk Register in relation to Corporate Services be noted and approved.

17-18/CS/015 Work Programme 2017/18

Members received the Work Programme for 2017/18.

RESOLVED:

That the Work Programme be agreed subject to the inclusion of VDI Evolution in the ICT Capital Strategy report on the agenda for the next meeting of the Policy and Challenge Group.

17-18/CS/016 Local Government Act 1972: Exclusion of Public

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 Paragraph 3 of Part 1 of Schedule 12A to the Act (as amended):

Item

Fraud Update

The meeting finished at 11.47am

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13th September 2017
Item No. 5

REPORT AUTHOR(S): HEAD OF FINANCE/TREASURER

SUBJECT: BUDGET MONITORING 2017/18

For further information on this Report contact: Gavin Chambers
Tel No: x5016

Background Papers: 2017/18 Budget Setting Papers

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 inform the Corporate Services Policy and Challenge Group of the forecast year end budget monitoring position as at 31 July 2017.

RECOMMENDATION

That the Corporate Services Policy and Challenge Group:

1. Consider and comment on the forecast outturn for revenue and capital.
-

1. Introduction

- 1.1 On 9 February 2017, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2017/18 of £28.716m and a Capital Programme of £1.278m.

2. Revenue Budget Monitoring

- 2.1 A full analysis of the Revenue Budget efficiency savings for 2017/18 to 2020/21 can be found in Appendix 1. This appendix forms part of the Government return, in order to receive the four year Government funding offer.
- 2.2 The funding of the 2017/18 Revenue Budget is by way of Government Funding £7.296m, local Business Rates redistribution £2.048m and Council Tax of £18.994m. There is also funding from a Collection Fund surplus of £0.378 m.

2.3 Forecasting Outturn:

2.3.1 Table 1 below is populated during the year in line with the spread sheet returns that Corporate Management Team (CMT) members submit to the Finance Team and also through the meetings that Finance Officers have with CMT members. The forecast outturn positions are as accurate as the information received from each CMT member.

2.3.2 Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year end outturn is shown in column four, with the variance and RAG (red, amber, green) status shown in columns five and six.

2.3.3 Table 1: 2016/17 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget	Actuals as at 31 st July 2017	Forecast yr end outturn	Variance	RAG status (see note below**)
	£		£	£	
Strategic Management	61,400	20,500	61,400	0	Green
Head of Operations	887,700	231,400	887,700	0	Green
Head of Operational Support	521,300	141,400	521,300	0	Green
Head of Community Safety	201,400	51,200	190,400	(11,000)	Green
Head of Human Resources	163,100	38,700	168,100	5,000	Green
Head of Strategic Support	1,272,000	332,800	1,272,000	0	Green
Head of Safety and Special Projects	5,100	1,000	5,100	0	Green
Head of Training and Development	449,600	216,600	449,600	0	Green
Head of Finance and Treasurer	3,946,700	826,400	3,946,700	0	Green
Total	7,508,300	1,860,000	7,497,300	(6,000)	

**RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.

2.3.4 There are currently no predicted over or under spends within any of the CMT service areas over £50k.

The £11k underspend in Head of Community Safety relates to an unbudgeted £11k contribution from Luton Borough Council for Community Safety partnership work. Members may recall this funding had led to an overspend during 2016/17, as the budgeted income did not materialise.

The year to date figure within Head of Training and Development of £216.6k includes payments to the Fire Service College for recruits training of £110k in the first 4 months of the year.

The low actual figure in table 2.3.3 above within Head of Human Resources relate to the monthly costs for payroll processing where we are waiting invoices from our payroll administrators. The £5k overspend predicted by year end relates to legal costs.

2.3.5 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified. Table 2 below details the salary budgets and forecast outturn.

Table 2: 2016/17 Salary Budget Forecast Outturn

Title	Current Budget	Actual Spend as at 31st July 2017	Forecast year end outturn	Variance
	£'000	£'000	£'000	£'000
Whole-time	13,286,300	4,070,400	13,286,300	0
Control	896,700	351,300	896,700	0
Retained	2,000,900	525,400	1,900,900	(100,000)
Non Uniform	4,918,300	1,511,300	4,953,300	35,000
Agency	105,700	235,500	205,700	100,000
Total	21,207,900	6,693,900	21,242,900	35,000

- 2.3.6 The forecast underspend in Retained is as a result of the ongoing vacancies. Various recruitment initiatives have been undertaken and more are planned.

The £100k forecast overspend within Agency relates to the overspend in ICT due to agency staff costs covering posts that have not been filled through the recruitment process. A review of the ICT Shared Service is currently underway. Further work needs to be undertaken on this forecast overspend and the cross charging within the ICT Shared Service Authorities. The mid-year position will be reviewed at the end of September and reported back to members. The agency figure for actual spend as at 31st July of £235.5k looks high however within this spend are agency costs where we will recover the cost through income received from partners.

The £35k in Non Uniform above relates to saving/efficiency item 3 in Appendix 1 below where this element will not be achieved due to the ongoing necessity of the post.

2.4 **Total Forecast Outturn, Salary and Non Salary:**

- 2.4.1 The total forecast variance at year end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be an overspend of £29,000k. These figures do not include the likely reimbursement of pension monies from the Home Office. These has been allocated to the 2016/17 financial year and will be reported on within the report to the Audit and Standards Committee in September 2017 on the 2016/17 accounts.

3. Capital Programme Monitoring

- 3.1 Table 3 below is a summary of the Authority's 2017/18 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

Table 3: The 2016/17 Capital Programme

Scheme	Budget 2017/18	Forecast Outturn	RAG status
	£'000	£'000	
Vehicles	864	864	Green
Whole-time availability system project	70	70	Green
Phase 2 Human Resource Project	50	50	Green
Smoke House renovation and upgrade	40	40	Green
Diesel dispensing monitoring equipment (across all sites)	35	35	Green
Refurbishment of Luton Station facilities	40	40	Green
Replacement of tannoy systems at Kempston & Stopsley	30	30	Green
Service wide – Capital works	80	80	Green
Fitness Equipment	20	20	Green
Core hydraulic hose	49	49	Green
Total	1,278	1,278	

3.2 It should be noted that the Vehicles, ICT and Property Capital Works Programmes need to be treated with fluidity as the costs and expected completion dates can vary considerably and span across financial years. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

3.3 **Capital Programme – Withdrawals, Additions or Variations:**

3.4 **Additions:**

There are no additions to the capital programme.

3.5 **Variations:**

There are no variations to the capital programme.

3.6 **Slippages:**

There are no slippages to the capital programme.

**GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER**

Appendix 1

Ref	Savings/Efficiencies	£'000s 2017/18	£'000s 2018/19	£'000s 2019/20	£'000s 2020/21
1	Continued roll out/removal of 24 Wholetime station-based posts through revision to Wholetime Shift Duty System.	157			
2	Service Control/Operational Support Establishment	34			
3	Reduction of One Area Commander post and a Service Operational Commander (SOC) allowance.	78	35		
4	Hydrant - contributions (estimated) from developers, therefore reduction in revenue budget	30	20		
5	Non-operational structure review	53			
6	Administrative post review service wide	47			
7	Anticipated initial savings from Insurance pooling	10			
8	Watch Manager Technical - Change post from Grey Book (operational) to Green Book (non-operational)	18			
9	Disclosure Barring Service checks - reduction to specific groups	5			
10	Potential for sharing Fire Investigation Service with Herts/Cambs FRS	0	7		
	New items for 2017/18 budget round:				
11	Changes resulting from Equal Pay policies	27	1		
12	Income from Property Sharing	10	7		
13	Resource and Contractual Savings resulting from the new HR system	21			
14	Control Income	0	15		
15	Health and Safety Officer (Grey to Green book)	25			
16	Collaborative working - Printing device contract saving	15			
17	Management Information System (MIS) - Whole-time Rota/Availability System, Human Resources, Technical Equipment	0	0	80	
18	Review and implementation of revised crewing arrangements	0	156	156	312
		529	241	236	312

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 6

REPORT AUTHOR: HEAD OF FINANCE/TREASURER

SUBJECT: 2018/19 REVENUE BUDGET AND CAPITAL PROGRAMME

For further information on this Report contact: Gavin Chambers, Head of Finance/Treasurer

Background Papers: 2017/18 FRA Budget Papers

Implications (tick ✓):

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

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

PURPOSE

To present the current planning arrangements for the 2018/19 Revenue Budget and Capital Programme and agree the timetable accordingly.

RECOMMENDATION:

That the report and timescales within be reviewed, considered and agreed.

1. Introduction

1.1 On 9 February 2017, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2017/18 of £28.716m and a Capital Programme of £1.278m.

1.2 This report introduces the process for 2018/19.

2. The 2018/19 Revenue Budget and Capital Programme

2.1 **Funding Updates:**

2.1.1 **Revenue** – On 21st July 2016, the FRA considered and accepted the four year Government Grant funding offer, therefore giving some certainty of the funding that will be received between now and 2019/20. In order to be eligible for this the Authority is required to provide via our website information on our savings and efficiencies. These are monitored during the year by the Corporate Management Team and reported to the Fire and Rescue Authority (FRA). Although the Authority has a good indication of the funding the reductions are still large, the Revenue Support Grant (RSG) is forecast to reduce from £4.770m in 2017/18 to £2.142m in 2020/21. The medium term budget gap, which is currently circa £1m, therefore needs closing with new savings and efficiencies yet to be identified. In the medium term, there is also some uncertainty of the funding mechanism.

2.1.2 **Capital** – There was not any capital funding or bidding round launched for the 2017/18 financial year and it is anticipated that this will be the same position for 2018/19 too. The Capital Programme is fully funded by revenue, unless where a specific grant has been received.

2.2 **2017/18 Corporate Management Team (CMT) Post Budget Review:**

2.2.1 A post 2017/18 budget process review was held by CMT.

2.2.2 The outcome of this meeting was:

- i. In the main, to continue with the process adopted for 2017/18.
- ii. Continue to work on existing and new savings and efficiencies that will take place during the 2017/18 financial year and the 2018/19 to 2021/22 years.

2.3 **Timescales:**

2.3.1 For 2018/19, there will be a draft budget set by the FRA on 14 December 2017 for consultation. The budgets and council tax will finally be set by the FRA, post consultation on 8 February 2018. The Authority will need to consult with the community and businesses. This will again be linked in with the Community Risk Management Plan (CRMP).

2.3.2 The proposed timetable for the 2018/19 budget process is attached at Appendix 1. The actions required to date have been met.

2.4 Proposals:

2.4.1 The proposals below are included for discussion and are currently anticipated being part of the 2018/19 revenue and capital budget setting process:

- *Roll Forward* – As agreed for the 2017/18 process last year, it is again proposed to roll forward the 2017/18 budget and scrutinise the appropriateness of the 2018/19 budgets during the officer review process.
- *Scrutiny/Review* – As identified above, the scrutiny process will continue for 2018/19, reviewing the draft 2018/19 budgets, compared to 2017/18 actuals/forecast year end position and 2016/17 actuals.
- *Savings/Efficiencies* – The savings/efficiency work that CMT carried out for the 2017/18 budget cycle will need to be revisited to ensure initiatives previously proposed in future years are still appropriate and deliverable. There will again not be a fixed percentage to apply across the board to non-salary budgets. However, the budget scrutiny meetings will of course be looking for efficiencies on top of those worked up during the 2017/18 budget process. The 2017/18 planned savings/efficiencies will be monitored via CMT in year and FRA budget monitoring reports.
- *Budget Forms* – New bid forms were created for the 2016/17 budget process that combined revenue and capital bids and also incorporate project management aspects. These will be again used for the 2018/19 budget process.
- *Planning Assumptions* - A summary list of planning assumptions will be presented to Members during the budget process both for information purposes but also to input and agree on.
- **Capital** – The Capital Programme for 2018/19 onwards needs to be focussed on more than the forthcoming year. The returns to Government ask for our three year indicative capital expenditure figures.

3. Summary

3.1.1 This report introduces the 2018/19 budget timetable and process to Members. Members will be kept informed of progress.

**PAUL FULLER
CHIEF FIRE OFFICER**

**GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER**

2018/19 BUDGET TIMETABLE

GROUP	AREA OF REVIEW	DATE
Corporate Management Team (CMT)	Budget memo sent out, including Budget Bid form. Cost centre sheets to be provided at least a fortnight before Finance review meetings.	w/c 24 July 2017
CMT	Budget bid requests (revenue and capital) back to Finance	1 September 2017
CMT	Initial budget report/verbal update	September 2017
<i>CMT</i>	<i>Head of Service and Finance Meeting, to review cost centre sheets (agree virements etc).</i>	<i>Throughout September</i>
Corporate Services Policy & Challenge Group (CSP&CG)	Initial budget report	13 September 2017
Capital Strategy Team	Review any Capital bids.	10 October 2017
CMT Budget Meeting (excl Principal Officers)	Discuss current budget position/efficiencies.	13 October 2017
CMT Budget Meeting (excl POs)	Discuss current budget position/ efficiencies.	24 October 2017
CMT Budget Meeting (excl POs)	Budget meeting.	31 October 2017
CMT & POs	CMT and POs to review draft budget and CRMP prior to 1 st Members budget workshop.	7 November 2017
FRA	1 st Members budget workshop – draft budget and draft CRMP.	21 November 2017
CMT	Draft budget if required, prior to sending out FRA papers.	Late November 2017

FRA	Draft budget set and CRMP for consultation.	14 December 2017
<i>Public Consultation on draft budget and CRMP</i>	<i>From 15 December 2017 to 31 January 2018. Consultation may commence before this date.</i>	<i>15 December 2017 to 31 January 2018</i>
CMT	Update to CMT as required.	January 2018
FRA	2 nd Members budget workshop – post main consultation period. Draft CRMP post consultation.	18 January 2018
FRA	2017/18 Budget and Council Tax Precept set. CRMP – with consultation outcomes incorporated.	8 February 2018

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

SUBJECT: CORPORATE SERVICES PROGRAMME AND PERFORMANCE 2017/18 - QUARTER ONE (APRIL 2017 TO JUNE 2017)

For further information on this Report contact: Adrian Turner
Service Performance Analyst
Tel No: 01234 845022

Background Papers:

Previous Corporate Services Quarterly Programme and Performance Summary Reports

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 the Corporate Services Policy and Challenge Group with a report for 2017/18 Quarter 1, detailing:

1. Progress and status of the Corporate Services Programme and Projects to date.
2. A summary report of performance against Corporate Services Performance indicators and associated targets for Quarter 1 2017/18 (1 April 2017 to June 2017).

RECOMMENDATION:

Members acknowledge the progress made on Corporate Services Programmes and Performance and consider any issues arising.

1. Programmes and Projects 2017/18

- 1.1 Projects contained in this report have been reviewed and endorsed in February 2017 by the Authority's Policy and Challenge Groups as part of their involvement in the annual process of reviewing the rolling four-year programme of projects for their respective areas in order to update the CRMP in line with the Authority's planning cycle.
- 1.2 The review of the current programme of strategic projects falling within the scope of the Corporate Services Policy and Challenge Group has confirmed that:
 - all existing projects continue to meet the criteria for inclusion within the strategic improvement programme;
 - all existing projects remain broadly on track to deliver their outcomes within target timescales and resourcing;
 - are within the medium-term strategic assessment for Corporate Services areas; and
 - the current programme is capable of incorporating, under one or more existing projects, all anticipated additional strategic improvement initiatives relating to Corporate Services over the next three years.
- 1.3 Full account of the financial implications of the Corporate Services programme for 2017/18 to 2020/21 has been taken within the proposed 2017/18 Budget and Medium-Term Financial Plan, as presented to the Authority for agreement in February 2017.
- 1.4 Changes in the Business Systems and Process Improvement Programme are summarised as follows:
 - The **Asset Management System (Tracking) project** is now underway, with budget projections available.
- 1.5 Exception reports relating to the Service's Strategic Projects is shown at paragraph 2.

1.6 Other points of note include the following:

- The Corporate Management Team monitors progress of the Strategic Projects monthly. The Strategic Programme Board will now be reviewing the Programme quarterly, with the next Programme Board review scheduled for 19 October 2017.

1.7 Appendix A, gives a summary of status to date. The status of each project is noted using the following key:

Colour Code	Status
GREEN	No issues. On course to meet targets.
AMBER	Some issues. May not meet targets.
RED	Significant issues. Will fall outside agreed targets.

2. Programme Summary and Exception Reports

2.1 Work on enhancements to the Community Safety Activities application has been deferred, as the BI Team has been fully deployed on iTrent during the last period.

Page 33

2.2 The status of the HR & Payroll project remains Amber due to the previous project costs over-run (this cannot be ameliorated), and some browser mode compatibility issues affecting the new Workbench sickness absence application (which is under investigation). These are reported separately under the HR Policy and Challenge Group.

2.3 To date, almost 90% of the total number of people who can be migrated in the Virtual Desktop Infrastructure (VDI) project, have now been successfully transferred to the new system. However, the project status is currently Amber, as the migration of the 66 remaining complex users (e.g. Control, HR and Payroll teams) has been hampered by lack of ICT resource over the period. This is likely to be addressed in the near future as new server engineer resources have recently been recruited, and are now in post.

2.4 The status of the Training Centre Administration project moves to Amber to reflect that there has yet to be any product realisation achieved through the work with the STEP team, due to the current success of existing systems and development of the PDRPro system in recent months. Whilst there are potential products in development, a further review of the departmental requirements and potential solutions has been requested.

3. Performance

- 3.1 In line with its Terms of Reference, the Corporate Services Policy and Challenge Group is required to monitor performance against key performance indicators and associated targets for areas falling within the scope of the Group. It has been previously agreed by the Group, that in order to facilitate this, it should receive quarterly summary performance reports at each of its meetings.
- 3.2 This report presents Members with the performance summary for the quarter one 2017/18 which covers the period April 2017 to March 2018. Performance is shown in Appendix B. The indicators and targets included within the report are those established as part of the Authority's 2017/18 planning cycle.
- 3.3 The status of each measure is noted using the following key:

Colour Code	Exception Report	Status
GREEN	n/a	Met or surpassed target
AMBER	Required	Missed but within 10% of target
RED	Required	Missed target by greater than 10%

4. Performance Summary and Exception Reports

All performance indicators are on target with the exception of:

- 4.1 FNP2 a&b Accuracy of Net Budget Forecast: The data for this measure is not available until after the closure of accounts and will be reported in Quarter two.
- 4.2 FNP6 Percentage of Outstanding Debt Over 90 Days Old
The total debt outstanding as at 30th June was £ 29,964.79, with £5,573.26 being over 90 days old (excluding those in dispute). These mainly relate to special services invoices raised where the authority is pursuing debtors via small claims court and other avenues including attachment of earnings to recover the debt.
- 4.3 WS1b Grade A Defect Response Time (within 2 hours)
Since the beginning of 2017 the Service Workshop has been under staffed due to difficulties in recruiting suitable candidates to take up posts as Workshop Technicians, this has resulted in the lack of one Technician on the call out rota to deal with vehicle defects reported outside of office hours. This deficiency has been covered by workshop staff for the majority of time but they have been unable to cover all the deficient periods.

This has resulted in two defects being reported that did not get responded to within the target time. One on a Bank Holiday, a vehicle with a flat battery was reported, the Workshop Supervisor travelled back from his family holiday to rectify this defect. On the other occasion a defective vehicle seat was reported, because this could not be permanently repaired immediately the crew were provided with a spare appliance to use operationally.

The issue of staffing levels within Workshops has now been rectified and following the completion of a probationary period in September 2017, a further Technician will be added to the call out rota to cover the deficiency.

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

Project Description	Aims	Performance Status	Comments
HR/Payroll System and Services		<p style="text-align: center;">Amber</p>	<p>22 August 2017:</p> <p>The status of the project remains Amber due to the previous project costs over-run. This cannot be ameliorated.</p> <p>Stage 1 of the HR and Payroll Project is coming closer to completion; the workbench sickness app has been launched but is currently experiencing some technical issues. These are being worked on. Though there are still a good number of post implementation mop-up tasks to complete, only 6 are high priority. Developer testing for the synchronisation process is underway, which when completed in September will allow Grey Book holidays to be launched in iTrent. Synchronisation for Maternity/Paternity/Adoption and other special leave will follow. Entitlements are being monitored and checked to ensure the system is functioning as expected, and any anomalies corrected.</p> <p>Staff losses are a cause for concern, as the Payroll Manager moves from her full time post to a part-time Payroll Project Management role in early September, the Systems Integration & Reporting person leaves the Service on 25 August, and the HR Adviser leaves the Service on 21 September. Recruitment is underway to replace the latter two posts, and both these members of staff are busy documenting the workflow, batch and reporting processes that they have developed, to ensure business continuity.</p> <p>The Payroll team have also been documenting the iTrent procedures since the July pay run and now feel much more confident in processing payrolls. There is also a requirement to complete documentation for Workbench, particularly any dependencies in the software on the MIS database (so that these can be amended for the replacement rota system); this will be addressed shortly.</p> <p>The retirement planning report for FPS members is being combined with the workforce planning chart, and this will shortly be handed over for use in business as usual.</p> <p>It is still expected that Stage 1 of the project can be formally signed off as complete at the end of September / early October.</p>

Project Description	Aims	Performance Status	Comments
Business Process Improvement, cont...		Amber	<p>problems have been undertaken and communication is ongoing to progress to full capacity.</p> <p>22 August 2017: Community Safety Activities App</p> <p>The first phase was completed successfully according to the original specifications, and the app is in BaU use by the Community Safety Team. No further development has taken place for the enhancements requested as all relevant resources have been fully engaged on other work of higher priority. Further work on scheduling of workloads will seek to address this over the next 6-7 weeks which will turn the status back to Green</p>
Telephony System Replacement (Unified Comms) <small>Page 39</small>	Replacement of existing business Telephony system, to a network (VOIP) system. This will provide unified communications for voice and data. Users will be able to access the same facilities on desk phones and computers. This excludes Control Room Comms (ICCS and Mobs).	Green	<p>14 August 2017:</p> <p>The network impact assessment is underway and initial results look good. Recommendations from the user profiling workshops are being produced by the supplier. New servers are due to be provisioned next week.</p>
Community Defibrillators	Sponsor and deliver community located defibrillators.	Green	<p>14 Aug 2017:</p> <p>BFRS continues to support the deployment of community defibrillators through the match funding scheme.</p> <p>Since the last update 3 further defibrillators have been ordered and are currently awaiting collection. Another defibrillator for Turvey is likely to be</p>

Project Description	Aims	Performance Status	Comments
			<p>requested in the next few weeks.</p> <p>All of the original 2013 sites have now had their 4 year battery and pads replaced.</p>
<p>Desktop Refresh (VDI)</p>	<p>All principle business systems will be packaged onto the Virtual Desktop server. Users to receive their virtual desktop from a central Server. The aim is to improve flexibility of working location, optimise data flows on the networks, increase resilience, reduce desk-side technical support by removing physical PCs, and provide the facility to stream good quality video.</p>	<p>Amber</p>	<p>14th August 2017: VDI migrations for users on the base build are nearly complete. Work continues on getting Great Plains, Cohort and a PDF editor ready for use within VDI.</p> <p>Due to the complexity of virtualising the remaining applications, and capacity issues within the server team (recruitment has only just completed to fill two vacant posts), the project is slightly outside tolerance in terms of timing. Almost 90% of users who can be migrated have been, and the remaining users are dependent on completion of the applications mentioned above.</p>

SUMMARY OF CORPORATE SERVICES PERFORMANCE 2017/18 – QUARTER 1

Information and Communications Technology									
Measure				2017-18 Quarter 1					
No.	Description	Aim	Full Year Target	Five Year Average	2016-17 Q1	Q1 Actual	Q1 Target	Performance against Target	Comments
IM1	The Number of Incidents on Mission Critical services resolved within 1 Hour	Higher is Better	80%	100.00%	100.00%	100.00%	80%	Green	25% better than target
IM2	The Number of Incidents on Business Critical services resolved within 2 Hours	Higher is Better	96%	88.89%	77.78%	100.00%	96%	Green	4% better than target
IM3	The Number of Incidents on Business Operational services resolved within 4 Hours	Higher is Better	90%	87.70%	77.40%	98.00%	90%	Green	9% better than target
IM4	The Number of Incidents on Administration Services resolved within 8 Hour	Higher is Better	90%	84.20%	76.40%	92.00%	90%	Green	2% better than target
AV1	Core ICT services availability	Higher is Better	97%	93.00%	86.00%	100.00%	97%	Green	3% better than target
AV2	Business Applications Availability	Higher is Better	97%	99.72%	99.73%	99.70%	97%	Green	3% better than target

Notes:

- The comments column on the right hand side shows a comparison of actual against target as a percentage, it should be noted that all targets are represented as 100% and the actual is a percentage of that target.

Fleet & Workshops

Fleet & Workshops									
Measure			2017-18 Quarter 1						
No.	Description	Aim	Full Year Target	Five Year Average	2016-17 Q1	Q1 Actual	Q1 Target	Performance against Target	Comments
WS1a	Grade A Defect Response Time (within 1 hour)	Higher is Better	90%	96%	100%	82%	90%	Amber	Missed target by 9%
WS1b	Grade A Defect Response Time (within 2 hours)	Higher is Better	95%	98%	100%	93%	95%	Amber	Missed target by 2%
WS2a	The percentage of time when Rescue Pumping Appliances were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)	Lower is Better	5%	2.05%	1.97%	2.73%	5%	Green	45% better than target
WS2b	The percentage of time when Aerial Ladder Platforms & SRU were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)	Lower is Better	5%	3.58%	3.55%	2.73%	5%	Green	45% better than target
WS2c	The percentage of time when other operational appliances were unavailable for operational use due to an annual service, defect or other works. (Turnaround Time)	Lower is Better	3%	0.37%	0.40%	0.30%	3%	Green	90% better than target
WS4	The number of hours as a percentage the appliance is unavailable for operational response in the reporting period, other than for the time measured under the turn-a-round time. (Idle time)	Lower is Better	2%	0.89%	1.12%	0.69%	2%	Green	66% better than target
WS5	The total time expressed as a % when ALL Appliances were available for operational use after the turn-around time and idle time are removed from the total time in the reporting period.	Higher is Better	93%	97.66%	97.47%	97.66%	93%	Green	5% better than target

Fleet & Workshops Cont.									
Measure				2017-18 Quarter 1					
No.	Description	Aim	Full Year Target	Five Year Average	2016-17 Q1	Q1 Actual	Q1 Target	Performance against Target	Comments
WS6	Annual Services undertaken	Higher is Better	97%	100%	100%	100%	97%	Green	3% better than target

Finance									
Measure				2017-18 Quarter 1					
No.	Description	Aim	Full Year Target	Five Year Average	2016-17 Q1	Q1 Actual	Q1 Target	Performance against Target	Comments
FNP3	% of Routine Financial Reports Distributed Within 6 Working Days of Period end closure	Higher is Better	90%	99.80%	100%	100%	90%	Green	11% better than target
FNP5	Percentage of Uncontested Invoices Paid Within 30 days	Higher is Better	97%	95%	96%	96%	96%	Green	Missed Target by 1%
FNP6	Percentage of Outstanding Debt Over 90 Days Old	Lower is Better	1.5%	2.53%	1.54%	5.43%	2.5%	Red	Missed target

SUMMARY OF CORPORATE SERVICES PERFORMANCE 2016/17 QUARTER FOUR (YEAR END)

Property							
Measure				2016-17 Quarter 4			
No.	Description	Aim	Full Year Target	2015-16 Benchmark	2016-17 Outturn	Performance against Target	Comments
Pr01	Total Electricity Consumption (Kwh)	Lower is Better	n/a	1153735	1113167	Green	4% better than target
Pr02	Total Gas Consumption (M ³)	Lower is Better	n/a	209250	161772	Green	29% better than target
Pr02	Total Water Consumption (M ³)	Lower is Better	n/a	7940	7235	Green	10% better than target

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 8

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

SUBJECT: NEW INTERNAL AUDIT REPORTS

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers: RSM Strategy for Internal Audit
Bedfordshire Fire Authority 2017/18 to 2019/20

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 present the report on internal audits completed since the last meeting of the Corporate Services Policy and Challenge Group.

RECOMMENDATION:

That Members receive the attached internal audit report and endorse the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report.

1. Background

1.1 Internal audits are completed in accordance with the Internal Audit Annual Plan agreed by the Audit and Standards Committee.

1.2 Each internal audit report details:

- the specific audit conducted,
- the scope of the audit,
- an assessment of the controls in place to manage the relevant objectives and risks,
- the auditors recommendations and priority of these, and
- an action plan which has been agreed with the appropriate Functional Head and approved by the relevant Principal Officer for incorporation into the Audit and Governance Actions Monitoring report.

1.3 All internal audit reports are presented to the appropriate Policy and Challenge Group for endorsement of the actions arising.

2. Internal Audit Reports

2.1 The Appendix A to this report presents the internal audit reports on:

- Procurement – Tendering (completed on 9 June 2017; report finalised on 2 August 2017 (Appendix A). Conclusion: Green – Substantial Assurance.

2.2 The actions arising from the above audits will be incorporated as ‘new’ actions within the Audit and Governance Actions Monitoring Report in November 2017 for on-going monitoring by the Policy and Challenge Group.

2.3 Any slippage or other exceptions arising will also be reported to and monitored by the Audit and Standards Committee.

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

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BEDFORDSHIRE FIRE & RESCUE AUTHORITY

Procurement - Tendering

FINAL

Internal audit report: 1.17/18

2 August 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept
no responsibility or liability in respect of this report to any other party.



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Debrief held	9 June 2017	Internal audit team	Daniel Harris, Head of Internal Audit
Draft report issued	7 July 2017		Suzanne Rowlett, Senior Manager
Responses received	27 July 2017		Anand Mistry, Assistant Manager
			Abbas Sayyed, Lead Auditor
Final report issued	2 August 2017	Client sponsor	Gavin Chambers, Head of Finance and Treasurer
		Distribution	Gavin Chambers, Head of Finance and Treasurer
			Andrew Potter, Procurement Manager

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Management actions for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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1 EXECUTIVE SUMMARY

1.1 Background

As part of Bedfordshire Fire and Rescue Authority's approved internal audit plan for 2017/18, a review was conducted on the Service's procurement process, this included how goods and services are tendered for.

The Service uses the Bluelight e-Tendering Portal in order to manage the procurement process. Contracts over a certain limit are subject to the Official Journal of the European Union (OJEU) regulations; this includes a requirement for an open invitation via contracts finder which is a Government website. Tendering limits and the procedure for each limit are detailed within the Procurement Policy.

As part of this audit, we reviewed the MIS Community Safety Re-tender (£100k estimated value) as identified by the Service for particular assurance due the complexities faced within the process. We selected a further two tenders for review:

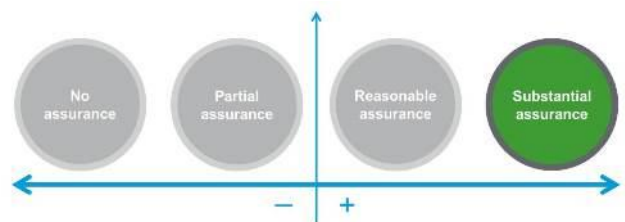
- Supply of Meat Provisions (£19.5k estimated value); and
- Commercial Catering Equipment Maintenance (£14.5k estimated value).

1.2 Conclusion

The testing undertaken during this review identified no major weaknesses with the design and application of the control framework which expose the Authority to significant risks. However, issues were identified with the application of the tender requirements and the design of the control framework for managing conflicts of interest.

Internal audit opinion:

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and operating effectively.



1.3 Key findings

The key findings from this review are as follows:

We reviewed the Procurement Policy and Contract Procedures and confirmed that they adequately detailed key aspects of the procurement process such as the tendering limits and the minimum number of quotations/tenders within each limit. The Policy was approved by Audit and Standard Committee in March 2016 and was available to staff via the intranet.

For the sample of three tenders selected, we reviewed the procurement process and confirmed the following:

- Discussions were held prior to deciding to tender the service in order to identify potential alternate methods for the service to be delivered;

- Invitation to Tenders (ITT) were drafted and sent out to potential bidders through contracts finder. We confirmed that the ITT detailed the deadlines of the procurement process along with the Most Economically Advantageous Tender (MEAT) criteria and weighting to be used within the tender;
- An appropriate number of responses were received in line with the procurement policy from potential bidders for two of the contracts reviewed. We found that the MIS Community Safety Re-tender only received responses from three bidders which was less than the five required as per the policy. We found that approval for this had not been requested through the Procurement Exemption (Waiver) Procedures, the Authority will update the procedure to make this requirement clearer and we have agreed a **low** priority management action to address this;
- Responses were collated and evaluated using the MEAT criteria for each tender;
- Further clarification points are sent back to potential bidders and responses are updated within the evaluation matrix. Specifically for the MIS Community Safety Tender, scenario testing was carried out and further questions posed for clarification. Each bidder was then scored for each criteria leading to an overall score;
- A Tender Evaluation report was produced recommending the highest scoring bidder, which was approved by the Head of Finance and Treasurer;
- Due diligence was carried out, where applicable, in line with the procurement policy; and
- Contracts were agreed by both parties in a timely manner for the MIS Community Safety. We confirmed that the contracts included clauses for variations. Contract management also forms a part of the contract and details implementation, reporting and review meetings regarding the system. Standard Terms of Reference were agreed by both parties for the remaining tenders sampled.

We also confirmed that potential bidders are requested to declare any conflicts of interests within the Tender Information Document. However, an issue we noted was that there is currently no formal process for all staff members involved within the procurement process to declare any conflicts of interests. We were informed by the Procurement Manager that where conflicts have been identified, appropriate safeguards are put in place to mitigate the conflict; however, this is a reactive process rather than a proactive process. Therefore, there is a risk that conflicts may distort the competition and impact on the fairness of the exercise. Due to this, we have agreed a **low** priority management action.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The action plan at section two details the specific actions agreed with management to implement.

Area	Control design not effective*		Non Compliance with controls*		Agreed actions		
	Low	Medium	High	Low	Medium	High	
Procurement	1	(7)	2	(7)	2	0	0
Total	2	0	0	0	0	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Area: Procurement								
1.1.3	The Procurement Policy sets of the limits regarding the procurement process as follows: <ul style="list-style-type: none"> Orders up tot £2,000 - principles of best practice are followed; Orders from £2,000 up to £10,000 - a minimum of three written quotations are required; 	Yes	No	For the MIS Community Safety Tender, the aggregated value of the tender was estimated to be £100,000 over a five year period with £70,000 over the first year. Upon review of the evaluation matrix, we found that three bidders supplied responses and therefore it did not receive the minimum of five as stated within the policy. <p>Although we confirmed that more than five suppliers were sent tender invitations through contracts finder, compliance with the procurement</p>	Low	The Procurement Policy and Contracts Procedures Promulgation should be amended to reflect that, where the minimum number of bidders has not been received, the Tender Evaluation Report should explain this and the authorising managers should confirm whether or not this has compromised the validity of the tender and the	31/08/17	Procurement Manager

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<ul style="list-style-type: none"> Orders from £10,000 up to £50,000 - minimum of three quotations or tenders being undertaken and managed through the e-tendering portal; Orders from £50,000 to the Official Journal of the European Union (OJEU) threshold - five tender responses needed and managed through the e-tendering portal; Orders exceeding the OJEU threshold require the full OJEU tendering process and varying numbers of tender submissions based on their value. 			<p>policy was not met as this stipulates that five responses are required.</p> <p>The policy includes a provision for Procurement Exemptions (Waiver) which explains that approval is needed where the minimum requirements are not met. Where the requirement is publically tendered it should be acknowledged that it may not always be possible to obtain the number of bids required by the procedures because of the specialist nature of the market. This is covered in the Tender Evaluation Report which is signed by the Budget Holder, Procurement and Finance. This process gives any signatory the opportunity to prevent the award of the contract if it is felt that there has not been a sufficiently competitive process thus compromising the achievement of value for money.</p> <p>It is not considered by the Authority to add value to the process to produce a waiver to confirm this and therefore the policy will be updated to make the requirements clear.</p> <p>No issues were identified in the remaining two procurements sampled.</p>		achievement of value for money.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
1.1.6	<p>The identification of potential conflicts of interest for staff is currently not included as part of the procurement process.</p> <p>Conflicts of interests are dealt with as and when they are identified; however, there is no formal process in order to identify these within a procurement exercise.</p> <p>Budget Holders are required to declare any conflicts of interests on an annual basis.</p> <p>This also requires them to inform the Authority any conflicts which have arisen throughout the year, however, this may be after a key event where a conflict has arisen.</p> <p>In addition, this does not include other staff involved in the procurement process.</p>	No	No	<p>Through discussions with the Procurement Manager, we were informed that Budget Holders are required to declare any conflicts of interests on an annual basis, and inform the Authority of any conflicts arising through the year.</p> <p>However, we found that other members of staff involved with the procurement process are not required to declare any conflicts.</p> <p>Through discussion with the Procurement Manager, we were informed that the evaluation matrix is also independently reviewed by the procurement team and the financial details are not given to those assessing the qualitative aspects of the bids in order to provide a segregation of duties.</p> <p>Although these form a partially compensating control there is a risk that the Authority fails to identify and manage the conflicts of interest of all staff involved in line with the Public Contract Regulations 2015.</p> <p>The Public Contract Regulations 2015 states that 'Contracting authorities shall take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to</p>	Low	<p>A formal process will be devised in order to identify, register and manage conflicts of interests for each procurement exercise.</p> <p>Where conflicts are identified, they will be reviewed by senior staff and the safeguarding decisions will be clearly recorded.</p>	31/08/17	Procurement Manager

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
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avoid any distortion of competition and to ensure equal treatment of all economic operators.'

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following areas:

Objectives of the area under review

To ensure that value for money is achieved through the robust procurement of good and services

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

The Authority regularly undertakes procurement exercises for goods and services; these are managed through the Bluelight e-tendering portal. This review will examine the policies, procedures, documentation, and the e-tendering process in relation to the MIS Community Safety tender and other procurements. We will seek to establish if:

- Procurement Policies & Procedures have been reviewed, approved and communicated to staff. This includes ensuring that the framework includes the Bluelight e-tendering portal, and the Authority's requirements for fairness and transparency.
- The procurement was linked to the Authority's strategy and the Authority considered appropriate alternative ways to deliver the service.
- Sufficient organisations were invited to tender in line with the policy and procedures.
- Selection criteria was defined and applied in line with the policy and procedures.
- Tenders were controlled within the Bluelight e-tendering portal, includes how they were opened in accordance with the procurement procedures.
- A formal evaluation and decision-making process had taken place in line with the policy and procedures.
- The contract was awarded to the bidder that scored the highest in relation to quality, costs and value for money as part of the evaluation exercise. Where this was not the cases, an appropriate justification and authority was received and documented.
- Sufficient due diligence was undertaken on the bidders in line with the policy and procedures.
- Potential conflicts of interest were identified and considered throughout the process. This includes the conflicts held by the staff involved in the process and the conflicts of potential service providers.
- A service specification and contract have been put in place and signed by both parties.
- The service specification and contract set out the service as tendered with appropriate controls held to manage variations.
- Adequate contract management arrangements were stipulated in the contract.

Limitations to the scope of the audit assignment:

- Our review will seek to provide assurance that the procurement processes in respect to the chosen contract were appropriately conducted, that the selection criteria was clear and robust.
- We will not comment on the security of information stored on the Bluelight e-tendering portal.
- We will not provide a specific opinion on whether value for money was achieved through the procurement process.
- Our review will not comment on the appropriateness of the technical specification of the contract.
- We will not seek to guarantee any cost savings.
- We have only sampled tenders and not where quotes only are required.
- We will not review the individual tender submission documents.
- We will not review the contract management arrangements as part of our review
- Our testing will be compliance based and sample testing only.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit:

- Andrew Potter, Procurement Manager

Documentation reviewed during the audit:

- Procurement Policy and Contract Procedures
- Audit and Standards Meeting Minutes, March 2016
Replacement MIS for Prevention and Protection Project Board Meeting Minutes
- MIS Replacement Paper to CMT, March 2017
- Supply of Meat Provisions – ITT
- MIS Community Safety – ITT
- Commercial Catering Equipment Maintenance – ITT
- Supply of Meat Provision Tender Evaluation Report
- Commercial Catering Equipment Maintenance Tender Evaluation Report
- MIS Community Safety – Tender Evaluation Report
- MIS Community Safety – TID
- Supply of Meat Provision – TID
- Commercial Catering Equipment Maintenance – TID
- MIS Community Safety Contract
- MIS Community Safety - Licence & Maintenance Agreement

Benchmarking

We have included some comparative data to benchmark the number of management actions agreed, as shown in the table below. In the past year, we have undertaken a number of audits of a similar nature in the sector.

Level of assurance	Percentage of reviews	Results of the audit
Substantial Assurance	17%	
Reasonable Assurance	36%	✓
Partial Assurance	45%	
No Assurance	2%	
Management actions	Average number in similar audits	Number in this audit
	5	2

FOR FURTHER INFORMATION CONTACT

Suzanne Rowlett – Senior Manager

Suzanne.Rowlett@rsmuk.com

+44 (0)7720 508148

Anand Mistry – Assistant Manager

Anand.Mistry@rsmuk.com

+44 (0)7800 617357

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For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 9

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

SUBJECT: AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

Background Papers:

- Action Plans contained in Internal and External Audit Reports
 - Action Plan contained in the Annual Governance Statement 2015/16
 - Minutes of the Audit Committee dated 5 April 2012
-

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 progress made to date against current action plans arising from internal and external audit reports and from the Fire Authority's 2015/16 Annual Governance Statement.

RECOMMENDATION:

That Members acknowledge progress made to date against the action plans and consider any issues arising and endorse the recommendation to extend the completion date.

1. Introduction

- 1.1 The Members of the Audit and Standards Committee previously endorsed that the Committee should receive monitoring reports at each of its meetings advising of progress against current action plans arising from internal and external audit reports, and the Authority's Annual Governance Statement.
- 1.2 In their meeting on 5 April 2012, Members of the Audit and Standards Committee agreed that progress on the action plans be reported to each meeting of the appropriate Policy and Challenge Group and action point owners report progress by exception to the Audit and Standards Committee. This is the second report to the Corporate Services Policy and Challenge Group for the year 2017/18.

2. Monitoring Report of Actions Arising from Internal and External Audit Reports

- 2.1 The monitoring report of progress made to date against agreed actions arising from internal and external audit reports is attached as Appendix A.
- 2.2 The monitoring report covers, in order, the following:
 - Outstanding actions from internal and external audit reports, including those reports received during 2017/18 and those from previous years, which have a proposal to extend the original completion date.

- Outstanding actions from internal and external audit reports, including those reports received during 2017/18 and those from previous years, which are on target to meet the original or agreed revised completion date.
- Completed actions which are subject to a subsequent or follow up audit. These will remain on the report until this follow-up audit is completed.
- Completed actions that are of a Low risk and do not require a follow-up audit. These will be removed from the report once they have been reported as completed to the Policy and Challenge Group.
- Any actions that have been superseded by new actions. (Actions are removed from the report once they have been reported as superseded to the Policy and Challenge Group.)

2.3 There are no requests to extend the original completion date.

3. Monitoring Report of Actions Arising from the Authority's Annual Governance Statement

3.1 The monitoring report of progress made to date against actions arising from the Authority's Annual Governance Statement is attached as Appendix B.

3.2 The monitoring report covers the actions within the 2015/16 Annual Governance Statement (if applicable) which was formally adopted by Members of the Audit and Standards Committee, on behalf of the Authority, at their meeting on 7 September 2016, as part of the 2015/16 Statement of Accounts.

3.3 There are no requests to extend the original completion date.

4. Priority Grades

- 4.1 The Service Audit Outcomes in Appendix A have a priority grading system. The table below explains the key to the priority grades:

RSM (formerly Baker Tilly & RSM Tenon)	High	Recommendations are prioritised to reflect RSMs assessment of risk associated with the control weaknesses.
	Medium	
	Low	

5. Organisational Risk Implications

- 5.1 The actions identified within internal and external audit reports and the Annual Governance Statement represent important improvements to the Authority's current systems and arrangements. As such, they constitute important measures whereby the Authority's overall management of organisational risk can be enhanced.
- 5.2 In addition, ensuring effective external and internal audit arrangements and the publication of an Annual Governance Statement are legal requirements for the Authority and the processes of implementation, monitoring and reporting of improvement actions arising therefore constitute an important element of the Authority's governance arrangements.

ZOE EVANS

ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
RM 1.1 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New The Corporate RM Policy and RM Service Order did not cover key areas, such as the roles and responsibilities of key staff.	The new Service Assurance Framework Policy has been reviewed and amended. This will be sent out for consultation prior to publication. the consultation period will be complete the end of October 2017.	Original Dec 17	In Progress
RM 1.2 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New Key fields had not been included in the Corporate Risk Register, such as mitigating controls.	The corporate risk register contains two fields Inherent and residual. The Inherent risks are calculated without actions to implemented to control the risk. The residual risk is calculated with actions placed to control or mitigate risk to the service. Actions assigned to treated risks act as control measures to further reduce the risk to the service.	Original Dec 17	Completed – Subject to follow up audit
RM 1.3 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New A number of issues were found with the content of the Corporate Risk Register, for instance, a number of actions did not have responsible owners or due dates, and others were found to be significantly overdue.	All risks have been reviewed and have been assigned responsible owners. Due dates have been reviewed with the actions either completed or extended, with a detailed explanation why changes have been made.	Original Sep17	Completed – Subject to follow up audit
RM 1.4 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	New Risk scores were not being actively revised in line with assurances and updates against risks.	All risks are reviewed monthly by the responsible owner. This includes risk score, actions, completion dates and review statements to the Fire Authority Policy and challenge Groups.	Original Sep17	Completed – Subject to follow up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)**

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
GOV 1 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of projects, Safety and Business Support	Low	New Going forward, the Authority will document any reviews carried out on the Standing Orders.	Any future reviews carried out on the Standing Orders will be documented on the Standing Orders to confirm the date of the review	Original Mar 17	Completed – No follow up audit required
GOV 2 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	New BFRS already publish a Contracts register containing details of contracts over £5,000 together with all transparency criteria. For any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000 the service will include the following information: reference number title of agreement local authority department responsible description of the goods and/or services being provided supplier name and details sum to be paid over the length of the contract or the estimated annual spending or budget for the contract <ul style="list-style-type: none">• Value Added Tax that cannot be recovered• start, end and review dates• whether or not the contract was the result of an invitation	Completed, this is now included on the web page under Transparency.	Original Apr 17	Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)**

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
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				to quote or a published invitation to tender whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector.			
GOV 3 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Low	New The Authority will add a Unique Property Reference Number and a unique asset identity for each of the assets.	Completed, these are now included with the property details on the web under Transparency. These were originally included, however I was then advised to remove them, so they have been reinstated.	Original Mar 17	Completed – No follow up audit required
GOV 4 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	New The Authority will publish on an annual basis all Grants to voluntary, community and social enterprise organisations.	These are now on the web under Transparency.	Original Apr 17	Completed – To be confirmed by follow up audit
GOV 7 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of projects, Safety and Business Support	Medium	New The Authority will publish the following information relating to fraud: <ul style="list-style-type: none"> total amount spent by the authority on the investigation and prosecution of fraud total number of fraud cases investigated. 	These are now on the web under Transparency.	Original Jun 17	Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)**

APPENDIX A

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
FC (16/17) 1.1	RSM Follow up May 17: Final Report (16/17)	Fuel Cards Head of Operational Suppo	Low	New The Authority to undertake a review of the consistency and effectiveness of fuel reserve control activities to ensure these are effective and embedded, taking advantage of appropriate technologies to reduce manual systems. This should include 1. recording (logs), monitoring and historical data, 2. periodic fuel checks or meter readings; 3. reconciliation of records to the total quantity of fuel held; 4. appropriate investigation and escalation of discrepancies.	The Authority will ensure those RDS Stations that are not yet submitting electronic records will do so to ensure recording is consistent across different sites of the Authority.	Original Mar 17	Completed – No follow up required
KFC (16/17) 3.1.2	RSM Feb 17: Final Report (16/17)	Key Financial Controls Head of Finance and Treasurer	Medium	The Authority will ensure that any requests for sales invoices or credit notes to be raised are authorised by the requesting manager or the Chief Accountant / Head of Finance and reflect this in the policies & procedures.	This has been added to the policy/procedure.	Original Dec 17	Completed – To be confirmed by follow up audit
SI (16/17) 1.2	RSM Dec 16: Final Report (16/17)	Stock and Inventory Head of Operational Support	Medium	The Technical Support Manager will ensure stock is located and organised according to the space available to stores. Larger items may be stored externally away from stores due to available space. A review of all OP numbers will take place to ensure they relate	Stock take now completed, action complete.	Original Mar 17	Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)**

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
				<p>to the correct item and the correct shelf space.</p> <p>The Technical Support Manager will ensure an interim stock take is performed on all stock held by the Technical department to ensure accuracy. This exercise will also ensure that stock is organised in a manner which will enable ease for future counts</p>			
FM (16/17) 2	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	High	<p>BFRA will update the repair and maintenance Policy and health and safety Policy to include a requirement for monthly reviews of the logbooks to ensure these are being completed in line with the policy. The logbooks will be updated to include a section where signoff can be included evidencing routine review of the logbooks to ensure they are being satisfactorily completed. The reviewer will also complete random monthly checks of the random sample vehicle to ensure the checks are being completed properly.</p> <p>Ancillary vehicles used as pool cars will be assigned an individual who checks the logbook every week and if the car has not been taken out will carry out the checks and update the logbook.</p>	Workshops have now got a full complement of staff, the assistant workshop technician will now check all pool vehicles on a Monday and record the inspection details on a job card.		Completed – To be confirmed by follow up audit

**Monitoring Report of Actions Arising from Audit Reports
(incorporating any actions outstanding at 31 March 2017 from earlier reports)**

URN	Auditing Body & Source	Audit Area and Responsible Manager	Priority	Agreed Action	Progress Report to Date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
FM (16/17) 5	RSM Nov 16: Final Report (16/17)	Fleet Management Head of Operational Support	Medium	BFRA will ensure that a random monthly Freight Transport Agency (FTA) inspection is carried and documented as per the policy.	Freight Transport Agency (FTA) inspection inspections have now taken place on a monthly basis for 2017.	Original Jan 17	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
1	Medium Term Budget/CRMP	Assurance Statements	Following the receipt of the four year funding deal, to review/consider and if appropriate sign up to this. The medium term funding gap still needs addressing for year 2020/21.	The FRA approved the 2017/18 budget on 9th February 2017. A budget gap remains in the medium term, but currently not until 2021/22. We await to see how the funding changes from April 2020 will impact the Authority.	Feb 2017	Completed

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
2	Review of Authority Effectiveness	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process.	<p>A Form of review of the FRA's Effectiveness Questionnaire was agreed and completed by Members at a facilitated meeting on 27 January 2016. On 17 March 2016, the Audit and Standards Committee considered the outcome of the Review, including any identified areas for improvement, and agreed performance objectives for the coming year.</p> <p>The 2015/16 Review of the FRA's Effectiveness and Action Plan for 2016/17 was agreed by the FRA on 19 April 2016 for inclusion in the FRA's Annual Governance Statement, which was agreed to be part of the 2015/16 Statement of Accounts.</p> <p>Proposals for the review of the Fire and Rescue Authority's effectiveness in 2016/17 was agreed at the Audit and Standards Committee on 7 September 2016 namely:</p> <p>Policy and Challenge Groups and Committee reviewed their effectiveness by considering three overarching questions to feed into the FRA Review of Effectiveness; and</p> <p>FRA Members were requested to complete a revised questionnaire for a facilitated annual review of the Fire Authority on 17 January 2017.</p> <p>The Review of Effectiveness carried out by the Policy and Challenge Groups, Audit and Standards Committee and from the facilitated annual review on 17 January 2017 was considered by Audit and Standards Committee on 16 March 2017. The effectiveness of each of the Policy and Challenge Groups and this Committee had been structured around a standard set of three questions, rather than a full questionnaire as had been used in previous years.</p>	Mar 2017	Completed

Monitoring Report of Actions Arising from 2015/16 Annual Governance Statement (incorporating any actions outstanding from the 2014/15 Annual Governance Statement)

No	Issue	Source	Planned Action	Progress to date	Timing For Completion	Status ('Not Started', 'In Progress' or 'Completed')
2	Review of Authority Effectiveness (Cont.....)	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process	All actions from the 2015/16 Review of Authority Effectiveness Action Plan to be completed during 2016/17 and formally reviewed by Members as part of the following year's process.	It was agreed at the meeting on 16 March 2017 that the 2016/17 Review of Effectiveness and the associated action plan be recommended for approval and incorporated into the Annual Governance Statement by the Fire and Rescue Authority on 27 April 2017.	Mar 2017	Completed

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For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No.10

REPORT AUTHOR: HEAD OF ICT & IMPROVEMENT

SUBJECT: ANNUAL REVIEW OF THE OPERATION OF THE ICT SHARED SERVICE AGREEMENT

For further information on this Report contact: Amrik Dosanjh
Head of ICT & Improvement
Tel No: 01234 845015

Background Papers: ICT Shared Service Governance Board Schedule 4 Agreement (Appendix A)

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 the outcome of the annual review of the operation of the ICT Shared Service Agreement (Schedule 4) for the period 01 April 2015 to 31 March 2016, undertaken by the Head of ICT BFRS, Head of ICT CFRS and ICT Shared Service Manager.

RECOMMENDATION

That Members consider the outcomes of the third annual review of the operation of the ICT Shared Service Agreement and note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus and the need to review the structure and capacity of the function.

1. Background of the ICT Shared Service

- 1.1 On 22 October 2013 Bedfordshire Fire and Rescue Authority authorised the completion of an ICT Shared Service Agreement for a term of five years. This agreement was made on 31 October 2013, included establishing an ICT Shared Service Governance Board to provide oversight and management control of the services delivered to both Bedfordshire Fire & Rescue Service (BFRS) and Cambridgeshire Fire & Rescue Service (CFRS).
- 1.2 The ICT Shared Service Governance Board meets on a monthly basis to consider and oversee the quality and delivery of services, consider prioritisation and new work streams. The Board consists of Assistant Chief Officer (BFRS), Deputy Chief Executive (CFRS) and Head of ICT from both services as well as ICT Shared Service Delivery Manager.

2. ICT Shared Service Agreement and Review

- 2.1 The ICT Shared Service Agreement sets out the scope of the service and includes amongst others the arrangements for accommodation, an asset register, costs and liabilities, insurance, staffing, finance and intellectual property.
- 2.2 The Agreement requires the establishment of an ICT Shared Service Governance Board and Schedule 4 of the Agreement sets out the functions and powers of the Board. A copy of Schedule 4 to the Agreement is shown at Appendix A.

- 2.3 Schedule 4 also requires that an annual review of the operation of the Agreement is carried out. The review is passed to the ICT Shared Service Governance Board and subsequently reported to the structures in each Fire and Rescue Authority accordingly.
- 2.4 The ICT Shared Service Governance Board established the first of such reviews covering the period 31 March 2014 to 1 April 2015 which followed the ICT Shared Service from its transition phase under the governance of the Board and through its first year of operation.
- 2.5 The second review considered the second year of the ICT Shared Service operations from 1 April 2015 to 31 March 2016.
- 2.6 This report to you puts forward the summary of the review for the third year covering 1 April 2016 to 31 March 2017.
- 2.7 The review covers the following areas as set down in Schedule 4 of the Agreement:
- The quality of the Shared Service;
 - The effectiveness of budgetary and financial management arrangements;
 - The effectiveness of systems, processes and procedures;
 - Development in legislation and policy guidance;
 - Planning for the development of the Shared Services.
- 3. Progress of points raised from Corporate Services Policy and Challenge Group 14 September 2016**
- 3.1 The second report of the Annual Review of the Operation of the ICT Shared Service Agreement covering the period to 1 April 2015 to 31 March 2016 gave rise to three queries which have progressed and are contained in the main body of this report. These were:
- a) Improvements were still required to the operation of the Service Desk, particularly in relation to the prioritisation of non-critical incidents, and these would be progressed during the year.

- b) A watching brief was being kept on the developments arising from changes to EU legislation on data protection for employees from other countries within the EU.
- c) An independent review of cloud readiness was also being jointly commissioned by both Fire Services.

3.2 In addition the second review also contained actions to be undertaken for the period of 1 April 2016 to 31 March 2017 the responses to which have been included in the main body of this report. These actions were;

- d) A customer satisfaction survey is to be undertaken towards the end of 2016/17.
- e) A technical tactical response to the respective ICT Strategies will be incorporated into the ICT Shared Service planning including resourcing models and structure and the outcomes of the 'Cloud Readiness' review.
- f) The ICT Shared Service Board continues its support for the Project Management role to ensure project work is appropriately planned, scheduled and capacity shortfalls identified early on and addressed appropriately

4. Executive Summary of the Review of Operations 1 April 2016 to 31 March 2017

4.1 The establishment of the ICT Shared Service and continued delivery as a shared environment has proven successful and identifiable improvements to the day to day ICT service provision and management of incident resolution in BFRS continues to achieve the original aims.

There are however, increasing challenges to achieve further improvements due to the ever increasing demands on ICT by both Services. Investigation is currently underway to establish resource requirements to adequately address Business Change projects and programmes which consume a large amount of ICT resources, whilst continuing to deliver and keep upto date with Business As Usual work requirements. Business As Usual work streams such as the efficient working of the technical environment composing of general maintenance, upgrades of software, security patches and replacement of aging equipment are less visible and take lower priority over visible business led projects, meaning they can suffer from de-prioritisation. The volume of resources required to service both these areas is being reviewed to ensure resource issues do not undermine improvements made in the technology infrastructure environment in recent years.

The review will examine the ICT Shared Service structure, capacity required, skills and facilities to ensure they adequately meets the needs of both Services.

5.0 The quality of the ICT Shared Service and progress towards its aims.

5.1 The quality of the ICT Shared Service was reviewed, including the extent to which the aims and outcomes of the ICT Shared Service had been met and the effectiveness of the shared services. The review considered the progress of the ICT Shared Service towards its business aims of improved customer focus, resilience, flexibility, service hours and quality of service as well as improving the operation of the Service Desk, including the prioritisation of non-critical incidents.

5.2. Customer Focus

A key aim was to embed Customer Focus within the ICT Shared Service as it had been previously identified as lacking, in surveys undertaken within both Services.

The Service Desk is considered pivotal to improving the customer focus of the ICT Shared Service by managing all incidents and communications with customers. The ICT Shared Service Catalogue outlines the levels of service that the ICT Shared Service should be striving to meet and the Service Desk monitors progress against these targets, keeping users up to date with progress.

There has been significant improvement within this area. This is supported by both the results of the customer surveys and also from written compliments received which have increased, particularly concerning the Service Desk and Support Team. Additionally feedback received by managers also supports the improvements in customer focus are being well received.

The tables on the following pages show the results of the customer surveys prior to the ICT Shared Service (2010) and since the ICT Shared Service (2014 & 2015 & 2017) for BFRS. The stated score is the average score for each question with possible answers in the range 1 – 7. The continued customer surveys addresses the action point from the last period.

These tables evidence the significant improvement in customer perception of the ICT service since its formation.

Indeed the user satisfaction in both Services is now in line with the upper quartile achieved by local authorities (108 in total) in 2010 of 5.37.

Annual Customer Survey Results

BFRS				
Question	2010	2014	2015	2017
The ICT Service is important to you	6.5	6.37	6.69	6.55
The ICT systems are available when you need them	4.4	4.49	4.95	5.12
The ICT systems are generally reliable	4.0	3.68	3.97	4.65
The speed of the ICT systems is acceptable	3.5	3.32	3.69	4.23
You have had sufficient ICT training	4.0	4.3	4.59	4.42
The ICT team responds to your problems quickly	4.3	4.08	4.63	5.48
The Service Desk keeps you informed of progress	4.9	4.11	4.66	5.41
The support from ICT meets your needs	4.2	3.94	4.46	5.20
ICT staff have a high level of technical competence	4.6	4.41	5.10	5.61
ICT staff are easy to contact when needed	4.0	3.81	4.48	5.25
ICT staff are able to diagnose problems accurately	4.7	4.24	4.96	5.59
ICT staff have helpful attitudes	4.9	4.86	5.7	6.06
You know what level of support to expect	5.1	4.38	4.79	5.66
ICT support is available when you need it	4.2	3.72	4.44	5.29
ICT effectively supports the FRSs strategic objectives	3.8	3.86	4.18	4.87

ICT provides you with accurate information	4.3	4.19	4.46	5.21
You have a good working relationship with ICT	5.1	5.09	5.65	6.02
Good communication channels exist with ICT	4.4	4.09	4.66	5.10
Your overall opinion of the quality of the ICT service	4.2	4.07	4.3	5.25
Your overall satisfaction with the ICT service	4.1	4.02	4.22	5.26
Average score	4.46	4.25	4.73	5.31

6.0 The effectiveness of budgetary and financial management arrangements.

6.1. The review included the effectiveness of arrangements to ensure appropriate monitoring of budgets and financial management of the ICT Shared Service.

A framework for accounting for time and costs is in place and end of year procedures for cross charging are undertaken and reviewed by the ICT Shared Service Board.

In order to ensure continued delivery of service and adequately support projects, existing staff resources have been augmented at times with agency staff for specialist skills or to cover vacancies. With the ICT market being more fluid than other professions use of agency staff is more common place, although an increase on salary cost, there is a reduction on leave, expenses and superannuation payments. The costs are monitored through the budget setting process.

6.2 Both partners in the ICT Shared Service have capital replacement programmes which are aligned particularly in respect to infrastructure renewals and contracts.

The in-year budget monitoring and the process of planning and budget setting for the forthcoming year are shared. The BFRS ICT Asset Management Plan feeds in to and takes into account work plans within the ICT Shared Services.

An asset inventory and joint contracts database is maintained for both Services. Opportunities for joint procurement continue to deliver benefits, including price advantages through economies of scale most recently in the Unified Communications project. Procurement is undertaken by BFRS and CFRS procurement teams through their respective controls and systems. Agreements are in place through these teams for one Service to lead and contract on behalf of the other where this is appropriate and beneficial. This arrangement is used for contracting, infrastructure maintenance, and printer contract arrangements, as well as ongoing contract management such as the Wide Area Network.

7.0 The effectiveness of systems, processes and procedures.

- 7.1 The review of the effectiveness of systems, processes and procedures confirms the work that has been conducted to align to ITIL which the industry best practise framework for managing ICT service delivery has provided benefits in improving incident management and resolution.
- 7.2 The flexibility of the ICT service overall has been increased through the introduction of the ICT Shared Service, largely by the pooling of the resources available to each Service. This enables better direction of available resources to address issues as required.

This has been evidenced by the incident management performance indicators for the ICT Shared Service detailed in the tables below that shows there has been significant improvement each year.

As part of the review of the ICT Shared Service, the ability to further increase resilience and flexibility of resource deployment will be examined.

Responded to Within SLA			
June 2014	January 2015	May 2016	March 2017
65%	88%	94%	95%

Fixed Within SLA			
June 2014	January 2015	May 2016	March 2017
55%	86%	91%	96%

The ICT Shared Service Board has oversight of ICT projects, ensuring opportunities for joint working are identified. This has ensured that the benefits of lessons learned are gained across sequential implementations improving both quality of implementation and effectiveness of projects. This was evidenced in the previous review through the implementation of the multifunction printing devices across both Services, the Microsoft Exchange upgrade and resilient network implementation. In this review the shared Virtual Desktop Infrastructure project has provided further evidence of the advantages of shared learning. BFRS have benefited from reduced procurement time and cost, reduced build and testing times, well planned roll out programme taking lessons learned from the CFRS rollout.

8.0 Development in legislation and policy guidance.

- 8.1 The Heads of ICT work with the ICT Shared Service Manager to identify and address developments in legislation and align policy to guidance. The supporting business functions from both organisations have provided policy guidance in respect to Financial, HR and Procurement regulations and changes in legislation.
- 8.2 Work has started within BFRS to address the requirements of the General Data Protection Regulations which will be required in 2018.
- 8.3 Investigations are underway to examine potential changes in policy and procedures for loss of IT equipment as well as password policies.

9.0. Planning for the development of the Shared Service.

9.1 The introduction of a Project Manager into the ICT Shared Service has enabled a clearer picture of the resource demands to be obtained. It is now clear that there are severe demands on the infrastructure team resources. Projects, timescales, BAU & resources will form part of the review.

9.2 There are notable project delivery successes which include;

- Successful outcome of Microsoft Audit, with limited licence adjustment required
- Co-responding alerting with Ambulance Service
- Phased alerting of Retained Duty Service
- Replacement Mobilising System implemented
- Data Mobilising via Mobile Data Devices
- MS Active Directory Upgraded
- VDI Roll out
- Assisting with joint use of premises by Police
- Implemented Mobile Device Management platform to manage mobile devices

9.3 To ensure the ICT Shared Service is able to meet the demands of the planned projects within each Service, capacity planning is undertaken regularly on a shared basis. This will be analysed in detail as part of the review of the ICT Service review.

9.4 Both partners have established organisationally focussed ICT Strategies which are underpinned by an ICT Shared Service Technical Response Plan. A joint independent initial review of 'Cloud Readiness' was undertaken during 2016 which showed for BFRS there were some potential benefits in adopting cloud technology. However further work is needed and will be undertaken to assess the viability in terms of costs versus benefits in adopting such technology.

The review showed for CFRS there was no cost benefit and as such taking in to account the skills required for managing and migrating to Cloud services would need to be led by BFRS only as no synergies in a shared service approach could be used.

10. Conclusion

The Review of the Operation of the ICT Shared Service Agreement demonstrated ongoing improvement in the aims of resilience, flexibility, cover and quality. However the improvements have been achieved with utilising agency staff at times and this has added to the overall cost to run the service. As demand continues to increase for ICT-led solutions to enhance delivery of our services to our communities and partners, this has placed severe pressures on resource demand and a review of capacity requirements is being undertaken to ensure ICT Shared Service continues to develop, maintaining security and quality of services, whilst delivering to each partner's medium term strategic programmes.

11. Recommendation

That Members consider the outcomes of the third annual review of the operation of the ICT Shared Service Agreement and note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus as well as the demands placed upon the function and the need to review the structure and resource capacity adequately.

AMRIK DOSANJH

HEAD OF ICT & IMPROVEMENT

1. ICT Shared Services Governance Board

1.1 Establishment

The Parties shall establish an ICT Shared Services Governance Board with the functions and powers set out in this Schedule. The Board will not be responsible for the day to day operation of the Shared Services, which will remain the responsibility of the ICT Service Delivery Manager.

1.2 Role

The Role of the ICT Shared Services Governance Board shall be to:

- 1.2.1 ensure that the ICT Shared Services is effective, efficient and resilient
- 1.2.2 agree the Budget for the following Financial Year in accordance with the budget setting process of each party
- 1.2.3 identify opportunities for innovation and improvement to the approach taken to delivering the ICT Shared Services in a way that is effective, efficient and provides value for money, whilst maintaining resilience and reviewing reports from the ICT Service Delivery Manager on how this may be achieved
- 1.2.4 seek further financial benefits which do not compromise the effectiveness and resilience of the ICT Shared Service
- 1.2.5 to ensure that an annual review of the operation of the Agreement is carried out, using information provided by both Parties to assess the delivery of the Shared Services and the provision of those services within budget. The Board shall consider and make recommendations, as appropriate, on the following matters:
 - i. the quality of the Shared Services, including the extent to which the aims and outcomes of the Agreement have been met and the effectiveness of the Shared Services;
 - ii. the effectiveness of budgetary and financial management arrangements;

- iii the effectiveness of systems, processes and procedures;
- iv. any developments in relevant legislation and policy guidance that may impact on the Shared Services
- v. forward planning for the development of the Shared Services

1.3 Responsibilities

In performing its role the ICT Shared Service Governance Board shall:

- 1.3.1 consider further opportunities for partnership working and synergies where this represents opportunities and benefits,
- 1.3.2 determine and ensure the sharing of the financial benefits relating to the ICT Shared Services on a fair basis between the Parties that minimises unnecessary costs,
- 1.3.3 review requests for change in relation to the Agreement,
- 1.3.4 receive and consider disputes where escalated to the ICT Shared Service Governance Board.

1.4 Membership

The ICT Shared Service Governance Board shall be comprised of the following representatives:

- 1.4.1 Principal Officer responsible for ICT from Cambridgeshire Fire and Rescue Service,
- 1.4.2 Principal Officer responsible for ICT from Bedfordshire Fire and Rescue Service,
- 1.4.3 Head of ICT from Cambridgeshire Fire and Rescue Service,
- 1.4.4 Head of ICT from Bedfordshire Fire and Rescue Service,

1.4.5 ICT Shared Services Manager,

1.4.6 Other members who are co-opted as required and agreed by the Parties,

1.4.7 Substitutions may be made as necessary.

1.5 Chairmanship

The ICT Shared Services Governance Board shall be chaired by the Principal Officers of both Parties, with the chairmanship being rotated alternately on a meeting by meeting basis.

1.6 Frequency of Meetings

The ICT Shared Services Governance Board shall meet at least four times in each financial year. Additional meetings may be organised as necessary with the agreement of both Parties.

1.7 Quorum

The ICT Shared Service Governance Board shall be quorate for decisions where the Principal Officers of each Party, or their agreed substitutes, are present.

1.8 Decision making

The parties shall ensure that their representatives at the meetings of the ICT Shared Services Governance Board have the necessary delegated authority for decision making. Decisions shall be reached on a unanimous basis and the only voting representatives shall be the Principal Officers of each Party.

1.9 Support

The ICT Shared Services Governance Board shall be serviced by the Party hosting the meeting.

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 11

REPORT AUTHOR(S): HEAD OF ICT & IMPROVEMENT

SUBJECT: INVESTMENT IN THE SERVICE'S SERVERS AND OTHER ICT INFRASTRUCTURE

For further information on this Report contact: Amrik Dosanjh
Head of ICT and Improvement
Tel No: 01234 845015

Background Papers: Capital Programme 2017/18 to 2020/21

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 explain the capital investment in the ICT technical estate contained within the Bedfordshire Fire and Rescue Service Medium Term Capital Programme.

RECOMMENDATION

That Members receive the report.

1.0 Introduction

- 1.1 Bedfordshire Fire & Rescue Service (BFRS) in line with other Fire Services relies heavily on its technology capability and infrastructure to carry out its day-to-day operational activities. As such it is vital to ensure that the technological infrastructure remains fit for purpose and maintained, ensuring high availability of services.

The current technical infrastructure has evolved over a number of years with some notable successful upgrades/replacements in recent years. Systems that were once used to assist day to day operational duties have now become essential and vital to be able to carry out and discharge normal duties. As each technology refresh provides more functionality than the last, working practises have evolved and adapted to make better use of the technology, driving forward efficiencies with better deployment of manpower. In many cases the option to be able to revert to a non-technology based working arrangement is no longer viable and the resources required to function as before no longer present.

- 1.2 Where existing systems become obsolete, or no longer fit for purpose or reach an age where it is no longer cost effective to continue to support the products, organisational risk is introduced which can ultimately have severe consequences unless addressed. Unreliable systems could ultimately undermine public confidence in BFRS where they have an impact on effective deployment or effect the services provided.
- 1.3 To reduce organisational risk it is recognised that a number of infrastructure improvements need to be made to the technology landscape, these form part of the normal planning cycle for BFRS. The industry standard is generally to use hardware for approximately five years and replace at around that point. The approach at BFRS is to maximise the use of the infrastructure and 'sweat the assets as much as possible before replacement

is undertaken, meaning each asset is examined and replaced where required. The position taken is to examine the functionality these systems provide and replace with modern supportable systems that take into account where technology and working practises have evolved rather than a simple like for like replacement.

2.0 Medium Term Capital Plan – ICT Investment Profile

2.1 The table below shows the planned technology infrastructure upgrades and replacements contained within the medium term Capital Plan. Before proceeding with any replacement the costs are justified and considered as part of the project business case.

	Project	2017/18	2018/19	2019/20	2020/21
	Scheme	£000's	£000's	£000's	£000's
	IT Developments				
1	Server Hardware Renewal (deferred from 2015/16)		320		
	IT & Communications				
2	Renewal of Risk Information, Mobile Data Terminals (GPS Premises Information)		211		
4	Primary Network Switch Replacement			100	
5	Network Structured Cabling Replacement			60	
6	Local Area Network (LAN) Replacement			50	
7	Secondary Network Switch replacement				35
8	Renewal of Mobilising System Mobile Data Terminals (who & where resources available)			276	

3.0 Explanation of Infrastructure Upgrades contained in the Medium Term Plan

3.1 Item 1 - Server Hardware Renewal

There is a sizeable Storage Area Network (SAN) installed in a resilient manner at BFRS premises and Cambridgeshire Fire & Rescue Service premises (CFRS). In addition are a number of hardware servers installed in a similar manner. These items were predominantly purchased or upgraded at the same time and reached their five yearly replacement cycle in 2015. The replacement work has been delayed as it was possible to gain more use of these items, however they are now reaching a point where replacement needs to be undertaken which is planned for 2018/19.

The server hardware contains the software for the applications and systems that are used throughout BFRS. The SAN contains the data that is used by all the applications and is an approach which centralises the data storage to achieve economies of scale rather than have storage on a per individual server basis which would not provide resilience.

3.2 Item 2 - Renewal of Risk Information, Mobile Data Terminals

This project refers to Mobile Data Terminals which are ruggedized laptop type equipment which are used as portable devices at incidents to be able to look at information to deal with the incident. The project has been deferred from 17/18 to 18/19 in order to try and align both the Risk MDT's and the mobilising MDT's through the ESMCP project. Unfortunately the national ESMCP project has slipped and looks possible to be slipped even further. We are now looking to begin the replacement programme for Risk MDT's due to a sudden increase in reported defects on the current Risk MDT's. This work will consider a collaborative approach and will seek to identify any savings on economy of scale.

3.3 Item 4 – Primary Core Network Switch Replacement

BFRS has two major connections to the external network provided through a consortium contract with Cambridgeshire County Council. These connections are set up in a resilient manner and have a sizeable network switch at each connection to distribute data to the correct location on the internal network. These core switches will become end of life in 2019/20 and will need to be upgraded to supportable hardware. Opportunities will be taken at the time of replacement to install modern hardware which has more flexibility and offers a higher degree of stability and protection in line with recent developments.

3.4 Item 5 – Network Structured Cabling replacement

This capital item has been requested to allow for replacement where in certain buildings old cabling infrastructure exists that does not support the throughput required for applications and modern networks. Whilst building cabling has a long life expectancy under normal circumstances, developments over the years have meant a high bandwidth is required, making very

old cabling such as Category 3 redundant, modern cabling above Category 5 standard has a comparative 10 fold increase in bandwidth. Surveys will be undertaken beforehand to ascertain where replacement is required before instigating procurement activities.

3.5 Item 6 - Local Area Network (LAN) Replacement

Network switches are required to distribute data throughout the BFRS sites on the internal network. Switches are required at all locations and at bigger sites multiple switches are required. These local switches will reach end of useful life in 2019/20 needing replacement with new supportable hardware. Opportunities will be taken at the time of replacement to install modern hardware which has more flexibility and offers a higher degree of stability and protection in line with recent developments.

3.6 Item 7 – Secondary Network Switch replacement

This capital item is to install resilient switches at Bedford and Luton fire stations that host Northern Area Office and Southern Area Office. Both sites currently have 2 external network connections, but both connections go into a single switch. By installing a second switch and connecting one of the external connections to the new switch will increase the resilience and remove single point of failure of each site, as should one of the switches fail, the site will still be connected by the resilient link on the second switch.

3.7 Item 8 - Renewal of Mobilising System Mobile Data Terminals

This project refers to Mobile Data Terminals which are installed as fixed items in the Appliances and are used to send and receive deployment information on incidents. The project has been deferred from 2018/19 to 2019/20 due to the delays in going live with the Resque 4i mobilising system. There is a desire to try and align the replacement of these MDT's with ECMCP and the project will be considered when more information emerges regarding the ECMCP rollout and the MDT's available in the market place at the time.

4.0 Conclusion

The ICT Infrastructure upgrade items shown within the Medium Term Capital Plan, have been put in place to ensure continuation of a stable and resilient technical environment in order that organisational efficiencies through the use of its technical environment can continue. These items are intended to be replaced as they reach end of life and become increasingly difficult to support or obsolete.

The replacement of these items will continue to provide organisation efficiencies and assurance that BFRS can discharge its operational duties effectively.

5.0 Recommendation

That Members receive the report.

AMRIK DOSANJH

HEAD OF ICT & IMPROVEMENT

Implications

Financial – The Services medium Term Capital Programme is reviewed yearly and presented through the budgetary sign off processes

Risk – known – As part of the functional planning process the risk of ageing equipment, replacement and or sourcing of new equipment/technology is continually considered and reported through to CMT as necessary.

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 12

REPORT AUTHOR: HEAD OF ORGANISATIONAL ASSURANCE

SUBJECT: Corporate Services Risk Register

For further information on this Report contact: Area Commander Darren Cook
Head of Organisational Assurance
Tel No: 01234 845061

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To consider the Service's Corporate Risk Register in relation to Corporate Services.

RECOMMENDATION:

That Members note and approve the review by the Service of the Corporate Risk Register in relation to Corporate Services.

1. Introduction

- 1.1 Members have requested a standing item to be placed on the Agenda of the Policy and Challenge Groups for the consideration of risks relating to the remit of each Group. In addition, the Fire and Rescue Authority's (FRA) Audit and Standards Committee receives regular reports on the full Corporate Risk Register.
- 1.2 An extract of the Corporate Risk Register showing the risks appropriate to the Corporate Services Policy and Challenge Group together with explanatory notes regarding the risk ratings applied is appended to this report.

2. Current Revisions

- 2.1 The register is reviewed on a monthly basis during the Service's Corporate Management Team (CMT) meetings and by CMT members between these meetings if required. A copy of the risks relevant to the Corporate Services Policy and Challenge Group are attached for your information and approval.
- 2.2 Changes to individual risk ratings in the Corporate Risk Register: None
- 2.3 Updates to individual risks in the Corporate Risk Register:
 - **CRR00029: 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 project to refresh the website continues with engagement with Zengenti (the preferred supplier) following a joint procurement process with Bedfordshire Police. The website will broaden our opportunities to further engage with the communities and interested parties of Bedfordshire. The increased use of social media is continuing to grow and is measured through analytics for uptake and engagement.

- **CRR00005: 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:** A revised scoping paper is programmed to go to SDMT 2017, stating realistic resource and budget requests to implement a technological Asset Tracking system.
- **CRR00015: 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:** Resque 4I has been operational since November 2016 and is now BAU. Mobile data terminals have gone live (as of 17 Aug 17), this now completes the resilience benefits required by the Home Office, with the exception of "Automatic fail over".

**AREA COMMANDER DARREN COOK
HEAD OF ORGANISATIONAL ASSURANCE**

Explanatory tables in regard to the risk impact scores, the risk rating and the risk strategy.

Risk Rating

Risk Rating/Colour	Risk Rating Considerations / Action
Very High	<p>High risks which require urgent management attention and action. Where appropriate, practical and proportionate to do so, new risk controls must be implemented as soon as possible, to reduce the risk rating. New controls aim to:</p> <ul style="list-style-type: none"> ? reduce the likelihood of a disruption ? shorten the period of a disruption if it occurs ? limit the impact of a disruption if it occurs <p>These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.</p>
High	<p>These are high risks which require management attention and action. Where practical and proportionate to do so, new risk controls <i>should</i> be implemented to reduce the risk rating as the aim above. These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.</p>
Moderate	<p>These are moderate risks. New risk controls should be considered and scoped. Where practical and proportionate, selected controls should be prioritised for implementation. These risks are monitored and reviewed by CMT.</p>
Low	<p>These risks are unlikely to occur and are not significant in their impact. They are managed within CMT management framework and reviewed by CMT.</p>

Risk Strategy

Risk Strategy	Description
Treat	Implement and monitor the effectiveness of new controls to reduce the risk rating. This may involve significant resource to achieve (IT infrastructure for data replication/storage, cross-training of specialist staff, providing standby-premises etc) or may comprise a number of low cost, or cost neutral, mitigating measures which cumulatively reduce the risk rating (a validated Business Continuity plan, documented and regularly rehearsed building evacuation procedures etc)
Tolerate	A risk may be acceptable without any further action being taken depending on the risk appetite of the organisation. Also, while there may clearly be additional new controls which could be implemented to 'treat' a risk, if the cost of treating the risk is greater than the anticipated impact and loss should the risk occur, then it may be decided to tolerate the risk maintaining existing risk controls only
Transfer	It may be possible to transfer the risk to a third party (conventional insurance or service provision (outsourcing)), however it is not possible to transfer the responsibility for the risk which remains with BLFRS
Terminate	In some circumstances it may be appropriate or possible to terminate or remove the risk altogether by changing policy, process, procedure or function

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For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2017
Item No. 13

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: REVIEW OF WORK PROGRAMME 2017/18

For further information on this report contact: Karen Daniels
Service Assurance Manager
Tel No: 01234 845013

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 review and report on the work programme for 2017/18 and to provide Members with an opportunity to request additional reports for the Corporate Services Policy and Challenge Group meetings for 2017/18.

RECOMMENDATION:

That Members review the work programme for 2017/18 and note the 'cyclical' Agenda Items for each meeting in 2017/18.

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

CORPORATE SERVICES POLICY AND CHALLENGE GROUP (CSPCG) PROGRAMME OF WORK 2017/18

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
13 September 2017	<ul style="list-style-type: none"> • Minutes of Shared Service IT Governing Body • Revenue Budget and Capital Programme Monitoring 2017/18 • 2018/19 Revenue Budget and Capital Programme (Planning Arrangements) • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2017/18 Quarter 1 and Programmes to date • Annual Review of the Operation of ICT Shared Service Agreement' • Corporate Risk Register • Work Programme 2017/18 		Report / Presentation on Investment in the Service's servers and other ICT infrastructure	Requested at CSPCG meeting 6 December 2016

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
29 November 2017	<ul style="list-style-type: none"> • Minutes of Shared Service IT Governing Body • Revenue Budget and Capital Programme Monitoring 2017/18 • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2017/18 Quarter 2 and Programmes to date • Treasury Management Mid Year Review Report • Review of the Fire Authority's Effectiveness • Corporate Risk Register • Work Programme 2017/18 			

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
13 March 2018	<ul style="list-style-type: none"> • Minutes of Shared Service IT Governing Body • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2017/18 Quarter 3 and Programmes to date • Proposed Corporate Services Indicators and Targets 2018/19 • Treasury Management Strategy and Practices • Corporate Risk Register • Asset Management Plans being presented for 2018/19 • Review of Work Programme 2017/18 	<p>Review of ICT Targets</p> <p>As Advised in CSP&CG meeting on 21 June 2017</p>		

Meeting Date	'Cyclical' Agenda Items		Additional / Commissioned Agenda Items	
	Item	Notes	Item	Notes
TBC June 2018	<ul style="list-style-type: none"> • Election of Vice Chair • Terms of Reference • Minutes of Shared Service IT Governing Body • New Internal Audit Reports Completed to date • Audit and Governance Action Plan Monitoring Report • Corporate Services Performance 2017/18 Year End Report and Programmes to date • Treasury Management Annual Report 2017/18 • Asset Management Policy and Plans – ICT, Property and Fleet • Efficiency Plan • Risk Register • Work Programme 2018/19 			