



## BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

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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 MK42 7NR** on **Wednesday, 29 November 2017** starting at **10.00 am**.

Nicky Upton  
Democratic and Regulatory and Services Supervisor

### A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies		
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 (see note below).

<b>Item</b>	<b>Subject</b>	<b>Lead</b>	<b>Purpose of Discussion</b>
3.	Communications	Chair	Including minutes of recent ICT Board meetings (Pages 1 - 4)
4.	Minutes	Chair	To confirm the minutes of the meeting held on 13 September 2017 (Pages 5 - 14)
5.	Corporate Services Performance 2017/18 Quarter 2 and programmes to date	ACO	To consider a report (Pages 15 - 30)
6.	Audit and Governance Action Plan Monitoring Report	ACO	To consider a report (Pages 31 - 44)
7.	Revenue Budget and Capital Programme Monitoring 2017/18	HFT	To consider a report (Pages 45 - 52)
8.	Treasury Management Mid Year Review Report	HFT	To consider a report (Pages 53 - 64)
9.	Review of Corporate Services Policy and Challenge Group Effectiveness	ACO	To consider a report (Pages 65 - 72)
10.	ICT Shared Service Agreement Extension	ACO	To consider a report (Pages 73 - 104)
11.	Corporate Risk Register	HOA	To consider a report (Pages 105 - 110)
12.	Review of Work Programme 2017/18	Chair	To consider a report (Pages 111 - 116)

Next Meeting

10.00 am on 12 March 2018 at Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR

**Item**

**Subject**

**Lead**

**Purpose of Discussion**

### **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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## MINUTES OF BFRS & CFRS ICT SHARED SERVICE GOVERNANCE BOARD MEETING HELD ON 26<sup>TH</sup> SEPTEMBER 2017 AT BEDS FRS

Present: Matthew Warren (MW) (Chair) Director of Resources (CFRS)  
Zoe Evans (ZE) (Chair) ACO(HR & OD)(BFRS)  
Amrik Dosanjh (AD) Head of ICT (ICTSS)  
Mark Dix (MD) ICT Service Delivery Manager (ICTSS)  
Su Stewart (SS)(Mins) Secretary CMT (BFRS)

Apologies: John Fagg CFRS

**ACTION**

### 170901 Apologies

As above

### 170902 Minutes of the Last Meeting and Matters Arising

The minutes of the last meeting were agreed. The Action Log has been updated.

### 170903 ICTSS Work Plan

ICTSS has just returned from annual leave so there was no update. It was agreed that Sarah Newton will be invited to all future meetings in order to give this update SecCMT

### 170804 Recruitment Update

MD gave an update on the vacancies as follows:

- Interviews have taken place for the Senior Server Engineer, a candidate has been selected but he has not accepted yet
- A new Infrastructure Manager has been appointed and starts in November
- A new Apprentice has started

- HR to investigate whether Moynal can be transferred from CFRS to BFRS since he is working on the MDT Project. ICTSS  
ICTSS to progress

170905 Comms Update

One general update has gone out since the last meeting.

170906 CPSN/Eastnet

This is progressing, and a VEAT went out two weeks ago.

170907 Business Case (ICT Structure)

The ICT Structure was discussed.

170908 Email Filtering Options Appraisal

AD confirmed that this is being built as a separate budget bid. ICTSS will also discuss this with Sarah newton.

170909 Unified Comms Update

An Options Paper has been written by AD and JF. Given that the only risk is that it will be difficult to unpick at a later stage, it was agreed that Option 1 should be pursued. ICTSS to produce an overview and circulate

ICTSS

170910 Schedule 4

BFRS have completed their Schedule 4. It was agreed that AD would share this with JF, who will produce one for CFRS. It was also agreed to extend for five years. MW and ZE to check whether this needs to be signed under seal.

ZE/MW

170911 Date of Next Meeting

30<sup>th</sup> October 2017

**ACTION LOG**  
**BFRS & CFRS ICT SHARED SERVICE GOVERNANCE BOARD**  
**(LAST UPDATED 26<sup>TH</sup> SEPTEMBER 2017)**

<b>No.</b>	<b><u>Agenda Item</u></b>	<b><u>Action</u></b>	<b><u>Action</u></b>	
12	170803 ICTSS Work Plan	MD to provide more information in the form of a paper regarding disaster recovery to be circulated to the Governance Board.	MD	Next Mtg
13		SN stated that some projects have been on hold for some time. It was agreed that these projects will be prioritised outside the meeting by JF and AD, and some can be packaged. An updated list to be circulated at the next meeting.	JF,AD	Next Mtg
16	170903 ICTSS Work Plan	ICTSS has just returned from annual leave so there was no update. It was agreed that Sarah Newton will be invited to all future meetings in order to give this update	SecCMT	Next Mtg
17	170909 Unified Comms Update	An Options Paper has been written by AD and JF. Given that the only risk is that it will be difficult to unpick at a later stage, it was agreed that Option 1 should be pursued. ICTSS to produce an overview and circulate	ICTSS	Next Mtg
18	170910 Schedule 4	BFRS have completed their Schedule 4. It was agreed that AD would share this with JF, who will produce one for CFRS. It was also agreed to extend for five years. MW and ZE to check whether this needs to be signed under seal.	MW/ZE	Next Mtg

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For Publication

Bedfordshire Fire and Rescue Authority  
Corporate Services Policy and Challenge Group  
29 November 2017  
Item No 4

**MINUTES OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 13 SEPTEMBER 2017**

Present: Councillors Chapman, Duckett, Headley (Chair), McVicar and Waheed

CFO P Fuller, ACO Z Evans, AC D Cook, SC J Gell, Mr J Atkinson, Mr G Chambers and Mr A Dosanjh

17-18/CS/018 Apologies

It was noted that SOC C Ball was unable to attend the meeting as he had a clash of diary commitments.

17-18/CS/019 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of interests.

17-18/CS/020 Communications

The Policy and Challenge Group received the Minutes of the ICT Shared Service Governance Board held on 9 May 2017 for information.

There were no other communications.

**RESOLVED:**

That the Minutes of the ICT Shared Service Governance Board held on 9 May 2017 be received.

17-18/CS/021 Minutes

**RESOLVED:**

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

17-18/CS/022 Revenue Budget and Capital Programme Monitoring 2017/18

Mr G Chambers, the Head of Finance and Treasurer, submitted the forecast year-end budget position as at 31 July 2017. The total forecast overspend at 31 July 2017 was £29,000.

There was currently a forecast non-salary underspend of £6,000, largely due to the receipt of unbudgeted income from Luton Borough Council to support community safety initiatives. Members may recall the Authority did not receive a budgeted £11k from Luton Borough Council last year.

There was also a forecast salary overspend of £35,000. This consisted of an underspend of £100,000 on the Retained Duty System, a £100,000 overspend on agency staff to support the ICT Shared Service and a £35,000 overspend on non-uniform due to a planned efficiency not being achieved as a result of the ongoing necessity for the post.

Mr G Chambers, the Head of Finance and Treasurer, reported that all projects in the Capital Programme were RAG rated Green.

Members commented on the difficulties in recruiting ICT professionals which was leading to the increased spend on agency staff. There were added complications with recruiting as the Bedfordshire and Cambridgeshire staff were on different pay grades and had different terms and conditions of service.

Mr A Dosanjh, the Head of ICT and Improvement, advised that a review of the Shared Service would be undertaken which would lead to a restructure to enable the Services to introduce new working practices and redeploy staff more flexibly to create efficiencies within the Team.

It was noted that many local authorities had introduced a market rate supplement for posts that were historically difficult to recruit to. This could be considered by the Service for project and database management staff, as it may be more cost effective than employing agency staff to temporarily fill vacancies.

**RESOLVED:**

That the forecast outturn for revenue and capital be noted.

17-18/CS/023 2018/19 Revenue Budget and Capital Programme Planning Arrangements

Mr G Chambers, the Head of Finance and Treasurer, presented his report on the current planning arrangements for the 2018/19 Revenue Budget and Capital Programme.

The process was similar to that followed in previous years, with internal review and scrutiny of budgets undertaken prior to the proposals being submitted to Members at the Budget Workshops, the first of which was 21 November 2017.

The main change to the budget would be the pay awards for Grey Book staff. These had not yet been finalised. More information on the impact of the awards should be available in the autumn.

**RESOLVED:**

That the report and timescales within be agreed.

17-18/CS/024 Corporate Services Performance 2017/18 Quarter 1 Report and Programmes to Date

ACO Evans submitted the 2017/18 first quarter report on the Corporate Services programme, projects to date and performance against Corporate Services performance indicators and associated targets. A number of the projects were reporting as Amber.

Work on enhancements to the Community Safety Activities application had been deferred, as the Business Improvement Team had been fully deployed on iTrent during the last period. It was anticipated that this would improve to Green for the next reporting period.

The HR Payroll Systems and Services project was also reporting as Amber and it was likely that the project would conclude with an Amber rating as the project costs had overrun.

The VDI project was reporting as Amber as the remaining 10% of users had not yet been migrated to VDI due to the complexities involved in migrating users who needed access to other systems, such as Control, Finance and Payroll. The successful recruitment to system engineer posts would hopefully resolve this issue. Overall, the introduction of VDI had been incredibly successful and feedback from service users was very positive.

The status of the Training Centre Administration project was also rated as Amber.

ACO Evans then reported on the performance information for the reporting period. All of the ICT indicators were reporting as Green.

She advised that the Chair had identified an error in the original performance report and indicator WS1a (Grade A defect response time (within 1 hour)) was Amber and not Green as indicated within the report. There was not an exception report available for this indicator at present.

The Chair requested that an exception report be circulated to Members of the Group as soon as it was available.

In relation to WS2a (Grade A defect response time (within 2 hours)), which was also rated as Amber, performance had been affected by two incidents. One occurred over the Bank Holiday weekend and one involved a defective seat that could not be repaired immediately.

FNP6 (percentage of debt over 90 days old) was reporting as Red for the period. The Head of Finance and Treasurer advised that £5,573 was outstanding at the end of the reporting period. However, there had been a downward trend and the outstanding figure at the end of August 2017 was £810. The majority of outstanding debt related to special services that were chargeable. Those charges in dispute were removed from reporting against this indicator and the debts reported were all being chased for payment. The Service pursued outstanding debt using a variety of methods, including small claims court and attachment of earnings.

The property indicators were all reporting as Green. These were year-end figures for 2016-17.

It was suggested that an indicator measuring the use of diesel be reported to the Group for information.

The Chair commented that this could be considered at the annual target-setting meeting.

**RESOLVED:**

1. That the progress made on Corporate Services Programmes and Performance be acknowledged.
2. That an exception report for WS1a be circulated to Members of the Group as soon as it is available.
3. That consideration be given to the inclusion of an indicator on diesel usage at the Group's annual target setting meeting in March 2018.

17-18/CS/025 New Internal Audit Reports Completed to date

ACO Evans introduced the audit of Procurement- Tendering that had been completed by the internal auditors, RSM, in August 2017. RSM's audit opinion had been one of substantial assurance. The two low priority actions set out in the action plan had already been completed.

**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/026 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 with the exception of one that was still in progress.

**RESOLVED:**

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

17-18/CS/027 Third Annual Review 2016 to 2017 of the ICT Shared Service

Mr A Dosanjh, Head of ICT and Infrastructure, reported on the outcome of the annual review of the operation of the ICT Shared Service Agreement.

Following the introduction of the Shared Service Agreement, there had been increasing rates of customer satisfaction. However, there were challenges to achieve further improvements in the Service and there was a risk that general maintenance, upgrades of software, security patches and replacement of equipment were being de-prioritised due to the demands from business led projects.

The migration to VDI had also been a huge success with the number of faults reported decreasing significantly.

In response to a question, ACO Evans advised that there were localised rates of pay and terms of conditions for Green Book staff. This resulted in the differences in terms and conditions. This situation was not unique and was common under such shared service or collaboration models.

Members were reminded that consideration had previously been given to other possible operating models. It was acknowledged there were also a number of disadvantages with other options which need to be weighed up. A different operating model was not being pursued at this time.

The view was expressed that an assumption was made that internal resource would always be available to support project work but that this was not always the case. The resource required, both internal and external, should be fully costed prior to the commencement of a project.

In relation to the difficulties in recruiting permanent staff and the high level of agency spend, a Member suggested that market rate supplements may be more cost effective than continuing with the high level of spend on agency staff.

ACO Evans reported that the introduction of market rate supplements could have far-reaching impacts across an organisation. She added that the Service had recently been successful in recruiting to three posts in the Shared Service. The current structural review would also take into account issues with recruitment.

In response to a question from the Chair, ACO Evans advised that a report on the restructure of the ICT Shared Service would be reported to the Group in due course and that any recruitment issues could be highlighted to Members at that time.

**RESOLVED:**

1. That the outcomes of the third annual review of the operation of the ICT Shared Service Agreement be considered and 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 be noted.
2. That the Group receive a report on the restructure of the ICT Shared Service at an appropriate future meeting and that any relevant issues in relation to the recruitment and retention of staff be addressed within that report.

17-18/CS/028 Investment in the Service's Servers and Other IT Infrastructure

Mr A Dosanjh, Head of ICT and Improvement, introduced his report explaining the capital investment in the ICT technical estate contained within the Service's Medium Term Capital Programme.

The server hardware renewal related to the Storage Area Network (SAN) and other hardware servers that had reached their end of their replacement in 2015. Replacement of the servers was planned for 2018/19.

The replacement of the risk information mobile data terminals had been deferred to 2018/19 to align with the Emergency Services Mobile Communications Programme (EMSCP), a national programme to replace the Airwaves emergency services communication network, for the mobilising mobile data terminals. However, the replacement of the risk information mobile data terminals was being brought forward as there were a number of defects being reported in relation to these mobile data terminals.

SC J Gell reported that the risk information mobile data terminals were ruggedized laptop terminals which were used at incidents to enable crews to access risk information in the appliance and on the incident ground. These were fitted to 22 rescue pumps and the rural water tenders throughout the Service. In addition to risk information, the terminals also allowed the Officer in charge to access the GIS maps and tactical operational guidance. An example of this was the ability of the terminal to access floor plans and entry codes for high rise premises. It also had the facility to provide chemical data and a vehicle recovery system for Officers attending

road traffic collisions. The terminals could be used in their cradle in the appliances but could also be taken off the cradles and onto the incident ground.

Future technological developments were expected in this area within the next few years and the Service was currently involved in a regional group considering the next developments, such as enabling legislative fire safety work and safe and well checks to be completed on the terminals. Whilst there were small savings arising from economies of scale, the real benefit was closer working arrangements with neighbouring and regional Fire and Rescue Services.

The Head of ICT and Improvement explained that the primary core switch replacement related to where the cables which distributed the external line connection to all the internal switches.

The secondary network switch replacement was to install switches at Bedford and Luton Fire Stations which host the Northern Area Office and Southern Area Office respectively. The additional switch would increase resilience as there would be a switch for each of the two external network connections going to those premises so that, in the event of a failure, the network connection could be accessed via the second switch.

The network structured cabling replacement would allow for older cabling to be replaced with cabling with a high bandwidth and this would enable a faster throughput.

SC J Gell, Response Support, gave a presentation on the mobilising mobile data terminals. These worked as part of the Resque 4i mobilising system across the secure Airwaves emergency services communication network.

The mobilising mobile data terminals were for use solely in the appliances as a result of Code of Connectivity restrictions.

The presentation included slides of the screens on which Control and the fire crews could communicate with data over the Airwaves network. The mobilising system identified the nearest available appliance to the incident and this appliance was then contacted by Control to mobilise to the incident.

Information available to the fire crews on the terminal included GPS, mapping scales, a search capability, measuring facility and an automatic vehicle location system (this was updated with real-time locations approximately every 20 seconds).



There was currently no risk information stored on these terminals but there was the facility for this to be added in the future. There was also the facility to send incident and operational messages over the Airwaves network.

The ability to communicate by voice was still available. Sending data messages over the Airwaves system allowed responses to be time and date stamped when multiple appliances were called to an incident. This enabled various crews to report simultaneously rather than waiting for a gap as was the previous situation when mobilisation was undertaken via voice only.

Feedback from fire crews was that the new system was very easy to use.

The Group noted that the mobilising mobile data terminals were due for renewal and this was also being programmed to align with the ESMCP.

Members all agreed that it was useful to see the practical application of equipment which fell within the ICT capital programme and Members passed on their thanks to Jason Gell for his useful presentation.

**RESOLVED:**

That the report be received.

17-18/CS/029 Corporate Risk Register

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

He reported that there had been no changes to the risk ratings. A number of risks on the Corporate Services Risk Register had been updated as follows:

CRR29 (if we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work that we do and potentially impact upon our ability to deliver a full range of services:): the contract for an improved website was being finalised with the preferred supplier.

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): market research was currently being carried out and a revised proposal would be submitted to the Service's Corporate Management Team.

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 mobile data terminals had now gone live as part of the Resque 4i mobilising system and all resilience benefits required by the Home Office had been completed with the exception of "automatic fail over".

**RESOLVED:**

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

17-18/CS/030 Work Programme 2017/18

Members considered the Work Programme for 2017/18. The next meeting of the Group would be held on 29 November 2017.

**RESOLVED:**

That the Work Programme for 2017/18 be received.

The meeting finished at 11.32am.

For Publication

Bedfordshire Fire and Rescue Authority  
Corporate Services Policy and Challenge Group  
29 November 2017  
Item No. 5

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

**SUBJECT:** CORPORATE SERVICES PROGRAMME AND PERFORMANCE 2017/18 - QUARTER TWO (APRIL 2017 TO SEPTEMBER 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 2, 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 2 2017/18 (1 April 2017 to 30 September 2017).

## **RECOMMENDATION:**

Members acknowledge the progress made on Corporate Services Programmes and Performance.

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### 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;
  - significant capacity issues have affected the ability for existing projects to 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 Programmes are summarised as follows:

- The **Asset Management System (Tracking) project** is proposed closed;
- The **Workbench Sickness Absence** application is now live for both Green book and Grey Book staff. This project is complete.

1.5 Exception reports relating to the Service's Strategic Projects are 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 15 February 2018.

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 The Community Safety (Safe & Well) project is Amber status due to time over-runs caused by lack of capacity in the Business Information (BI) team which cannot be mitigated. The product is in use for Service safe and well visits, but not yet for Partnerships. Timelines are yet to be agreed for the next stage of development.

2.2 The Training Centre administration remains Amber (mis-reported as Green in October), due to delays in delivery by the CFRS STEP team. Products will be trialled from November 2017. Long term benefits could be impacted by a review of the use of MIS, which would see a new system used to administer training courses which could bring its own solutions.

- 2.3 The status of the Workbench non-sickness absence application is Red due to the complexity of the integrations and the lack of capacity in the BI team.
- 2.4 The status of the MIS/iTrent integration is Red as the expected delivery date of September 2017 has been missed due to complexity of the integration and lack of capacity in the BI team.
- 2.5 The status of the HR & Payroll project remains Amber due to the previous project costs over-run (this cannot be ameliorated). This is reported separately under the HR Policy and Challenge Group.
- 2.6 The VDI project status remains Amber, due to resignation of 2 new server engineers and resource constraints in the Business Information (BI) team which have caused further delays. In addition there are ongoing difficulties with packaging the Great Plains (finance) application for VDI, which are yet to be resolved.

### 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 Two 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 **FNP5 Percentage of Uncontested Invoices Paid Within 30 days**

Delays in the processing of invoices within departments have been caused by changes in staffing, leave and sickness (these are predominantly the Technical and IT departments). This has led to the target being missed. The Finance Team is liaising with the departments concerned and this target will be monitored closely to ensure the target is achieved.

##### 4.2 **FNP6 Percentage of Outstanding Debt Over 90 Days Old**

The Q2 target was missed due to staff changes within the Finance Team who manage the recovery of debt. However this has now been resolved with a new starter commencing and the September figure for outstanding debt over 90 days was only 0.73% (Debtor balance of £37,274.09 with over debtors 90 days being only £271.20). This low trend should continue for the remainder of the financial year.

##### 4.3 **WS1a Grade A Defect Response Time (within 1 hour)**

This measure has improved over the last quarter although still failing by 4% the cause is the previously reported 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 rectified and following the completion of a probationary period in September 2017, a further Technician has been added to the call out rota to cover the deficiency. It is anticipated this measure will move back into green before year end.

#### 5 Previously unreported year end 2016/17 measure

As advised in the Q1 report one year end result was not available until after the closure of accounts, the year end result for FNP2 Accuracy of net budget forecast outturn at periods 6 & 9 (Sept and Dec) is shown in Appendix B:

**ZOE EVANS**

**ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

## CORPORATE SERVICES PROGRAMME REPORT

Project Description	Aims	Performance Status	Comments
<b>Business Systems Improvement</b>	Optimise the use of existing business systems and replace where appropriate.	<b>Green</b>	<p><b>06 November 2017: Asset Management System</b></p> <p>The asset tracking discovery phase has been completed and highlighted the substantial increase required in budget to complete the project; circa £145,000 increase, to take the total budget to £245,000. Additional personnel would also be required to fully manage the project to ensure implementation. With the increased pressure on ICT with their strategic projects, it has been agreed to close the project pending approval from Programme Board. Asset tracking systems will be continually assessed through market research and a paper presented to CMT summer 2018.</p>



Project Description	Aims	Performance Status	Comments
<b>Business Systems Improvement, cont...</b>	Optimise the use of existing business systems and replace where appropriate.	<b>Green</b>	<p><b>07 November 2017: Website Procurement and Development</b></p> <p>A "kick-off" meeting was held on 8 November to begin the process of creating the new website and populating it with content. The meeting brought together the team from contractors Zengenti who will be working on the project with key officers from the Service. This includes the Prevention and Protection Teams, HR and Recruitment and corporate governance. They discussed the content, look and feel, navigation and functionality of the new website as well as technical aspects such as browser requirements. A scoping document will now be produced to set out the process and timeline for creating the new website and a series of meetings over the next few months will be set up to ensure issues are detail with quickly. A "basecamp" facility will enable easy exchange of information and resolution of any questions that arise during the project.</p> <p>The new website is scheduled to be launched by the end of March 2018.</p>
		<b>Amber</b>	<p><b>09 November 2017: Fire Safety Management Information System (FSMIS)</b></p> <p>The status of this project has slipped from Green to Amber following a slippage in the training schedule due to a requirement to purchase additional training equipment, and the server build. Since purchasing the new software solution, progress has been steady, ICT have now completed the server build and test/training laptops are being sourced. The temporary Fire Safety Management Information System (FSMIS) Co-ordinator has been appointed from within Service and they are responsible for the implementation and integration of the new Infographics software package. The project team are working towards having the new system operable within Service prior to the end of the current financial year.</p>

Project Description	Aims	Performance Status	Comments
<b>Business Process Improvement</b>	Optimise ways of working, re-engineering and automating where possible and providing integration between business systems.	<b>Completed</b>	<p><b>09 November 2017: Workbench Development – Sickness Absence Application</b></p> <p>This project is now complete as the issues surrounding VDI compatibility have been resolved and the Sickness Absence Reporting Workbench app has been live for Green Book since 21/08/2017 and Grey Book since 31/10/2017. This application provides a simple interface for all staff to use to report a colleague sick or book them fit, automatically updates relevant business systems. In addition Workbench provides management notifications by email, and sickness absence printouts to stations. This application replaces both the current Green Book STEP process and the paper based Grey Book process, consolidating and streamlining the sickness reporting process.</p>
		<b>Red</b>	<p><b>09 November 2017: Workbench Development – Non-Sickness Absence Application</b></p> <p>The status of this project is Red as the expected delivery date of September 2017 has been missed due to complexity of the integration and lack of capacity in the BI Team. Work on this development is progressing, and the contract has been extended for the specialist tasked to complete this work. This is currently on track to be completed mid-January 2018. The purpose of this application is to transfer absence data from iTrent to MIS, to ensure rota book accuracy is maintained. This will not require any input from staff and will run automatically in the background. This data is currently being manually entered into MIS and is therefore subject to delay and inaccuracies as well as increasing pressure on resources. This application will increase accuracy and timeliness of availability data.</p>

Project Description	Aims	Performance Status	Comments
<b>Business Process Improvement, cont...</b>	Optimise ways of working, re-engineering and automating where possible and providing integration between business systems.	<b>Red</b>	<p><b>09 November 2017: iTrent/MIS Synchronisation</b></p> <p>The status of this project is Red as the expected delivery date of September 2017 has been missed due to complexity of the integration and lack of capacity in the BI Team. The contract has been extended for the specialist tasked to complete this work and is currently on track to be completed mid-March 2018. Work on this development is progressing, and the memory leak and licensing issues have now been resolved. The purpose of this application is to ensure that the accuracy of staff position data is maintained by transferring updates from iTrent to MIS. This includes starters, leavers and changes in position. This will not require any input from staff and will run automatically in the background. This data is currently being manually entered into MIS and is therefore subject to delay and inaccuracies as well as increasing pressure on resources. This application will increase accuracy and timeliness of staff data.</p>
		<b>Green</b>	<p><b>09 November 2017: Retained Recruitment</b></p> <p>The RAG status for this project is Green (unchanged from last report).</p> <p>The (On-Call) RDS Improvement Project continues to make steady progress in all areas. As a result of some successful work through the project group the Service has received fifteen new On-Call personnel and they have all attended a three week Retained Foundation Training Course.</p> <p>Work is continuing on introducing On-Call phased alerting and a trial has begun at Harrold and Potton Station. The trial started on the 27<sup>th</sup> October and is expected to last six weeks.</p>

Project Description	Aims	Performance Status	Comments
<b>Business Process Improvement, cont...</b>	Optimise ways of working, re-engineering and automating where possible and providing integration between business systems.	<b>Amber</b>	<p><b>01 November 2017: Training Centre Administration</b></p> <p>This project is Amber (but was mis-reported in October as Green). Access to the CFRS STEP Training Course Management system has now been achieved via VPN between BFRS and CFRS and the Cloud based Site. Chris Meadowcroft (CFRS) will be delivering training to Training &amp; Development Centre staff 07/11/2017. Following this Training Centre will begin to trial the product on a limited number of training courses.</p>
<b>HR/Payroll System and Services</b>	Optimise the use of existing business systems and replace where appropriate.	<b>Amber</b>	<p><b>09 November 2017:</b></p> <p>The HR &amp; Payroll Project Phase 1 is now drawing to a close. The iTrent system has been successfully implemented; the Board has decided not to close the project until some of the key processes have been developed as detailed below. Phase 1 remains on Amber due to cost over-runs, and this cannot be ameliorated, as previously reported.</p> <p>The sickness absence notification process has now gone live for Grey Book staff in addition to Green Book and a timeline is in place to complete the non-sickness absence reporting process and the People/Positions synchronisation process between MIS and iTrent. The developer responsible for this work has had his contract extended by 16 weeks to enable both this work, and knowledge transfer to take place.</p>

Project Description	Aims	Performance Status	Comments
<b>HR/Payroll System and Services, cont...</b>	Optimise the use of existing business systems and replace where appropriate.	<b>Amber</b>	<p><b>HR/Payroll System and Services</b></p> <p>Remaining work outstanding in Phase 1 includes the following:</p> <ul style="list-style-type: none"> <li>• Finalising the formal process for requesting reports;</li> <li>• Completing the review of access to sensitive data for HR Personnel and creation of security profiles;</li> <li>• Completing the work on HR Data security policy and procedure;</li> <li>• Ongoing development and documentation of Business Objects reports;</li> <li>• Grey Book holiday recording in iTrent;</li> <li>• Completing the MIS/iTrent synchronisations;</li> <li>• Reviewing/finalising workflows;</li> <li>• Finalising training materials;</li> <li>• Reviewing/updating absence calculations.</li> </ul> <p>Information on the Workbench synchronisations can be found under the Business Process improvements updates.</p>

Project Description	Aims	Performance Status	Comments
<b>Telephony System Replacement (Unified Comms)</b>	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).	<b>Green</b>	<b>09 November 2017:</b>  The project status is Green (no change). Work is continuing on the server builds and network configuration. Testing will be carried out by ICT prior to the pilot of telephony, Instant Messaging and Presence. The gateways and SIP trunks have been installed and are ready for use.
<b>Community Defibrillators</b>	Sponsor and deliver community located defibrillators.	<b>Green</b>	<b>09 November 2017:</b>  There is no change since the last status update. BFRS continues to support the deployment of community defibrillators through the match funding scheme. 3 further defibrillators were ordered in the last period and are currently awaiting collection. Another defibrillator for Turvey is likely to be requested in the next few weeks. All of the original 2013 sites have now had their 4 year battery and pads replaced.

Project Description	Aims	Performance Status	Comments
<p><b>Desktop Refresh (VDI)</b></p>	<p>All principle business systems will be packaged onto the Virtual Desktop server. Users to receive their virtual desktop from a central Server.</p> <p>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><b>Amber</b></p>	<p><b>09 November 2017:</b></p> <p>Work has been progressing, and we now have 93% of eligible Bedfordshire users that have been migrated to VDI. The recent resignation of 2 server engineers and resource constraints in the Business Information (BI) team have caused further delays to the planned completion of all user migrations by end of November. Work continues to migrate remaining users on to VDI.</p> <p>Terminal Services has been decommissioned except for one remaining server that is being retained for a period of 4 weeks to ensure that there are no further users who need it. Removing these servers has enhanced our cyber security significantly.</p> <p>Work is underway to resolve some issues with the Great Plains (Finance) application package, once this is progressed (which is expected to be in 6 weeks), a more accurate picture will available to forecast a revised date for all user migration and subsequent project closure.</p> <p>Until then the project remains in Amber status.</p>

## SUMMARY OF CORPORATE SERVICES PERFORMANCE 2017/18 – QUARTER 2

Information and Communications Technology									
Measure				2017-18 Quarter 2					
No.	Description	Aim	Full Year Target	Five Year Average	2016-17 Q2	Q2 Actual	Q2 Target	Performance against Target	Comments
IM1	The Number of Incidents on Mission Critical services resolved within 1 Hour	Higher is Better	80%	94.33%	83.00%	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%	94.46%	100.00%	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%	94.57%	100.00%	100.00%	90%	Green	11% better than target
IM4	The Number of Incidents on Administration Services resolved within 8 Hour	Higher is Better	90%	89.32%	93.75%	92.00%	90%	Green	2% better than target
AV1	Core ICT services availability	Higher is Better	97%	97.67%	100.00%	100.00%	97%	Green	3% better than target
AV2	Business Applications Availability	Higher is Better	97%	99.58%	99.55%	99.89%	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									
Measure				2017-18 Quarter 2					
No.	Description	Aim	Full Year Target	Five Year Average	Q2 2016-17	Q2 Actual	Q2 Target	Performance against Target	Comments
WS1a	Grade A Defect Response Time (within 1 hour)	Higher is Better	90%	95%	98%	87%	90%	Amber	Missed target by 4%
WS1b	Grade A Defect Response Time (within 2 hours)	Higher is Better	95%	99%	100%	96%	95%	Green	1% better than target
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%	2.44%	2.30%	2.78%	5%	Green	44% 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%	3.14%	2.39%	2.44%	5%	Green	51% 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%	0.48%	0.41%	0.40%	3%	Green	87% 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%	0.91%	1.00%	0.83%	2%	Green	58% better than target
WS5	The total time expressed as a % when ALL Appliances were available for operational use after the turn-a-round time and idle time are removed from the total time in the reporting period.	Lower is Better	93%	97.52%	97.57%	97.50%	93%	Green	5% better than target
WS6	The percentage of annual Services undertaken	Higher is Better	97%	100%	100%	100%	97%	Green	3% better than target

Finance									
Measure				2017-18 Quarter 2					
No.	Description	Aim	Full Year Target	Five Year Average	Q2 2016-17	Q2 Actual	Q2 Target	Performance against Target	Comments
FNP3	% of Routine Financial Reports Distributed Within 6 Working Days of Period end closure	Higher is Better	90%	100%	100%	100%	90%	Green	11% better than target
FNP5	Percentage of Uncontested Invoices Paid Within 30 days	Higher is Better	96%	96%	96%	94%	96%	Amber	Missed Target by 2%
FNP6	Percentage of Outstanding Debt Over 90 Days Old	Lower is Better	2.5%	2.38%	6.78%	9.66%	2.5%	Red	Missed Target

**PREVIOUSLY UNREPORTED YEAR END (2016-17) MEASURE**

**SUMMARY OF CORPORATE SERVICES PERFORMANCE 2016/17 QUARTER FOUR**

Finance									
Measure				2017-18 Quarter 4					
No.	Description	Aim	Full Year Target	Period 9 estimated outturn	Year end outturn	Year end variation	Full Year Target	Performance against Target	Comments
FNP2	Accuracy of net budget forecast outturn at periods 6 & 9 (Sept and Dec) against actual outturn - variance between forecast and actual outturn	Lower is Better	£600k	£682k	£874k	£192k	£600k	Green	68% better than target

For Publication

Bedfordshire Fire and Rescue Authority  
Corporate Services Policy and Challenge Group  
29 November 2017  
Item No. 6

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

**SUBJECT:** AUDIT AND GOVERNANCE ACTION PLANS MONITORING REPORT

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

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Background Papers:

- Action Plans contained in Internal and External Audit Reports
  - Action Plan contained in the Annual Governance Statement 2016/17
  - 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.*

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## **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 2016/17 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.

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### 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 third 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 2016/17 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 14 June 2017, as part of the 2016/17 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')
PROC 1.1.3 17/18	RSM Aug 17: Final Report (17/18)	Procurement Head Finance & Treasurer	Low	<b>New</b> 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 achievement of value for money.	The Procurement Policy and Contracts procedures have been updated to reflect the Agreed Action	<b>Original</b> Aug 17	Completed – No follow up audit required
PROC 1.1.6 17/18	RSM Aug 17: Final Report (17/18)	Procurement Head Finance & Treasurer	Low	<b>New</b> A formal process will be devised in order to identify, register and manage conflicts of interests for each procurement exercise.  Where conflicts are identified, they will be reviewed by senior staff and the safeguarding decisions will be clearly recorded.	A formal process has been be devised in order to identify, register and manage conflicts of interests for each procurement exercise.  Where conflicts are identified, they will be reviewed by senior staff and the safeguarding decisions will be clearly recorded.	<b>Original</b> Aug 17	Completed – No follow up audit required

**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 1.2 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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.	<b>Original</b> Dec 17	Completed – To be confirmed by follow up audit
RM 1.3 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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.	<b>Original</b> Sep17	Completed – To be confirmed by follow up audit
RM 1.4 (16/17)	RSM May17: Final Report (16/17)	Risk Management Head of projects, Safety and Business Support	Medium	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.	<b>Original</b> Sep17	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')
GOV 2 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	<p>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:</p> <ul style="list-style-type: none"> <li>reference number</li> <li>title of agreement</li> <li>local authority department responsible</li> <li>description of the goods and/or services being provided</li> <li>supplier name and details</li> <li>sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</li> </ul> <ul style="list-style-type: none"> <li>• Value Added Tax that cannot be recovered</li> <li>• start, end and review dates</li> <li>• whether or not the contract was the result of</li> </ul>	Completed, this is now included on the web page under Transparency.	<b>Original</b> 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)

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')
				an invitation 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 4 (16/17)	RSM May 17: Final Report (16/17)	Governance Head of Finance and Asset Management	Medium	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.	<b>Original</b> 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	The Authority will publish the following information relating to fraud: <ul style="list-style-type: none"> <li>total amount spent by the authority on the investigation and prosecution of fraud total number of fraud cases investigated.</li> </ul>	These are now on the web under Transparency.	<b>Original</b> 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')
KFC (16/17) 3.1.2	<b>RSM</b> 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.	<b>Original</b> Dec 17	Completed – To be confirmed by follow up audit
SI (16/17) 1.2	<b>RSM</b> Dec 16: Final Report (16/17)	Stock and Inventory  Head of Operational Support	Medium	<p>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.</p> <p>A review of all OP numbers will take place to ensure they relate 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>	Stock take now completed, action complete.	<b>Original</b> 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')
FM (16/17) 2	<b>RSM</b> 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	<b>RSM</b> 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.	<b>Original</b> Jan 17	Completed – To be confirmed by follow up audit

Monitoring Report of Actions Arising from 2016/17 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	To continue to address the medium term funding gap.	<p>The first Members Budget Workshop was held on the 21st November 2017 and following this, further work continues on preparing the budget. The work includes obtaining the taxbases from the three unitary authorities etc.</p> <p>The draft budget will be set for consultation on the 14th December at the FRA meeting, followed by the 2nd Members Budget Workshop on 18th January 2018. The final budget and council tax will be set at the FRA meeting on the 8th February 2018.</p>	Feb 2018	In Progress

Monitoring Report of Actions Arising from 2016/17 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 2016/17 Review of Authority Effectiveness Action Plan to be completed during 2017/18 and formally reviewed by Members as part of the following year's process	All actions from the 2016/17 Review of Authority Effectiveness Action Plan to be completed during 2017/18 and formally reviewed by Members as part of the following year's process.	<p>Proposals for the review of the Fire and Rescue Authority's effectiveness in 2017/18 was agreed at the Audit and Standards Committee on 28 September 2017 namely:</p> <p>Policy and Challenge Groups and Committees to review their effectiveness by considering three overarching questions to feed into the FRA Review of Effectiveness. These will be considered by the CSPCG on 29/11/2017, SDPCG on 30/11/2017, ASC on 6/12/2017 and HRPCG on 11/01/2018.</p> <p>The recorded Minutes of the meetings will be fed into the facilitated meeting to be held on 18 January 2018 to review the Fire Authority's Effectiveness in 2017/18.</p>	Mar 2018	In Progress

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**Publication**

**Bedfordshire Fire and Rescue Authority  
Corporate Services Policy and Challenge  
Group  
29 November 2017  
Item No. 7**

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**REPORT AUTHOR(S): HEAD OF FINANCE/TREASURER**

**SUBJECT: REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2017/18 AS AT 31 OCTOBER 2017**

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For further information on this Report contact: Gavin Chambers, Head of Finance/Treasurer  
Tel No: 01234-845016

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Background Papers: None

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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 (CSP&CG) of the forecast year end budget monitoring position as at 31 October 2017.

## RECOMMENDATION

That the CSP&CG:

1. Review and consider the forecast outturn for revenue and capital.
  2. Approve the addition to the capital programme of an aerial drone, to be purchased in conjunction with Bedfordshire Police.
- 

### 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. The budgets have been reduced for these areas. This appendix forms part of the Government return, in order to receive the four year Government funding offer. The focus for this report is the 2017/18 column, as the latter years will be updated annually through the budget process.
- 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 three, with the variance and RAG (red, amber, green) status shown in columns four and five.

### 2.3.3 Table 1: 2017/18 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget	F/cast yr end outturn	Variance	RAG status (see note below**)
	£	£	£	
Strategic Management	144,900	144,900	0	Green
Head of Finance and Treasurer	3,905,250	3,905,250	0	Green
Head of Service Delivery	1,053,150	1,007,150	(46,000)	Green
Head of Service Delivery Support	1,216,500	1,216,500	0	Green
Head of Operational Assurance	146,000	160,000	14,000	Green
Head of Special Projects	42,600	42,600	0	Green
Head of Information Communications Technology	1,204,600	1,204,600	0	Green
Head of Human Resources	166,500	174,000	7,500	Green
<b>Total</b>	<b>7,879,500</b>	<b>7,855,000</b>	<b>(24,500)</b>	

**\*\*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 £46k underspend/surplus within Head of Service Delivery relates to an unbudgeted £11k contribution from Luton Borough Council for Community Safety partnership work. In addition to this, a predicted underspend of £35k on Derv across the service as a result of continued low prices due to current and predicted economic circumstances.

The £14k overspend predicted in Head of Operational Assurance is a result of various minor differences including, £12k overspend on professional fees & subscriptions and other minor variances.

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: 2017/18 Salary Budget Forecast Outturn**

<b>Title</b>	<b>Current Budget</b>	<b>Forecast year end outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Whole-time	13,190,400	13,090,400	(100,000)
Control	974,700	974,700	0
Retained	2,009,000	1,909,000	(100,000)
Non Uniform	4,879,300	4,914,300	35,000
Agency	270,800	370,800	100,000
<b>Total</b>	<b>21,324,200</b>	<b>21,259,200</b>	<b>(65,000)</b>

2.3.6 Of the forecast £65k underspend, £35k Non Uniform relates to the saving/efficiency item number 5 in Appendix 1, where this element will not be achieved due to the ongoing necessity of the post. £100k relates to the overspend within ICT due to agency staff costs covering posts that have not been filled through the recruitment process. A review of the ICT Service is currently underway including reconciliation between the two services of the staffing costs incurred to date by each partner. The £100k underspends relating to Whole-time and Retained are as a result of a difference between budgeted recruitment and retirement profiles. These areas will be closely monitored to ensure that any further variances are identified.

#### 2.4.1 **Total Forecast Outturn, Salary and Non Salary:**

2.4.2 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 underspend of (£89.5k).

2.4.3 There have been earmarked reserves used to date during 2017/18. An example is noted in para 3.5 below. These will need contributing back to, in order to retain the reserve. It is therefore anticipated that at the year-end stage, these contributions will cancel out the current forecast underspend noted above.

### 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 2017/18 Capital Programme

Scheme	Budget 2017/18	Additions	Forecast Outturn	RAG status
	£'000	£'000	£'000	
Vehicles	864	0	864	Green
Whole-time availability system project	70	0	70	Green
Phase 2 Human Resource Project	50	0	50	Green
Smoke House renovation and upgrade	40	80	120	Green
Diesel dispensing monitoring equipment (across all sites)	35	0	35	Green
Refurbishment of Luton Station facilities	40	0	25	Green
Replacement of tannoy systems at Kempston & Stopsley stations	30	0	30	Green
Service wide – Capital works	80	0	80	Green
Fitness Equipment	20	0	20	Green
Core hydraulic hose	49	0	49	Green
Aerial Drone	0	25	25	Green
<b>Total</b>	<b>1,278</b>	<b>105</b>	<b>1,383</b>	

- 3.2 It should be noted that the Vehicles, ICT and HR System Projects 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 is one addition to note for to the capital programme. The service is jointly procuring a Drone with Bedfordshire Police in 2017/18. It is estimated that this will cost £25k and the purchase cost will be shared equally between the service and the Police. This expenditure will be funded from the Collaboration Reserve set up in 2016.

#### 3.5 **Variations:**

The variation relating to the Smoke House scheme is as a result of extensive works that were immediately required. This was following the assessment of the building after stripping out the internal fabric. This will be funded from the reserve set up for Property works regarding unforeseen urgent issues.

#### 3.6 **Slippages:**

There are no slippages to the capital programme.

**GAVIN CHAMBERS  
HEAD OF FINANCE/TREASURER**

Appendix 1

**Transformational Savings and Efficiencies 2017/18 to 2020/21**

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/Cambes FRS	0	7		
	<b>New items for 2017/18 budget round:</b>				
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
		<b>529</b>	<b>241</b>	<b>236</b>	<b>312</b>



For Publication

Bedfordshire Fire and Rescue Authority  
Corporate Service Policy and Challenge Group  
29 November 2017  
Item No. 8

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**REPORT AUTHORS: CHIEF FIRE OFFICER AND TREASURER**

**SUBJECT: TREASURY MANAGEMENT – MID-YEAR REVIEW REPORT TO 30 SEPTEMBER 2017**

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For further information on this Report contact: Mr G Chambers  
Head of Finance and Treasurer  
Tel No: 01234 845016

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Background Papers:

Treasury Management Strategy 2017/18, as detailed in the Budget Book 2017/18.

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Implications (tick ✓):

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

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

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## **PURPOSE:**

To provide an update on the Authority's Treasury Management to 30 September 2017.

## **RECOMMENDATION:**

That the Corporate Services Policy and Challenge Group consider the report.

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### 1. Introduction

1.1 Since 1 April 2006, the management of the Fire and Rescue Authority's (FRA) Treasury operations has been undertaken by the Authority's Finance staff. Treasury management activities are undertaken with the objective of maximising return/minimising cost, consistent with minimising risk. When investing, the over-riding principle is the maintenance of the capital sum.

In order to support this function, the Authority also employs Link Asset Services (was Capita Asset Services) to provide independent, professional treasury advice.

1.2 The FRA's banking facilities are also arranged and monitored by the Finance staff.

1.3 The FRA adopted the Code of Practice for Treasury Management in the Public Services published by the Chartered Institute of Public Finance and Accountancy (CIPFA), introduced in April 2004 and revised in November 2011. One of the requirements of the CIPFA Code is for there to be regular reports on Treasury Management to be presented to the appropriate 'committee'. This is the mid-year Review Report for 2017/18 to 30 September 2017.

1.4 The Policy and Challenge Group is asked to note the report, as there are no changes requested to the Prudential Indicators, approval is not required by the FRA.

## 2. Treasury Management Reports

2.1 This mid-year review report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure (prudential indicators);
- A review of the Authority's investment portfolio for 2017/18;
- A review of the Authority's borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken (if applicable) during 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18; and
- An economic update for the first six months of 2017/18.

## 3. Treasury Management Training

3.1 The Responsible Officer (the Section 151 Officer) must ensure that Group/FRA Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

3.2 Training was again provided to Members by our Treasury Advisor's, Link Asset Services on 4 July 2017 as part of the Members Training Day.

## 4. Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy Update

There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

## 5. Borrowing/Investment Strategy for 2017/18

5.1 It was anticipated at the beginning of 2017/18 that the Authority would have surplus funds available for short-term investment, either within its Special Interest Bearing Account (SIBA) at its bankers or through the money market. As at the 30th September 2017 the SIBA account is paying a rate of 0.01%.

- 5.2 The Authority's call-account with Barclays Bank has been used to a minimum during 2017/18 as the rate remains at 0%.
- 5.3 This Authority had also placed surplus funds into a 120-Day Interest account with Santander at a rate of 0.80%. However, this rate decreased to 0.70% as of 1 June.
- 5.4 This Authority had also placed surplus funds into a 180-Day Interest account with Santander at a rate of 0.90%. However, this rate decreased to 0.80% as of 1 June.
- 5.5 The Authority has re-invested funds with two foreign banks, Qatar National Bank and Goldman Sachs, during the first half of 2017/18, still via our Treasury Agents, Link Asset Services. The Qatar National Bank investment is a fixed term investment for one year at a rate of 0.84% and will mature in April 2018 (£2.5M). The Goldman Sachs Bank investments are fixed term investments for six months at a rate of 0.58% and 0.55%. Goldman Sachs investments will mature in January (£3M) and February (2M) 2018.
- 5.6 During the second half of 2017/18 this Authority will be considering using Money Market Funds for short-term investments. Operators use the credit ratings agencies which lay down investment restrictions to enable the funds to maintain its AAA status. Money Market Funds may also be governed by the Institutional Money Market Fund Association (IMMFA) which is a voluntary code of practice issued in 1992 by a trade body for Money Market Funds. This ensures all members offer a consistently high quality product by promoting best practice, transparency of fund values and a standardised format for published data.
- 5.7 Borrowing has not been undertaken in 2017/18 to finance the Capital Programme. The funding for the 2017/18 Capital Programme was through Grant and revenue contributions.

## 6. Interest Rate Movements During 2017/18

- 6.1 Bank base rate was 0.25% at the beginning of the year and still remained the same as of 30 September 2017. This report covers the first six months of the financial year. However, as an update, the bank base rate increase by 0.25% to 0.5% on 2<sup>nd</sup> November 2017.
- 6.2 Interest rates applicable to temporary investments were short-term money market rates. These investments were fixed for a set period (between one month and one year), at a greater interest rate than bank base rate. During the first six months of 2017/18, four investments reached maturity, new investments were then placed, one in April of £2.5M, one in May for £0.5M one in July for £3M, and another in August for £2M. When placing these, a number of factors were considered, including cashflow, security, return etc in order to meet our Policies and at the same time get the best return.

## 7. Investment/Borrowing Operations

### 7.1 **Investments:**

Surplus cash is invested on a temporary basis through the money market. Levels of investment have varied from £8.5M at the start of 2017/18 to £10M as at 30th September 2017. In the year 2017/18 to 30 September 2017, £26,460 interest has been generated through these investments and through the local SIBA account and Santander Accounts. Interest on PWLB borrowings totals of £210,817 was paid on 2<sup>nd</sup> October but was for the period up to end of September. This will give a net interest paid position of £184,357 as at 2 October 2017.

- 7.2 The FRA's budgeted investment return (interest receivable) for 2017/18 is £75,400.

### 7.3 **Long-Term Borrowing:**

No debt rescheduling was undertaken during the first six months of 2017/18.

#### 7.4 Borrowing and Investments Outstanding:

	Temporary Investments £000s	Long-Term Borrowing £000s
Outstanding at 1 April 2017	8,500	9,987
Raised	8,000	0
Repaid	(6,500)	0
<b>Outstanding at 30 September 2017</b>	<b>10,000</b>	<b>9,987</b>

#### 8. Prudential Indicators

8.1 Under the prudential code the following Treasury Management indicators were set for 2017/18:

Authorised Limit for external debt	£12.0M
Operational Boundary	£10.1M
Limits for fixed interest rate exposure:	
Upper limit	£312,000
Limits for variable interest rate exposure:	
Upper limit	£104,000

8.2 Neither the authorised limit nor the operational boundary has been exceeded during the year compared to the limits as at 1 April 2017. Actual interest rate exposure was as below:

Fixed interest rate exposure	£36,871
Variable interest rate exposure	£36,871

8.3 All the Prudential Indicators have been summarised for Members benefit in Appendix 'A'.

## 9. Performance Measurement

- 9.1 The success of cash flow management, and hence the Fire Authority's temporary investment and borrowing activity, is measured by comparing the actual rates of interest achieved and borne against a benchmark of the average Local Authority 7 Day Rate.
- 9.2 For the period ending 30 September 2017, the average interest rate achieved from temporary investments, the SIBA Account, and Santander Accounts was 0.59%, higher than the average Local Authority 7 Day Rate over the same period of 0.11%.
- 9.3 At a recent meeting with our Treasury Consultants, Link Asset Services, it was commented that our Treasury Team had produced a very good average investment rate despite the current economic climate, resulting in limited counterparty flexibility.

## 10. General Economic Conditions

10.1 In brief, the first six months of this financial year has seen:

- Inflation – Target Inflation (CPI) was at 2.30% on 1 April 2017 and at 2.90% by 30 September 2017 (0.60% change). Headline Inflation (RPI) was at 3.1% on 1 April 2017 and at 3.9% by 30 September 2017 (0.80% change).

### 10.2 **Economic Update:**

**UK.** After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. . The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in

the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years. It therefore looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018\*. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

***\*Since the writing of this report the MPC have increased the Bank Rate of 0.5% as from 2<sup>nd</sup> November.***



**EU.** Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

**USA.** Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

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

**Japan** is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

11. Economic Forecast – (November Link Asset Services update)

The Authority’s Treasury Advisers, Link Asset Services, have provided the following forecast:

	<b>End Q4 2017</b>	<b>End Q1 2018</b>	<b>End Q2 2018</b>	<b>End Q3 2018</b>	<b>End Q4 2018</b>	<b>End Q1 2019</b>	<b>End Q2 2019</b>	<b>End Q3 2019</b>
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%
10yr PWLB rate	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%
25yr PWLB rate	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
50yr PWLB rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%

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

**GAVIN CHAMBERS**  
**TREASURER**

Prudential Indicator	2017/18 Indicator £000	Up to 30 September 2017 Actual £000
Capital Financing Requirement (CFR)	10,393	N/A at mid year
Gross borrowing	9,987	9,987
Investments as at 1/4/17 and 30/09/17	8,500	10,000
Net borrowing	87	184*
Authorised limit for external debt	12,000	11,956
Operational boundary for external debt	10,100	10,056
Limit of fixed interest rates based on net debt	312	166
Limit of variable interest rates based on net debt	104	55
Principal sums invested > 365 days	0	0
<b>Maturity structure of borrowing:</b>	<b>Forecast</b>	<b>Actual</b>
Under 12 months	0%	0%
12 months to 2 years	0%	0%
2 years to 5 years	0%	0%
5 years to 10 years	0%	0%
10 years and above	100%	100%

\*Note:

This figure is a result of cashflow timing. We are not expecting to have a Net Borrowing surplus as at 31 March 2018.

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

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

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

Background Papers: None

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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 review the effectiveness of the Corporate Services Policy and Challenge Group during 2017.

**RECOMMENDATIONS:**

That:

- Members consider the effectiveness of the Corporate Services Policy and Challenge Group (CSPCG); and comment on whether:

- i. CSPGC consider that they have been effective and discharged their responsibility in regard to their terms of reference (CSPGC Terms of Reference are attached as an Appendix);
  - ii. There are any areas of their terms of reference which have have not been considered and should be addressed; and
  - iii. There are any areas of training and development that would assist them with the areas of work of the CSPCG Group.
2. The recorded Minutes of the meeting will be fed into the facilitated meeting to be held on 18 January 2018 to review the Fire Authority's Effectiveness in 2017/18.
- 

1. Introduction

- 1.1 The Fire Authority publishes an Annual Review of Effectiveness and Record of Member Attendance. This review and a resultant Action Plan are included in the Fire Authority's Annual Governance Statement, which forms part of the Statement of Accounts.

2. 2017/18 Review of the Fire Authority Effectiveness

- 2.1 On 28 September 2017, the Audit and Standards Committee considered proposals for a review of the Fire Authority's effectiveness in 2017/18 and agreed that the Policy and Challenge Groups and Committees review their effectiveness by considering three overarching questions:

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

2.2 The minutes will be fed into the facilitated meeting to be held on 18 January 2018 following the Budget Workshop to review the Fire Authority's effectiveness in 2017/18. Consideration would also be given at the Budget Workshop to Members' statutory responsibilities and the terms of reference to the full Authority

### 3. Review of Corporate Services Policy and Challenge Group Effectiveness

3.1 Corporate Services is one of three Policy and Challenge Groups established by the Fire Authority to focus on the following areas of Bedfordshire Fire and Rescue work:

- Strategic Support
- Finance and Procurement
- Asset Management
- Information, Communications and Technology

3.2 The Group has no delegated power to take decisions but its minutes are submitted to the FRA under a covering report from the Group's Chair with any recommendations.

3.3 Members are requested to review the terms of reference attached to confirm that they are content that the responsibilities for the Corporate Services Policy and Challenge Group have been discharged effectively or whether there are any areas which have not been met.

3.4 In relation to the Terms of Reference and span of responsibility, Members are asked to consider if there are any training or information items they would like added to the work programme for next year, either to the CSPCG or to the wider Member Development days.

### 4. Regularity of Meetings

4.1 The Corporate Services Policy and Challenge Group meets four times a year, meetings for the current year were:

- 14 March 2017;
- 21 June 2017;
- 13 September 2017; and
- 29 November 2017.

4.2 The meeting dates are agreed when the Calendar of Meetings for the following year is presented to the FRA at their December meeting. Attendance against the meetings will be reported to the Audit and Standards Committee on 28 March 2018.

5. Support

5.1 The Group is supported by the Principal Officers with responsibility for Corporate Services.

Officers with responsibility of the areas of work overseen by the Corporate Services Policy and Challenge Group attend to present reports and respond to Members.

Officers who attended regularly during 2017 were:

- Chief Fire Officer;
- ACO, Director of Human Resources and Organisational Development;
- Head of Finance and Treasurer;
- Head of Organisational Assurance;
- Head of Special Projects;
- Head of Service Delivery Support; and
- Head of ICT and Improvement.

Other personnel also attended to present reports and if the leads above were unavailable a Deputy has attended.

6. Review of Work Carried Out:

6.1 The Corporate Services Policy and Challenge Group reviews their Work Programme each meeting and the following items have been discussed:

- Review of Terms of Reference (first meeting of the year)
- Performance Monitoring and Report on Programmes (each meeting)
- Audit and Governance Action Monitoring Reports (each meeting)
- Corporate Risk Register (each meeting)
- Annual Corporate Services Performance Indicators and Targets for the next financial year
- New Internal Audits including Key Financial Controls, IT Shared Service and Governance
- Revenue Budget and Capital Programme Monitoring 2017/18 (most meetings)
- Treasury Management Strategy and Practices
- Treasury Management Annual Report
- Treasury Management Mid-Year Review Report
- Asset Management Policy and Plans – ICT, Property and Fleet
- Annual Review of the Operations of ICT Shared Service Agreement



- Investment in the Service's servers and other ICT infrastructure
- Protection Programme and Insurance Provision
- Whistleblowing Policy and Effect on Individuals who have enacted the Policy
- Utility Usage
- Fire and Rescue Idemnity Company (FRIC)
- Review of the Fire Authority's Effectiveness

**ZOE EVANS**

**ASSISTANT CHIEF OFFICER (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)**

## **CORPORATE SERVICES POLICY AND CHALLENGE GROUP**

The Corporate Services Policy and Challenge Group has been established to ensure that the following areas of the Fire and Rescue Service are functioning efficiently and effectively, challenging areas of under performance as required and approving any associated policy as necessary:

- Strategic Support
- Finance and Procurement
- Asset Management
- Information, Communications and Technology

### **Membership**

The Group is to consist of those Members appointed by the Fire and Rescue Authority for the ensuing year or as determined by the Fire and Rescue Authority.

One elected Member will be nominated as Chair of the Group by the Fire and Rescue Authority at its annual meeting and another elected Member will be nominated as Vice Chair at the first Group meeting held after the annual meeting. The Group may co-opt onto its membership any person, such as representatives or members of groups, who may provide specialist information or skills in assisting the Group to reach its aims and objectives set out below.

### **Quorum**

Business shall not be transacted at any meeting of the Corporate Services Policy and Challenge Group unless at least three Members are present and at least one Member from two constituent authorities.

### **Support**

The Group will be supported by Principal Officers with responsibility for areas within the remit of the Corporate Services Policy and Challenge Group, the Fire and Rescue Authority's Treasurer, Head of Finance and Assistant Treasurer, and members of the Strategic Support Team.

## **Regularity of Meetings**

The Group is to meet a minimum of four times a year and whenever deemed necessary by any member of the Group.

## **Reporting**

The Group has no delegated power to take decisions but its minutes are submitted to the FRA under a covering report from the Group's Chair with any recommendations.

## **Terms of Reference**

1. To consider and report as necessary on performance in respect of the Fire and Rescue Authority's Corporate Services functions and be involved in the setting and monitoring of Service targets.
2. To consider at each group meeting the current year revenue and capital budgetary control information.
3. To oversee the Fire and Rescue Authority's Efficiency Plan.
4. To monitor the progress of the Corporate Services projects identified in the Community Risk Management Plan.
5. To commission and oversee reviews into specified areas of work within the Corporate Service's functions.
6. To monitor the effective identification and management of corporate risks relating to Corporate Services functions.
7. To monitor and review the Fire and Rescue Authority's Asset Management strategy, plans and processes.
8. To consider any external reports relating to the Corporate Services functions.
9. To act as Treasury Management scrutiny.

*Revised Terms of Reference agreed by the then CFA on 7 September 2011*

*Updated for change of Authority name – December 2012*

*Quorum included – 24 June 2014*

*Support to include Principle Officers with responsibility for areas within the remit of the Corporate Services Policy and Challenge Group – 15 July 2015*

*Reporting Statement included and reference to 'approve' removed from points 3 and 7 of terms of reference – FRA Meeting 21 July 2016*

*All references to "Directorate" be removed – FRA Meeting 19 July 2017*

For Publication

Bedfordshire Fire and Rescue Authority  
Corporate Services Policy and Challenge Group  
14 December 2017  
Item No. 10

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**REPORT AUTHOR: CHIEF FIRE OFFICER**

**SUBJECT: ICT SHARED SERVICE AGREEMENT EXTENSION**

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

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Background Papers:

Minutes of Corporate Services Policy and Challenge Group as reported to the FRA Mon 16 October 2017

FRA report: ICT Shared Services 22 October 2013, Item 15

Corporate Services Policy and Challenge Group, 13 September 2017, Item 10 – 3<sup>rd</sup> Annual Review – paper attached Appendix 2

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Implications (tick ✓):

LEGAL	✓	FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
ORGANISATIONAL RISK		OTHER (please specify)	

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

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## **PURPOSE:**

To inform Members of the approaching five year end date for the ICT Shared Service Agreement with Cambridgeshire Fire and Rescue Authority.

## **RECOMMENDATION:**

For Members of the Corporate Services Policy and Challenge Group to recommend extension of the Shared Service agreement between Bedfordshire Fire and Rescue Authority and Cambridgeshire Fire and Rescue Authority for a further period of five years with the same terms as the existing agreement.

### 1. Introduction

- 1.1 On 22 October 2013 Bedfordshire Fire and Rescue Authority authorised the completion of a shared service agreement for the provision of ICT in collaboration with Cambridgeshire Fire Authority.
- 1.2 Since 2013 a shared ICT team has been in operation with the purpose of increasing resilience and producing efficiencies through joint ICT development planning and procurement processes.
- 1.3 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. The minutes from this board meeting are presented to the Corporate Services Policy and Challenge Group.

### 2. ICT Shared Service Agreement

- 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 an annual review of the Shared Service.
  - 2.2.1 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.

2.2.2 The 16/17 review was presented to the Corporate Services Policy and Challenge Group meeting held on 13 September 2017. The minutes of which were presented to the Fire and Rescue Authority meeting on 16 October 2017. The outcomes of the third annual review of the operation of the ICT Shared Service Agreement was considered and the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus were noted.

### 3. Extension

3.1 The agreement allows the parties to extend the term for a period or periods of up to five years. Parties shall use reasonable endeavours to reach agreement on whether or not to extend no later than eighteen months prior to the expiry of the term. The term is due to end in October 2018.

3.1 The agreement has a contractual status and was prepared under the guidance of legal advisers from each Authority. The extension to the agreement will be overseen by the Monitoring Officer, John Atkinson. The agreement is attached at Appendix 1.

### 4. Implications

#### 4.1 **FINANCIAL**

ICT budget requirements are part of the normal budget management planning processes. Cost sharing arrangements are in place on a yearly basis for any apportionment of costs and any payments between the parties made once a year.

#### 4.2 **LEGAL**

The legal implications of a formal contract previously signed under seal are contained in the paper.

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

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**THIS AGREEMENT is made on   October 2013**

**BETWEEN**

- (1)   Cambridgeshire and Peterborough Fire Authority of Hinchingbrooke Cottage, Brampton Road , Huntingdon, PE29 2NA ("CPFA") and**
  
- (2)   Bedfordshire Fire and Rescue Authority of Southfields Road, Kempston, Bedford, MK42 7NR ("BFRA")**

**BACKGROUND**

- (A)   CPFA and BFRA are both combined fire and rescue authorities for the purposes of the Fire and Rescue Services Act 2004**
  
- (B)   CPFA and BFRA have agreed to harmonise the ICT infrastructure of both organisations and create a shared ICT team to provide all ICT support to both Parties to provide resilience and a more economical, efficient and effective service.**
  
- (C)   They have entered into this Agreement in reliance on the powers given to them under the provisions of sections 5, 5A and 12 of the Fire and Rescue Services Act 2004 and section 10 of the Local Government Act 1972**

**IT IS AGREED AS FOLLOWS**

## 1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following expressions shall have the following meanings unless otherwise expressly stated:

Agreement	means this agreement and all Schedules
Assets	all and any assets used in the delivery of the Shared Services including all items of furniture, information technology (including software), and all other equipment supplied by the Parties for use in the delivery of the Shared Services
Asset Register	a register of all the Assets used by the Parties in the delivery of the Shared Services
Background IPR	means all intellectual property rights in any material or in any work (in whatever format) which exists prior to the Commencement Date
BFRS	means the Bedfordshire Fire and Rescue Service which is provided and maintained by BLFA
Budget	means the estimated budget for the provision of the Shared Services in each Financial Year, as described in Schedule 3
CFRS	means the Cambridgeshire Fire and Rescue Service which is provided and maintained by CPF
Commencement Date	means 1 July 2013
Confidential Information	means any information or data in whatever form, disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by one party (the "Discloser") to the other (the "Recipient") in connection with this Agreement which by its nature is confidential or which the Discloser acting reasonably states in writing to the Recipient is to be regarded as confidential, or which the Discloser acting reasonably has marked "confidential" but which is not Personal Data, or information to which the FOIA would apply

DPA	means the Data Protection Act 1998 Exempt Information means any information or class of information relating to this Agreement which may fall within an exemption to disclosure under FOIA Legislation
Expert	means a person appointed in accordance with Clause 17
Expert Determination	means the process set out at Clause 17.4 to 17.11
Financial Year	means the period from the 1 April of one year to the 31 March of the following year during the Term of this Agreement
FOIA Legislation	means the Freedom of Information Act 2000 and subordinate legislation made under this and the Environmental Information Regulations 2004
Foreground IPR	means all Intellectual Property Rights in any material or in any work (in whatever format), which is brought into existence as part of the ICT support to be provided under this Agreement after the Commencement date
ICT Shared Services Catalogue	means the catalogue attached to this Agreement as Schedule 1 which contains the ICT services that are to be provided to the Parties under the terms of this Agreement
ICT Shared Services Governance Board	means the board established in accordance with the provisions of clause 10 and Schedule 4
Information Request	means a request for information under FOIA Legislation
Intellectual Property Rights	means all rights in patents, trade marks, service marks, design rights(whether registrable or otherwise), applications for any of the foregoing, copyright (including rights in software), database rights, knowhow, trade secrets, confidential business information, trade or business names and any other similar or analogous rights to any of the above, whether arising or granted under the Laws of England or of any other jurisdiction in the world
Parties	means Cambridgeshire and Peterborough Fire Authority and Bedfordshire Fire and Rescue Authority

Relevant Posts	means those posts identified in Schedule 2 to this Agreement
Relevant Staff	means staff employed in Relevant Posts
Shared Services	means the services set out in the ICT Shared Services Catalogue
Term	means the term of this Agreement calculated in accordance with Clause 2.1 and as extended in accordance with Clause 2.2, if applicable

1.2 A reference to any Act of Parliament or to any Order, Regulation, Statutory Instrument or the like shall include a reference to any amendment or re-enactment whether taking effect before or after the Commencement Date.

1.3 Words in the singular include the plural and vice versa

1.4 Headings are for convenience only and are not to be taken into consideration in interpreting this Agreement.

1.5 References to Schedules and Appendices are references to Schedules and Appendices of this Agreement and a reference to a paragraph is a reference to the paragraph in the Schedule containing the paragraph.

1.6 The Schedules and Appendices shall be deemed to form and be read and construed as part of this Agreement.

1.7 Words preceding "include", "includes", "including" and "included" are to be construed without limitation by the words which follow these words unless inconsistent with the context, and the rule of interpretation known as eiusdem generis, shall not apply.

## **2 TERM AND EXTENSION**

2.1 This Agreement shall take effect on the Commencement date and shall continue for five years unless:

2.1.1 terminated by either Party giving not less than 12 months written notice to the other Party; or

2.1.2 terminated otherwise in accordance with the provisions of this Agreement.

- 2.2 The Parties may, by agreement, extend the Term for a period or periods of up to five years and shall use their reasonable endeavours to reach agreement on whether or not to extend no later than 18 months prior to the expiry of the Term.

### **3 PROVISION OF THE SHARED SERVICES**

- 3.1 From the Commencement Date, CPFA and BFRA will merge their existing ICT teams into the new structure which is set out in Schedule 2 to this Agreement.
- 3.2 The ICT Team set up under the new structure shall provide the services set out in the ICT Shared Services Catalogue to CFRS and BFRS from the Commencement date.
- 3.3 The Shared Services shall be provided in accordance with the details, time scales and performance indicators set out in the ICT Shared Services Catalogue.

### **4 OFFICE ACCOMMODATION FOR SHARED SERVICES**

- 4.1 CPFA and BFRA shall provide suitable working accommodation for each of the Relevant Staff employed by them in the structure set out in Schedule 2
- 4.2 It is intended that Relevant Staff will remain in their existing locations, where feasible, but re-location may take place where, in the opinion of the ICT Shared Services Governing Board, this will enhance the efficiency of the Shared Services. Any relocation of staff shall be undertaken in accordance with the employing Party's procedures in that regard.

### **5 ASSETS**

- 5.1 Within six months from the Commencement date the Parties will draw up an inventory of the Assets they respectively own (the "Asset Register"). The Asset Register will be kept and regularly updated by the ICT Services Delivery Manager (whose post is shown on the structure at Schedule 2).

## 6 COSTS AND LIABILITIES IN RESPECT OF THE SHARED SERVICES

6.1 All costs, claims, expenses, actions, demands, losses and liabilities incurred in the provision of the Shared Services shall be shared by the Parties on the terms set out in the financial arrangements attached at Schedule 3.

6.2 Each Party shall indemnify the other Party against and/or contribute to and pay a share of all or any liabilities claims costs and/or expenses of or incurred by that Party arising out of or in connection with or in the course of or as a result of it being a Party to and fulfilling its obligations under this Agreement, including liabilities arising in relation to staff whether directly employed or seconded as a result of this Agreement, with the intent that the Party being indemnified and the other Party shall be jointly liable for all such liability to claims costs and/or expenses in accordance with the financial arrangements set out in Schedule 3 or as otherwise agreed.

**PROVIDED THAT** such indemnity on the part of the Parties shall not extend to liabilities or claims arising or costs and/or expenses incurred by reason of or in consequence of any of the following on the part of the Party seeking to be indemnified that is to say breach by the Party of its obligations under this Agreement; gross negligence; persistent breach of law or duty (that is to say persisted in after the same shall have been brought to the attention of the relevant Party); any act or omission known or that should have been known to the relevant Party to be contrary to proper local government practice or local government law or substantial or persistent failure (after reasonable notice) to redress performance of the duties of the relevant Party which shall not comply with the requirements or the standards of or set by this Agreement.

6.3 For the avoidance of doubt, such indemnity shall include matters relating to the employment of staff, losses, costs, expenses or liabilities arising from contracts with third parties and in relation to assets, by way of illustration.

6.4 This clause 6 shall survive the expiry or determination of this Agreement.

## 7 INSURANCE

7.1 Each Party shall ensure that:

7.1.1 it maintains throughout the duration of this Agreement (or procures the taking out and maintenance of) adequate insurance to the levels set out in clause 7.2 and any other such insurances which may be required by law;

- 7.1.2 the insurance obtained is effective no later than the date on which the relevant risk commences;
- 7.1.3 it is responsible for meeting and promptly pays all costs of all insurance premia for the insurances mentioned in clause 7.2; and
- 7.1.4 upon written request it provides to the other Party making the request:
  - 7.1.4.1 copies of all insurance policies required under this clause;
  - 7.1.4.2 evidence that all of the premia payable under such insurance policies have been paid in full; and
  - 7.1.4.3 evidence that the insurances remain in full force and effect.
- 7.2 Each Party shall ensure that at all times an adequate level of insurance is maintained by it in respect of the provision of the Shared Services and in particular that public liability insurance of no less than £25,000,000 (twenty five million pounds) is taken out and maintained from the Commencement date and throughout the duration of this Agreement.
- 7.3 Where either Party allows its premises and vehicles to be used to allow Relevant Staff to work on matters relating to this Agreement that Party shall ensure that adequate insurance cover is effected and maintained to cover employee liability (including vicarious liability for Relevant Staff employed by the other Party), public liability and any other insurance requirements which may accord with good practice.

## **8 STAFFING**

- 8.1 As from the commencement date the Relevant Staff shall be deployed in accordance with the organisational structure shown in Schedule 2 to this Agreement. The Parties shall agree which of the Relevant Staff they will each employ on their own terms and conditions of service.
- 8.2 When a vacancy arises in a Relevant Post the Parties shall agree which of them will fill the Relevant Post and the recruitment process that will be adopted. Any newly appointed Relevant Staff member shall be employed by the Party which employed the former Relevant Staff member, unless otherwise agreed between the Parties.
- 8.3 Each Party shall ensure that all Relevant Staff are provided with appropriate authorisation to perform the Shared Services.

8.4 The Parties each hereby agree to place their Relevant Staff at the disposal of the other for the purpose of the efficient and effective provision of the Shared Services to the Parties.

## **9 FINANCE**

9.1 The financial arrangements between the Parties are set out in Schedule 3 attached to this Agreement.

9.2 Subject to the provisions of Schedule 3, It is expected that each Party will manage its own respective ICT budget .

## **10 ICT SHARED SERVICES GOVERNANCE BOARD**

10.1 The Parties shall establish an ICT Shared Services Governance Board in accordance with the provisions of Schedule 4.

10.2 The ICT Shared Services Governance Board shall be made up of the representatives appointed by both Parties in accordance with Schedule 4 and it shall be entitled to establish its own procedures.

10.3 The Parties shall cooperate and provide such information, reports and data as reasonably required by the ICT Shared Services Governance Board to allow it to perform its roles.

## **11 INTELLECTUAL PROPERTY RIGHTS**

11.1 Ownership of all Background IPR shall remain with the respective owner but each Party hereby grants the other Party a perpetual, irrevocable, royalty free licence to use such of its Background IPR as necessary to fulfil its obligations under this Agreement.

11.2 Foreground IPR created by or on behalf of the Parties during the provision of the Shared Services shall vest jointly in the Parties.

## **12 CONFIDENTIALITY**

12.1 Both Parties and their employees and agents shall at all times keep confidential and secret and will not disclose to any other person, other than a person so authorised by the other Party, any Confidential Information.

12.2 The provisions of this Clause 12 shall not apply to any Confidential Information which:



- 12.2.1 is in the public domain other than by breach of this Agreement or other act or omission of the Recipient;  
or
- 12.2.2 is obtained by a third party who is lawfully authorised to disclose such information; or
- 12.2.3 is required to be disclosed to the professional advisers, including auditors, lawyers, independent consultants, advisers, insurers and bankers of each Party provided that the Receiving Party ensures that the person receiving the Confidential Information is made aware and agrees to be bound by the terms of this clause 12.

12.3 Nothing in this Clause 12 shall prevent the Recipient from disclosing Confidential Information where it is required to do so by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceedings or claim or otherwise required by Law.

### **13 FREEDOM OF INFORMATION**

- 13.1 The Parties recognise that information relating to this Agreement may be the subject of an Information Request.
- 13.2 The Parties shall assist each other in complying with their obligations under FOIA Legislation in gathering information to respond to an Information Request.
- 13.3 The Parties shall be entitled to disclose any information relating to this Agreement and the Shared Services in response to an Information request, except where any Information request is in whole or in part a request for Exempt Information .
- 13.4 The Party which receives the Information request shall circulate it to, and discuss it with, the other Party.
- 13.5 The Party which receives the Information request shall consider any representations raised by the other Party when deciding whether to disclose Exempt Information, and it shall not disclose any Exempt Information beyond the disclosure required by FOIA Legislation without the consent of the Party to which it relates.

### **14 DATAPROTECTION**

- 14.1 The Parties shall at all times comply with the DPA and shall give reasonable assistance to each other where

appropriate or necessary to comply with their obligations under the DPA.

- 14.2 The Parties shall only undertake processing of personal data reasonably required in connection with the operation of this Agreement and in accordance with this clause and any relevant legal requirements.
- 14.3 The Parties shall not disclose personal data to any third parties other than:
- 14.3.1 in response to a data subject access request;
  - 14.3.2 to employees and contractors to whom such disclosure is necessary in order to comply with their obligations under this Agreement. or
  - 14.3.3 to the extent required to comply with a legal obligation.

## **15 THIRD PARTY RIGHTS**

The Parties do not intend that any third party which may benefit from this Agreement shall have any rights of enforcement under the terms of the Contracts (Rights of Third Parties) Act 1999.

## **16 TERMINATION OF THIS AGREEMENT**

- 16.1 The Parties agree that this Agreement may be terminated by either party giving to the other Party written notice of termination in accordance with the provisions of Clause 2.1.1.
- 16.2 In the event of termination of this Agreement:
- 16.2.1 either Party shall supply to the other Party, when requested, any information which the other Party requires for the continuing provision by that other party of any of the Shared Services; and
  - 16.2.2 each of the Parties shall undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Party pursuant to this Agreement on the basis set out in Clause 9 and Schedule 3; and
  - 16.2.3 all Assets used for the purposes of the provision of the Shared Services shall remain in the ownership of the Party shown to own such Assets in the Asset Register; and

16.2.4 the Parties will agree the basis on which any Assets, which are jointly owned by the Parties, shall be disposed of.

16.3 It shall be the duty of each Party to try to minimise any losses arising from the termination of this Agreement.

## **17 DISPUTE RESOLUTION PROCEDURE**

17.1 The parties shall attempt, in good faith, to resolve any dispute promptly by negotiation.

17.2 The dispute shall be referred to the ICT Shared Services Governance Board.

17.3 If the ICT Shared Governance Board fails to resolve the dispute within 14 days from the date of the referral, either Party may refer the dispute to the Chief Fire Officers employed by the Parties.

17.4 If the Chief Fire Officers fail to resolve the dispute within 14 days of the referral, the Parties shall refer the dispute for Expert Determination.

17.5 An Expert is a person appointed in accordance with this Clause to resolve a dispute under this Agreement

17.6 The parties shall agree on the appointment of an independent Expert and shall agree with the Expert the terms of his/her appointment.

17.7 The Expert is required to prepare a written decision and give notice (including a copy) of the decision to both Parties within a maximum of two months of the matter being referred to the Expert.

17.8 The parties are entitled to make representations to the Expert and will provide the expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.

17.9 Each Party shall supply each other with all information and give the other access to all documentation and personnel as the other Party reasonably requires to make a submission under this Clause.

17.10 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the dispute which may include any issue involving the interpretation of any provision of this Agreement. The Expert's written decision on the matters referred to him/her shall be final and binding on the Parties in the absence of manifest error or fraud.

17.11 Each Party will bear its own costs in relation to the reference to the Expert. The Expert's fees and any costs incurred by him/her in arriving at a determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the Parties equally or in such proportions as the Expert shall direct.

17.12 Nothing in this Clause shall prevent either Party from instigating legal proceedings.

## **18 SEVERANCE**

18.1 If at any time any provision of this Agreement or part of any provision is found by any court or other authority of competent jurisdiction to be or becomes illegal, invalid or unenforceable for any reason, such provision or part provision, to the extent required, shall be deemed to be omitted from this Agreement and shall not affect the legality, validity or enforceability of the remaining provisions in this Agreement.

18.2 If a provision of this Agreement or part of any provision is found illegal, invalid or unenforceable, the Parties shall negotiate in good faith to amend such provision or part provision such that, as amended, the provision or part provision is legal, valid and enforceable, and, to the greatest extent possible, achieves the Parties' original intentions on entering into this Agreement.

## **19 NOTICES**

19.1 Any notice or other communication which is to be given by either Party to the other shall be given by letter (delivered by hand or sent by first class post, registered post or by the recorded delivery service), by electronic mail or by facsimile transmission. Provided the relevant communication is not returned as undelivered, the notice or communication shall be deemed to have been given 2 (two) working days after the day on which the letter was posted, or 4 (four) hours in the case of electronic mail or facsimile transmission, or sooner where the other Party acknowledges receipt of such letters, facsimile transmission or item of electronic mail.

19.2 For the purposes of Clause 19.1 the address of each Party shall be:

For BFRA: Head of Strategic Support, Bedfordshire Fire and Rescue Service, Southfields Road, Kempston, Bedford, MK42 7NR.

For CPFA: Head of ICT, Hinchingsbrooke Cottage, Brampton Road, Huntingdon, PE29 2NA.

19.3 Either Party may change its address for service by serving a notice on the other Party in accordance with this clause.

**20 ENTIRE AGREEMENT**

This Agreement and all documents referred to in this Agreement set forth the entire agreement between the Parties with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the Parties. Each Party acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either Party would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

**21 GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the laws of England and Wales and subject to Clause 17 (Dispute Resolution Procedure) the Parties submit to the exclusive jurisdiction of the courts of England and Wales.

**IN WITNESS WHEREOF** the Parties have caused their respective Common Seals to be hereunto affixed to this deed the day and year first before written

The Common Seal of )  
Bedfordshire Fire and Rescue )  
Authority )  
was hereunto affixed )  
in the presence of )

Secretary

The Common Seal of )

Cambridgeshire and Peterborough )

Fire Authority )

was hereunto affixed )

in the presence of )

Monitoring Officer

**REPORT AUTHOR: HEAD OF ICT & IMPROVEMENT**

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

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

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

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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.*

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## **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.

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### **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

<b>BFRS</b>				
<b>Question</b>	<b>2010</b>	<b>2014</b>	<b>2015</b>	<b>2017</b>
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  
29 November 2017  
Item No. 11

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**REPORT AUTHOR:** HEAD OF ORGANISATIONAL ASSURANCE

**SUBJECT:** Corporate Services Risk Register

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

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Background Papers: None

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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.*

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**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.

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### 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:** A Service focus group was held with Zengenti on the 8th November 2017. This will provide the basis of the design templates for Zengenti to build the initial platform for the website. Representatives from all areas of the Service have been included to ensure suitability and usability of the proposed platform.

- **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:** The Services testing and tracking system continues to be robust and is audited internally by TSM. Further research on cloud based asset tracking systems has been agreed by CMT and will be completed summer 2018.
- **CRR00004: If there are a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected.** Seasonal influenza is an acute viral infection that spreads easily from person to person; the viruses circulate worldwide and can affect people in any age group. The World Health Organisation (WHO) monitors the effects of seasonal and avian viruses to prevent pandemics. WHO recommends the most effective way to prevent the disease is by vaccination. The Service has offered vaccinations to its staff.

**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
<b>Very High</b>	<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"> <li>? reduce the likelihood of a disruption</li> <li>? shorten the period of a disruption if it occurs</li> <li>? limit the impact of a disruption if it occurs</li> </ul> <p>These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT.</p>
<b>High</b>	<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>
<b>Moderate</b>	<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>
<b>Low</b>	<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  
29 November 2017  
Item No. 12

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**REPORT AUTHOR:** CHIEF FIRE OFFICER

**SUBJECT:** REVIEW OF WORK PROGRAMME 2017/18

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

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Background Papers: None

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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.*

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**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
29 November 2017	<ul style="list-style-type: none"> <li>• Minutes of Shared Service IT Governing Body (<i>under Communications</i>)</li> <li>• Revenue Budget and Capital Programme Monitoring 2017/18</li> <li>• New Internal Audit Reports Completed to date</li> <li>• Audit and Governance Action Plan Monitoring Report</li> <li>• Corporate Services Performance 2017/18 Quarter 2 and Programmes to date</li> <li>• Treasury Management Mid Year Review Report</li> <li>• Review of Corporate Services Policy and Challenge Group Effectiveness</li> <li>• Corporate Risk Register</li> <li>• Work Programme 2017/18</li> </ul>			

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

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

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
TBC September 2018	<ul style="list-style-type: none"> <li>• Minutes of Shared Service IT Governing Body (<i>under Communications</i>)</li> <li>• Revenue Budget and Capital Programme Monitoring 2018/19</li> <li>• 2019/20 Revenue Budget and Capital Programme (Planning Arrangements)</li> <li>• New Internal Audit Reports Completed to date</li> <li>• Audit and Governance Action Plan Monitoring Report</li> <li>• Corporate Services Performance 2018/19 Quarter 1 and Programmes to date</li> <li>• Annual Review of the Operation of ICT Shared Service Agreement'</li> <li>• Asset Management Plans - Property</li> <li>• Corporate Risk Register</li> <li>• Work Programme 2018/19</li> </ul>			